



Public Health Association
AUSTRALIA

Public Health: Prevention is the Priority

**Pre-Budget Submission
for the 2025-26 Budget**

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The **Public Health Association of Australia** (PHAA) is recognised as the principal non-government organisation for public health in Australia. It is the pre-eminent voice for the public's health in Australia, working to promote the health and well-being of all Australians.

The PHAA works to ensure that the public's health is improved through sustained and determined efforts of our Board, National Office, State and Territory Branches, Special Interest Groups and members.

We believe that health is a human right, a vital resource for everyday life, and a key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions that underpin people's health. The health status of all people is impacted by the social, cultural, political, environmental and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease. These determinants underpin the strategic direction of the Association.

Our mission as the leading national organisation for public health representation, policy and advocacy, is to promote better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health. Members of the Association are committed to better health outcomes based on these principles.

Our vision is for a healthy population, a healthy nation and a healthy world, with all people living in an equitable society underpinned by a well-functioning ecosystem and a healthy environment, improving and promoting health and wellbeing for all.

The reduction of social and health inequities should be an over-arching goal of national policy, and should be recognised as a key measure of our progress as a society. Public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.

Overview

In this submission we highlight key priorities for the upcoming Commonwealth Budget. The Budget development process should:

- apply to all government decisions the principle that good public health policy is good economic policy, especially in regard to policies that prevent diseases and other threats to health.
- deliver on key government election commitments, including:
 - the creation of the Australian Centre for Disease Control (CDC), legislated by the end of 2025, and with missions related to chronic disease prevention and workforce expansion.
 - implementation of the *National Preventive Health Strategy 2021-30* (NPHS).

The widespread failure in recent years of the Commonwealth and the state and territory governments to choose preventive health investment options (and revenue options) continues to disappoint us. It is economic, social, and fiscal folly to allow the prevalence of chronic and non-communicable disease, with associated direct and indirect economic costs, to continue at present and forecast rates, when an estimated one-third of it can be prevented.

The promised creation of the CDC has given many in the public health sector hope that the Government will deliver integrated national management of communicable disease issues, together with work on the prevention of chronic and non-communicable disease (NCD) conditions in our population. We welcome the announcement in October 2024 that the CDC will go ahead. However, we are concerned that the CDC is being only *partially* implemented, with the chronic disease prevention mission failing to be delivered as promised in the Government's election commitment. We understand the reasons why the initial focus will be on communicable disease issues, but we urge an acceleration of the government's less developed announced intentions regarding non-communicable diseases.

More positively, we wish to recognise and warmly welcome the measures adopted by the Government in the past year to address Australia's greatest cause of preventable disease and death, tobacco, together with the associated measures to address the epidemic of e-cigarettes.

We have previously been encouraged by the directions advanced by Treasurer Jim Chalmers regarding how the Government will make budgetary decisions in the future. However, it is not clear whether these principles are having actual impact on budget decision-making. We urge the Government to deliver on the commitment to frame Commonwealth Budget planning around the idea of 'wellbeing', and make financial policy choices that help create a 'wellbeing economy'. We also urge that a formal internal mechanism for selecting best-value preventive health initiatives be adopted by the Department of Health and Aged Care, and the financial departments, to assist in all future budget proposal considerations.

This Budget Submission document presents our key arguments, covering a variety of issues, in a readable length for decision-makers. To limit the length of our main submission, our practice is to refer in this document to associated papers giving more detail on the key topics. These papers are available online at the links included below.

PHAA will remain an active supporter of efforts by all governments to adopt good policies to promote the health of all Australians. We will continue to engage closely with the Commonwealth Department of Health and Age Care, and all relevant agencies, in a constructive manner. If we can further assist the Treasury in any way, please do not hesitate to contact us.

The socio-economic case for prevention

When Governments decide on economic and investment policies – including health policies – they set a national strategic direction.

There is a very strong economic case for prevention in health. Abundant evidence demonstrates that preventing and reducing the burden of diseases results in a much higher economic outcome than *failing to do so* and instead incurring long-term economic and budgetary costs in health system treatment and care.¹

The vitality of our economy is powerfully driven by the extent to which we sustain our community in robust population health. Disease burdens also tend to cause – and reinforce – very significant social inequalities.

