

GLOBAL HEALTH AND THE 2022-23 FEDERAL BUDGET

FACTS AND FIGURES

30 March 2022

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“We must invest strongly to address immediate global health needs, protect our hard-fought progress, and prepare us to tackle new health threats in the future”

Professor Brendan Crabb
Chair, Australian Global Health Alliance

1. OFFICIAL DEVELOPMENT ASSISTANCE BUDGET

1.1. DFAT'S Budget Documents

- [Official Development Assistance Budget Summary](#)
- [Foreign Affairs and Trade Portfolio Budget Statements 2022-23](#)
- [Foreign Minister Payne's press release](#)

1.2. Total Australian ODA 2022-23: \$4.549 billion

In 2022-23, total Australian ODA increases to an estimated \$4.549 billion. This is up from \$4.456 billion in 2021-22.

This figure is made up of \$4.09 billion baseline ODA and \$460 million in Temporary, Targeted and Supplementary (TTS) measures:

⇒ **Baseline ODA 2022-23: \$4.09 billion**

Indexation has been returned to the 'base' ODA of \$4.0bn, calculated at a rate of 2.5%.

This totals \$4.1bn, however \$11m has been subtracted out of the ODA total for continued support to Palau (who have recently graduated from ODA eligibility). Which gives us the final figure of \$4.09 billion.

It is worth noting that the 2.5% indexation figure falls short of the most recent Consumer Price Index (CPI) figures of 4.25% in 2021-22 and 3% for 2022-23.

⇒ **Temporary, Targeted and Supplementary (TTS) Measures: \$460 million**

Similar to 2020-21 and 2021-22, this year's budget includes Temporary, Targeted and Supplementary (TTS) measures. Indexation will not be applied to these figures. DFAT notes that these measures are in place to recognise the complex and overlapping challenges currently face in our strategic environment. Those measures are:

- \$281 million: COVID-19 Response Package for the Pacific and Timor-Leste (total package \$314m from 2022-24)
- \$98.3 million: Vaccine Access and Health Security Initiative
- \$61.5 million: Economic, Development and Security measures for Southeast Asia recovery
- \$13.6 million: Pacific Labour Mobility
- \$5.7 million: ASEAS Comprehensive Strategic Partnership

1.3. ODA / GNI Ratio

In 2022-23, Australia's ODA/GNI figure will be 0.21%. Based on estimates, it will decrease by 2025-26 to 0.18%.

This decline is a direct consequence of the policy to cap the ODA budget at \$4 billion in real terms, and the planned cessation of the temporary measures in 2023/24.

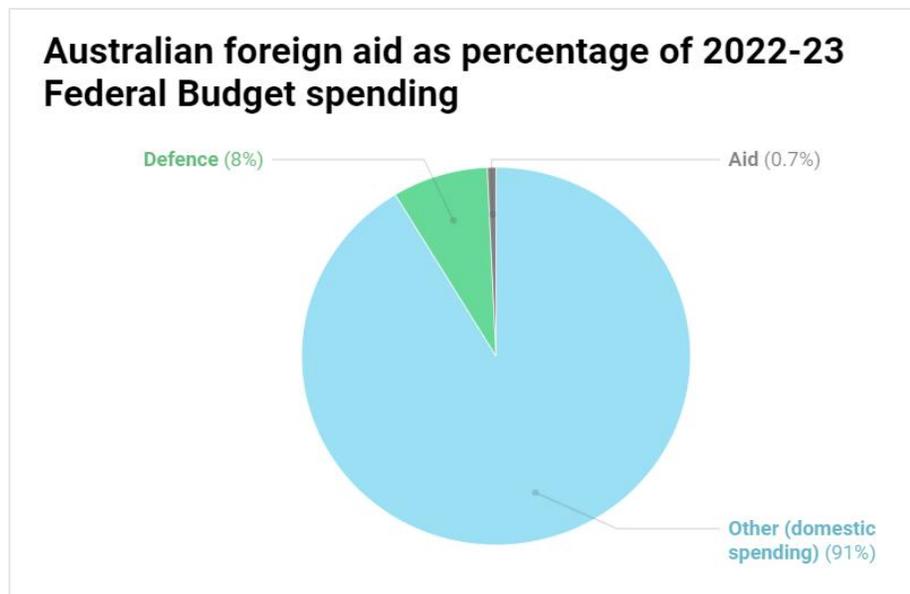
Australia's ODA/GNI ratio is well below that of other high-income economies, and has fallen from 0.34% in 2011. A long-standing United Nations target is that developed countries should devote 0.7% of their gross national income to ODA.

