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The Turnbull Government will increase its investment in health, aged care and sport to \$89.5 billion in 2016–17, an increase of 4.1 per cent on 2015-16.

Our reforms are targeted to meet the growing needs and expectations of the modern consumer and are bold and broad, but also affordable, achievable and, most importantly, fair.

We have a clear focus on integration, innovation and modernisation to deliver the 21st century health services Australians expect. We will eliminate waste, inefficiency and duplication wherever we find it.

The Turnbull Government will make sure every health dollar lands as close to the patient as possible.

Our closely co-ordinated reforms range from a Healthier Medicare and cheaper, faster access to medicines, through to patient-focused hospital and dental funding agreements with the states and territories, as well as consumer-centred reforms of private health, aged care, mental health, digital health and medicinal cannabis.

The days of Labor's unaffordable and undeliverable health policies that put politics ahead of patients are over.

Labor's constant over-promising and under-delivering is putting both the health of patients and our nation at risk.

Only the Turnbull Government has a clear, positive vision for health, aged care and sport, and our 2016–17 Budget is another important step towards delivering this.

Investment Highlights

- Health – \$71.4 billion (3.2 per cent increase on 15–16, 11.6 per cent increase on 13–14)
- Medicare – \$22.7 billion (3.4 per cent increase on 15–16, 13.6 per cent increase on 13–14)
- Hospitals – \$17.9 billion (4.2 per cent increase on 15–16, 29.4 per cent increase on 13–14)
- Pharmaceutical Benefits Scheme – \$10.4 billion (3.4 per cent increase on 15–16, 9.8 per cent increase on 13–14)
- Additional Primary Care investment, including Mental Health – \$1.5 billion (0.9 per cent increase on 15–16, 11.7 per cent increase on 13–14)
- Aged Care, excluding Department of Social Services – \$17.8 billion (7.7 per cent increase on 15–16, 25.5 per cent increase on 13–14)

Integrated Health Reform – Delivering New Measures

Access to vital life-saving medicines and medical devices will be fast tracked by up to two years as a result of bold reforms that will make Australia a more attractive place to invest and innovate.

This will break down barriers that see Australians currently waiting up to 15 months longer than patients in the US and Europe to access medical breakthroughs, as well as cutting years off waiting times to access treatments for rare conditions.

The reform package will cost \$20.4 million, but is expected to deliver hundreds of millions of dollars in returns for the nation's economy through improved patient health outcomes, innovation and research.

The Government will also provide an extra \$63.8 million over five years for Australians to access affordable drugs to treat a range of conditions including breast and prostate cancer and melanoma.

This builds on the passage of the Coalition's pharmacy and medicine price reforms last year, which will continue to roll out in 2016–17 with the cost of everyday medicines for Australians expected to drop by as much as half from October 2016. Pharmacists will also receive significant ongoing support, including for primary care programs, through a five-year, \$18.9 billion agreement.

The Turnbull Government's 2016–17 Budget will deliver landmark dental reform through a single national Child and Adult Public Dental Scheme. Adult Commonwealth concession card holders, along with all children, will be eligible. It will double the Commonwealth's current contribution to the states and territories for frontline public dental services by providing \$1.7 billion over the forward estimates.

The 2016–17 Budget puts in place key building blocks to reform the private health insurance system for the long-term benefit of consumers. This will include a consumer-focused expert Private Health Sector Committee, as well as a revamp of the current Prostheses Listing Advisory Committee to make medical devices more affordable and available to Australians faster, without compromising safety.

The Turnbull Government will continue to deliver consumer-centred aged care services, with reforms that will improve access in rural and remote locations, as well as \$136.6 million to ensure the My Aged Care website can meet rapidly growing demand.

These measures are part of the Turnbull Government's ongoing commitment to broader aged care reform and support the rollout of the Coalition's recent law change ensuring an older Australian's home care package follows them if they change location – putting consumers, not the aged care provider, in charge of their later years.

Integrated Health Reform – Delivering Existing Measures

Budget 2016–17 will mark the start of work rolling out the Turnbull Government's revolutionary Healthier Medicare package – one of the largest reforms of the health system since the introduction of Medicare itself 30 years ago. This includes \$21.3 million to facilitate the design, operation and evaluation of trials for the new Health Care Home (HCH) model of chronic care, across seven sites around the country, for two years from July 1 2017.

The introduction of HCHs will also create bundled payments and incentives for GPs treating the chronically ill – a move away from the traditional fee for service model. It will be initially funded during a two-year trial period using funds transferred from other Chronic Disease Management Medicare items that would otherwise be accessed on an episodic basis.

In addition to HCH trials, landmark mental health reforms will be established at nine demonstration sites in 2016–17, as well as support for the first stages of a national mental health digital gateway.

Each of these reforms will closely integrate with the Turnbull Government's fair and sensible hospital agreement, which will provide the states and territories up to \$2.9 billion to 2020 and place a greater focus to ensure investment delivers improved patient outcomes, safety and transition out of hospital for the chronically ill. There will also be broader talks with the states and territories about longer-term funding arrangements.

