The George Institute for Global Health

Pre-Budget Submission 2025-2026

Submission to the Australian Department of Treasury and Finance

Overview

The George Institute is a leading independent global medical research institute with major centres in Australia, China, India and the UK, and an international network of experts and collaborators. Our mission is to improve the health of millions of people worldwide, particularly those experiencing inequity. Through a program of research, advocacy, thought leadership, and disruptive social entrepreneurship, we are driving global impact.

The George Institute for Global Health 2025-26 Pre-Budget Submission outlines six priorities for investment in future health and well-being of Australians that focus on three, interconnected core themes: prevention, equity and resilience.

Investing in prevention, through improved primary care systems and regulation that encourages healthy diets, is an investment in Australia's prosperity and economic growth. Australians are living longer, largely thanks to a health system that effectively detects and treats illnesses. However, Australians are not living healthy lives, with over 8 million of us with at least one chronic health condition. The effects of chronic health conditions can be debilitating for an individual's health and well-being, and their impacts come at a substantial cost for the health sector. The rise of preventable, chronic diseases is having a cascading effect through our society, creating inequitable health outcomes and threatening the resilience of our health system.

Despite Australia's high-performing health system, there are whole populations being left behind. Aboriginal and Torres Strait Islander peoples continue to face inequitable health outcomes, and women are being left behind through a lack of research and understanding of broader health needs. Targeted investments can close these health gaps and ensure all people in Australia can benefit from its world-class health system.

Finally, in this submission we identify investments to enhance the resilience of health and climate systems of our region, through increasing Australia's contribution to addressing these mutual challenges. The strength and sustainability of our own health system also rests on increased investment in health and medical research. The medical research sector is at a financial crisis point. Without sustained investment, we stand to lose medical and scientific talent and threaten our ability to respond to major health issues, such as heart disease, cancer and dementia.

Thank you for considering our submission to the Treasurer on the 2025-26 Federal Budget.

Acknowledgement of Country

The George Institute for Global Health acknowledges the traditional owners of the lands on which we work, and in particular the Gadigal people of the Eora Nation on which our Sydney office is situated. We pay our respects to Elders past, present and future.

We value and respect the ongoing connection of Aboriginal and Torres Strait Islander peoples to Country and are committed to working in partnership with communities to deliver better health outcomes.

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Key budget recommendations

Invest in primary health care as the backbone of the health system

- Introduce a new, ***blended payment model*** for primary health care providers, to enable multidisciplinary, team-based health care that better supports patient needs.
- Establish a ***National Innovation and Reform Agency***, supported by an Innovation Fund, that drives long-term reform in collaboration with patients, carers and clinicians.
- Invest more to ***strengthen primary health care***, allowing for funding growth through the National Health Reform Agreement.
- Embed ***primary health care and prevention*** as a core tenet of shared governance in the next addendum of the National Health Reform Agreement in 2025.

Tackle Australia's biggest health challenge – chronic disease – with a greater focus on prevention and healthy food systems

- Provide increased funding for the ***Australian Centre for Disease Control*** to address both chronic and infectious diseases.
- Allocate resources to implement the ***National Preventive Health Strategy***, including prioritising mandating the Health Star Rating system, implementing a 20% sugar sweetened beverage levy and uniform volumetric tax for alcoholic beverages.
- Invest in monitoring and surveillance to fund a ***National Nutrition Survey*** that assesses the implementation of the national strategies, informs prioritisation of policy and programs and guides future resource allocation.
- Allocate 5% of Commonwealth health expenditure towards ***preventive health investments***, through evidence-based programs to address chronic diseases such as Food is Medicine.

