Public Health Association of Australia
2018-19 pre-budget submission

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Introduction

The Public Health Association of Australia

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public’s health in Australia. The PHAA works to ensure that the public’s health is improved through sustained and determined efforts of the Board, the National Office, the State and Territory Branches, the Special Interest Groups and members.

The efforts of the PHAA are enhanced by our vision for a healthy Australia and by engaging with like-minded stakeholders in order to build coalitions of interest that influence public opinion, the media, political parties and governments.

Health is a human right, a vital resource for everyday life, and 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.

All members of the Association are committed to better health outcomes based on these principles.

Vision for a healthy population

A healthy region, a healthy nation, healthy people: living in an equitable society underpinned by a well-functioning ecosystem and a healthy environment, improving and promoting health for all.

Mission for the Public Health Association of Australia

As the leading national peak body for public health representation and advocacy, to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health.

Preamble

PHAA welcomes the opportunity to provide input to the 2018-19 budget. The reduction of social and health inequities should be an over-arching goal of national policy and recognised as a key measure of our progress as a society. The Australian Government, in collaboration with the States/Territories, should outline a comprehensive national cross-government framework on promoting a healthy ecosystem and reducing social and health inequities. All public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.
PHAA 2018-19 Budget Priorities

Investment in preventive health measures to save money in the longer term

National Preventive Health Commission

The increasing cost of the health budget is a significant issue of concern for Australia. With an ageing population, the costs are certain to continue rising, putting affordable healthcare for all Australians in jeopardy. Measures to prevent ill-health are cost-effective,¹ and yet the proportion of health expenditure on public health in Australia has been in decline since at least 2001-02:

While Australia’s investment in public health remains well below 2% of the health budget, an examination internationally shows that countries with a similar demographic are spending a great deal more. In Europe, the average is 3%, Canada spends over 6% of current health expenditure on prevention, with the United Kingdom and the United States at over 3%.¹ ²

The World Health Organization conducted a review of evidence regarding preventive health measures and concluded:

“The evidence shows that a wide range of preventive approaches are cost-effective, including interventions that address the environmental and social determinants of health, build resilience and promote healthy behaviours, as well as vaccination and screening...prevention is cost-effective in both the short and longer term. In addition, investing in public health generates cost-effective health outcomes and can contribute to wider sustainability, with economic, social and environmental benefits”¹, p2
The report lists examples of prevention which can give returns on investment within 1-2 years: mental health promotion, violence prevention, healthy employment, road traffic injury prevention, promoting physical injury, housing insulation, some vaccinations.

PHAA notes that the recent Government response to the report from the 2014 Senate Select Committee on Health rejected the recommendation to maintain a national agency dedicated to preventive health. The response focused on the preventive health being one of the 4 pillars of the Government’s Long-Term National Health Plan, and the amount of funding going towards preventive health programs. However, as discussed above, not only does funding towards preventive health continue to be inadequate in Australia – it continues to decline. Furthermore, the advantage of having a designated national agency for preventive health is in its ability to focus on this area across portfolios. The social determinants of health, which are the elements specifically needing to be addressed in preventive health, are multi-sectoral and require a cross-portfolio response. A dedicated national agency, supported by the Department of Health, is well-placed to lead these interventions.

PHAA recommends the establishment of a National Commission on Preventive Health.

Public education and awareness campaign

The food industry spends millions of dollars every year on mass marketing campaigns, often targeting children and young people. Mass marketing campaigns promoting healthy eating are few and far between. The messages that children and young people absorb are, naturally, those of the dominant messages being disseminated. In the current marketing climate, healthy eating and healthy lifestyles do not stand a chance against the dominant messages of fast, convenient, unhealthy foods.

Information on the consequences of unhealthy consumption is critical and requires substantial funding for a campaign if the long term costs of preventive chronic disease are to be tackled. The campaign should cover both traditional mass media and social media. Sponsorship of sport should also be included to counter the current trend of partnering a healthy activity (participation in sport) with unhealthy consumption.

PHAA recommends a multi-media public education and awareness campaign around healthy eating and healthy lifestyles.

Investing in Aboriginal and Torres Strait Islander Health

Despite recent improvements in some areas, the health disparities between Aboriginal and Torres Strait Islander people and other Australians continue, with a 2.3 fold difference in the burden of disease. Much of this is preventable. Aboriginal and Torres Strait Islander people have higher rates of risk factors and preventable conditions such as tobacco smoking including during pregnancy, risky alcohol consumption, overweight and obesity, poorly managed diabetes, suicide, low birth weight, unemployment, homelessness, and exposure to violence, child abuse and neglect, and contact with the criminal justice system. There are also systemic issues with the health system which are preventable such as longer waiting lists, and problems accessing health professionals.

