

Saving money on VicHealth now will be a killer in future

Opinion

A few weeks before the Victorian government announced its plans to abolish VicHealth and absorb it into the Department of Health, it made redundant 24 people who work in public health.

That might not sound like many but, put together with other roles which, in the Newspeak of the Victorian Public Service, were "delimited", it means about one in 10 of those employed in the department's community and public health division had to pack up their desks.

There was no hue and cry from the people who lost their jobs. Anyone who works in public health - the promotion of population-wide health - understands that when the budget clamps come on, they are first in line to get the chop.

There is unlikely to be much public outrage about these cuts. This is why the Allan government calculates that, once the hullabaloo from public health experts dies down, not many voters will weep for VicHealth. Health Minister Mary-Anne Thomas, quizzed about it on Tuesday, breezily told parliament: "It has got a great legacy

but it's time to do things differently."

Anyone who can do arithmetic should be outraged. The federal government estimates that every dollar spent on public health today saves \$14.30 on future health costs. If we don't want tomorrow's hospital bills to swallow our state and national finances, we need to find and fund better ways of convincing people to eat better, drink less alcohol and exercise more.

Today's modest budget savings will be, quite literally, a killer in years to come.

The problem is public health promotions can never compete, as a health priority, with ambulance and emergency department waiting times. According to the Productivity Commission, Australia ranks 27th out of 36 OECD countries in the proportion of health dollars spent on preventative health. The Australian Institute of Health and Welfare calculated that in 2023-24, Victoria spent just under \$1 billion, or \$185 per person, on public health, on a per capita basis, below every other mainland state and territory.

Since then, the government has further cut funding to the

most significant COVID-era health reform: local public health units across greater Melbourne and in regional centres. Thomas told parliament these units were duplicating some of VicHealth's promotion and prevention work.

VicHealth, a health promotions agency created by the Cain government in 1987 to help sports organisations kick their addiction to tobacco sponsorship, is not sacrosanct. Given its founding purpose has ceased to exist, it was reasonable for former top bureaucrat Helen Silver, in her review of the Victorian public service, to closely examine VicHealth.

The criticism of Silver and her review team is they took only a cursory glance before recommending it be abolished as a standalone agency and folded into the department along with its ring-fenced, \$45 million budget.

In making their recommendation, no one from the Silver review sat down with the VicHealth board or senior management to better understand what they do. When Ian Hamm, a VicHealth director, was last month appointed its new chair, he was not aware of Silver's recommendations or the gov-

ernment's planned response.

This was a missed opportunity.

If VicHealth is absorbed into the Department of Health without statutory protections for its purpose and budget, everyone in public health knows where it will end up. The jobs stripped from the community and public health division are part of a bigger restructure inside the department which, in effect, seeks to undo some of the damage inflicted by a previous restructure less than two years ago. That diminished the role of Victoria's chief health officer by severing their direct control over communicable disease experts who provide frontline protection against outbreaks of measles, Mpox, RSV and whatever virus might fuel the next pandemic.

The latest changes are designed to restore this connection and give Chief Health Officer Caroline McElnay managerial responsibility for the state's health protection. But if we return to the arithmetic, staff numbers don't lie.

There are fewer people working for the Victorian government in public health than at the start of the year and two years before that. The same fate awaits VicHealth if the government goes ahead with its plans.