Integrate Aboriginal and Torres Strait Islander knowledges into Government policy

- Fund the development and implementation of ***First Nations-led climate action plans*** that address the specific risks and exposures faced by Indigenous communities.
- Release, fund and implement the ***National Strategy for Injury Prevention***, including funding for sustainable, community-led injury prevention initiatives, to reduce the inequitable burden of injury among Aboriginal and Torres Strait Islander peoples.
- Establish a ***National Injury Prevention Agency*** to provide governance, manage programs and research and monitor the implementation of the National Strategy for Injury Prevention.
- Fund the ***Building Cultural Capabilities program*** nationally to improve access to culturally safe health care for Aboriginal and Torres Strait Islander peoples.
- Fund implementation of the ***National Strategy for Food Security in First Nations Communities***, including increased investment in Aboriginal Community Controlled Organisations which are leading community responses to food and water security.

Strengthen women's health through better research, medical training and capacity building for our health workforce

- Provide funding to implement ***the Statement on Sex, Gender, Variations of Sex Characteristics and Sexual Orientation in Health and Medical Research*** including:
  - ***A nation-wide audit of medical curricula*** and sex and gender policies of Australian universities and medical training institutes, to understand the gaps and opportunities for improving education and training of future health professionals to deliver person-centred medical care.
  - ***Training for researchers and evaluators*** on incorporating sex and gender analysis into research.
- Provide increased funding towards ***women's health research***, including funding rounds for under-researched female-specific health conditions, as well as conditions that affect everyone, where knowledge on women is lacking.
- Introduce a requirement and provide funding for all applicants of NHMRC/MRFF funding to ***increase representation of women and LGBTQI+ populations in clinical trials***, to build the evidence base on how diseases affect these populations.

Create a healthy region with enhanced funding for health, climate and gender equality development assistance

- Commit more ***funding towards international development***, with the forward-estimates setting out a timeline to achieving 0.7% of Gross National Income towards Official Development Assistance.
- Increase the proportion of health Official Development Assistance that goes towards ***preventing and treating chronic diseases*** in our region and integrate interventions within existing services.
- Commit to provide ***$4 billion annually in climate finance contributions by 2025*** and set out a plan for increased upfront annual contributions to reach international climate finance obligations.
- Release, fund and implement the ***International Gender Equality Strategy***
  - Invest in programs that jointly address ***climate change and gender equality***, appreciating the gendered impacts of environmental change.
  - Provide reliable and sustainable funding towards ***women's rights organisations*** though the Civil Society Partnerships Fund, to support community-led women's equality.

Position Australia as a global leader in medical research by investing in our research system

- Increase the National Health and Medical Research Council ***Independent Research Institutes Infrastructure Support Scheme program*** to allow independent medical research institutes to receive additional funding for indirect costs of research.
- Establish ***an equivalent Independent Research Institutes Infrastructure Support*** Scheme program for ***Medical Research Future Fund*** grants awarded to independent medical research institutes.
- ***Increase the National Health and Medical Research Council budget*** by 30% to cover real salary costs, and index salary costs to CPI to retain researchers in Australia.

Investing in primary health care as the backbone of the health system

Australia spends around $38 billion[1] annually on care for people with chronic conditions. This is almost half of what is spent on the entire primary care system each year and nearly double the total spent for referred health services.[2] Managing the rise of chronic conditions requires a patient-centred, affordable and accessible health system. While Australia has a well-performing health system, many patients still have difficulty accessing and navigating care.[3] Additionally, increasing rates of out-of-pocket health expenditure may also force more Australians to forego care or face economic hardship.[4]

Recent reviews, including the ***Review of General Practice Incentives ('the Review')*** highlight the challenges of reforming Australia's primary care system. The George Institute supports the Review's model of multidisciplinary, integrated, person-centred primary care. This model allocates 60% of funding through Medicare Fee-for Service, with the remaining 40% as patient-based payments designed to fund a wraparound package of services that address the wider health needs of patients. This provides the potential for more patient-centred care and greater flexibility in the health workforce, reducing the reliance on fee-for-service as the primary income source for General Practice (GP).

