



Regional Health Package	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would provide additional funding to encourage more doctors and allied health professionals to work in regional and rural communities.</p> <p>The proposal includes 7 elements:</p> <ul style="list-style-type: none"><li>• Element 1 provides \$35 million over 4 years for an additional 2 rounds of the Innovative Models of Collaborative Care program across Modified Monash Model 3-7 regions.</li><li>• Element 2 provides funding to expand the John Flynn Prevocational Doctor Program (JFPDP) to support up to 1,000 rotations in rural Australia.</li><li>• Element 3 expands the Murrumbidgee single employer model trial to more regions across rural Australia, with nil additional cost to the budget.</li><li>• Element 4 provides funding to support 60 additional training posts outside of community general practice for rural generalists, GP registrars and fellowed GPs to undertake advanced skills training.</li><li>• Element 5 provides \$87.5 million over 4 years through the Workforce Incentive Program (WIP) to increase workforce incentives to GPs and allied health professionals and to provide further targeted support to rural generalists.</li><li>• Element 6 extends the Distribution Priority Area (DPA) status of regions granted DPA status under the exceptional circumstances review process by 12 months, with nil additional cost to the budget.</li><li>• Element 7 provides funding to establish 3 new Regional Training Hubs in rural Australia.</li></ul> <p>Departmental costs associated with this proposal would be offset from within existing funding for relevant departments.</p> <p>Elements 3 and 6 of this proposal would have effect from 1 July 2022. All other elements of this proposal would have effect from 1 January 2023.</p> <p>Elements 2, 4, and 7 are ongoing.</p>	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by about \$151 million over the 2022-23 Budget forward estimates period. This entirely reflects an increase in administered expenses. While departmental expenses for this proposal would be expected to be worth around \$4.2 million over the forward estimates period, these costs are offset from within existing departmental funding as per the proposal specifications.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	<b>Total to 2025-26</b>
Fiscal balance	-19.7	-39.9	-44.3	-47.3	<b>-151.2</b>
Underlying cash balance	-19.7	-39.9	-44.3	-47.3	<b>-151.2</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Methodology

- The financial implications of this proposal were based on costing models provided by the Department of Finance.
- Departmental costs were estimated based upon the costs of similar budget measures.
- Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

The Department of Finance provided the relevant costing models for all elements of the proposal and indexation parameters as at the Pre-election Economic and Fiscal Outlook 2022.

Australian Government (2018), *2018-19 Budget – Budget Paper No. 2*, Australian Government.

Australian Government (2022), *2022-23 Budget – Budget Paper No. 2*, Australian Government.

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<sup>1</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Attachment A – Regional Health Package – financial implications

**Table A1: Regional Health Package – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Expenses</b>													
<b>Administered</b>													
<i>Element 1</i>	-5.0	-10.0	-10.0	-10.0	-	-	-	-	-	-	-	-35.0	-35.0
<i>Element 2</i>	-	-1.8	-5.5	-8.3	-9.4	-9.6	-9.7	-9.8	-10.0	-10.1	-10.3	-15.6	-84.5
<i>Element 3</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Element 4</i>	-2.2	-2.3	-2.3	-2.4	-2.4	-2.5	-2.5	-2.5	-2.6	-2.6	-2.7	-9.2	-27.0
<i>Element 5</i>	-12.5	-25.0	-25.0	-25.0	-	-	-	-	-	-	-	-87.5	-87.5
<i>Element 6</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Element 7</i>	-	-0.8	-1.5	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7	-1.7	-1.8	-3.9	-15.7
<b>Total – administered</b>	<b>-19.7</b>	<b>-39.9</b>	<b>-44.3</b>	<b>-47.3</b>	<b>-13.4</b>	<b>-13.7</b>	<b>-13.9</b>	<b>-14.0</b>	<b>-14.3</b>	<b>-14.4</b>	<b>-14.8</b>	<b>-151.2</b>	<b>-249.7</b>
<b>Departmental</b>													
<i>Departmental expenses</i>	-2.1	-0.7	-0.7	-0.7	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-4.2	-4.9
<i>Unspecified departmental offsets</i>	2.1	0.7	0.7	0.7	0.1	0.1	0.1	0.1	0.1	0.1	0.1	4.2	4.9
<b>Total – departmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (excluding PDI)</b>	<b>-19.7</b>	<b>-39.9</b>	<b>-44.3</b>	<b>-47.3</b>	<b>-13.4</b>	<b>-13.7</b>	<b>-13.9</b>	<b>-14.0</b>	<b>-14.3</b>	<b>-14.4</b>	<b>-14.8</b>	<b>-151.2</b>	<b>-249.7</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Regional Health Package – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b><i>Fiscal balance</i></b>	-0.2	-0.9	-1.9	-3.0	-3.7	-4.2	-4.7	-5.2	-5.9	-6.5	-7.4	<b>-6.0</b>	<b>-43.6</b>
<b><i>Underlying cash balance</i></b>	-0.2	-0.8	-1.8	-2.8	-3.6	-4.1	-4.6	-5.2	-5.8	-6.5	-7.3	<b>-5.6</b>	<b>-42.7</b>

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>2</sup> [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)