

*PHAA submission on Abbott Government's Commission of Audit*



**Public Health Association**  
AUSTRALIA

**Public Health Association of Australia  
submission to the Senate Select  
Committee into the Abbott Government's  
Commission of Audit**

Senate Select Committee into the Abbott  
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# Introduction

The Public Health Association of Australia Incorporated (PHAA) is recognised as the principal non-government organisation for public health in Australia and works to promote the health and well-being of all Australians. The Association seeks better population health outcomes based on prevention, the social determinants of health and equity principles. The PHAA has a vision for a healthy region, a healthy nation and healthy people living in a healthy society and a sustaining environment while improving and promoting health for all

## Public Health

Public health includes, but goes beyond the treatment of individuals to encompass health promotion, prevention of disease and disability, recovery and rehabilitation, and disability support. This framework, together with attention to the social, economic and environmental determinants of health, provides particular relevance to, and expertly informs the Association's role.

## The Public Health Association of Australia

PHAA is a national organisation comprising around 1900 individual members and representing over 40 professional groups concerned with the promotion of health at a population level.

Key roles of the organisation include the development of policy, capacity building and advocacy. Core to our work is an evidence base drawn from a wide range of members working in public health practice, research, administration and related fields who volunteer their time to inform policy, support advocacy and assist in capacity building within the sector. PHAA supports a preventive approach for better population health outcomes by championing appropriate policies and providing strong support for Australian governments and bodies such as the National Health and Medical Research Council in their efforts to develop and strengthen research and actions in public health.

PHAA has Branches in every State and Territory and a wide range of Special Interest Groups. The Branches work with the National Office in providing policy advice, in organising seminars and public events and in mentoring public health professionals. This work is based on the agreed policies of the PHAA. Our Special Interest Groups provide specific expertise, peer review and professionalism in assisting the National Organisation to respond to issues and challenges as well as a providing a close involvement in the development of policies. In addition to these groups the PHAA's Australian and New Zealand Journal of Public Health (ANZJPH) draws on individuals from within PHAA who provide editorial advice, and review and edit the Journal.

## Advocacy and capacity building

In recent years PHAA has further developed its role in advocacy to achieve the best possible health outcomes for the community, both through working with all levels of governments and agencies, and promoting key policies and advocacy goals through the media, public events and other means.

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# 1. Inquiry Terms of Reference

PHAA notes that the Select Committee into the Abbott Government's Commission of Audit has been established to inquire into the Commission of Audit established by the Commonwealth Government and, in particular, any report of that Commission to the Government, with interim reports as the committee sees fit and a final report on or before 13 May 2014.

PHAA further notes the specific Terms of Reference for the inquiry and provides this submission in relation to the following terms of reference:

- a) the nature and extent of any cuts or changes to government expenditure recommended by the Commission;
- b) the effect of any proposed cuts or changes on the provision of services, programs or benefits by the Government;
- c) the effect of any proposed cuts or changes on the ability of the public service to provide advice to government
- d) the effect of any proposed changes to the current split of roles and responsibilities between the Commonwealth Government and state and territory governments on the current levels of government expenditure, taxation and service delivery;
- e) the potential impact of any proposed revenue measures on the Budget and on taxpayers, including access to services like health and education;
- f) the potential impact of any proposed cuts or changes to government expenditure or service provision on employment and the economy;
- g) the consistency of the Commission's recommendations with the Government's commitments on spending on health, medical research, education, and defence spending;
- h) the potential impact of any proposed cuts or changes on the structural budget balance over the forward estimates and the next 10 years;
- i) the potential impact that any proposed changes to Commonwealth budgeting arrangements might have in undermining public confidence in the provision of Commonwealth government accounts;
- j) the potential effects of any proposed cuts or changes on the Government's medium to long term fiscal position, such as reducing future productivity, reducing the tax base and government revenues, or increasing future demand for government programs or support;
- k) whether the Commission's terms of reference are appropriate, and, in particular, whether consideration ought be given to alternative means of:
  - i. improving the efficiency and effectiveness of government expenditure,
  - ii. improving the state of the Commonwealth's finances and addressing medium term risks to the integrity of the budget position,
  - iii. improving the fairness and efficiency of revenue raising, including that businesses cover the full cost of their activities,
  - iv. and that individuals with greater capacity contribute more to government revenue
  - v. funding infrastructure and enhancing Australia's human, economic and natural capital, or
  - vi. improving the public service; and
- l) any other matters the committee considers relevant.

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# 2. PHAA's submission to the National Commission of Audit

PHAA provided a formal submission to the National Commission of Audit in November 2013, a copy of that submission is provided as Attachment A to this submission.

