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MEDIA RELEASE

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RECORD HEALTH AND AGED CARE INVESTMENT UNDER AUSTRALIA'S COVID-19 PANDEMIC PLAN

The Morrison Government is delivering a record \$115.5 billion in 2020–21 and \$467 billion over the forward estimates to deliver the essential health services Australians need under the Long Term National Health Plan.

The 2020–21 Budget funds the Government's ongoing health response under the Australian Health Sector Emergency Response Plan, extending initial key COVID-19 health initiatives. It helps chart the road out, including through unprecedented mental health support, and implementation of our COVID-19 Vaccine and Treatment Strategy.

Our Government has committed more than \$16 billion to the emergency health response to the pandemic. Aged care is a particular focus. Since the pandemic began, we have invested more than \$1.6 billion to protect senior Australians and workers in aged care, and support providers.

At the same time, this year's Budget strengthens the four pillars of our Long Term National Health Plan. It guarantees Medicare, delivers a Pharmaceutical Benefits Scheme (PBS) New Medicines Funding Guarantee, invests in mental health and backs medical research.

Since January we have funded initiatives across all pillars of the health and aged care system. This includes Medicare, health and aged care workforce capacity, improvements to health infrastructure and systems, hospitals, primary care, mental health, medical research, and the important COVID-19 Vaccination and Treatment Strategy. It also includes the implementation of the COVID-19 Health Plan and the COVID-19 Aged Care Response Plan.

The Government's record investment in health includes:

- A record four-year investment of \$467 billion, up \$32 billion over last year's Budget
- A record \$115.5 billion in health investment in 2020–21, up \$11.5 billion on last year's Budget
 - More than \$16 billion for the pandemic health response
- Medicare investment of \$119.3 billion over the forward estimates, up \$6 billion
 - \$2.4 billion total investment in telehealth
- \$41.5 billion for medicines funding over four years
 - Including the creation of the PBS New Medicines Funding Guarantee
- Ensuring hospital capacity with a \$133.6 billion investment over five years, and 2020–21 funding of \$23.6 billion

- An increase of \$33.6 billion through the new five-year National Hospital Funding Agreement
- \$3.3 billion for the National Medical Stockpile, Australia’s strategic reserve of time-critical and essential medical supplies
- Continuing Private Health Insurance (PHI) Reforms to deliver reduced costs for insurers and consumers
- \$5.7 billion for mental health
 - Doubling of support under Better Access, from 10 to 20 Medicare-funded psychological services
- \$20 billion Medical Research Future Fund (MRFF) has reached maturity to deliver life-changing research, with \$424.3 million in new grants programs and opportunities
- \$2.3 billion investment in COVID-19 treatments and vaccines
- Funding for aged care boosted to \$23.9 billion, up \$2.2 billion
 - Includes \$1.6 billion for 23,000 additional home care packages
- A \$230.8 million injection into sport and preventive health
 - \$44.9 million support for thalidomide survivors.

Guaranteeing Medicare

Providing Australians with affordable access to universal health care is a key pillar of the Long Term National Health Plan. The Medicare Guarantee Fund, established in 2017–18, allocates \$39 billion in guaranteed funds for spending on the Medicare Benefits Schedule (MBS) and PBS in 2020–21 and \$160.8 billion over the forward estimates, up \$7.9 billion from last year’s budget.

The introduction of telehealth has been a revolution in the delivery of primary care. To 30 September 2020, more than 32.8 million telehealth services have been delivered, with a total investment of more than \$2.4 billion. This Budget extends the telehealth services for a further six months while the long-term design is developed in conjunction with medical groups and the community. Telehealth for specialists and allied health has also been extended.

Testing is essential to our COVID-19 suppression strategy. The Budget extends up to 150 GP-led respiratory clinics to continue their pivotal role testing people with symptoms and reducing the pressure on hospital emergency departments and GPs (\$377.5 million since the start of the pandemic). The Government will continue Medicare-subsidised pathology testing for COVID-19 (\$1.1 billion since the start of the pandemic), including testing at the point of care for rural and remote Aboriginal and Torres Strait Islander communities.