Worth noting is that in its [2021 platform](#), Labor states that it “will, over time, achieve a funding target for the international development program of at least 0.5 per cent of Gross National Income. Labor will increase aid as a percentage of Gross National Income every year that we are in office starting with our first budget.”

Based on 2020 DAC data, Australia ranks 19th out of 22 traditional aid donors on disbursements.

1.4. Aid as a portion of the total budget

ODA is 0.72% of total Federal Budget spend in 2022-23. In comparison, the defence budget is 7.95%.



Source: [Development Policy Centre Australian Aid Tracker](#)

1.5. Forward estimates

	2022-23	2023-24	2024-25	2025-26
TOTAL ODA	\$4.549bn	\$4.199bn	\$4.327bn	\$4.427bn
	<i>Incl. \$460m TTS measures</i>	<i>Incl. \$139m TTS measures</i>	<i>Incl. \$22.9m TTS measures</i>	<i>Incl. \$15.9m TTS measures</i>
ODA/GNI Ratio	0.21%	0.19%	0.18%	0.18%

1.6. Global and Regional Health Security

Highlights in the budget for Global and Regional Health Security include:

⇒ **A further pledge to the COVAX Advanced Market Commitment: \$85 million.**

This will bring Australia's total commitment to the Advanced Market Commitment (AMC) to \$215 million. The COVAX AMC is an international mechanism delivering vaccines to 92 eligible low and middle income countries, supporting the WHO's goal to reach 70% global vaccination coverage by mid-2022.

Of importance, is that \$77.5 million of this commitment will be provided by the Department of Health in 2021-22. We understand that the money is already held by Gavi, and was originally committed for the purchase of vaccines for Australia's own needs. Those doses are no longer required for Australia, so a decision has been made to transfer those funds to the Advanced Market Commitment. The remaining \$7.5 million will be provided by DFAT in 2022-23, and we are still seeking clarity on what budget line this will come from.

⇒ **An increase in contributions to Global Health Programs: \$190.5 million.**

This is an increase from \$113.5 million in 2021-22. This total sum in 2022-23 includes allocations for Gavi (direct and via the International Finance Facility for Immunisation), Global Fund, COVAX, and CEPI.

The Alliance sought further breakdown of the \$190.5 million allocation during the briefing session on 29 March 2022 with DFAT, but were advised that the distribution of funds was still to be apportioned. However, note that these are likely to be ongoing annual payments from previous replenishments and are not indicative of additional commitments. We do not expect, for example, an announcement on Australia's commitment to the Global Fund 7th Replenishment until the pledging conference later this year.

We were also advised that the \$7.5 million contribution by DFAT to the new \$85m COVAX AMC pledge (see above) was not allocated to this budget line.

⇒ **A new five-year commitment for the Indo-Pacific Centre for Health Security: \$375 million overall; \$75 million in the 2022-23 budget.** This was [announced](#) by Minister Payne last month, and is an increase from the \$300 million committed for the first five years of the program.

⇒ **A strong pledge to the Coalition for Epidemic Preparedness and Innovations: \$100m over five years.** This is a substantial increase from the previous commitment of \$12 million over four years.

We have been advised that \$50 million of this will be contributed by the Department of Health. The remainder will be drawn from the baseline ODA budget, but the amount per year is yet to be defined.

- ⇒ **Continued delivery of vaccines to our region via the Regional Vaccine Access and Health Security Initiative: \$98.3 million.** This is the final year in the original three-year \$523.3 million commitment, supporting comprehensive COVID-19 vaccination coverage in the Pacific and Timor-Leste. Australia has shared over 25 million vaccine doses with our region to date, as part of their commitment to share 60 million doses.

1.7. Climate Change

At COP26, Australia committed to double our climate finance to \$2 billion dollars over 2020-2025.

In their 2022-23 ODA summary, DFAT states that “at least \$700 million of this will flow to the Pacific” with “a focus on adaptation and resilience, supporting food and water security, stronger and more inclusive disaster preparedness, and climate resilient infrastructure”.

We await further details from DFAT on the specifics of these plans, and their suitability to meet the scale of the climate and health emergency facing our region.

As part of this, support for climate partnerships has increased by \$5 million in 2022-23 to \$45 million, and are poised to “catalyse a broader portfolio of climate finance investments across the development program” (DFAT, 2022).

