



Australian Academy  
of Health and  
Medical Sciences

# AAHMS analysis: 2023-24 Federal Budget

9 May 2023

## 1 Summary

As expected, easing the cost of living pressures is a major focus of the 2023-24 Budget. In health, the narrative focuses on making it easier for Australians to get the care they need when and where they need it; supporting growth of the health and aged care workforce with more doctors, nurses, allied health workers and higher pay for aged care workers; and delivering cheaper medicines and more affordable care for the community.

New investments in health target aged care, mental health, smoking and vaping, health protection/preventive measures, and improving access and equity in healthcare. There is an additional \$90.9 million to establish the Australian Centre for Disease Control. \$363.1 million is committed over 4 years from 2023–24 to help close the gap in Aboriginal and Torres Strait Islander peoples' health and wellbeing outcomes, and improve outcomes in aged care. Elsewhere, investments seek to increase local capacity and capability in quantum and artificial intelligence.

Annual funding for research through NHMRC has increased slightly compared to previous estimates due to indexation, but remains below inflation. Although research funding through ARC drops slightly in 2022-23 and 2023-24 compared to previous estimates, annual funding increases are more in line with inflation. MRFF funding for research remains capped at \$650 million per year.

*"We note the Federal Government's priority to address cost of living pressures in this Budget and welcome measures that target health inequities by providing better access to healthcare, for instance through investments in Medicare, bulk billing, mental health, aged care and Aboriginal and Torres Strait Islander health and wellbeing.*

*"We recognise the Government's continued support of health and medical sciences through schemes such as the National Health and Medical Research Council and Medical Research Future Fund. Funding for research and innovation is vital to improving healthcare, although we are concerned that the NHMRC research budget continues to drop in real terms.*

*Research is the beginning of a pipeline that ultimately leads to better patient outcomes: research findings inform best practice, contribute to new treatments and therapies, and lead to cost-saving innovations. Additional investment to better embed research and innovation in the health system would further drive efficiencies and in the long-term would help bring about the health benefits Government is seeking."*

Professor Steve Wesselingh PresAHMS

## 2 Policy priority areas for the Academy

### 2.1 Aboriginal and Torres Strait Islander Health

- \$363.1 million over 4 years from 2023–24 to support the Government’s commitment to close the gap in Aboriginal and Torres Strait Islander peoples’ health and wellbeing outcomes, and improve outcomes in aged care.
- \$10.5 million in 2023–24 to the Department of Health and Aged Care to increase mental health supports for First Nations people during the period of the Voice to Parliament referendum.

### 2.2 Public health measures

- \$90.9 million to establish an Australian Centre for Disease Control, to help detect, prevent and respond to current and emerging health threats.
- \$53.4 million over 5 years from 2022–23 (and \$0.4 million ongoing) for preventive and other health initiatives including: \$3.2 million in consumer supports for healthy eating, \$6.3 million to enhance data and research to inform policy and \$24.7 million creating inclusive and healthy communities through promoting physical activity and harnessing the Green and Gold Decade of Sport and developing a new National Sport Plan and \$4.3 million over two years from 2023–24 to continue research that supports prevention and early intervention initiatives for chronic conditions.

### 2.3 Research in the health system

- \$40.0 million over 4 years from 2023–24 to establish the National Clinical Quality Registry Program for tracking the safety and performance of treatments and devices, thereby improving performance reporting for clinicians and hospitals.

### 2.4 Industry and commercialisation

- \$431.9 million over 4 years from 2023–24 (and \$79.2 million per year ongoing) to improve support for small to medium enterprises and startups. Funding includes:
  - \$392.4 million over 4 years from 2023–24 (and \$68.2 million per year ongoing) to establish the Industry Growth Program to support Australian SMEs and startups to commercialise their ideas and grow their operations. Support will be targeted towards businesses operating in the priority areas of the National Reconstruction Fund.
- \$116.0 million over 5 years from 2022–23 to support the development of critical technologies in Australia to drive economic growth, boost technology industries and support the creation of new jobs.

### 2.5 COVID-19 and pandemic response

- Additional funding over 5 years from 2022–23 to expand the COVID-19 vaccine strategy and provide Australians with COVID-19 treatments, including to ensure access to a range of vaccine administration channels and to extend support for First Nations Australians to access COVID-19 testing and vaccinations.
- \$591.3 million over two years from 2022–23 to continue the Government’s response to COVID-19 in aged care.
- \$3.1 million in 2022–23 to support digital mental health services to meet increased demand driven by the COVID-19 pandemic.

