

This briefing outlines measures announced in the Australian Government's 2018/19 Budget, particularly those measures that are relevant to HIV and STIs in Australia, Asia and the Pacific. The briefing draws on material from the Department of Health Budget Lock-up, information released in Portfolio Budget Statements by the Departments of Health and Foreign Affairs and Trade and analysis by non-government health, welfare and development peak organisations.

### Executive summary

Key features of the 2018-19 Federal Budget relevant to HIV and STIs include:

- The implementation of the new National Strategies for BBVs and STIs 2018-2022 (the National Strategies) is referenced in the Department of Health's [Portfolio Budget Statements](#) for 2018/19. Implementation funding for these strategies is located within the Health Protection and Emergency Response Program, alongside a range of other initiatives (that is, only a component of this funding relates specifically to BBVs and STIs). Almost \$145 million is set aside for 2018/19. This is an increase of approximately \$5 million from the current year. This increase is followed by a reduction in funds over the forward estimates (back to \$118 million in 2021-22). **This investment will support BBV and STI organisations in delivering prevention, testing, treatment, research and workforce support programs in pursuit of the goals of the National Strategies.**
- The Government reaffirmed its strong commitment to listing new medicines on the Pharmaceutical Benefits Scheme (PBS). \$2.4 billion will be provided over five years (from 2017/18) for a number of new and amended listings on the PBS and the Repatriation Pharmaceutical Benefits Scheme (RPBS), including a \$1 billion provisioning for future medicines recommended for listing by the Pharmaceutical Benefits Advisory Committee (PBAC). **The Government highlighted the \$180 million investment in HIV Pre-Exposure Prophylaxis (PrEP), over five years, following its listing on the PBS from 1 April 2018.**
- Mental health was a clear priority in this Budget with the Government committing to an increase of \$338 million in annual mental health funding, with a strong focus on suicide prevention, aftercare following a suicide attempt, research and suicide among older Australians. A \$72.6 million suicide prevention package will include additional support for Lifeline, Beyond Blue and SANE Australia. Mental distress associated with HIV status, sexuality and gender can be acute. **Poor mental health is associated with poorer overall health outcomes. AFAO hopes that this investment recognises the intersection between mental health and HIV status, sexuality and gender and includes targeted community-informed communication and education strategies to address the impact of stigma related to HIV, sexuality, gender and sex characteristics on poor mental health.**
- Aboriginal and Torres Strait Islander health has a higher profile than was evident in last year's budget, with a modest increase in investment of around four per cent per year. The investment will target treating and preventing complex chronic health conditions such as eye disease (\$34.4 million), hearing loss (\$30 million) and crusted scabies (\$4.8 million) in remote communities. However, funding levels for the Aboriginal Community Controlled Health Services (ACCHS) need to be increased to ensure strengthened and expanded community-controlled primary care for Indigenous communities. **AFAO is very concerned about rising rates of HIV, other BBVs and STIs among Aboriginal and Torres Strait Islander people and the continued absence of investment in a nationally coordinated response to promote HIV and STI prevention, treatment and testing in Indigenous communities.**

- The Australian Aid budget will receive a slight boost in funding, increasing by \$190 million, with a total of \$4.2 billion allocated for Official Development Assistance (ODA) for 2018-19. However, the Government announced a one-year extension of the freeze on aid to 2021-22, which means that aid will be reduced by \$110 million in real terms and reach a new low of 0.19 percent of Gross National Income (GNI). **AFAO welcomes the increase of aid to Papua New Guinea (PNG) and the Solomon Islands. AFAO notes that funding for high-speed internet cable between Australia, PNG and the Solomon Islands did not come out of the country programs and that both countries will see a direct funding top-up to retain health and development programs in the region.**
- Indonesia and Cambodia saw a decrease in funding allocations by 10 percent. The Department of Foreign Affairs and Trade (DFAT) acknowledged there is still work to be done in these countries, especially given health priorities in the region. **How these cuts will impact health programs in Indonesia and Cambodia is unknown.**

## Detailed summary

### *National BBV and STI Strategies*

The implementation of the National BBV and STI Strategies is referenced in the Department of Health's [Portfolio Budget Statements](#) for 2018/19. There is specific mention of continuing work with State and Territory Governments, community and primary healthcare to encourage increases in BBV and STI testing and treatment among priority populations, including Aboriginal and Torres Strait Islander communities, and to implement the Australian Government priority actions to respond to HIV, viral hepatitis and STIs.

Funding for the implementation of these strategies is located within the Health Protection and Emergency Response Program with almost \$145 million set aside for 2018-19. This is an increase of approximately \$5 million, or 3.5 per cent, from the previous year. This increase is followed by a reduction in funds over the forward estimates (back to around \$118 million in 2021/22). It cannot be assumed that this reduction over time will have an impact on BBV and STI spending as the underlying rationale for the changes in the allocation are either not related to BBVs and STIs (for example, some of the reduction relates to write-downs of pandemic preparedness drug stockpiles) or are for unknown reasons.