Stronger Rural Health Strategy

The Government will continue to support Australians living in rural and remote areas, implementing the \$550 million Stronger Rural Health Strategy. This will give doctors more opportunities to train and practise in rural and remote Australia, and give nurses and allied health professionals a greater role in the delivery of multidisciplinary, team-based primary care.

A \$50.3 million investment will build on, and expand, the Rural Health Multidisciplinary Training (RHMT) Program, which has been successfully operating for more than 20 years. This program also provides valuable economic benefits to communities and regions.

This Budget also supports trials to test new ways of providing health services to smaller, connected rural communities across New South Wales, focusing on models to create efficient, coordinated networks of GPs, nurses and other health providers. The outcomes will inform wider primary care reform in rural Australia. We will also improve rural and regional health by expanding the National

Rural Health Commissioner's function to take a system-wide view of rural health, ensuring initiatives are integrated and address gaps.

Additional funding has been provided to improve the health of Australians in rural, remote and regional areas through access to innovative clinical trials. The \$125 million Rural, Regional and Remote Clinical Trial Enabling Infrastructure Program, funded under the MRFF, will help improve access to equipment, services and clinical trials for people living in the regions.

Improving access to medicines

The Morrison Government is committed to ensuring Australians have access to medicine when they need it through guaranteed listing of all medicines on the PBS that receive a positive recommendation from the independent, expert Pharmaceutical Benefits Advisory Committee (PBAC).

Our investment in new PBS medicines continues to grow, with more than 2,450 new or amended medicines listed on the PBS through an investment of more than \$11.8 billion since 2013.

The Budget creates a landmark PBS New Medicines Funding Guarantee. This Guarantee provides new funding for the listing of new medicines. It gives Australians certainty that the listing of new medicines will never again be at risk, as occurred in 2011.

While the PBS remains a demand-driven program, this PBS New Medicines Funding Guarantee will deliver new funding each year for the listing of new medicines on the PBS, to be replenished each year to meet the expected cost of new and amended listings.

Our Government will also complete new long-term agreements with Medicines Australia and the Generic and Biosimilar Medicines Association to commence at the expiry of the current agreements in 2022. These agreements, to be finalised over the coming months, will help ensure continued access to new medicines for patients and provide certainty for the medicines industry and incentives to invest in Australia.

We continue to list high cost drugs on the PBS:

- From 1 November 2020:
 - Lynparza® (olaparib) will be made available for the treatment of newly diagnosed advanced high grade epithelial ovarian, fallopian tube or primary peritoneal cancers. An average of 300 patients per year may benefit from this listing and would normally pay up to \$139,500 per course of treatment for this medicine
 - Tecentriq® (atezolizumab) and Avastin® (bevacizumab) will also be listed for Hepatocellular carcinoma (HCC), the most common type of primary liver cancer. An average of 500 patients per year may benefit from this. They would normally pay up to \$170,000 for a course of treatment without PBS subsidy
- From 1 October 2020:
 - Eylea® (aflibercept) was listed for the treatment of subfoveal choroidal neovascularisation due to pathologic myopia. In 2019, around 500 patients accessed a comparable treatment. Without PBS subsidy, patients may pay around \$5,000 per year
- From 1 September 2020:
 - Calquence® (acalabrutinib) was listed for the treatment of chronic lymphoma leukaemia or small lymphocytic lymphoma. Around 1,600 patients may benefit from this listing. Without PBS subsidy, patients may pay around \$140,000 per course of treatment

- From 1 August 2020:
 - Rozlytrek® (entrectinib) was listed for the treatment of non-small cell lung cancer. Around 130 patients per year may benefit from this listing. Without PBS subsidy, patients may pay around \$177,000 per course of treatment
- From 1 July 2020:
 - Ozempic® (semaglutide) was listed for the treatment of insufficiently controlled type 2 diabetes. Around 40,000 patients per year may benefit from this treatment. Without PBS subsidy, patients may pay around \$1,700 per course of treatment.

With a \$49 million investment over four years, the National Immunisation Program (NIP) has been amended from 1 July 2020 to improve protection for those most at risk from potentially fatal meningococcal and pneumococcal diseases. For the first time, the meningococcal B vaccine is available for free to Aboriginal and Torres Strait Islander infants under two years. A catch-up program will be available until 30 June 2023 with approximately 20,000 Indigenous children expected to be vaccinated each year.