From a long-term perspective, the Treasury's *Intergenerational Report* projections, most recently updated in 2023, foresee that:

“Australian Government health spending is projected to grow from 4.2 per cent of GDP in 2022–23 to 6.2 per cent of GDP in 2062–63. A growing and older population, alongside other cost drivers such as increased demand for health services and the funding of new health technologies, are the main drivers of spending growth over this period.” (p.148).²

Population health in all its manifestations – but primarily in respect of the major upward drivers of the prevalence of chronic disease and their impacts on economic productivity – should therefore be a major strategic theme in *all* Commonwealth Budgets. It is clearly in the economic interests of Australia to improve the health of our population. Better population health through prevention has been estimated by the Productivity Commission to increase GDP by at least \$4 billion per year.³

More information on our positions on socio-economic policy is set out in our online paper [Budget Priorities for Public Health 2025-26: The socio-economic significance of population health](#).

We also note the vital significance of environmental policy choices for social and economic outcomes. The 2015 Paris Agreement seeks to limit global warming to well below 2°C, and ideally to 1.5°C (IPCC, 2021). The importance of this target has progressively become more prominent in the lives of Australians. From the world's largest, most catastrophic epidemic thunderstorm asthma event in 2016, to the 2019-2020 bushfires, and 2022 and 2024 floods, to living through the hottest years in the historical record since the signing of the Paris Agreement, the human, economic, environmental and health costs are mounting. The need for action can no longer be ignored.^{4, 5}

PHAA has welcomed Australia's first *National Health and Climate Strategy*, launched by the Government in December 2023.⁶ The Strategy is a strong start, but it must be delivered through a comprehensive implementation plan, adequate funding allocation, and a robust National Climate Risk Assessment and National Adaption Plan, incorporating the principle of 'health in all policies'.

Australia has not been doing enough to mitigate climate change, nor to adapt to the threats already being felt by many communities around the country. We are running out of time to turn the tide.

More information is set out in our paper [Budget Priorities for Public Health 2025-26: Climate and Health](#).

Commonwealth Budget development mechanisms

The 'Wellbeing Budget' philosophical directions advanced by Treasurer Jim Chalmers regarding how the Government will make future budgetary decisions are very welcome.

In delivering the Treasurer's wellbeing approach, the Government has options ranging from basic to better to best. A very *basic* version of such an approach would involve mere documentary packaging and presentation of budget decisions under headings that have some relation to wellbeing improvement. A *better* version would be to set serious strategic goals, with measurable indicators and targets, regarding wellbeing for all Australians.

However, the *best* use of wellbeing thinking is to understand society-wide wellbeing as a fundamental goal of the economy itself, and the end point of all the levers that governments pull to influence the vitality of the economy. A wellbeing economy "*reorients and reorganises traditional economic and business practices to support a prosperous economy [and] to account for things that really matter: our physical and mental health, the resilience of our environment, the cohesiveness of our communities, and how fairly economic wealth is distributed in our society.*"⁷

This higher vision of wellbeing economics is what the Albanese Government should aim for. The Government should signal with great clarity that the 'wellbeing' approach is not merely a packaging exercise, but will be a robust framing mechanism for determining government priorities. PHAA will vigorously support the Government in such an approach.

However, a key and ever-present obstruction facing governments is the timing issue that long-term budget and economic impacts occurring in the future seem to be of less concern than expenditure sought in the immediate Budget years.

We urge the Government to rise above that hurdle, move away from an approach based on short-term expenditure constraint, and adopt a long-term-return-on-investment approach to budget choices in the preventive health field.

To this end, we propose the creation of an investment prioritisation mechanism similar to the advisory panel models that support the Medical Benefits Schedule and the Pharmaceutical Benefits Scheme, which are pillars of the Australian health system. We propose a similar process be adopted to continuously advise government on preventive health priorities. We therefore urge the Government to establish a formal internal mechanism for selecting best-value preventive health initiatives for sponsorship by the Department of Health and Aged Care and the financial departments in future budget processes.

A related mechanism to advance this policy direction is to use a 'future fund' approach. A 'Preventive Health Future Fund' would store and release funding for preventive health programs, campaigns, early detection, and other practical investments. Such a fund would resemble the system by which funding for health and medical research is already provided for by the Government through the Medical Research Future Fund (MRFF). A fund model could work to support the goal of 5% of national health spending being directed to prevention.