The PHAA supports the recommendations of Close the Gap to invest in the Implementation Plan of the National Aboriginal and Torres Strait Islander Health Plan 2013-2023, and the Aboriginal and Torres Strait Islander health workforce.
Revenue raising measures

**Abolish the Private Health Insurance Rebate**

Good quality health care should be universally available, promptly provided on the basis of need regardless of the ability to pay, with no cost barrier at the point of delivery, and funded by progressive general taxation. The increased use of private health insurance is associated with higher health care costs and greater inequity of access as those with private insurance are given greater choice of and access to a range of health services than those relying on Medicare alone.\(^5\)

Given the focus in private hospitals on elective surgery and the limited number of medical specialists, private health insurance provides an alternative to public hospital waiting lists. Access is enabled through having private insurance rather than according to patient need. Equity of access suffers. Redirecting the rebate funding towards the public system may help to reduce the public hospital waiting lists and increase equity through enabling access based on need.

The combination of the private health insurance rebate and the Medicare surcharge levy means that compared to the rest of the population, those with private health insurance in Australia are richer, better educated, more health conscious, healthier and more likely to use certain discretionary health services.\(^6,7\)

Private health insurance use is highest among those who have the least need for health care, but are given the best access to it.

Health inequities in Australia may be increasing, and private health insurance may be one of the causes.\(^8,9\)

Australia’s health system has recently been found to be one of the best in the world in terms of health outcomes, but ranked poorly on equity.\(^10\) Removing the private health insurance rebate may assist in improving this rank.

This inequitable system is not good value for money for the Government either, being an inefficient mechanism for funding health care services compared to universal public health insurance. The rebate cost over $6 billion in 2014-15\(^11\), and rises with private health insurance premium rises, which have averaged 5.6% annually over the past 8 years – well above inflation.\(^12\) Two examples of ways in which this substantial funding is being wasted are provided below.

Firstly, private health insurers are an inefficient means of providing health care to a whole community, with costs such as advertising, promotion and profits, and lacking the economies of scale available to a universal system. The additional administrative costs above that of Medicare is borne by policy holders through their premiums, averaging around 10% of premium costs or $1.6 billion per annum.\(^13\) These costs do not exist in the public health system, and are a clear example of the inefficiencies of the private health insurance system.

Secondly, the inability of private insurers to control the costs imposed by providers represents the greatest risk to the efficient use of funds. Providers have a market advantage compared to a setting where a single public insurer is the sole purchaser and price-setter. Statistics show that the greater the proportion of health care costs met by private health insurers, the greater the overall costs of health care to the economy as providers use their stronger market position to extract greater yields.\(^13\) Fragmentation and weakening of the demand side, as embodied in the dominance and proliferation of multiple private health insurance purchases competing in the health care services market has been identified as an explanation for the United States of America spending so much more per capita than other countries.\(^10,14\) This competition, in turn, puts cost pressure on the public sector as medical salaries in public hospitals attempt to compete with the private sector to retain staff.
PHAA recommends that the private health insurance premium rebate is abolished with the funds redirected towards the provision of universal public health care services.

Introduce a levy on sugar-sweetened beverages

The World Health Organization (WHO) strongly recommends adults and children restrict their daily ‘free’ sugar intake to less than 10% of their total energy intake, or 5% for additional health benefit. Just over half of all Australians (aged over 2 years) exceed this recommendation, particularly children and teenagers. The latest available data show that in 2011-12, 52% of free sugar intake in the Australian diet was consumed from sugar sweetened beverages (SSB). On any given day, approximately one-third of Australians aged 2 years and over consumes SSB, particularly adolescents and young adults.

The WHO recommends an appropriately designed levy on SSB with the aim of raising the retail price of SSB by 20% or more. There is growing evidence demonstrating positive fiscal and health impacts of taxing SSB, and similar policies are or will be implemented in at least 20 other jurisdictions including Mexico, France, Chile, Finland, the United Kingdom, South Africa, Portugal and several US cities. Australian modelling suggests a 20% healthy levy on SSB would raise an estimated $400 million annually and reduce annual health expenditure by up to $29 million.

Young people, Aboriginal and Torres Strait Islander people, and those on low-incomes are most at risk of excess weight gain and chronic disease. These population sub-groups are likely to be the most responsive to price changes and consequently the most likely to receive the greatest health gains. Although a health levy could result in these groups paying a higher proportion of their income in additional tax, the financial burden is likely to be small, and offset by savings to individual healthcare expenditure in the longer term. Further benefits may be realised if the revenue is reinvested into nutrition and preventive health policies that benefit these population sub-groups.