Learning from existing innovation

Much can be learned from past primary care reforms in Australia and current innovations. The George Institute is studying three diverse primary care organisations pioneering person-centred care, aiming to assess its implementation, impact and the case for sustained investment to support health reform. Such learnings are key to stable transition to a reformed primary care model, with potential lessons from international workforce and funding reform.

Using existing data more effectively can greatly improve patient journeys across the health care system. Inability to share information across providers is fragmenting care. Unlike the UK, Europe and South Korea, Australia lacks large scale infrastructure for linked data, limiting policy makers' ability to assess health system performance and improve patient outcomes. The George Institute, funded by the Medical Research Future Fund (MRFF) is using Lumos, a program that follows patient journeys through the New South Wales health system, to inform multidisciplinary care across the primary and acute care sectors.

The George Institute supports the establishment of a stand-alone ***National Innovation and Reform Agency***, backed by an Innovation Fund aligned with the MRFF, as recommended in the Mid-Term Review of the National Health Reform Agreement (NHRA). This agency would drive long-term reform based on innovations, such as those related to data and workforce, ensuring lessons are not lost.

People, communities and civil society should be engaged throughout these reforms to ensure that community needs and priorities are met, including the needs of marginalised and priority populations.

Increasing the capacity of the primary care sector

A funding shift is needed from hospital care to more cost-effective community care. The NHRA's focus on funding activity drives demand for acute services. Current payment models make it hard to sustain multidisciplinary team-based care, so blended payment models - combining capitated payment, fee- for-service and incentives are needed.[5]

The Mid-Term review of the NHRA recommended reshaping it into a single collaborative "Australian Healthcare Agreement" that covers the entire healthcare system.[6] While the NHRA establishes the Commonwealth's role in primary care reform, it does not extend to: a) additional resourcing required for the primary care sector b) funding for prevention; or c) embedding the Medicare principles of health equity and affordability into the provision of health care outside the hospital.

The George Institute recommends that the 2025-26 budget should:

- Introduce a new, ***blended payment model*** for primary health care providers, to enable multidisciplinary, team-based health care that better supports patient needs.
- Establish a ***National Innovation and Reform Agency***, supported by an Innovation Fund, that drives long-term reform in collaboration with patients, carers and clinicians.
- Invest more to ***strengthen primary health care***, allowing for funding growth through the National Health Reform Agreement.
- Embed ***primary health care and prevention*** as a core tenet of shared governance in the next addendum of the National Health Reform Agreement in 2025.

Tackle Australia's biggest health challenge – chronic disease – with a greater focus on prevention and healthy food systems

The George Institute supports the Australian Government's focus on preventing diet-related diseases and the investment in the Centre for Disease Control (CDC). We urge increased funding to fully implement the National Preventive Health Strategy, improving access to healthy diets and reducing alcohol harm to address the challenges of unhealthy diets and diet-related diseases. The following three examples are measures that will help to reduce diet-related disease:

- Health Star Ratings - Our latest report shows voluntary uptake of the Health Star Rating remains low at 36% and that the food industry is unlikely to meet voluntary targets of 60% in 2024 and 70% by 2025.[7] To fulfill its intended purpose of ***helping consumers to compare products and make healthier choices***, mandating the display of the HSR on packaged food products is required. We commend Ministers for delegating oversight of exploring the mandatory system to the Food Regulation Standing Committee. A mandatory HSR, however, must be supported by effective monitoring to ensure food industry compliance.
- Sugar sweetened beverage levy - Consuming sugar sweetened beverages increases the ***risk of diabetes and obesity***. Sugary drinks make up nearly one quarter of an adult's daily added sugar intake,[8] more than any other major type of food. The harmful effects of sugary drinks are backed by evidence, acknowledged by experts and ***recognised by the Australian Government***. In 2021, the government committed to reducing sugar in packaged and processed foods and drinks, with plans to explore tax reform. ***Sugar sweetened beverage taxes work*** and have been implemented in at least 117 countries worldwide.[9]
- Volumetric equalisation of alcohol excise - In 2023, The George Institute reported ***total social and economic cost of alcohol use of $74.9 billion***.[10] Fiscal policy on alcohol is a proven measure to reduce alcohol use.[11] In Australia, two alcohol excise systems are in place. To increase the effectiveness and align the taxation system of alcoholic beverages, a ***uniform volumetric tax*** – an excise based on the alcohol content per volume of the product – is recommended to be applied across all categories (including wine and cider).