Patient safety will be enhanced through the establishment of a Unique Device Identification System for medical devices. The system is an Australian first and will allow tracking and tracing of medical devices that have been implanted in patients. It will enhance the ability for doctors to notify patients quickly if there is a safety issue and strengthen Australia's post market medical device adverse event system. A unique identification framework for PBS medicines will also be devised to offer a tracking system for medicines.

The Government has negotiated and funded a new Seventh Community Pharmacy Agreement with the Pharmacy Guild of Australia and the Pharmaceutical Society of Australia, providing \$18.3 billion for pharmacy dispensing and medication managements programs.

This ensures Australians continue to have access to more than 200 million subsidised PBS prescriptions each year through their pharmacy of choice and access to medication management programs focusing on the safe use of medicines.

We are ensuring access to medicines during the COVID-19 pandemic by fast-tracking electronic prescribing (\$5 million) and home delivery of medicines to protect vulnerable Australians (\$25 million).

Supporting our hospitals

The Morrison Government is supporting our hospitals through a \$133.6 billion investment over five years, an increase of \$33.6 billion, under the National Health Reform Agreement. Funding has grown from \$13.3 billion in 2012–13 to an estimated \$23.6 billion in 2020–21, \$25.2 billion in 2021–22, \$26.7 billion in 2022–23 and \$28.2 billion in 2023–24.

We are ensuring hospital capacity through the COVID-19 pandemic through the National Partnership on COVID-19 Response, which includes a State Health and Hospital 50:50 Sharing Agreement (\$3.1 billion) and a private hospital viability guarantee (\$1.7 billion).

This has played a vital role during the second wave in Victoria, enabling more than 500 aged care residents to transfer to private hospitals to receive care.

Over the course of the pandemic and the coming year, the Government has and will invest \$3.3 billion to ensure the National Medical Stockpile continues to provide access to medicines and personal protection equipment to our hospitals and health workforce.

Reforming private health insurance

Ongoing reforms to PHI will widen patient choice, support access to essential care, and improve its affordability, value, attractiveness and sustainability.

Our first wave of reforms reduced costs for insurers and consumers, increased access to mental health services, and improved transparency and affordability for policy holders. This Budget begins a second wave of reform.

Insurers will be able to increase the age of dependants – from 24 to 31 – to encourage continuity of cover, and will also allow people with a disability to remain on their family policy.

The Government will also make home and community-based care when clinically appropriate, more accessible through PHI for mental health and general rehabilitation services, with an initial focus on mental health and orthopaedics, with the goal of commencing on 1 April 2021.

The transparency of out-of-pocket costs for more than 13.6 million Australians with private health insurance has been improved thanks to the Medical Cost Finder website. This Budget commits \$17.1 million to enhance the website which collects, validates and publishes individual non-GP medical specialist fees for consumers.

Addressing mental health and suicide prevention

The Australian Government has made mental health and suicide prevention a national priority, with an unprecedented \$5.7 billion to be spent on mental health in 2020–21. This Budget reaffirms this strong commitment to mental health, in addition to the significant investment in mental health services provided through telehealth.

Our Government will double the number of Medicare-funded psychological services from 10 to 20 through the Better Access Initiative, in response to the recommendation of the draft Productivity Commission report with an investment of \$100.8 million.

The Government recognises that the 2019–20 bushfires and the COVID-19 pandemic have significantly affected the mental health and wellbeing of individuals, families and communities. Through this Budget, we are continuing to ensure that support is available.

We have provided \$76 million for mental health support for Australians affected by the bushfire emergency. This includes distress and trauma counselling, additional Medicare-subsidised sessions, training and support for frontline emergency personnel, funding for Kids Helpline and Lifeline, and small grants to assist community recovery and connectedness and bolstering of headspace services in fire-affected areas.

The Government is implementing the largest expansion of the headspace network to date, with the current network of 124 services to grow to 153 services nationally by 2022. Over the next four years from 2020–21, the Government is investing \$630.4 million in the national headspace network. This includes \$534.4 million for the establishment of new services and ongoing service delivery at existing services and \$96 million to address demand and reduce wait times to access headspace services.

