



AUSTRALASIAN COLLEGE
FOR EMERGENCY MEDICINE

2018-19 AUSTRALIAN FEDERAL BUDGET OVERVIEW HEALTH PORTFOLIO

The 2018-19 Federal Budget (the Budget) includes a range of initiatives that aim to address issues affecting timely and equitable access to health care for people who might otherwise end up in emergency departments (EDs). However, we consider these initiatives are at the margins of what is necessary to address access block and ED overcrowding.

The Budget does provide opportunities for ACEM and for Members to engage with these initiatives, at a systems and local level, to ensure emergency physicians' expertise influences and shapes their planning, development and implementation.

The Budget does outline commitments in relation to hospital funding, mental health, aged care, workforce planning and distribution, research and Aboriginal and Torres Strait Islander Health. Overall, the Budget reflects government prioritising community based health service delivery, improved oversight of the current service system and investment in rural and regional areas.

Initiatives to address workforce maldistribution is a priority for the College. We will be strongly engaging with government and key stakeholders to ensure our perspective is informing and influencing the work to be undertaken stemming from this Budget.

Further information on the key areas outlined above is set out in the Background section.

For your information, ACEM's media release in response to the Budget is accessible [here](#).

For a complete overview of the Health Portfolio Budget Papers, please go to <http://health.gov.au/internet/budget/publishing.nsf/Content/healthbudget1819-1> and <https://www.budget.gov.au/2018-19/content/documents.html>

Media coverage

Aged care, rural health, mental health and medical research were the topics the media focussed on as part of its coverage of this year's health budget.

Fairfax's Nicole Hasham summed up the mood, reporting that the Turnbull government's health focus shift towards older Australians "aims to shore up support in the Coalition's older voting base"¹.

The Australian Medical Association said it was a "safe and steady budget", which outlines a "broad range of initiatives across the health portfolio – but some of the bigger reforms and the biggest challenges are yet to come"².

Spending on mental health was largely welcomed, with the Royal Australian and New Zealand College of Psychiatrists highlighting the budget's focus on suicide prevention, mental health research "and a commitment to build the capability of Australia's medical workforce, particularly in rural and remote areas"³.

The Australian's Health Editor, Sean Parnell, reported that Health Minister Greg Hunt "will again turn his attention to reforming private health insurance and public hospital negotiations after the Turnbull government's budget initiatives were largely welcomed by stakeholders".

"However, four years after the incoming Coalition government made sweeping cuts to prevention and primary care, some still question the policy and budget focus on expensive acute care," Parnell reported⁴.

However, it was not all positive reaction, with the Government's \$95 million budget boost for country-based medical training attracting criticism. The Australian reported medical school deans have "denounced" the plans⁵.

And Jennifer Doggett's health portfolio analysis⁶ outlines her surprise that health groups' responses to the budget were largely positive, "despite its failure to address prevention, climate change, social determinants, primary health care & dental". "Hopefully this reflects their low expectations of government and not their actual priorities," she tweeted.

¹ *Budget 2018: Health focus shifts towards older Australians*, The Age; <https://www.theage.com.au/business/the-economy/federal-budget-2018-health-focus-shifts-towards-older-australians-20180507-h0zq1j.html>

² *Safe and steady Health Budget, but bigger reforms are still to come*, AMA; <https://ama.com.au/media/safe-and-steady-health-budget-bigger-reforms-are-still-come>

³ *RANZCP welcomes \$338 million investment in mental health*, RANZCP; [https://www.ranzcp.org/News-policy/News/RANZCP-welcomes-\\$338-million-investment-in-mental](https://www.ranzcp.org/News-policy/News/RANZCP-welcomes-$338-million-investment-in-mental)

⁴ *Federal budget 2018: Greg Hunt looks to the next health challenge*, The Australian; <http://online.isentialink.com/theaustralian.com.au/2018/05/09/cad083a0-8349-4c20-9447-873c51cb29c5.html>

⁵ *Federal budget 2018: Doctor training shift irks medical school deans*, The Australian; <http://online.isentialink.com/theaustralian.com.au/2018/05/09/3631d78c-90b9-446c-a8fe-e3243b63c6de.html>

⁶ *Federal Budget 2018/19 – public relations trumps policy*, Croakey; <https://croakey.org/federal-budget-2018-19-public-relations-trumps-policy/>

BACKGROUND

➤ Health – summary of expenses

Expenses for the health function are estimated to increase by 0.4 per cent in real terms from 2018-19 to 2021-22. This is largely driven by growth in the medical services and benefits and assistance to the States for public hospitals sub-functions.