The implementation of the ***National Preventive Health Strategy*** should be underpinned by ***robust monitoring and surveillance*** to inform and evaluate the policies and programs. For example, the last National Nutrition Survey was conducted over a decade ago in 2011-12. Updated data is essential to drive improvements and ensure focus on key priority areas.

The George Institute supports the ***National Preventive Health Strategy's*** goal of ***increasing investment in preventive health to 5% of total health expenditure*** across Commonwealth, state and territory governments. We call for investment into evidence-based initiatives that have a significant impact on the burden of chronic disease and food insecurity, such as the George Institute's 'Food is Medicine' program to treat diet-related diseases and alleviate food insecurity by providing access to the healthy foods via prescription through the healthcare system.

The George Institute recommends that the 2025-26 budget:

1. Provide increased funding for the ***Australian Centre for Disease Control*** to address both chronic and infectious diseases.
2. Allocate resources to implement the ***National Preventive Health Strategy,*** including prioritising mandating the Health Star Rating system, implementing a 20% sugar sweetened beverage levy and uniform volumetric tax for alcoholic beverages.
3. Invest in monitoring and surveillance to fund a ***National Nutrition Survey*** that assesses the implementation of the national strategies, informs prioritisation of policy and programs and guides future resource allocation.
4. Allocate 5% of Commonwealth health expenditure towards ***preventive health investments***, through evidence-based programs to address chronic diseases such as Food is Medicine.

Integrate Aboriginal and Torres Strait Islander knowledges into Government policy

Aboriginal and Torres Strait Islander peoples, as the oldest continuous living civilisations in the world, hold immense expertise in leading solutions to health challenges. Yet, the ongoing impact of colonisation, including racism, continues to have profound and detrimental impacts on Aboriginal and Torres Strait Islander communities. This has led to disproportionate and inequitable health outcomes for Aboriginal and Torres Strait Islander peoples in Australia.

The Guunu-maana (Heal) Program at The George Institute conducts research to transform the health and well-being of First Nations peoples and communities. Led by Aboriginal and Torres Strait Islander ways of knowing, being and doing, Guunu-maana generates evidence that values Indigenous knowledges and translates to actions that empower communities.

Despite successive policies aimed at improving Aboriginal and Torres Strait Islander health, progress to "close the gap" on health outcomes between Indigenous and non-Indigenous Australians is not on track. Different ways of thinking about rectifying health inequities faced by Aboriginal and Torres Strait Islander peoples are needed, that prioritise self-determination, First Nations knowledges, cultural expression, and connection to Country.[12]

Prioritising Indigenous knowledges in Australia's response to climate change

Aboriginal and Torres Strait Islander peoples have a deep understanding of Country, including ecosystems and land management that has been practiced for thousands of years. Partnering with Aboriginal and Torres Strait Islander communities is essential to manage land and water sustainably, respecting Aboriginal and Torres Strait Islander people's understanding of seasonal cycles, ecosystems, and wildlife conservation.

Aboriginal and Torres Strait Islander communities, particularly those in remote and rural areas, are disproportionately affected by climate change and the effects are compounded when considering the impacts upon First Nations women and girls.[13] The Australian Government has committed to co-designing policy in the ***National Climate and Health Strategy Implementation Plan***. We recommend the development and implementation of First Nations-led climate action plans that address the unique risks and exposures faced by Aboriginal and Torres Strait Islander communities. These plans should be community-driven, grounded in Indigenous cultural values and promote the leadership role that Aboriginal and Torres Strait Islander women play in environmental advocacy and climate change mitigation.