## 3 Health and medical research funding

### 3.1 MRFF

#### 3.1.1 MRFF capital

The funding for medical research through the MRFF will continue to provide \$650 million which is the maximum annual disbursement, as expected.

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>2022-23 Mar</b>	\$650,000	\$650,000	\$650,000	\$650,000	
<b>2022-23 Oct</b>	\$650,000	\$650,000	\$650,000	\$650,000	
<b>2023-24 May</b>	\$598,000	\$650,000	\$650,000	\$650,000	\$650,000

#### 3.1.2 MRFF funding for medical research

The MRFF closing balance is growing, however it is slower than anticipated.

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>2022-23 Mar</b>	\$22,216,582	\$22,664,721	\$23,113,498	\$23,563,123	
<b>2022-23 Oct</b>	\$21,591,721	\$22,008,014	\$22,423,982	\$22,840,265	
<b>2023-24 May</b>	\$21,864,630	\$22,422,025	\$22,963,130	\$23,465,908	\$24,040,383

### 3.2 NHMRC

Annual funding for research through NHMRC has increased slightly compared to previous estimates due to indexation, but remains below inflation.

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>2022-23 Mar</b>	\$877,952	\$891,094	\$905,355	\$918,985	
<b>2022-23 Oct</b>	\$877,952	\$905,160	\$922,365	\$938,095	
<b>2023-24 May</b>	\$877,952	\$910,652	\$940,330	\$962,039	\$979,747

### 3.3 ARC

#### 3.3.1 Total funding

Although research funding through ARC drops slightly in 2022-23 and 2023-24 compared to previous estimates, annual funding increases are more in line with inflation.

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>2022-23 Mar</b>	\$851,894	\$893,619	\$938,001	\$976,156	
<b>2022-23 Oct</b>	\$830,577	\$897,598	\$970,677	\$1,023,778	
<b>2023-24 May</b>	\$828,325	\$896,198	\$973,488	\$1,032,365	\$1,077,813

#### 3.3.2 Discovery program

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
<b>2022-23 Mar</b>	\$511,074	\$535,915	\$562,406	\$585,206	
<b>2022-23 Oct</b>	\$511,074	\$551,867	\$596,388	\$622,986	
<b>2023-24 May</b>	\$511,074	\$552,390	\$599,499	\$629,581	\$646,895

### 3.3.3 Linkage Program

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
2022-23 Mar	\$340,820	\$357,704	\$375,595	\$390,950	
2022-23 Oct	\$319,503	\$345,731	\$374,289	\$400,792	
2023-24 May	\$317,251	\$343,808	\$373,989	\$402,784	\$430,918

## 4 Research and innovation infrastructure and programs

### 4.1 University support

#### 4.1.1 Research Support Program

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
2022-23 Mar	\$951,188	\$978,674	\$1,002,668	\$1,028,230	
2022-23 Oct	\$951,188	\$1,004,314	\$1,058,779	\$1,089,934	
2023-24 May	\$951,188	\$1,005,282	\$1,064,398	\$1,101,524	\$1,131,792

#### 4.1.2 Research Training Program

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
2022-23 Mar	\$1,092,766	\$1,124,344	\$1,151,909	\$1,181,153	
2022-23 Oct	\$1,092,766	\$1,153,800	\$1,216,372	\$1,251,497	
2023-24 May	\$1,092,766	\$1,154,911	\$1,222,827	\$1,264,691	\$1,260,070

#### 4.1.3 National Collaborative Research Infrastructure Strategy

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
2022-23 Mar	\$286,043	\$396,826	\$496,739	\$454,411	
2022-23 Oct	\$286,043	\$400,028	\$499,848	\$458,338	
2023-24	\$286,043	\$402,290	\$503,116	\$462,850	\$372,323

#### 4.1.4 Cooperative Research Centres

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
2022-23 Mar	\$199,374	\$193,117	\$197,070	\$193,540	
2022-23 Oct	\$199,374	\$199,962	\$205,054	\$201,579	
2023-24 May	\$199,374	\$200,532	\$208,046	\$205,199	\$209,737

## 5 Health system support – other measures

- **Access to care and medicines**
  - \$5.7 billion over 5 years from 2022–23 as an initial investment to provide better access and more affordable care for patients in response to the Strengthening Medicare Taskforce Report. This investment will improve the quality and accessibility of multidisciplinary primary care, modernise Australia’s digital health infrastructure, improve the financial sustainability of general practices, grow and upskill Australia’s health workforce, and ease the pressure on hospitals.
  - \$3.5 billion over 5 years from 2022–23 to triple the bulk billing incentive benefits for GP consultations for Commonwealth concession card holders and patients aged under 16 years of age.