Previously, funding for the National Strategies was located within the Health Flexible Funds, which have now been dissolved. Funding now being located within the Health Protection and Emergency Response Program ensures that the investment is quarantined from competing priorities, however, the absence of the Health Flexible Funds means that BBV and STI funds are part of a smaller pool of investments. The absence of access to a larger funding pool reduces the immediate capacity of the health system to respond to emerging and unplanned BBV and STI issues.

The Minister for Health, the Hon Greg Hunt MP, has indicated to AFAO on a number of occasions that the Government will announce measures to support the implementation of the National Strategies when they are launched in mid-2018, however the Budget provides no detail about these measures.

AFAO's [Blueprint](#) to virtually eliminate HIV transmission in Australia outlines how additional HIV funding would enable the scale up of PrEP coverage to all individuals who can benefit from it, increase testing frequency to arm key populations with increased knowledge and awareness of their status, strengthen HIV prevention, and support immediate access to and retention in care for people diagnosed with HIV. AFAO continues to highlight these messages and our concern that without immediate additional investment in HIV, Australia will not meet its goal of virtually eliminating HIV transmission by 2020.

## **Medicare costs**

On 1 July 2017, the Government announced an end on the pause to indexation on a range of measures including the removal of the freeze on the indexation of bulk-billing incentives for general practitioners. The indexation of Medicare rebates to bulk-billing GPs will proceed again this year (being the second year since indexation was re-introduced), delivering an additional \$1.5 billion to Medicare services to 2021/22. This will hopefully continue to reduce pressure on out-of-pocket GP costs by encouraging more GPs to bulk-bill appointments or to keep out-of-pockets at lower levels.

## **Funding the Pharmaceutical Benefits Scheme**

The Government has re-committed to funding all medicines recommended by the PBAC. This includes \$1.4 billion in new medicines in 2018/19 (including PrEP) and a further \$1 billion provision for future listings. Since the 2017/18 Mid-Year Economic and Fiscal Outlook (MYEFO), the PBS has had 115 new and amended listings. Tenofovir with emtricitabine (the combination medication used for PrEP) was one of these medications. To capitalise on the potential of PrEP to dramatically reduce HIV transmission, PrEP coverage needs to be scaled-up to people at higher-risk of HIV. To enable this scale up funding to support immediate and intense health promotion activities is required.

## **E-prescribing**

The Government has announced \$28.2 million over five years from 2017/18 to upgrade the e-prescribing software used by clinicians to prescribe medicines. This upgrade introduces options for prescribers and patients to transition to fully electronic PBS prescriptions as an alternative to paper-based prescriptions. This upgrade provides the possibility of using anonymous data to provide dynamic, real-time, population-level insights into the use of HIV prevention and treatment medicines. This feature is consistent with one of the Blueprint's objectives which is to strengthen the national evidence base underpinning HIV prevention, testing and treatment initiatives. The Government's initial investment in this initiative will improve health care provider compliance with PBS eligibility prescriber criteria and other relevant prescribing guidelines. This upgrade is welcomed as it will provide PrEP-naïve general practitioners with quicker access to prescriber guidelines.

## **Aboriginal and Torres Strait Islander health**

Aboriginal and Torres Strait Islander health has a higher profile in this year's budget than was evident last year. The Government will invest \$3.9 billion in Indigenous health which represents a modest increase of around four per cent per year. The Government will target treating and preventing complex chronic health conditions such as eye disease (\$34.4 million), hearing loss (\$30 million) and crusted scabies (\$4.8 million) in remote communities. The Government also announced \$105.7 million over four years to deliver additional residential aged care places and home care packages in remote Indigenous communities.

The Government has established a new needs-based funding model for Aboriginal Community Controlled Health Services (ACCHS). The move was welcomed by the National Aboriginal Community Controlled Health Organisation (NACCHO). However, NACCHO highlighted the need for increased investment to strengthen and expand the role of ACCHS in providing primary healthcare to Indigenous communities. AFAO strongly supports NACCHO's call. HIV rates among Aboriginal and Torres Strait people now more than double the rate for Australian-born non-Indigenous people. At the same time, STI rates are at all-time highs in Aboriginal and Torres Strait Islander communities. This Budget misses the opportunity to announce new investments to ACCHS and other organisations to bring efforts to respond to BBVs and STIs in Aboriginal and Torres Strait Islander communities to necessary scale.