Our Healthier Medicare reforms will also ensure all of the above reforms are rolled out as efficiently as possible through the continuation of the review of all 5,700 items on the Medicare Benefits Schedule.

Access to a safe, legal and reliable supply of locally-manufactured medicinal cannabis should be available to patients in 2016–17, with the Turnbull Government continuing to roll out its landmark reform, including commercial cultivation in the coming months.

All aspects of the Turnbull Government's reforms will be supported by digital innovation, including ongoing support for the national rollout of the new My Health Record, including four trial sites.

The landmark \$20 billion Medical Research Future Fund (MRFF) is a critical commitment to medical research and innovation. The MRFF's newly-appointed board will this year develop national medical research priorities to guide where future funds will be allocated.

The Turnbull Government will also boost sports participation, high performance outcomes and integrity in 2016–17 – an Olympic year. This includes the continued rollout of the Coalition's signature Sporting Schools and Play.Sport.Australia participation programs. There will also be an additional \$1.5 million for pre-drugs testing in preparation for a clean and fair 2018 Gold Coast Commonwealth Games.

Healthier Population, Healthier Nation

The 2016–17 Budget continues our strong commitment to improving women's health, with investment in a number of important health and wellness initiatives. This includes \$3 million to further subsidise the use of MRIs to detect certain types of breast cancers via Medicare to help women beat this disease and save lives.

There will also be \$2.2 million for the continued national registers for breast and cardiac devices, such as prostheses and implants following mastectomies or other cosmetic surgeries, and pacemakers and stents following heart surgery, to reduce the stress and anxiety surrounding a widespread safety recall.

A \$0.8 million online support tool will help tackle perinatal depression, and \$10.5 million will help prevent, diagnose and treat Fetal Alcohol Spectrum Disorders.

Budget 2016–17 includes an extra \$29.9 million for the Turnbull Government's promise to create a National Cancer Screening Register.

Some 370,000 Australians at risk of diabetes-related eye diseases will benefit from a \$33.8 million investment to list new Medicare items subsidising sight-saving tests every two years. Aboriginal and Torres Strait Islander people will be eligible annually as part of the Turnbull Government's commitment to closing the gap on health outcomes.

This will be complemented by \$4.5 million to continue the fight against blood borne viruses and sexually transmissible infections in the Torres Strait region. Chlamydia and gonorrhoea are about 19 and 21 times higher respectively in Torres Strait communities.

The Turnbull Government will protect the nation against anti-microbial resistance through a \$9.4 million investment, including a national GP plan to curb the over prescription of antibiotics, as well as further research and surveillance initiatives.

This is in addition to a range of other National Partnership Agreements with the states and territories protecting Australians from the spread of dengue fever, foodborne illnesses and vaccine-preventable diseases.

About \$0.6 million will be allocated to support patients who contracted hepatitis C through blood transfusions back in the 1980s and 1990s. This supports our \$1 billion-plus commitment to listing breakthrough cures for hep C that could see the disease all but eradicated as a public health threat in this country within a generation.

The Budget will help bridge the city-country divide on health. Registrars in rural areas training to be GPs will be able to claim Medicare benefits for the services they provide, rather than waiting until their training finishes, while rural GPs will be better supported with funding and infrastructure to teach and train the next generation.

The Government will invest \$102.3 million over five years to improve rural and remote aged care services by updating how providers are classified in terms of remoteness. This will increase the viability supplement rate paid to rural and remote residential services and some special needs services.

The Health Star Food Rating scheme will also receive a \$5.3 million injection.

The 2016–17 Budget will implement the recommendations of our review into organ and tissue donation, and will continue to defend Australia's plain packaging tobacco laws.

Stronger Health System

The Turnbull Government is expected to secure \$66.2 million over four years from 2016–17 through tougher Medicare compliance approaches that will use data and analytics to better detect fraud, abuse, waste and errors in Medicare claims as part of the Turnbull Government's Healthier Medicare package of reforms.

The MBS Review Taskforce has to date also identified a further \$5.1 million worth of efficiencies over four years from removing or updating out-of-date Medicare items from 2016–17.

In addition, Labor's pause on indexation of Medicare rebates will continue for a further two years, saving an additional \$925.3 million. This is in recognition of the current fiscal environment and the Healthier Medicare reforms that will be designed and trialled over this period, including a new, fairer bundled payment and incentive model for GPs treating chronically ill patients that will no longer rely solely on the fee-for-service Medicare rebate model.

However, the Turnbull Government maintains its commitment to a possible review of the pause as further improvements and inefficiencies are identified through its Healthier Medicare reform process.

The current aged care funding model will also be improved by redesigning certain aspects of the Aged Care Funding Instrument (ACFI) to stabilise higher than expected growth. Expenditure on the ACFI is expected to blow out by \$3.8 billion over the next four years without action. This reform aims to maintain sustainable funding growth for the residential aged care sector and will save taxpayers \$1.2 billion over four years.

The Government will continue to find efficiencies in the operation of health programs worth an estimated \$182 million. All existing contracts will be honoured and future spending will be prioritised towards frontline services.

Efficiencies and savings will be distributed between the Turnbull Government's investment in health, aged care and sport and Budget repair in line with previous commitments.