



Australian Academy  
of Health and  
Medical Sciences

# AAHMS analysis: 2022-23 October Federal Budget

25 October 2022

## 1 Summary

As expected, much of the budget focuses on finding efficiencies around some of the programs introduced by the previous government. Consequently, there is limited news for research and innovation.

For health, the overarching narrative from the Department of Health and Aged Care emphasises: strengthening Medicare and cutting the cost of medicines, boosting regional and rural health, strengthening First Nations health, fixing the aged care crisis and implementing aged care reform, and extending COVID-19 support. The Budget papers also state that “a strong science system, with clear priorities, is critical to maintaining high levels of sustainable economic and social prosperity”.

In a welcome announcement, there is \$3.4 million over four years to develop a National Health and Climate Strategy and establish a National Health Sustainability and Climate Unit. This unit will address emerging health risks resulting from climate change and coordinate climate change responses across the health system. The Academy called for a focus on environmental sustainability to be embedded within health system leadership in [our statement on the health impacts of climate change](#) in April 2022. This is a valuable step towards achieving a well-defined, quick, and staged path to a net-zero world, which is critical to ensuring the health and wellbeing of all Australians.

Annual funding for research through NHMRC has increased compared to previous estimates, which is at least partially due to indexation, while ARC drops slightly in 2022-23 but then increases beyond previous estimates annually from 2023-24. The Medical Research Future Fund (MRFF) capital balance is expected to drop below previous estimates, although annual spend on initiatives remains the same at \$650 million per year.

Also of note, the Budget includes:

- \$314.8 million over five years to support work to close the gap for First Nations peoples' health and wellbeing outcomes.
- \$3.2 million in 2022-23 to undertake the initial design for the establishment of an Australian Centre for Disease Control.
- \$15.4 million in a Startup Year program to foster innovation and entrepreneurship in university students and help turn their ideas into reality.
- \$47.2 million over 6 years from 2022-23 to support the development of talent and leadership in Australian science and technology.

## 2 Policy priority areas for the Academy

### 2.1 Climate change and health

- The Government will provide \$3.4 million over 4 years from 2022–23 (and \$0.7 million per year ongoing) to develop a **National Health and Climate Strategy and establish a National Health Sustainability and Climate Unit**. This unit will address emerging health risks resulting from climate change and coordinate climate change responses across the health system.
- The Government will provide \$13.0 million over 4 years from 2022–23 to support communities impacted by flooding in New South Wales.

### 2.2 Aboriginal and Torres Strait Islander Health

- The Government will provide \$314.8 million over 5 years from 2022–23 to **support the Government's commitment to close the gap for First Nations peoples' health and wellbeing outcomes**. Funding includes:
  - \$164.3 million over 4 years from 2022–23 to invest in modern health clinics in areas of large and growing First Nations populations, as well as targeted investments to build capacity for chronic disease treatment and rehabilitation
  - \$54.3 million over 5 years from 2022–23 to deliver up to 500 First Nations Certificate III and IV traineeships in Aboriginal and Torres Strait Islander Primary Health Care
  - \$45.0 million over 4 years from 2022–23 to invest in 30 new and upgraded dialysis units to improve the health of First Nations peoples with end-stage kidney disease
  - \$22.5 million over 3 years from 2022–23 to build a dedicated Birthing on Country Centre of Excellence in Nowra, New South Wales
  - \$14.2 million over 3 years from 2022–23 to provide additional support for rheumatic heart disease treatment, detection and prevention activities in high-risk First Nations communities
  - \$10.1 million in 2022–23 for CareFlight to increase its capacity to deliver aeromedical services in the Northern Territory
  - \$2.2 million over 3 years from 2022–23 to support First Nations community participation in AFL training and competitions across the Northern Territory
  - \$1.9 million in 2022–23 to provide two dialysis treatment buses in regional New South Wales and upgrade medical equipment in order to improve access to medical support for First Nations peoples
  - \$0.3 million in 2022–23 for grants to community organisations for a medical consulting room, play areas and gym equipment to improve the health and wellbeing of First Nations peoples.