PHAA recommends the introduction of a 20% health levy on sugar sweetened beverages with the revenue raised reinvested into preventive health policies.

Introduce a floor price and a levy on alcohol

Increasing the price of alcohol is one of the most effective approaches to reducing alcohol consumption and alcohol-related harms. PHAA supports the introduction of a minimum price per standard drink below which alcohol products cannot be sold. A minimum price increases the price of only the cheapest alcohol products and prevent liquor retailers from using excessive discounting to attract customers. Substantial research evidence is available which supports the effectiveness of minimum pricing in reducing alcohol consumption; evidence is available from international evaluations of the policy, international modelling and modelling using Australian data.

The recent Northern Territory Government review of alcohol policies and legislation has recommended “3.2.1 A minimum unit price (floor price) for all alcohol products of approximately $1.50 per standard drink or such other figure as may be determined after appropriate review, in recognition that raising the price of alcohol is a cost-effective way to reduce alcohol-related harm. 3.2.2 The impact of the introduction of a minimum unit price be rigorously evaluated after three years on its impact on consumption and alcohol related harms”.

PHAA recommends the introduction of a nationally regulated minimum price (floor price) on alcohol.
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Maintain the taxation increases on tobacco

Tobacco remains one of Australia’s largest preventable causes of death and disease. The World Health Organization (WHO) estimates that tobacco kills more than 7 million people each year. Australia has been a world leader in reducing smoking, and smoking continues to decline in adults, children and adolescents. Nonetheless, in 2016, 12.2% of Australians aged over 14 years continued to smoke daily. Rates of smoking are higher among particular population groups including Aboriginal and Torres Strait Islander people, those with mental illnesses and the lesbian, gay, bisexual, transgender, intersex and queer communities.

Smoking is responsible for approximately 15,000 deaths each year and 9.0% of the total burden of disease in Australia. The total social cost of smoking in Australia was estimated in 2008 at $31 billion a year and is now likely to be substantially higher. Authoritative recent research has concluded that smoking is likely to cause the deaths of two thirds of current Australian smokers – or some 1.8 million Australians now alive.

A comprehensive approach to tobacco control is required. Authoritative research has confirmed beyond doubt the importance of measures such as taxation; sustained, adequately funded media campaigns; curbs on tobacco promotion; and smoke-free measures as crucial components of a broader tobacco control program.

PHAA recommends maintaining taxation increases on tobacco as part of a continued comprehensive approach to tobacco control.

Cost neutral measures

Regulation of junk food marketing towards children

The World Health Organization has determined that reducing the impact on children of the marketing of unhealthy food is an important strategy for the prevention and control of non-communicable diseases, and has released a set of recommendations and a framework for implementing them. Similarly, the United Nations Special Rapporteur on the Right to Health recommended that governments regulate the marketing, advertising and promotion of unhealthy foods, particularly to women and children, to reduce their visibility. These reflect the increasing evidence from systemic reviews that food marketing generates positive beliefs about the foods advertised and influences children’s nutrition knowledge, food and beverage preferences, purchase requests and behaviours, food consumption and related health indicators.

Other countries around the world are increasingly adopting policies to reduce children’s exposure to unhealthy food marketing, including implementing mandatory restrictions on food marketing in various media including television. An international review of initiatives to limit the advertising of unhealthy food to children showed high levels of exposure to unhealthy food marketing, with no or only small reductions in children’s exposure to this marketing, except in response to statutory regulations.

PHAA recommends the tighter regulation of junk food marketing towards children.
Regulation of marketing on alcohol – particularly in sport

There is compelling evidence that exposure to alcohol advertising influences young people’s beliefs and attitudes about drinking, and increases the likelihood that adolescents will start to use alcohol and will drink more if they are already using alcohol.48,49 Alcohol is one of the most heavily marketed products in the world and young people are exposed to alcohol promotion in a wide range of forms including television, radio, online, sponsorship, print, outdoor and product placement.

Most notably, the sponsorship of motor sport by alcohol companies is simply an anathema to common sense as it is to public health.

Liquor promotions by retailers have increased substantially in recent years and often centre heavily on using price discounts as an enticement to purchase the product such as 2-for-1 offers, product bundling, buy-one-get-one-free promotions, happy hours, and free gifts.50 Cheap liquor prices are a concern in light of the strong evidence on the inverse relationship between the price of alcohol and overall consumption.23 Advertising by packaged liquor outlets associated with supermarket chains are particularly concerning since they have been found to use more point of sale promotions, have a greater focus on price based promotions and require more alcohol purchases to participate in a promotion than other off premise retailers.50

Alcohol industry self-regulation of advertising and promotion has been ineffective in ensuring alcohol marketing is socially responsible and in preventing young people’s exposure. Self-regulatory processes should be replaced by independent regulation with a special focus on protecting young people from exposure and appropriate sanctions for non-compliance, in line with the recommendations in the Northern Territory report.