## **Mental health funding**

Mental health was a clear priority in this Budget with the Government committing to an annual increase of \$338 million in mental health funding, focusing on suicide prevention, aftercare following a suicide attempt, research and older Australians. A \$72.6 million suicide prevention package will include additional support for Lifeline, Beyond Blue and SANE Australia. This includes support for SANE Australia's suicide prevention awareness campaign – *Better Off With You* – that includes a focus on LGBTI people.

The oversight, monitoring and reform roles of the National Mental Health Commission will also be expanded and the Way Back Support Service – providing support for people following discharge from hospital after a suicide attempt – will be rolled out across twenty-five Primary Health Networks.

This investment should consider options to address the impact of HIV stigma on poor mental health outcomes. HIV is often misunderstood and is associated with outdated and inaccurate stereotypes. This expresses itself as HIV stigma. HIV stigma is experienced by people with HIV and those at risk of HIV. It is a barrier to people attending healthcare services for regular testing, information regarding risk behaviours, and treatment medication adherence. This outcome undermines the public health investment in ending HIV transmission.

## **Medical research**

This year's Federal Budget includes a strong focus on medical research with a number of new announcements in addition to continuing commitments. Overall, the investment of \$6 billion in 2018/19 includes \$3.5 billion for the National Health and Medical Research Council, \$2 billion in disbursements from the Medical Research Futures Fund and \$500 million from the Biomedical Translation Fund.

Within this overall allocation:

- a National Health and Medical Industries Growth Plan has been announced, with \$1.3 billion in funding over ten years
- initiatives within this Plan include \$20 million over the period to 2021/22 for a trial in pre-conception screening
- a further \$240 million of this funding is set aside over the period to 2021/22 for innovative and 'out of the box' research ideas and discoveries
- the Plan also includes \$39.8 million for 'Targeting Health System and Community Organisation Research' on the comparative effectiveness of health services, addressing areas of practice with low evidence and for consumer-driven research.

## **Drug and alcohol treatment services**

The Government has announced \$40 million over three years from 2018/19 to strengthen primary care for treatment and support for alcohol and drug use (\$20 million) and residential rehabilitation services (\$20 million). AFAO member, the Australian Injecting and Illicit Drug Users League (AIVL), welcomed the additional funding. In doing so, AIVL highlighted the need for further investment to ensure that the alcohol and other drugs service system is able to meet existing demand and that people entering and exiting custodial contexts are not forgotten.

The Government reaffirmed its commitment to implementing a \$10 million trial to drug test welfare recipients. AFAO and AIVL have both strongly recommended that this funding be re-allocated to resource vital harm reduction measures and community-based organisations that support people who use alcohol and other drugs.

## ***Australian Aid***

The Australian Aid budget received a slight boost, increasing by \$190 million to \$4.2 billion in Official Development Assistance (ODA) for 2018/19. However, over the forward estimates, we see a capping of the total aid budget at \$4 billion per annum, resulting in a total cut of \$141.1 million in real terms over four years. The Australian Council for International Development, of which AFAO is a member, has called Australia's aid budget "morally wrong and strategically short-sighted."

Australia now contributes just 0.22 percent of Gross National Income (GNI) to ODA. By 2021/22 this contribution will be 0.19 percent of GNI, the lowest it has ever been. Australia will become one of the world's lowest aid contributors in terms of GNI – ranking 19<sup>th</sup> out of the 29 nations that contribute ODA. The capping of Australia's ODA budget jeopardises the continuation of current projects and provides no funding for new projects. This is of concern to AFAO and the work we conduct in the region on supporting sustainable HIV financing and ensuring our communities have equitable access to healthcare.

## ***Asia and the Pacific***

AFAO welcomes the increase in ODA for the Pacific to \$1.3 billion or 30 per cent of the overall ODA budget. We also note that Papua New Guinea's allocation in the ODA budget will increase by almost 10 per cent, while the allocation for the Solomon Islands will increase by 58 percent. This will ensure the continuation of health, development and education programs. PNG continues to receive the highest regional funding from Australia at approximately \$520 million, or 12 per cent of the total ODA budget.

AFAO is concerned that the proposed proportion of Australian funding for the high-speed internet cable from Australia to the Solomon Islands and Papua New Guinea will come from program funding cuts in Indonesia and Cambodia that aim to reduce poverty and provide access to health and education in these countries.

## ***UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria***

There are no changes to Australia's commitment to UNAIDS. The Government will continue to provide \$22.5 million over five years from 2018-2022 to support UNAIDS, as announced by the Minister for Foreign Affairs, the Hon Julie Bishop MP, at the 2017 World AIDS Day Parliamentary Breakfast. The Government also reaffirmed Australia's three-year commitment of \$220 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria. The Global fund will begin its sixth replenishment campaign in 2020, when the aid budget will be reduced and capped at \$4 billion. AFAO will be advocating strongly for the continuation and expansion of Australia's financial support to the Global Fund.