Expanding effective programs that prevent and treat injury

Aboriginal and Torres Strait Islander peoples experience injury rates three times higher than the general population and hospitalisation or death from injury more than twice as likely.[14] Intergenerational trauma must be considered in injury prevention planning for Aboriginal and Torres Strait Islander communities. Health systems in Australia often perpetuate trauma and fail to meet the needs of Aboriginal and Torres Strait Islander peoples. Racism and discrimination within hospital systems continue to be barriers to accessing safe and effective care.[15]

In March 2019, The George Institute was appointed by the Australian Department of Health as the Project Lead to develop the ***National Strategy for Injury Prevention*** ('The Prevention Strategy"). The Strategy adopts the Aboriginal and Torres Strait Islander holistic view of health, including the social, emotional, and cultural well-being of the whole community.[16] A key component of The Prevention Strategy is the support of ACCHOs to lead injury prevention, tailored to the needs of local Aboriginal and Torres Strait Islander communities.

The George Institute leads a program delivering culturally safe care for Aboriginal and Torres Strait Islander children and their families following a burn injury. Aboriginal and Torres Strait Islander families face barriers to accessing effective healthcare, crucial for short- and long-term healing[17] including lack of cultural safety, distance to medical treatment and racism.[18] Evidence from the ***Safe Pathways*** program has shown the need

for ongoing cultural competency training for health practitioners to maintain the sustainability of patient-centred care models. The Australian Commission on Safety and Quality in Health Care revealed that training resulted mostly in changes related to cultural awareness such as knowledge about culture and history rather than behavioural changes reflected in health practice.[19] The Guunu-Maana team has developed an educational program for health workers at The Children's Hospital at Westmead as part of the Safe Pathways program. The Building Cultural Capabilities program offers an ongoing, immersive experience with a focus on critical thinking and reflexivity. The George Institute recommends that this program be funded nationally, to improve health practitioners' capabilities to deliver culturally safe health services.

Invest in community-led solutions to address food and water security issues

The George Institute welcomes the Government's commitment to develop a ***First Nations-led climate action plans***. Aboriginal and Torres Strait Islander peoples have a strong connection to food and water and food practices through their sovereign relationship with Country.[20] Past and ongoing colonisation and complex social determinants have prevented many Aboriginal and Torres Strait Islander peoples and communities from accessing safe, healthy, and affordable food.[21]

Food insecurity leads to long-term health impacts. Aboriginal and Torres Strait Islander peoples experience diet-related chronic diseases such as type-2 diabetes and cardiovascular disease (CVD), at much higher rates than non-Indigenous Australians.[22] There is no evidence that diseases such as diabetes or CVD affected Aboriginal and Torres Strait Islander peoples maintaining traditional diets before colonisation.[23]

Since 2019, The George Institute has been part of a community-driven partnership, led by the Dharriwaa Elders group. Yuwaya Ngarra-li's 'Food and Water for Life Program', aims to address food and water insecurity, poor drinking water, and high costs of low-quality food, and associated health issues. The program highlights the importance of integrating water and food security policy and the need for community involvement in planning, decision-making and evaluation in food and water security needs.

The most effective programs integrate genuine community involvement and leadership at all stages and target the social and cultural determinants of health.[24] ACCHOs are at the forefront of community governed service delivery reform and need adequate and reliable funding to engage in both long-term planning and short-term crisis responses to food and water security.

The George Institute recommends that the 2025-26 budget should:

1. Fund the development and implementation of ***First Nations-led climate action plans*** that address the specific risks and exposures faced by Indigenous communities.
2. Release, fund and implement the ***National Strategy for Injury Prevention***, including funding for sustainable, community-led injury prevention initiatives, to reduce the inequitable burden of injury among Aboriginal and Torres Strait Islander peoples.
3. Establish a ***National Injury Prevention Agency*** to provide governance, manage programs and research and monitor the implementation of the National Strategy for Injury Prevention.
4. Fund the ***Building Cultural Capabilities program*** nationally to improve access to culturally safe health care for Aboriginal and Torres Strait Islander peoples.
5. Fund implementation of the ***National Strategy for Food Security in First Nations Communities***, including increased investment in Aboriginal Community Controlled Organisations which are leading community responses to food and water security.