Adopting new approaches to financial planning that value long-term investment in population health and the reduction of disease burdens would help to make the case for early preventive investment to the Australian people.

More information is set out in our online paper [Budget Priorities for Public Health 2025-26: Commonwealth Budget framing to pursue public health strategies](#).

Election commitments

The key 2022 federal election commitment to the establishment of an Australian Centre for Disease Control was expressed as follows:

“An Albanese Labor Government would support the implementation of the National Preventative Health Strategy.” – Labor campaign statement, April 2022.

“The CDC will:

- *Ensure ongoing pandemic preparedness;*
- *Lead the federal response to future infectious disease outbreaks; and*
- *Work to prevent non-communicable (chronic) as well as communicable (infectious) diseases.”*
– ALP Policy Platform 2021

More information on progress with the CDC is set out in our online paper [Budget Priorities for Public Health 2025-26: The Government’s commitment to create an Australian Centre for Disease Control](#).

Regarding the *National Preventive Health Strategy*, the failure in recent years of the Commonwealth as well as state and territory governments to take up preventive health investment options (and revenue options) continues to disappoint us. The delivery of a 10-year (2021-30) investment strategy cannot seriously be left to start in years 5 or later of the Strategy’s decade. Serious investment in programs to address chronic disease drivers should be launched as soon as possible if the Government is to meet its commitment. The Government should implement the actions set out in the Strategy, and set a specific timeframe by which it aims to reach the target to allocate at least 5% of health expenditure to prevention, and establish a funding mechanism that guarantees a flow of health funding to preventive measures. We welcome the release in 2024 of the AIHW’s NPHS Dashboard as a mechanism to assess government progress in delivering on the Strategy.

We welcome the very substantial investments in preventive programs relating to tobacco and vaping control that have been delivered in 2024. On the many other areas of prevention need set out in the strategy, we propose to the Government in this submission examples of affordable, effective programs to start delivering the NPHS.

More information is set out in our online papers [Budget Priorities for Public Health 2025-26: Implementing existing national strategy for preventive health investment](#) and [Budget Priorities for Public Health 2025-26: Commonwealth Budget investment proposals](#).

The Australian public health workforce

Australia’s existing public health workforce is highly educated, committed and effective in the tasks it is set. Current established training pathways include undergraduate and postgraduate degrees in public health, health promotion, and environmental health, as well as epidemiology and biostatistics qualifications. Furthermore, the Australasian Faculty of Public Health Medicine provides accredited training for public health physicians. There are also state-based training programs, such as the well-established NSW Public Health Officer Training Program (PHOTP), that provide multidisciplinary workplace-based training.

However, for many years our workforce has simply been insufficient in size to address all the population health challenges facing the nation. The COVID-19 pandemic exposed this situation, not only in terms of

communicable disease response capability, but in the inevitable diversion of public health-trained officials away from other population health concerns.

Driven by the pandemic, during 2022 the World Health Organization (WHO) launched a roadmap for strengthening the public health and emergency workforce, designed to guide a “coherent approach to the development and management of this critically needed category of workers” across all nations. The Government has recognised these goals, but has yet to implement them.

More information is set out in our online paper [Budget Priorities for Public Health 2025-26: Development of the Australian public health workforce](#).

Revenue opportunities

Public health policy proposals do not only present the Government with calls for additional government expenditure. In fact there are substantial public health outcomes to be achieved through revenue policies. This has been the case for many decades, with levies on tobacco, alcohol and other products used to drive vital public health outcomes.

PHAA has set out proposals which – while having disease reduction goals as their primary purpose – have been costed to have the potential to raise around \$4 billion per annum for the Commonwealth. A specific opportunity exists in the form of the introduction of a sugar-sweetened beverage health levy. Such a levy could generate a health benefit by disincentivising consumption of a product with no nutritional value that only contributes to overweight, obesity and oral health problems.⁸ Levies of this type have been introduced successfully in over 50 countries.

These measures would have a further beneficial impact on Commonwealth finances in the long term, to the extent that they would drive down the prevalence of major chronic and non-communicable diseases, and thereby drive down public expenditure across all governments on treatment costs in the health system.