1.8. Gender Equality

A new package was announced in the budget to support gender equality in South East Asia.

“Women Together” is a \$300 million package over five years and will focus on building women’s economic empowerment, increasing women’s leadership in regional peace and stability and realising women’s and girls’ rights focused on violence prevention.

The Women Together package is in addition to the government’s Pacific Women Lead program, which is funded \$170 million from 2021-26 and continues to promote women’s leadership, realise women’s rights, and increase the effectiveness of regional gender equality efforts in the Pacific

1.9. Disability

Disability spend remains at the previously cut rate of \$9.6 million for 2022-23.

1.10 What is still to come?

- ⇒ **Sector flows:** DFAT will be publishing 2022-23 estimates for sectoral flows, including health in the coming weeks
- ⇒ **Updated development cooperation fact sheets:** To be found on the DFAT website in the coming weeks.
- ⇒ **Further contributions to COVAX?** COVAX will be hosting the Break COVID Now funding summit on 8 April 2022. They are seeking a total US \$5.2 billion for the next phase of the response. Will there be a further commitment from the Australian Government beyond the \$85 million outlined in the budget? In the past, they have made their announcements to COVAX on the date of the pledging moment.



2. DEPARTMENT OF HEALTH BUDGET

Unlike some previous years, expenditure for global health research and programs is not overtly obvious in the 2022-23 Department of Health budget papers. We will reach out to the Department of Health for further clarity in the coming days.

We are aware that:

- \$59 million has been allocated for the response to Japanese Encephalitis Virus
- \$5 million has been provided in 2022-23 to expand the Australian Partnership for Preparedness Research on Infectious Diseases Emergencies Network

Based on the discussions at the DFAT briefing, we also know that:

- \$77.5 million will be provided by the DoH to the COVAX Advanced Market Commitment in 2021-22
- \$50 million will be provided to CEPI over the next five years

3. MORE ANALYSIS

[ACFID's Post-Budget Analysis](#)

[Development Policy Centre's Australian AID Tracker](#)

[Development Policy Centre's Post-Budget Briefing](#)

4. OUR RESPONSE

Aid increase welcome, but must go further to address growing global health challenges

The Australian Global Health Alliance welcomes increased investment in overseas aid to address immediate COVID-19 and other global health challenges, and calls for a focus on health equity within a longer term vision to meet the growing challenges our region faces now and in the future.

The 2022-23 Official Development Assistance budget will support a new package of \$300 million over five years to address gender equality and violence against women in Southeast Asia. The budget flags an additional \$85 million pledged to COVAX, the international mechanism to deliver vaccines to the world's poorest countries, a \$77 million increase in spending to global health programs, a five-year extension of the Indo-Pacific Centre for Health Security and the extension of the temporary and targeted packages aimed at supporting the economic and social recovery from COVID-19 in our Pacific and South East Asian neighbours.

However, Alliance Chair Professor Brendan Crabb AC said without further long-term commitments we risk losing ground in global health.

“Pleased as we are with this commitment, the funding increase announced by the Commonwealth is temporary and cuts are still built into the forward estimates. This ignores the medium to long-term nature of responding to COVID-19, including the profound effects of the pandemic on health more generally.”

“We must invest strongly to address immediate global health needs, protect our hard-fought progress, and prepare us to tackle new health threats in the future” Professor Crabb said.

Alliance Executive Director Dr Selina Lo said the budget needed to better confront the devastating health impacts of climate change here and in our region with a determined vision and plan.

“Global health is about addressing health equity everywhere. Climate change is the single greatest threat to global health in the 21st century and cuts across communicable and non-communicable disease burden. Australia and our Pacific neighbours are particularly vulnerable.” Dr Lo said.

“Today, for example, our friends in NSW find themselves battling the devastating reality of an increased frequency of dangerous and extreme weather events, for the second time in a month.”

Dr Lo also identified an opportunity and requirement to strengthen Australia’s own global health workforce capacity to respond to current and future health challenges.

“Our networks of health providers, researchers, educators and organisations are world class leaders in many fields and have underpinned our pre-eminence in health and medical care and innovation for decades.

“Yet even pre-pandemic there was rarely new money contributed to specific global health higher education. Australia can only contribute meaningfully to health and prosperity of the region by investing in global health workforce capacity.

“It is critical that the Australian Government invests in global health through education pathways and research and development opportunities now to improve the capacity and robustness of the current and future Australian global health workforce and our partners.”