Strengthen women's health throughout the life-course with better research, medical training and capacity building for our health workforce

Improving health outcomes through a greater focus on sex and gender

People experience disease differently based on their sex and/or gender, including how symptoms present, and responses to treatment. Despite this, many studies overlook sex and gender, hiding important differences in outcomes. More than 70% of participants in early-stage clinical trials are white men, leading to substantial evidence gaps.[25] It is a false assumption that the results of clinical trials can be generalised to women, intersex people, and trans and gender-diverse people.

The lack of sex and gender consideration in health and medical research has serious consequences for clinical care and public health. Focusing primarily on male cells, male animals and men, has led to poorer health outcomes for women, evidence gaps for intersex people, and trans and gender-diverse people, and inefficient health spending. This bias leads to delayed diagnosis, inappropriate treatment, over- and under-prescribing, and dismissal of pain in women.[26]

The George Institute, in partnership with Deakin University and the Australian Human Rights Institute at UNSW Sydney launched a Centre for Sex and Gender Equity in Health and Medicine ("the Centre") in March 2024. The Centre is leading policy and practice change to ensure that all Australian health and medical research recognises the role of sex and gender, to overturn the 'one-size-fits all' male centric approach to medical care.

The George Institute recommends that the Australian Government conduct a ***nation-wide audit of medical curricula*** and sex and gender policies of Australian universities and medical training institutes. This audit, which could be conducted by the Centre, would highlight the gaps and opportunities to support the implementation of the NHMRC/MRFF ***Statement on Sex, Gender, Variations of Sex Characteristics and Sexual Orientation in Health and Medical Research*** ('the Statement'), which promotes greater consideration of sex and gender in research.

The George Institute recommends funding t***o train researchers and evaluators*** in what, how, and why, to undertake research that includes comprehensive sex and gender analysis so that the Statement can be effectively implemented. In the future, this training could be extended to medical students and clinicians to build their knowledge and capability, helping translate research on sex and gender differences in health outcomes into clinical practice.

The Australian Government has made progress in addressing gender bias in the health system, through the work of the National Women's Health Advisory Council. However, advancing women's health requires expanding the policy focus beyond sexual and reproductive health to include women's health overall. Chronic diseases including CVD such as stroke and heart disease, are major causes of mortality for women. However, data on women's unique needs for preventing and managing these conditions is limited, and risk factors are often under-recognised. This contributes to poorer clinical outcomes and greater complications in women with CVD.[27]

More research is needed to understand the unique risk factors women face in developing chronic diseases, as they are vastly underrepresented in clinical trials. Few trials explore conditions that predominantly or exclusively affect women such as hypertensive or metabolic disorders during pregnancy, which increase the risk of developing premature CVD.[28] This underrepresentation has led to fewer effective treatments and more adverse side effects.

Regulatory agencies in the US, Canada and Europe, have made progress towards including women in clinical trials. Health research funding agencies in North America require drug studies to include an equal balance of male and female cells, tissues and animals, and that diverse women must be recruited into clinical trials.[29]

Women need to be included in health research and clinical trials, to change the trajectory of chronic disease in Australia. Their participation provides evidence for the impact of sex and gender on causes of disease, symptoms and treatment. Strategies are needed to address both formal exclusion criteria and the gender-based barriers that lead to low enrolment in clinical trials.