- \$2.2 billion over 5 years from 2022–23 for new and amended listings on the Pharmaceutical Benefits Scheme, the Repatriation Pharmaceutical Benefits Scheme, the Life Saving Drugs Program, the National Epidermolysis Bullosa Dressing Scheme and the Stoma Appliance Scheme.
- The Government will provide \$1.3 billion over 5 years from 2022–23 and deliver savings of \$1.3 billion over 4 years from 1 July 2023 to reduce patient costs and improve access to medicines and related services delivered by community pharmacies.
- Additional funding of \$358.5 million over 5 years from 2022–23 to deliver Medicare Urgent Care Clinics by the end of 2023, including for 8 new Clinics.
- Funding to support patient-centred policy development and the uptake and monitoring of investments in Strengthening Medicare includes \$13.0 million over 4 years from 2023–24 to strengthen consumer and community representation in the design and delivery of primary care policy.
- **Aged care**
  - Additional funding of \$309.9 million over 5 years from 2022–23 to implement the recommendations from the Royal Commission into Aged Care Quality and Safety and other initiatives to strengthen the regulation of the aged care sector and improve the health and safety of older Australians receiving aged care.
  - \$11.3 billion to deliver a 15% for the aged care workforce.
- **Mental health**
  - \$556.2 million over 5 years from 2022–23 (and \$36.0 million ongoing) to strengthen Australia’s mental health and suicide prevention system, including \$8.7 million over 3 years from 2023–24 to establish and operate two independent national mental health lived-experience peak bodies to advise on mental health policies and programs and to support lived-experience research.
- **Public health**
  - The Government will provide funding of \$449.4 million over 5 years from 2022–23 (and \$118.0 million ongoing) and deliver efficiencies of \$74.1 million over 4 years from 2023–24 (and \$18.1 million ongoing) for new and amended listings on the National Immunisation Program (NIP).
  - From 1 July 2023, Gardasil®9, for the prevention of Human Papillomavirus, will be available to eligible patients up to the age of 25. The recommended dose schedule for some patients will reduce from 2 to one, resulting in efficiencies of \$71.2 million over 5 years (and \$17.8 million ongoing).
  - \$511.1 million over 4 years from 2023-24 (and \$101.1 million ongoing) for a new national lung cancer screening program, nicotine vaping product regulation and reform, and cessation support activities for tobacco and vaping use.
- **NDIS**
  - As a first step towards ensuring a sustainable NDIS, the Government will provide \$732.9 million over 4 years from 2023–24 to support participant outcomes and the effective and sustainable operation of the Scheme.
- **Support for other agencies**
  - \$325.7 million to support the ongoing operation of the Australian Digital Health Agency to continue delivering important digital health infrastructure, including upgrading My Health Record through an investment of \$429.0 million.
  - Funding from 2023–24 to support the Australian Nuclear Science and Technology Organisation in its provision of nuclear medicines to Australians.

## 6 Investing in science and technology – other measures

- \$3.2 million in 2023–24 (including \$1.1 million in capital funding in 2023–24) to support legislative amendments to the National Gene Technology Scheme to ensure regulation is fit for purpose and supports the growth of the biotechnology sector.
- \$61.4 million over 4 years from 2023–24 (and \$1.2 million per year ongoing) to establish the National Reconstruction Fund Corporation (NRFC). The list of priority areas for investment for the Fund includes medical science.
- \$132.7 million over 4 years from 2023–24 (and \$17.3 million per year ongoing) to boost Australia’s capability, capacity and outreach in science, technology, engineering and mathematics (STEM) includes \$9.1 million over 4 years from 2023–24 to promote STEM and encourage strong engagement between STEM professionals and policy makers through the National Science and Technology Council, the Prime Minister’s Prizes for Science and the Science Meets Parliament initiatives.