Table: Summary of expenses: health

| Sub-function | Estimates | | | Projections | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| | \$m | \$m | \$m | \$m | \$m |
| Medical services and benefits | 31,110 | 32,012 | 33,519 | 34,983 | 36,574 |
| Pharmaceutical benefits and services | 13,206 | 12,822 | 12,483 | 11,044 | 11,050 |
| Assistance to the States for public hospitals | 20,690 | 21,189 | 22,301 | 23,468 | 24,692 |
| Hospital services(a) | 1,658 | 1,458 | 1,393 | 1,339 | 1,330 |
| Health services | 6,885 | 7,081 | 6,637 | 7,096 | 7,204 |
| General administration | 3,172 | 3,350 | 3,131 | 3,127 | 3,168 |
| Aboriginal and Torres Strait Islander health | 882 | 914 | 952 | 992 | 1,024 |
| Total health | 77,603 | 78,825 | 80,416 | 82,049 | 85,041 |

(a) The hospital services sub-function predominantly reflects Commonwealth funding to the States and Territories for veterans' hospital services.

For further information and a full outline of resourcing, please refer to the [Part 6: Health](#) under Budget Paper No. 1.

➤ Public Hospital Funding

The Government's funding contribution for the next health care agreement (post June 2020) is flagged to be \$130.2 billion over five years from 2020-21 to the States and Territories. The Government has also outlined its intent to contribute funding for the redevelopment of three hospitals in Western Australia:

- \$158.0 million for the Joondalup Hospital Expansion;
- \$20.3 million for the Royal Perth Hospital refurbishment; and
- \$10.6 million for the Osborne Park Hospital expansion.

From 2017–18 to 2019–20, National Health Reform funding is linked to growth in public hospital activity and the national efficient price determined by the Independent Hospital Pricing Authority. Over this period, the Commonwealth will fund 45% of the efficient growth in activity based services, with growth in total Commonwealth funding capped at 6.5% a year.

For further information and a full outline of resourcing, please refer to the [Part 2: Health](#) under Budget Paper No. 3.

Table: National Health Reform funding - current

| \$million | NSW | VIC | QLD | WA | SA | TAS | ACT | NT | Total |
|-------------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|-----------------|
| 2017-18 | | | | | | | | | |
| Hospital services | 5,944.2 | 4,940.5 | 4,777.0 | 2,222.0 | 1,325.2 | 410.5 | 396.5 | 286.1 | 20,302.1 |
| Public health | 124.0 | 100.1 | 77.8 | 40.6 | 27.1 | 8.2 | 6.5 | 3.8 | 388.0 |
| Total | 6,068.3 | 5,040.6 | 4,854.7 | 2,262.5 | 1,352.2 | 418.7 | 403.0 | 290.0 | 20,690.0 |
| 2018-19 | | | | | | | | | |
| Hospital services | 6,315.7 | 5,219.5 | 4,651.5 | 2,209.3 | 1,317.3 | 410.7 | 378.8 | 277.8 | 20,780.5 |
| Public health | 130.7 | 106.0 | 81.8 | 42.5 | 28.3 | 8.5 | 6.8 | 4.0 | 408.7 |
| Total | 6,446.4 | 5,325.5 | 4,733.3 | 2,251.8 | 1,345.5 | 419.2 | 385.7 | 281.8 | 21,189.2 |
| 2019-20 | | | | | | | | | |
| Hospital services | 6,642.7 | 5,470.7 | 4,910.8 | 2,342.6 | 1,371.1 | 425.0 | 404.2 | 303.7 | 21,870.8 |
| Public health | 137.8 | 112.4 | 86.2 | 44.5 | 29.5 | 8.9 | 7.2 | 4.2 | 430.7 |
| Total | 6,780.5 | 5,583.1 | 4,996.9 | 2,387.2 | 1,400.6 | 433.9 | 411.4 | 307.8 | 22,301.4 |
| 2020-21 | | | | | | | | | |
| Hospital services | 6,984.6 | 5,733.1 | 5,183.8 | 2,483.7 | 1,426.7 | 439.8 | 431.2 | 331.2 | 23,014.1 |
| Public health | 145.3 | 119.1 | 90.7 | 46.7 | 30.9 | 9.3 | 7.6 | 4.3 | 453.9 |
| Total | 7,129.9 | 5,852.2 | 5,274.5 | 2,530.4 | 1,457.6 | 449.1 | 438.8 | 335.5 | 23,468.0 |
| 2021-22 | | | | | | | | | |
| Hospital services | 7,342.0 | 6,007.3 | 5,471.2 | 2,632.8 | 1,484.3 | 455.1 | 460.0 | 360.4 | 24,213.1 |
| Public health | 153.4 | 126.3 | 95.6 | 49.0 | 32.3 | 9.7 | 8.0 | 4.5 | 478.7 |
| Total | 7,495.3 | 6,133.6 | 5,566.8 | 2,681.8 | 1,516.6 | 464.8 | 468.0 | 364.9 | 24,691.8 |