The George Institute recommends that the 2025-26 Budget should:

1. Provide funding to implement ***the Statement on Sex, Gender, Variations of Sex Characteristics and Sexual Orientation in Health and Medical Research*** including:
   - ***A nation-wide audit of medical curricula*** and sex and gender policies of Australian universities and medical training institutes, to understand the gaps and opportunities for improving education and training of future health professionals to deliver person-centred medical care.
   - ***Training for researchers and evaluators*** on incorporating sex and gender analysis into research.
2. Provide increased funding towards ***women's health research***, including funding rounds for under-researched female-specific health conditions, as well as conditions that affect everyone, where knowledge on women is lacking.
3. Introduce a requirement and provide funding for all applicants of NHMRC/MRFF funding to ***increase representation of women and LGBTQI+ populations in clinical trials***, to build the evidence base on how diseases affect these populations.

Create a healthy region with enhanced funding for health, climate and gender equality development assistance

More funds are needed to fulfil the Government's development agenda

Australia's foreign aid budget falls short of like-minded overseas donors, ranking 28 out of 31 OECD Development Assistance Committee (DAC) countries, and the lowest among the G7 economies and AUKUS partners.[30] While the Government has committed to a target of 0.5% of Gross National Income (GNI) for international development, Australia's current aid budget remains stagnant at 0.19% of GNI.

More funds are needed to achieve the Government's goals of expanding universal health coverage, preventing and managing the spread of disease, and strengthening global and regional health infrastructure. The George Institute recommends that the Australian Government set out a timeline for achieving 0.7% of GNI towards Official Development Assistance (ODA) that Australia has committed to as a signatory to the Sustainable Development Goals. This should include a plan for achieving 0.5% of GNI by 2027 as an interim target.

Investing in the prevention and treatment of chronic diseases

The Australian Government's ***International Development Policy*** now includes a focus on chronic diseases, which is a welcome development. The success of the Elimination Partnership in the Indo-Pacific for Cervical Cancer Consortium demonstrates how well-targeted Australian ODA can support the achievement of multiple interconnected development goals.

The George Institute urges the Australian Government to increase its investment in health development assistance in the Pacific, particularly for chronic diseases. Maximising benefits can be achieved by integrating chronic disease interventions into primary health care systems and existing programs. For example, research has shown that integrating NCD prevention and management with HIV interventions is effective, improving health outcomes and health system efficiency.[31]

Contributing our fair share towards climate resilience and adaptation

The climate crisis is a global health emergency, increasing heat-related mortality, infectious disease risks, and injuries from extreme weather events. The World Bank estimated that the climate crisis could lead to health costs in low- and middle-income countries of US$21 trillion by 2050 and push 132 million more people into extreme poverty by 2030.[32]

The Pacific urgently needs assistance with climate adaptation and funds for loss and damage as climate-change induced disasters increase. Small Island Developing States, despite minimal contributions to greenhouse gas emissions, are among the countries hardest hit by climate change and extreme weather. Evidence shows that extreme weather events worsen outcomes for people with chronic diseases and exacerbate food and water insecurity.[33] The combined burden of chronic disease, climate-sensitive infectious disease and climate change create a 'triple burden of disease', which further strains health systems in the Pacific amid slow economic growth.[34]

The Australian Government's $50 million investment into the Loss and Damage Fund at COP29 was a welcome announcement. Still, Australia's climate finance commitments fall short of our "fair share" of the UN Framework for Climate Change commitment, which aims to mobilise USD $100 billion a year by 2025 to help developing countries adapt to climate change. To meet Australia's fair share, The George Institute supports the recommendations of ACFID, Oxfam and ActionAid for the Australian Government to increase its annual commitment for climate finance to $4 billion by 2025.

Transforming action on climate, gender and health

The George Institute welcomes DFAT's focus on climate change and gender equality, as "core issues for action" in its International Development Strategy. To achieve meaningful change, we encourage the Government to fund gender equality initiatives alongside climate change adaptation programs. Global evidence shows that the climate crisis is exacerbating existing gender inequalities, with extreme weather events, economic disruptions, and conflicts disproportionately affecting women.[35] The health impacts on women can be direct, such as increased mortality during heat waves, or indirect, such as nutritional problems caused by crop failures. The most severe impacts of climate change are being felt by women in low- and -middle-income countries.