PHAA recommends national regulation of alcohol marketing and promotion, particularly in relation to exposure of children and young people to the marketing, and the sponsorship of sport which pairs a healthy activity (participation in sport) with an unhealthy activity (consumption of alcohol).

Introduce stronger regulation on marketing of gambling

Gambling causes harm to the physical, social and mental health of communities, families and individuals. Moderate to severe problem gambling results in suicide, relationship breakdown, financial difficulty, mental health problems such as anxiety and depression, and crime.51 Vulnerable groups in the community such as people from low socioeconomic backgrounds are particularly susceptible to the harms associated with gambling.51, 52

Under-age gambling is of increasing concern, with recent and continuing rapid changes in digital technologies having a major impact on young people’s engagement with gambling.51 There has been a proliferation of advertising in relation to sports betting, increasing availability of mobile devices with internet access, and new interfaces that promote gambling such as social media sites and children’s video and online games.51 Consequently, gambling is more normalised and accessible to young people than it was to their parents. Young people are up to 5 times more likely than adults to experience difficulties with gambling and many problem gamblers began gambling as young people.3. Self-regulation of industry is largely ineffective, and there is a strong need to emphasise the public health responsibilities of governments and policy makers to protect the health of communities and improve regulation of the gaming industry.53, 54

PHAA recommends that a code of conduct be developed for all gambling venues in Australia, including measures addressing media advertising, and requiring regulators to adopt uniform standards which emphasise product safety and consumer protection as priorities for regulatory activity.
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**The first 1000 days as a research priority**
The First 1000 Days report earlier this year, highlighted the importance of the time from conception until 2 years of age for development and health, through the integration of the functioning of the mind, brain and body. Long term effects are being demonstrated, with pathways linking the first 1000 days of life to adult conditions such as coronary heart disease, stroke, diabetes and cancer. Experiences and social conditions of life shape biological and neurological development in complex days that are not yet fully understood. Intervening in these processes gets increasingly more difficult after the first 1000 days, such that this time period represents the best opportunity to build strong foundations for optimal development. These foundations may then have implications for health throughout childhood and adulthood including both physical health such as obesity and chronic conditions, and mental health.

**PHAA recommends that the first 1000 days are a priority research area.**

**Climate and health strategy**
In June 2017, the Climate and Health Alliance released its Framework for a National Strategy on Climate, Health and Well-being for Australia. Noted in the Framework are the increasing costs to Australia surrounding climate change. The health impacts of coal-fired power generation is estimated to cost $2.6 billion annually, and reduced productivity due to extreme heat costs the economy in Australia over $8 billion annually. In contrast, policies to address these issues are cost-effective. For example, polices to reduce air pollution can bring a return on investment of 10:1 in health benefits. The Framework outlines the risks to health and well-being posed by climate change, and the co-benefits for health in developing mitigation strategies. The Framework describes policy directions addressing a range of social determinants of health, including energy, climate, environment, transport and infrastructure.

**PHAA recommends the adoption of a National Strategy on Climate and Health.**
Conclusion

PHAA strongly recommend a greater focus on the social determinants of health and preventive health measures for the 2018-19 budget. We recommend the following specific measures:

- the establishment of a National Commission on Preventive Health
- a multi-media public education and awareness campaign around healthy eating and healthy lifestyles
- to invest in the Implementation Plan of the National Aboriginal and Torres Strait Islander Health Plan 2013-2023, and the Aboriginal and Torres Strait Islander health workforce
- the private health insurance premium rebate is abolished with the funds redirected towards the provision of universal public health care services
- the introduction of a 20% health levy on sugar sweetened beverages with the revenue raised reinvested into preventive health policies.
- the introduction of a nationally regulated minimum price (floor price) on alcohol
- maintaining taxation increases on tobacco as part of a continued comprehensive approach to tobacco control
- the tighter regulation of junk food marketing towards children
- national regulation of alcohol marketing and promotion, particularly in relation to exposure of children and young people to the marketing, and the sponsorship of sport which pairs a healthy activity (participation in sport) with an unhealthy activity (consumption of alcohol).
- a code of conduct be developed for all gambling venues in Australia, including measures addressing media advertising, and requiring regulators to adopt uniform standards which emphasise product safety and consumer protection as priorities for regulatory activity
- the first 1000 days as a priority research area
- the adoption of a National Strategy on Climate and Health

The PHAA appreciates the opportunity to make this submission and the opportunity to contribute to the Budget 2018-19.

Please do not hesitate to contact me should you require additional information or have any queries in relation to this submission.

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