PHAA is also on record (November 2024) calling for a tax on the revenue of gambling industries – many of which are international businesses – equal to 1% of revenue from gambling losses, the proceeds of which would be directed (initially) to assistance for Australian media and sporting sectors to transition to a regime of national prohibition of all gambling advertising in Australia. The policy’s primary goal would be to reduce harm from the uptake and prevalence of gambling in the community. After a transition period such a tax measure would also add to general revenue for the Commonwealth. Given that no policy decisions or analysis of both revenue and related expenditure aspects of such a package have been done, we do not incorporate specific dollar figures in this Budget submission.

More information on the revenue proposals we make is set out in our online paper [Budget Priorities for Public Health 2025-26: Commonwealth Budget revenue opportunities](#).

Investment priorities

The National Preventive Health Strategy recognises the need for program expenditure across a range of categories. The NPHS is meant to be supported by a detailed implementation plan of measures, but such a plan has yet to be published.

Since the NPHS was released in late 2021, PHAA has been proposing program investments covering tobacco, obesity, alcohol, oral health, and other subjects. More information on our priority proposals is set out in our online paper [Budget Priorities for Public Health 2025-26: Commonwealth Budget investment proposals](#). The costed scale of our expenditure proposals amounts to around \$0.5 billion per annum – around one-tenth of the revenue raised by the proposals mentioned just above.

We recognise and warmly welcome the Government's initiatives relating to tobacco and other nicotine products delivered through 2023 and 2024. We recognise that budget expenditure has been provided to deliver these reforms. We also acknowledge that funding for existing programs The Quit Centre and the Tackling Indigenous Smoking Program were extended during the past year. There remains a substantial need to invest in programs and campaigns targeted at tobacco users to keep prevalence rates trending downward to meet national targets.

Outside of tobacco policy initiatives, commitment to other public health preventive investments has been virtually silent. This inaction is also apparent in the state and territory governments. This represents a national failure to deliver on the national NPHS policy commitments. More importantly, it is a financially counter-productive approach to managing the long-term government budgetary impacts of the rate of prevalence of high-cost diseases in Australia.

Summary of Recommendations

General economic and social policy

1. Government economic policies should be based on a fundamental premise that a healthy population is essential for a healthy and vital economy and for the ongoing management of all preventable diseases, injuries and other impacts on health.
2. Government economic policies should recognise the need to reduce inequality and inequity, taking into account the social, cultural, environmental and commercial determinants of health.
3. In line with the Treasurer's commitment to a 'wellbeing' Budget focus and budget-development practices, the Government should select new Budget initiatives in terms of their capacity to achieve key indicators of community wellbeing.
4. For future budget development, relevant agencies should develop an evidence-based mechanism for selecting preventive health investment priorities, and a pipeline mechanism by which proven effective strategies are approved and resourced.
5. The Government should establish a 'Preventive Health Future Fund'.

Government election commitments

6. The Budget should fund the establishment of the Australian Centre for Disease Control including:
 - o a resource commitment of at least \$300 million per annum from the first full financial year
 - o a mission to target chronic and non-communicable disease prevention
 - o a mission to expand Australia's public health workforce.

Prevention

7. The Budget should fund and implement the *National Preventive Health Strategy 2021-30*, including by leading all governments towards a minimum of 5% of Commonwealth, state and territory health expenditure being directed to preventive health investments by 2030.
8. The Government should commit to a suite of evidence-based policy and investment measures that will achieve real progress in reducing obesity levels in Australia, including the 13 measures set out in our [submission](#) to the 2023–24 House of Representatives inquiry into Diabetes.

Social equity

9. The Budget should promote social and health equity by strengthening Australia's social security system, through increasing income support payment levels, improving access for people requiring support, and removing unproductive compliance policies.
10. The Budget should invest ongoing increases to the Aboriginal Community-Controlled Health Organisations (ACCHOs), towards better Aboriginal and Torres Strait Islander health, and towards achieving the agreed Closing the Gap targets. The very successful Tackling Indigenous Smoking Program should be maintained into future years. The Government should pursue the wider goal of adequately addressing ongoing systemic disadvantage through investment in appropriate housing, education and employment programs.

11. The Government should implement the 31 recommendations of the 2023 *You Win Some, You Lose More* parliamentary report into gambling reform. In addition, the Government should legislate for a national Gambling Profits Tax.
12. The Government should adopt a staged 10-year plan to provide dental and oral health care (both preventive and treatment) to all Australians through Medicare.

