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Some welcome down payments, but 2023 must be a health budget

The Australian Medical Association (AMA) says the federal government’s investment of \$980 million for general practice in today’s budget is a welcome follow through on its election commitments, but warned that with the health system under so much pressure, the May 2023 budget must put health front and centre.

Labor has made much of its credentials on Medicare and having now settled into office, the next budget must deliver on this rhetoric. While this is a budget that focuses on delivering on election commitments, we need to see a genuine health budget next May.

“This is a welcome down payment towards the long term funding increase that is needed in general practice, something the AMA advocated for during the 2022 federal election campaign as part of our [Modernise Medicare](#) campaign,” AMA President, Professor Steve Robson said.

“The government has set aside \$750 million for its Strengthening Medicare Fund to support the recommendations of the Strengthening Medicare Taskforce, which are due by the end of this year.

“We are pleased to see that the government is planning to move quickly to roll out \$229.7 million in GP infrastructure grants of up to \$50,000 each, which will support general practices to enhance digital capability, invest in infection control and meet accreditation standards.”

The AMA also welcomes the government’s \$143.3 million commitment to support access to healthcare in rural and regional areas.

Professor Robson said the \$2.5 billion investment in aged care and the government’s commitment to provide funding to support a pay increase for aged care workers would address critical recommendations from the Royal Commission into Aged Care Quality and Safety, adding that the critical next step would be ensuring aged care residents can continue to see their usual GP.

“Like the general practice funding this is a welcome investment that needs to be followed by an improved GP funding model — one that supports GPs to deliver increased and continuing services in aged care facilities, as outlined in our [plan to improve access to GPs](#).”

“Time is running out for our overstretched health system. The government needs to use the next six months to prepare a package of measures to deliver additional investments in health that address the crisis in our ramped public hospitals, further support our overworked GPs, and reform the private health system.

“The health minister acknowledged only recently just how serious the issues facing general practice are. With the right investment in our incredible GPs we can continue providing the kind of care that keeps people out of our public hospitals.

“This budget also doesn’t address the long-running logjam facing our public hospitals. We need to see 50/50 funding implemented and the arbitrary 6.5 per cent cap on federal hospital

funding growth scrapped if we are to address the record ambulance ramping and wait lists, as outlined in the AMA's [Clear the Hospital Logjam](#) campaign.

“With inflation expected to hit 7.75 per cent by the December quarter this year, any extra federal funding will simply be eaten up by rising healthcare costs before it reaches even a single patient, leaving no funding to provide extra services to meet community health needs.

The AMA also highlighted that the limited number of urgent care centres funded in this budget aren't the solution to the hospital crisis.

“The AMA is ready to engage constructively on this policy, but firmly believes this funding would be better directed towards ensuring general practices can stay open after hours, so patients can receive care from their trusted GP,” Professor Robson said.

Professor Robson said reform of the private health system also needed to be addressed in 2023.

“The health minister has acknowledged how important this essential pillar of the health system is and we acknowledge there is some work underway in this area, but we need investment to ensure reform can take place.”

Professor Robson said the federal government missed the opportunity in this budget to address chronic disease through the [AMA's proposed sugar tax](#), or any other preventative health initiatives.

“At a time when the government is looking to make savings, a sugar tax is a solution that raises revenue while reducing chronic disease. And that revenue can be directed towards public health initiatives that further reduce chronic disease without impacting the budget. It's a win-win-win policy.”

Professor Robson also warned that the COVID-19 pandemic is not yet over with the overseas experience and the government's own advice suggesting that another wave of infections would hit the country by the end of the year.

“Several key COVID-19 related support measures for public hospitals, aged care and general practice are due to end by 31 December this year and the virus is unlikely to respect this deadline, which will put more pressure on the health system.”

Professor Robson said the other positives from this budget included extra money for Aboriginal and Torres Strait Islander people's health, funding to begin scoping a Centre for Disease Control (CDC), as well for the development of a National Health and Climate Strategy and the establishment of a National Health Sustainability and Climate Unit.

“We saw from COVID-19 that an investment in health is also an investment in the economy. There are signs in this budget that the new government understands this, such as the establishment of a CDC.

“But we will need significantly more funding in the next budget to back up the rhetoric if we are to prevent the health system from further spiralling — something that would not be healthy for Australians or the economy,” he said.

Read about the [AMA's plan to Modernise Medicare](#).

Read about the [AMA's call for a sugar tax](#).

Read about the AMA's [Clear the Hospital Logjam](#) campaign.

Read the [AMA Pre-Budget Submission 2022-23](#).

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