In summary, our key message to the Commission was that it makes good economic sense for public health to be given a higher funding and action priority:

- A modest increase in prevention spending now will bring substantial benefits in terms of both health and costs in years ahead. We provided a series of examples where investment in prevention will return benefits both economically and in terms of human health.
- There are also opportunities for raising revenue of over \$2 billion while playing a key role in improving long term health outcomes of individuals and the community when implemented as part of a comprehensive program.

The submission also highlighted the abolition of the Advisory Panel on the Marketing in Australia of Infant Formula (APMAIF) in November 2013 as an example of the kind of decisions that may well represent false economy due to foreseeable impacts. We believe it is important that in seeking efficiencies, the Commission is able to advise against cost-cutting measures that may represent false economy.

# 3. Cumulative impact of Abbott Government cuts

PHAA notes that the National Commission of Audit is due to report to the Prime Minister, Treasurer, and the Minister for Finance with the first phase of the review due by the end of January 2014, and the second phase by the end of March 2014. Without having been able to analyse any recommendations provided, it is difficult to provide input to the Committee's terms of reference in relation to the nature and extent of any cuts or changes to government expenditure recommended by the Commission and potential related impacts to both government and non-government service delivery and outcomes.

However, cuts to funding and the abolition of a number of key advisory bodies already undertaken in the initial months of the new Australian Government are already having a negative impact, and we believe that any further cuts of this nature will invariably have a further negative impact on both service delivery and outcomes across portfolios.

As the new government begins to make its mark community groups and non-government organisations (NGOs) are compelled to reconsider how they operate and how they are going to work with the incoming government. There are no surprises in the Abbott Government's attempts to deliver on its commitments to cut regulation, reduce taxation and raise productivity.

What is surprising is the cumulative impact their actions could have on those who most need sensible policy responses to community need.

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Cutting regulation has public appeal. Conservatives have long pushed the notion that Australia is becoming a "Nanny State". The push comes particularly from big business which is keen to have as much freedom as possible to produce, market, distribute and export their products. Of course industry wants less regulation.

However, governments need to be wary of transferring cost to taxpayers to make industry profits possible.

Take fast food as an example. While industry wants no regulation on marketing, sales and distribution of food that is high in sugar, fat and salt and low in nutrients, the obesity epidemic increases. Having no interference or no regulation undoubtedly boosts profits. However, it is the taxpayer that will wear the long term impact on the health budget of the increasing rates of lifestyle-related chronic conditions such as diabetes, cardiovascular disease and cancer. It is a similar story with the harm associated with alcohol. "Nanny State" was a catch cry for those who in decades passed opposed action on motor vehicle related injuries and death when governments sought to make seatbelt use compulsory and introduce random breath testing. However, such claims sound hollow indeed with death and injury now at 1924 levels despite huge increases in population and motor vehicle ownership.

At the same time as regulations are being slashed by governments the NGOs who are in a position to present coherent arguments to governments are also coming under threat. The Alcohol and Drugs Council of Australia (ADCA) was defunded without notice. This is the national peak body representing the alcohol and other drugs sector, including front line service delivery agencies, researchers and policy makers. ADCA has played this role for the best part of half a century and has accumulated a considerable library and resources used by hospitals, treatment facilities, researchers and those developing policy for government. After next month, ADCA will no longer exist.

It is a similar story with the National Aboriginal and Torres Strait Islander Legal Services (NATSILS), the national peak body for Aboriginal and Torres Strait Islander Legal Services (ATSILS), and the positions of all Law Reform and Policy Officers within each State and Territory. This cut is ironic considering the personal commitment of the Prime Minister to Aboriginal and Torres Strait Islander peoples. However, there is a common thread. Continuing funding for these bodies may make the mantra of less taxes, smaller spending and less regulation more difficult to deliver.

The abolition of a number of key advisory panels further highlights the approach. Among the most notable are the Advisory Panel on the Marketing in Australia of Infant Formula (APMAIF) and the Immigration Health Advisory Group. The latter included psychiatrists, psychologists, nurses and GPs - providing independent policy advice on the health needs of asylum seekers and refugees. Similarly, the government has announced its intention to "wind down" the operations of the Prime Minister's Council on Homelessness and the Australian Charities and Not-for-profits Commission (ACNC).

Early action of the Abbott Government in defunding the Climate Commission may have resulted in its phoenix like reincarnation as the Climate Council by 'crowd-funding'. However, it is unlikely that many of the other bodies that exist to support improved health outcomes for the most vulnerable, by the nature of what they do, will be able to gain similar financial support.