The Budget also delivers funding for a number of emergency response measures to support the mental health and wellbeing of Australians through the COVID-19 pandemic. This includes funding of \$74 million to create a new Coronavirus Mental Wellbeing Support Line and boost the capacity of key

mental health services, \$48.1 million to support the National Mental Health and Wellbeing Pandemic Response Plan including delivering better data and modelling capacity.

Recognising the particular difficulties faced by Victorians, we have provided a further \$12 million to support outreach to young people and secure helpline capacity, \$26.9 million for 15 new *HeadtoHelp* enhanced mental health clinics, and \$5 million for additional digital services for specific vulnerable groups. From 7 August 2020, \$7.3 million was provided for 10 additional Medicare-subsidised psychological therapy sessions for people subject to further COVID-19 restrictions.

Our Government continues to work on major reforms to ensure that we have a unified national mental health system. As part of this process, this Budget supports the Prime Minister's Suicide Prevention Adviser's initial advice by providing \$64.1 million for extension and evaluation of the national suicide prevention trials, expansion of aftercare services for those who have self-harmed or attempted suicide, new postvention services to support families and carers who have been bereaved by suicide, youth peer support, and support for Aboriginal and Torres Straits Islander youth through the Pilbara trial and headspace services.

Additional funding of \$2.1 million will also be provided to continue the valuable work of the Prevention Hub – a collaboration of the Black Dog Institute and Everymind. This will deliver a research program that targets people at greater risk of mental health conditions and suicide.

This Budget delivers vital support for mental health right now while providing a solid foundation as we engage with the sector to bring about the long-term structural transformation necessary for a mental health system that delivers the best possible care for all Australians now and in the future.

Investing in preventive health

The Morrison Government is laying the foundations for long-term future investment in preventive health. Our National Preventive Health Strategy is a major part of our Long Term National Health Plan. It is the key to improved health outcomes and a sustainable health system.

Our Government will build on Cancer Australia's success in improving health outcomes for people with breast and gynaecological cancers by broadening the focus to include other types of cancer. The move will improve cancer care for a wider range of patients.

A life time support package will be provided for all recognised thalidomide survivors. The \$44.9 million package responds to the 11 recommendations of the Final Report from the Senate Inquiry into support for Australia's thalidomide survivors.

Australians battling melanoma will benefit from a world-class melanoma and clinical trials centre. The Government will provide \$50 million to establish the Victorian Melanoma and Clinical Trials Centre at the Alfred Hospital in Melbourne.

In this Budget, we fund initiatives to improve hearing health, particularly for older and vulnerable Australians (\$21.2 million). A national three-year hearing health campaign will focus on preventing, treating and destigmatising avoidable hearing loss and damage, including for people in aged care. It includes research, a rural hearing health workforce summit, and developing tele-audiology standards. Around 3.6 million Australians have impaired hearing.

The Government is providing \$0.6 million to support people who suffer from migraines to improve management, and increase awareness of, migraines.

Australia has experienced increasing rates of antimicrobial resistance (AMR) which threatens the health of Australians, livestock and our agricultural and food sectors. Our Government is providing more than \$22.5 million to continue administration of the national Antimicrobial Use and Resistance in Australia (AURA) Surveillance System, and Australia's national antimicrobial strategy.

AMR infections can move across borders and between health care and community settings, including aged care facilities, and challenge the safety of routine medical procedures, such as hip replacements and chemotherapy.

Investing in life-saving medical research

The landmark Medical Research Future Fund (MRFF) reached maturity at \$20 billion in July 2020. This is an unprecedented investment that will provide ongoing sustainable funding for ground breaking health and medical research. It has reached this target just five years after it was established in 2015.

The earnings of the MRFF have been used to fund important health and medical research projects, supporting Australia's best and brightest health and medical researchers over the long term.