Climate and health policy

13. The Budget should make major investments to decarbonise the Australian economy, through emissions reduction strategies, including a transition to reduced fossil fuel use across transport, industry and energy sectors, with a particular focus on ending fossil fuel subsidies and tax breaks, and by growing the renewable energy sector.
14. The Government should adequately fund its *National Health and Climate Strategy* (2023).

Development of the Australian public health workforce

15. The Budget should address the need for an expanded public health workforce for Australia, taking into account education, training, permanent resourcing and retention issues, by:
 - a. establishing a national Public Health Officer Training program
 - b. implementing the WHO Taskforce [roadmap](#) for building the Australian public health and emergency workforce.

Revenue and investment measures

16. The Budget should adopt revenue policies relating to alcohol, tobacco, and sugar-sweetened beverages, achieving public health goals while simultaneously generating revenue to offset resourcing for other public health investments.
17. The Government should create a 1% national Gambling Revenue Levy.
18. The Budget should include specific investments in a range of measures to address key preventable chronic diseases, as outlined in the *National Preventive Health Strategy*.

Summary of budget impacts

As set out in our online papers [Budget Priorities for Public Health 2025-26: Commonwealth Budget revenue opportunities](#) and [Budget Priorities for Public Health 2025-26: Commonwealth Budget investment proposals](#), PHAA proposes revenue measures with an estimated positive net fiscal impact over 4 years of \$16.1 billion in additional revenue, offset by investment measures requiring \$1.8 billion in new expenditure. Together, our proposals have an estimated net positive impact of \$14.3 billion to the Budget.

Summary of revenue measures

Revenue (\$m)	Year 1	Year 2	Year 3	Year 4	total
Equalisation of duties on 'roll your own' tobacco products	178.0	270.0	361.0	361.0	1,171.0
Volumetric equalisation of alcohol excises	2,900.0	2,987.0	3,076.0	3,168.0	12,133.0
Sugar-sweetened beverages excise	738.0	723.0	696.0	677.0	2,835.0
Gambling Revenue Levy	<i>(Costings for this measure are outside the scope of this submission.)</i>				
TOTAL	3,816.0	3,980.0	4,133.0	4,206.0	16,139.0

Summary of investment measures

Expense (\$m)	Year 1	Year 2	Year 3	Year 4	total
Establish a National Centre for Disease Control and Prevention	150.0	300.0	310.0	320.0	1,080.0
Public Health Officer Training program for Australia	50.0	52.0	54.0	57.0	213.0
National Tobacco Campaign	46.0	46.0	46.0	46.0	184.0
National Smoking Cessation Strategy	10.0	10.0	10.0	10.0	40.0
Targeted smoking reduction programs for groups experiencing the highest levels of disadvantage	25.0	15.0	15.0	15.0	60.0
Live Lighter national campaign	20.0	40.0	40.0	40.0	140.0
Reducing Alcohol Related Harm Program	15.0	30.0	30.0	30.0	105.0
Inclusion of dental care in Medicare	<i>(Costings of investment and potential health systems savings for this measure are outside the scope of this submission.)</i>				
TOTAL	316.0	493.0	505.0	518.0	1,822.0

Improved bottom line

	Year 1	Year 2	Year 3	Year 4	total
Revenue measures	3,816.0	3,980.0	4,133.0	4,206.0	16,139.0
Investment measures	316.0	493.0	505.0	518.0	1,822.0
TOTAL	3,500.00	3,487.00	3,628.00	3,688.00	14,317.00

Conclusion

This submission has highlighted key priorities for the coming Budget:

- To apply across all government decisions the principle that **good public health policy is good economic policy**, especially in regard to policies that prevent diseases and other threats to health.
- To deliver on key government election commitments, including:
 - the creation of the Australian Centre for Disease Control
 - implementation of the National Preventive Health Strategy 2021-30.

Our recommendations, if adopted, would make Australia a world leader in health policy.

PHAA has a strong record of positive engagement with government agencies and ministers in helping deliver government public health commitments, and we and the many expert members of our Association will continue to assist. We will continue to engage closely with the Commonwealth Department of Health and Age Care, and all relevant agencies, in a constructive manner. If we can further assist the Treasury in any way, please do not hesitate to contact us.

We thank you for your consideration of this submission.



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