The reports of Sir Michael Marmot and others on the 'social determinants of health' illustrate the prime fallacy in the push for more and more emphasis on personal responsibility. Prevalence of diabetes, for example is currently better explained by where you live than behavioural risk factors

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such as smoking or exercise. Policies that utilise a broad understanding of all these issues have most chance of success.

Personal responsibility does play an important role but there should be a clear recognition of what the Howard government called 'mutual obligation'. In the current climate individuals, NGOs and community groups have key responsibilities for those less able to cope. However, there is a clear mutual obligation requiring the government to play an appropriate role.

Cuts to jobs, cuts to NGOs, cuts to advisory boards may not have an immediate impact. However, the cumulative effect is a matter for grave concern. Environmental impacts on health, limitations on the ability to deliver sensible policies around drugs and alcohol and understanding the detail on issues around migrant and refugee health are just the tip of the iceberg. The real challenge is that these cuts are already likely to have the heaviest impact on the most vulnerable. And the Commission of Audit has yet to release its findings on where to cut next.

Cuts and abolitions already undertaken that are of significant concern to PHAA in terms of their potential impact on public health and related outcomes include:

- Defunding of the Alcohol and other Drugs Council of Australia (ADCA) – the national peak body representing the alcohol and other drugs sector, including front line service delivery agencies, researchers, policy makers etc.
- Defunding of the National Congress of Australia's First Peoples – the national voice for Aboriginal and Torres Strait Islander Peoples.
- Defunding of the National Aboriginal and Torres Strait Islander Legal Services (NATSILS) - the national peak body for Aboriginal and Torres Strait Islander Legal Services (ATSILS) - and Law Reform and Policy Officer positions within each State and Territory based ATSILS.
- The Rural Health Education Foundation (RHEF) is shutting down due to a decline in government-contracted work. RHEF provides up-to-date information to health practitioners and consumers via the Rural Health TV Channel and produces online and DVD resources to assist the continuing professional development of health workers and service managers in remote areas.
- Cuts to Family Violence Prevention Legal Services, Legal Aid and Community Legal Centres (policy and reform work), potentially impacting on the effectiveness of frontline legal assistance and the evidence-base of law reform.
- Abolition of the Advisory Panel on the Marketing in Australia of Infant Formula (APMAIF) – potentially impacting on compliance with international obligations under the International Code of Marketing Breast Milk Substitutes (WHO Code).
- Abolition of the Immigration Health Advisory Group - which included psychiatrists, psychologists, nurses and GPs - providing independent policy advice on the health needs of asylum seekers and refugees.
- Abolition of the Climate Council (now operating as the donor-funded Climate Council) and the Climate Change Authority – vital to informing Australia's response to climate change.
- Defunding of the First Peoples Education Advisory Group, comprising Indigenous academics and education experts, which provided policy advice to the Australian Government on Closing the Gap in educational outcomes.
- Abolition of the position of Coordinator General for Remote Indigenous Services, overseeing all Government activity relating to the delivery of services to the 29 Indigenous communities under the Remote Service Delivery National Partnership designed to reduce the gap between Indigenous and non-Indigenous Australians.
- Abolition of the position of Independent Inspector General of Animal Welfare and Live Animal Exports – a new statutory authority that was to provide independent oversight of the live export system.

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- Abolition of the Australian Social Inclusion Board - and the related Social Inclusion Unit in the Department of Prime Minister and Cabinet - charged with advising the government on how to address education, health and social disadvantage for the most marginalised and disadvantaged Australians.
- 'Winding down' of the operations of the Prime Minister's Council on Homelessness (providing advice to government on the progress, risks and emerging issues in homelessness) and the Australian Charities and Not-for-profits Commission (the independent national regulator of charities).
- Additional cuts to program funding impacting on NGO service delivery and projects at the local level, for example withdrawal of funding for the Newcastle Ethnic Communities Council's Multicultural Men's Shed

In addition, cuts to public service program areas and staffing – such as the Population Health Division in the Australian Government Department of Health - are of significant concern given their likelihood to result in a diminished emphasis on key policy and program areas impacting on long term public health outcomes.

## Conclusion

In summary, our key messages in relation to the role and recommendations of the National Commission of Audit are that:

- it makes good economic sense for public health to be given a higher funding and action priority - spending in public health simply makes good sense as a long term return on investment
- it is important that in seeking efficiencies, the Commission is able to advise against cost-cutting measures that may represent false economy, having particular regard to the cumulative impact of such measures on public health and related outcomes

The PHAA appreciates the opportunity to make this submission to the Senate Select Committee and would be happy to elaborate on the views expressed at a future public hearing.

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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