This budget includes significant investment in medical research, including:

- \$6.6 billion over the next four years for
 - MRFF (\$2.5 billion)
 - National Health and Medical Research Council (NHMRC) (\$3.6 billion)
 - BTF (\$500 million)
- \$424.3 million for new research grants and new program openings, including:
 - Pathogen Genomics Grant Round
 - University of Melbourne - \$10 million pathogen genomics research program, to demonstrate utility, cost-effectiveness, and capacity for translation of genomics into public health nationally
 - 2020 COVID-19 Mental Health Research Grant Round
 - Monash University - \$610,000 mental health research – reducing longer-term risk of adolescent mental health problems by enhancing parents' ability to support them through the pandemic
 - Targeted Calls for Research Grant Round
 - Deakin University - \$1 million for Chronic Fatigue Syndrome research
- New program rounds, including:
 - \$110 million for 2021 Frontier Health and Medical Research program, to open on 7 October 2020
 - \$7.5 million for Efficient Use of Existing Medicines, to open on 7 October 2020
 - \$44 million for 2021 Centres of Research Excellence, to open on 21 October 2020
 - \$9 million for Childhood Cancer Research Grant, opened on 29 September 2020.

The Morrison Government is investing a total of \$2.3 billion to support our home-grown researchers and manufacturers to develop and produce a COVID-19 vaccine, while engaging in strategic international partnerships to support access for Australia and our region. Under our COVID-19 Vaccine and Treatment Strategy, the Budget funds the first tranche of investments in COVID-19 vaccine candidates, totalling a potential \$1.7 billion to pre-order 84.8 million doses of vaccine with leading Australian manufacturer CSL Limited (Seqirus) and UK-based AstraZeneca.

The Australian Government has also joined the COVAX facility, providing access to a large portfolio of COVID-19 vaccine candidates and manufacturers across the world. The Government's initial

commitment of \$123.2 million guarantees we receive offers to purchase a number of vaccine candidates from around the world as they become available, meeting safety and effectiveness standards.

Separately, we are buying the vital needles and syringes needed to deliver vaccine doses as soon as we have them (\$24.7 million).

So far, we have invested \$362 million in research and development activities in support of COVID-19 vaccines, treatments, therapeutics, diagnostics, and research capability. This includes \$95.2 million from the MRFF, including more than \$19 million to support Australian researchers in the development of COVID-19 vaccines.

Supporting senior Australians

In this Budget, we are investing \$408.5 million to improve the care and quality of the aged care system. This responds to both the COVID-19 pandemic and urgent issues raised by the Royal Commission into Quality and Safety in Aged Care.

Funding has increased from \$13.3 billion in 2012–13 to \$23.9 billion in 2020–21, \$24.5 billion in 2021–22, \$25.9 billion in 2022–23 and \$27.1 billion in 2023–24.

A record 23,000 home care packages are being delivered at a cost of \$1.6 billion. This continues our support for senior Australians who seek to live in their homes for longer. The packages will start to be released from 2020. The Government has now invested an additional \$4.6 billion in more than 73,105 packages since the 2018–19 Budget. The Government has increased packages from 60,308 at 30 June 2013 to 155,625 at 30 June 2020 and an estimated 185,597 at 30 June 2021.

Building on COVID-19-specific support already provided, and our initial response to the recommendations of the Aged Care Royal Commission report on COVID-19, we have now provided an additional \$1.6 billion to support the aged care sector's pandemic response. As part of this funding, aged care providers must have one or more trained infection control officers to improve infection control management. This Budget delivers \$746.3 million which includes:

- \$81 million for additional surge workforce and increased training for aged care workers on top of \$101.2 million announced in March 2020
- \$8.4 million for supplementary payments to help cover quarantine costs and interstate staff
- \$205.1 million extension of the Aged Care Workforce Retention Bonus Payment
- More than \$9.1 million to support the establishment of the Victorian Aged Care Response Centre
- More than \$12.5 million to increase availability of grief and trauma support services for aged care residents and their families.

We are continuing the COVID-19 supplement to all Commonwealth-funded aged care providers and the 30 per cent increase in the viability supplement and the residential care homeless supplement for a further six months (\$245 million). Further funding helps providers cover the costs of implementing single site workforce arrangements in hotspots (\$92.4 million). We are also providing support for older Australians who temporarily relocate from residential aged care facilities to live with their family during the pandemic (\$71.4 million).