### 2.3 COVID-19 and pandemic response

- **Hospitals and emergency response:** the Government will provide \$808.2 million in 2022–23 to extend elements of the Government's response to COVID-19 until 31 December 2022. Funding includes:
  - \$759.9 million to extend the National Partnership on COVID-19 Response, which provides for 50 per cent of the cost of state and territory COVID-19 responses including vaccine delivery, testing and treatments
  - \$48.3 million in 2022–23 to extend the GP-led Respiratory Clinics program, which delivers face-to-face care, respiratory assessments, COVID-19 testing and treatment of COVID-positive patients

- extending medical indemnity legislative arrangements to continue access to the Run-Off Cover Scheme to support eligible doctors and midwives returning to the workforce to help address shortages arising from COVID-19
- **Vaccines and treatments:** the Government will provide \$355.8 million in 2022–23 for the distribution and uptake of COVID-19 vaccines across Australia. Funding includes:
  - \$314.0 million for the distribution of fourth vaccine doses in primary care settings, pharmacies, state-based clinical sites, aged and disability care facilities, and First Nations communities
  - \$41.8 million for communication activities to drive uptake with a specific focus on people at risk of severe disease and those with lower access to mainstream media
- **Aged care:** the Government will provide additional funding of \$845.4 million in 2022–23 to support older Australians and the aged care sector with managing the impacts of the COVID-19 pandemic. Funding includes:
  - \$810.2 million for claims made by aged care providers for additional costs incurred due to COVID-19 outbreaks that occur until 31 December 2022
  - \$34.9 million to extend the current in-reach testing arrangements in Residential Aged Care Facilities to 31 December 2022
  - \$0.3 million to extend the operation of the Victorian Aged Care Response Centre from 30 June 2022 to 30 September 2022 to enable the continued support of residential aged care facilities to manage COVID-19 outbreaks in Victoria during Winter 2022.
  - The Government has also provisioned \$500.0 million in 2022–23 for the procurement of additional vaccines and treatments on the National Medical Stockpile.
- **Medicare and medicines:** the Government will provide \$162.4 million in 2022–23 for COVID-19 related items. Funding includes:
  - \$145.1 million to extend Medicare Benefits Schedule (MBS) rebates for polymerase chain reaction (PCR) testing for COVID-19 and other respiratory viruses
  - \$6.3 million to establish a new temporary MBS item for general practitioners (GPs) to undertake telehealth consultations to evaluate eligible COVID-positive patients' suitability for oral antivirals
  - \$5.7 million to extend the temporary MBS item to support GPs and other medical practitioners to manage COVID-positive patients in the community
  - \$5.4 million to continue access to Medicare rebates for telehealth appointments for patients with COVID-19, regardless of whether they have an existing clinical relationship with the GP.
- **Personal protective equipment and rapid antigen tests:** the Government will provide \$410.3 million in 2022–23 for the procurement and distribution of rapid antigen tests and personal protective equipment to support COVID-19 outbreak management and prevent the spread of COVID-19 in high risk settings. Funding includes:
  - \$234.9 million to purchase 261 million units of PPE for the National Medical Stockpile (NMS) for distribution to Residential Aged Care Facilities (RACFs), the disability sector, Aboriginal Community Controlled Health Services (ACCHs), General Practices (GPs), GP Respiratory Clinics (GPRCs), and vaccinating pharmacies
  - \$174.8 million to purchase 31 million additional RATs to replenish supplies in the NMS for distribution to vulnerable population cohorts
  - \$0.6 million to continue independent verification laboratory testing to determine and publicly report on the effectiveness of RATs approved by the Therapeutic Goods Administration.

- The Government will extend temporary access to PPE from the NMS to eligible health, aged care and residential disability care providers, including RACFs, ACCHs, GPs, GPRCs, vaccinating pharmacies and National Disability Insurance Scheme participants in supported independent living arrangements and their carers until 31 December 2022.
- **Monkey pox:** The Government will provide \$73.9 million in 2022–23 (including \$72.0 million in capital funding in 2022–23) to purchase additional vaccines and treatments for the National Medical Stockpile in response to the monkeypox outbreak.

## 2.4 Research in the health system

- The Government will provide \$452.0 million over 6 years from 2022–23 to support the establishment of **world class cancer centres in Brisbane and Adelaide**.
  - \$375.0 million over 6 years from 2022–23 to contribute to the establishment of the Queensland Cancer Centre in Brisbane. The centre will be owned and operated by the Queensland Government and will be located within the Herston Health Precinct at the Royal Brisbane and Women’s Hospital.
  - \$77.0 million over 5 years from 2022–23 to contribute to the establishment of the Bragg Comprehensive Cancer Centre in Adelaide. The centre is an extension of the Australian Bragg Centre for Proton Therapy and Research at the South Australian Health and Medical Research Institute.

## 3 Health and medical research funding

### 3.1 MRFF

#### 3.1.1 MRFF capital

The balance of the MRFF capital is less than previously expected. However, an increase in MRFF balance is predicted to continue through to 2025-26 with the fund reaching close to \$23 billion.