➤ Mental health

- The Government will provide \$37.6 million over four years from 2018-19 to improve follow-up care for people discharged from hospital following a suicide attempt — the highest at risk group in Australia — including:
 - \$10.5 million for *beyondblue* to provide national support and oversee the implementation of the Way Back Support Service (WBSS) in Primary Health Networks; and
 - \$27.1 million for Primary Health Networks to commission services to be accessed by WBSS clients (contingent on co-contributions from States and Territories).
- There is funding for Lifeline Australia (\$33.8 million over four years), SANE Australia (\$1.2 million in 2018-19) and *Head to Health* (\$4.7 million over two years) to provide mental health support services via telephone and online medium.
- The Government has also outlined \$82.5 million over four years from 2018-19 for mental health care for people living in residential aged care services.
- The National Mental Health Commission will receive more funding to support mental health reform, including \$12.4 million over four years from 2018-19 to strengthen its review and reporting capabilities.

For further information and a full outline of resourcing, please refer to [Budget Paper 2](#): Part 2: Health.

➤ Aged care

The Commonwealth will provide funding for new and innovative approaches to improve palliative and end-of-life care coordination for older Australians living in residential aged care.

The Government will establish an Aged Care Quality and Safety Commissioner from 1st January 2019 and provide \$235.8 million over four years from 2018-19 to support the functions of the new Commission.

➤ Workforce – Stronger Rural Health Strategy

The Government has outlined \$83.5 million over five years from 2017-18 to address the maldistribution of the health workforce to areas of greatest need across rural, regional and remote Australia. This includes:

- Establishing a Murray-Darling medical schools network to support end-to-end training continuum for students to study in the regions,
- Reforms to the delivery of training for general practitioners to create a National Rural Generalist Pathway by the National Rural Health Commissioner
- A shift to streamlining the GP training arrangements to be provided through the Royal Australian College of General Practitioners and the Australian College of Rural and Remote Medicine for non-vocationally registered GPs to gain vocational recognition
- Continuing and expanding support for Aboriginal and Torres Strait Islander health by working in partnership with Aboriginal and Torres Strait Islander Health Professional Organisations (ATSIHPOs).

For further information and a full outline of resourcing, please refer to [Budget Paper 2](#): Part 2: Health.

➤ **Research**

The Government has outlined its plan to invest \$275.4 million from the Medical Research Future Fund that includes:

- \$125.0 million over 10 years from 2017-18 for a *Million Minds* Mental Health Research Mission to support priorities under the Fifth Mental Health and Suicide Prevention Plan;
- \$18.1 million over four years from 2017-18 for a *Keeping Australians Out of Hospital* program to support preventive health, behavioural economics and reduce avoidable presentations to hospital;
- \$39.8 million over four years from 2017-18 for a *Targeted Health System and Community Organisation Research* program with a focus on comparative effectiveness studies and consumer-driven research.

The Government has also outlined \$50.0 million in 2018-19 and \$50.0 million in 2020-21 for a Health Innovation Fund to fund trials that support preventative health innovations and better use of health data.

For further information and a full outline of resourcing, please refer to [Budget Paper 2](#): Part 2: Health.

➤ **Indigenous health**

The Government has outlined funding for chronic and complex health conditions, including:

- \$4.8 million from 2017-18 to 2019-20 for the Crusted Scabies Elimination Program
- \$30 million for hearing health assessments from 2018-19 to 2021-22
- \$34.3 million to improve eye health from 2018-19 to 2021-22

The Government has announced funding of \$105.7 million over four years from 2018-19 (including \$32.0 million from within the existing resources) to support the National Aboriginal and Torres Strait Islander Flexible Aged Care Program to deliver additional residential aged care places and home care packages in remote Indigenous communities.

For further information and a full outline of resourcing, please refer to [Budget Paper 2](#): Part 2: Health.