The Budget tackles issues already identified by the Royal Commission. The misuse of chemical and physical restraints for people living with dementia will be targeted. More specialist counselling teams

will be available to provide expert psychosocial services, including face-to-face and by video and telephone (\$11.3 million).

People in residential aged care will be better protected from abuse, and serious incidents will be better responded to and managed. A Serious Incident Response Scheme will provide more ‘boots on the ground’ staff – nearly 70 extra staff – to regulate the scheme, inspect services and provide safeguards for people in aged care. Providers will be held to account for managing and reporting incidents (\$29.8 million). This will assist in addressing concerns raised by the Aged Care Royal Commission report into COVID-19.

We will stop younger people with a disability going into aged care. A new national organisation, supported by up to 40 system co-ordinators, will connect young people to more age-appropriate facilities (\$10.6 million).

We are reforming how residential aged care is funded. The Budget funds the second stage in the implementation of the new Australian National Aged Care Classification system (\$91.6 million). This will enable independent assessments to deliver more accurate funding to meet the care needs of residents.

Our Government will continue the Business Improvement Fund and add funding capacity to provide grants to eligible residential aged care facilities that are experiencing financial difficulty (\$35.6 million).

Our Government will invest \$10.3 million in the Aged Care Workforce Council. This will build a workforce with the required skills, attitudes and flexibility to provide high quality consumer-focused care to older Australians, and increase recruitment and retention.

This Budget provides funding of \$10.8 million to help ensure that our aged care nurses are supported and well equipped to improve the care and in particular, infection control in aged care as raised by the Royal Commission.

Prioritising Aboriginal and Torres Strait Islander health

This Budget provides \$4 billion in Indigenous health funding over the coming four years, including \$975.5 million in 2020–21. It builds on our efforts to work in partnership with Aboriginal and Torres Strait Islander people to improve health outcomes.

The COVID-19 response measures in this Budget continue the significant work undertaken to keep Aboriginal and Torres Strait Islander people safe. This includes funding to extend the 86 Point of Care testing sites in rural and remote areas, support to the National Aboriginal Community Controlled Health Organisation and enabling unprecedented access to culturally safe assessment and testing across urban and regional areas, with Aboriginal and Torres Strait Islander community controlled health organisations operating 23 of the up to 150 GP-led Respiratory Clinics.

From 1 July 2020 the Government has also provided more than \$90 million in additional to Aboriginal and Torres Strait Islander community controlled health organisations under a new funding model, which provides three-year funding agreements and annual indexation.

The Government has also announced the investment of almost \$35 million in 42 projects in areas such as ending avoidable Indigenous deafness, ending avoidable Indigenous blindness, and helping to

eradicate chronic kidney disease (including investment of \$14.4 million provided through the first grant round of the Indigenous Health Research Fund).

A further \$33 million is being provided through the Indigenous Australians' Health Programme to expand Aboriginal and Torres Strait Islander primary health care services.

In addition, work is under way to refresh the National Aboriginal and Torres Strait Islander Health Plan, and to develop a National Aboriginal and Torres Strait Islander Health Workforce Plan, both of which are being developed in full partnership with Aboriginal and Torres Strait Islander representatives.

Building a healthy, active Australia

As Australia charts a path to living with COVID-19, it is important for people to engage in healthy, active and connected lifestyles.

We continue to fund the successful Sporting Schools Program for another year, supporting schools to partner with national sporting organisations to deliver high quality sport-based activity, free to students (\$39.6 million). Up to 5,500 primary schools and 500 secondary schools will receive grants. Since it started in 2015, Sporting Schools has distributed \$240 million in grants.

Australians will see the world's best female football players in action when the FIFA Women's World Cup 2023 is held in Australia and New Zealand. The Morrison Government is providing \$2.4 million to Football Federation Australia to start planning now, pending impacts of COVID-19 on international travel. Australia has not hosted a sporting event of this magnitude since the Sydney 2000 Olympic Games.

The Government will also provide funding of \$4.7 million in 2020-21 to the Australian Sports Foundation to increase the fundraising capacity of community sport clubs, and enhance the organisation's information technology network and cyber security functions.