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>2021-22 budget</b>	\$21,114,838	\$21,314,143	\$21,551,815	\$21,876,278	
<b>2022-23 Mar budget</b>	\$22,193,880	\$22,216,582	\$22,664,721	\$23,113,498	\$23,563,123
<b>2022-23 Oct budget</b>	\$21,583,553	\$21,591,721	\$22,008,014	\$22,423,982	\$22,840,265

#### 3.1.2 MRFF Funding for medical research

The funding for medical research from the MRFF has reached the maximum annual disbursement of \$650 million as expected.

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>2021-22 budget</b>	\$455,000	\$650,000	\$650,000	\$650,000	
<b>2022-23 Mar budget</b>	\$455,000	\$650,000	\$650,000	\$650,000	\$650,000
<b>2022-23 Oct budget</b>	\$455,000	\$650,000	\$650,000	\$650,000	\$650,000

### 3.2 NHMRC

Annual funding for research through NHMRC has increased compared to previous estimates, which is at least partially due to indexation.

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>2021-22 budget</b>	\$863,266	\$875,362	\$887,588	\$899,129	
<b>2022-23 Mar budget</b>	\$863,266	\$877,952	\$891,094	\$905,355	\$918,985
<b>2022-23 Oct budget</b>	\$875,751	\$877,952	\$905,160	\$922,365	\$938,095

### 3.3 ARC

No new funding was announced for the Australian Research Council (ARC) overall. Funding drops slightly in 2022-23 but then increases beyond previous estimates annually from 2023-24.

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>2021-22 budget</b>	\$814,642	\$824,870	\$835,271	\$849,054	
<b>2022-23 Mar budget</b>	\$814,642	\$851,894	\$893,619	\$938,001	\$976,156
<b>2022-23 Oct budget</b>	\$799,451	\$830,577	\$897,598	\$970,677	\$1,023,778

#### 3.3.1 Discovery program

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>2021-22 budget</b>	\$489,188	\$494,922	\$501,162	\$509,432	
<b>2022-23 Mar budget</b>	\$489,188	\$511,074	\$535,915	\$562,406	\$585,206
<b>2022-23 Oct budget</b>	\$506,735	\$511,074	\$551,867	\$596,388	\$622,986

#### 3.3.2 Linkage Program

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>2021-22 budget</b>	\$325,454	\$329,948	\$334,109	\$339,622	
<b>2022-23 Mar budget</b>	\$325,454	\$340,820	\$357,704	\$375,595	\$390,950
<b>2022-23 Oct budget</b>	\$292,543	\$319,503	\$345,731	\$374,289	\$400,792

## 4 Research and innovation infrastructure and programs

### 4.1 University support

Forward estimates for support through the Research Support Program and Research Training Program are somewhat higher than previously expected.

#### 4.1.1 Research Support Program

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
2021-22 budget	\$930,659	\$942,775	\$958,326	\$974,143	
2022-23 Mar budget	\$930,659	\$951,188	\$978,674	\$1,002,668	\$1,028,230
2022-23 Oct budget	\$930,659	\$951,188	\$1,004,314	\$1,058,779	\$1,089,934

#### 4.1.2 Research Training Program

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
2021-22 budget	\$1,069,182	\$1,083,100	\$1,100,967	\$1,119,137	
2022-23 Mar budget	\$1,069,182	\$1,092,766	\$1,124,344	\$1,151,909	\$1,181,153
2022-23 Oct budget	\$1,069,181	\$1,092,766	\$1,153,800	\$1,216,372	\$1,251,497

## 5 Health system support – other measures

- The Government will provide \$3.2 million in 2022–23 to undertake the initial design for the establishment of an **Australian Centre for Disease Control**. The design work will incorporate stakeholder consultations to ensure the new Centre will support improved pandemic preparedness and response, as well as the prevention of chronic disease.
- The Government will provide \$235 million over 4 years from 2022–23 to commence the roll-out of **Urgent Care Clinics**, including \$100 million over two years from 2022–23 to co-develop and pilot innovative models with states and territories to improve care pathways and inform program roll-out. The Urgent Care Clinics are designed to reduce pressure on hospital emergency departments and make it easier for Australian families to see a doctor or a nurse when they require urgent but not life-threatening care.
- The Government will provide \$4.7 million in 2022–23 to the **Channel 7 Telethon Trust to support children’s health in Western Australia**. The Trust provides financial assistance to charitable organisations and children’s hospitals and funds research into children’s diseases. The Government has also provided \$1.3 million in 2022–23 to the Trust for the **ORIGINS** project, funded through the Medical Research Future Fund, as part of annual funding of \$1.3 million per year provided since the 2017–18 MYEFO. The ORIGINS project is a long-term study of pregnant women and their families to understand how early environment and parental health impact longer-term diseases and conditions.

