



## Policy costing

Establish a Preventative Health Agency to support population health	
Party:	Australian Greens
Summary of proposal: <p>This proposal would establish a new agency, the National Preventative Health Commission (the Commission). The Commission would play a role in preventative and public health policy oversight, provide advice to the Commonwealth Government, and undertake health promotion, including through offering grants for health promotion initiatives.</p> <p>The funding for the Commission would be equal to the sum of funding for the Victorian Health Promotion Foundation (VicHealth) and the former Australian National Preventive Health Agency.</p> <p>All funding for the Commission would be indexed by the consumer price index (CPI) with the ratio between administered and departmental funding to remain constant.</p> <p>The proposal would have effect from 1 July 2019.</p>	

## Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by \$196 million over the 2019-20 Budget forward estimates period. This impact reflects an increase in administered expenses of \$127 million and an increase in departmental expenses of \$69 million.

A breakdown of the financial implications of this proposal over the 2019-20 Budget forward estimates period is included at [Attachment A](#). The proposal would be expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period.

The costing is sensitive to the size and structure of the Commission, and to changes in the CPI.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-48	-48	-50	-51	<b>-196</b>
Underlying cash balance	-48	-48	-50	-51	<b>-196</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

## Key assumptions

The Parliamentary Budget Office has assumed in costing this proposal that total funding for the Commission in 2019-20 would be equal to the sum of:

- the 2013-14 funding of the former Australian National Preventive Health Agency, indexed by growth in the CPI
- the 2017-18 funding of VicHealth, indexed by growth in the CPI.

## Methodology

Total funding for the Commission in 2019-20 was calculated based on the sum of funding of the former Australian National Preventive Health Agency and funding of VicHealth. This total funding was then indexed by growth in the CPI.

Departmental expenses in 2019-20 are based on the 2017-18 staffing profile and funding of VicHealth. From 2020-21, administered and departmental expenses are kept as constant proportions of the Commission's total funding.

All estimates have been rounded to the nearest \$1 million.

## Data sources

The Department of the Finance provided indexation parameters as at the 2019-20 Pre-election Economic and Fiscal Outlook.

Australian National Preventive Health Agency, 2014. *2013-14 Annual Report*, Canberra: Commonwealth of Australia.

VicHealth, 2018. *Annual Report 2017-18*, Melbourne: Victorian Health Promotion Foundation.

## Attachment A – Establish a Preventative Health Agency to support population health – financial implications

**Table A1: Establish a Preventative Health Agency to support population health – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
<b>Expenses</b>					
<i>Administered</i>	-31	-31	-32	-33	<b>-127</b>
<i>Departmental</i>	-17	-17	-18	-18	<b>-69</b>
<b>Total – expenses</b>	<b>-48</b>	<b>-48</b>	<b>-50</b>	<b>-51</b>	<b>-196</b>

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.