- The Government will provide \$2.5 billion over 4 years from 2022–23 to **reform the aged care system**.
- The Government will provide \$540.3 million over 4 years from 2022–23 to **improve the delivery of aged care services** and respond to the Final Report of the Royal Commission into Aged Care Quality and Safety.
- The Government will provide \$327.7 million over 4 years from 2022–23 (and \$94.6 million per year ongoing) to expand the **Continuous Glucose Monitoring Initiative** to provide subsidised glucose monitoring devices to all people with type 1 diabetes.
- The Government will provide \$61.8 million over 6 years from 2022–23 to fund **local health investment projects in rural and regional locations** to improve primary care outcomes and reduce pressure on hospital emergency departments.
- The Government will provide \$9.5 million over 4 years from 2022–23 to amend the Medicare Benefits Schedule (MBS) to **improve access to primary health care services** and improve clinical practice.
- The Government will also achieve efficiencies of \$13.4 million over 4 years from 2022–23 by responding to the MBS Review Taskforce’s recommendations to align the MBS with contemporary practice.
- The Government will provide \$24.3 million over 4 years from 2022–23 (including \$6.6 million per year ongoing) to **improve access to mental health services**.
- The Government will provide \$15.9 million over 4 years from 2022–23 (and \$6.6 million per year ongoing) to establish and support a **National Centre of Excellence in Intellectual Disability Health** (the National Centre of Excellence).
- The Government will provide \$19.2 million over 4 years from 2022–23 to the Australian Nursing and Midwifery Federation to establish the **National Nurse and Midwife Health Support Service** to provide counselling and health support services to nurses and midwives.
- The Government will provide \$1.4 billion over 4 years from 2022–23 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS), the Repatriation Pharmaceutical Benefits Scheme, the Life Saving Drugs Program, the National Diabetes Services Scheme and the Stoma Appliance Scheme.
- The Government will provide \$143.3 million over 4 years to support **access to healthcare in rural and regional areas** by investing in primary care services, training, workforce incentives and trials for innovative models of care.
- The Government will provide \$437.4 million over 3 years from 2022–23 to **support people with disability and their families**.
- The Government will provide \$1.3 million over two years from 2022–23 to fund peak community organisations to undertake consultations with Lesbian, Gay, Bisexual, Transgender, Intersex, Queer and Asexual (**LGBTIQA+**) **people to understand barriers to accessing health services**.

## 6 Investing in science and technology – other measures

- The Government will provide \$47.2 million over 6 years from 2022–23 to **support the development of talent and leadership in Australian science and technology**. Funding includes:
  - \$13.5 million over 4 years from 2022–23 to strengthen coordinated policy capability to identify, assess and support Australian development of critical and emerging technologies

- \$10.3 million over 6 years from 2022–23 for Australia to host the International Science Council's Regional Presence for Asia and the Pacific and to deepen Australia's science engagement in the region
- \$5.8 million over 5 years from 2022–23 to support women in science, technology, engineering and maths (STEM) through the Women in STEM and Entrepreneurship program and to undertake an independent review of existing STEM programs
- \$2.9 million in 2022–23 to improve the Prime Minister's National Science and Technology Council's provision of science and technology advice and continue support of the Prime Minister's Prizes for Science event.
- The Government will invest \$15.0 billion over 7 years from 2023–24 to establish **the National Reconstruction Fund** to support, diversify and transform Australian industry and the economy through targeted co-investments in 7 priority areas: resources; agriculture, forestry and fisheries sectors; transport; medical science; renewables and low emission technologies; defence capability; and enabling capabilities.
- To ensure that Australia's higher education system remains world-class into the future, the Government will provide \$2.7 million to review the higher education system and to identify opportunities for reform as part of the **Australian Universities Accord**. The Accord will deliver a series of recommendations for Government, universities, and other stakeholders, to pursue meaningful reform based on a substantial review of policy, funding, and regulatory settings. A panel of eminent Australians will be appointed to lead the review process. The Accord process will deliver a plan for Australia's higher education sector, outlining clear recommendations for Government and relevant parties, underpinned by principles of collaboration and partnership to achieve long lasting reform.