Investing in civil society for sustainable development

The George Institute supports DFAT's ***Civil Society Partnerships Fund*** and its role in advocating for inclusive, equitable and accessible health services. We encourage additional funding for women's rights organisations through the ***International Gender Equality Strategy*** ensuring local women leaders are involved in designing climate change programs that address women-specific needs.

Feminist organisations have been instrumental in creating fairer outcomes for women in public health.[36] Yet, less than one% of Australia's ODA is allocated to women's rights organisations.[37] We encourage the Australian Government to recognise and support women-led, grassroots organisations through the Civil Society Partnerships Fund, to support community-led women's equality.

The George Institute recommends that the 2025-26 budget should:

1. Commit more ***funding towards international development***, with the forward-estimates setting out a timeline to achieving 0.7% of Gross National Income towards Official Development Assistance.
2. Increase the proportion of health Official Development Assistance that goes towards ***preventing and treating chronic diseases*** in our region and integrate interventions within existing services.
3. Commit to provide ***$4 billion annually in climate finance contributions by 2025*** and set out a plan for increased upfront annual contributions to reach international climate finance obligations.
4. Release, fund and implement the ***International Gender Equality Strategy***
   - Invest in programs that jointly address ***climate change and gender equality***, appreciating the gendered impacts of environmental change.
   - Provide reliable and sustainable funding towards ***women's rights organisations*** though the ***Civil Society Partnerships Fund***, to improve access to essential health services and innovative services for chronic disease prevention and control.

Position Australia as a global leader in medical research by investing in our research system

Medical and public health research are critical drivers of health innovation, improving health outcomes, reducing healthcare costs, and enhancing the overall quality of life for all Australians. In a time of unprecedented health challenges, including the ongoing impact of the COVID-19 pandemic, the rising burden of chronic diseases, and emerging health threats such as climate change, investing in robust and sustainable medical and public health research is essential.

Australia's research community has demonstrated capacity to deliver world-leading medical and public health innovations, advancing both national and global health. One of the most striking examples of this impact is the development of the human papillomavirus (HPV) vaccine, which has positioned Australia to become the first country to eliminate cervical cancer. This achievement exemplifies how investment in medical and public health research can lead to transformative improvements in public health, as well as economic and social benefits.

Despite government support, funding levels have not kept up with the increasing cost of research. This jeopardises global leadership and international partnerships, and has implications for medical research workforce, technology and drug development, as well as medical device manufacturing and industry R&D which rely on collaborations with medical research institutes.

Data from the Association of Australian Medical Research Institutes (AAMRI) reveals that for ***every dollar received through government grants, an additional 64 cents is required to cover the full costs of research***, pushing the financial viability of the medical research institute sector to a crisis point.[38] For example, in 2023, medical research institutes had to find an extra $42 million to cover salary gaps, as NHMRC grants don't provide enough to meet the minimum legal salary requirements, and unlike NHMRC's Independent Research Institute Infrastructure Support Scheme (IRIISS), MRFF grants offer no support for the indirect costs of research at independent medical research institutes.

The George Institute calls for investment in research to be increased and meet both the direct and indirect costs of research, to enable more efficient and cost-effective health solutions to benefit all Australians and populations worldwide and to grow the sector, retaining the best and brightest researchers and positioning Australia as a global leader.

The George Institute recommends that the 2025-26 budget should:

- Increase the National Health and Medical Research Council ***Independent Research Institutes Infrastructure Support Scheme program*** to allow independent medical research institutes to receive additional funding for indirect costs of research.
- Establish ***an equivalent Independent Research Institutes Infrastructure Support*** Scheme program for ***Medical Research Future Fund*** grants awarded to independent medical research institutes.
- ***Increase the National Health and Medical Research Council budget*** by 30% to cover real salary costs, and index salary costs to CPI to retain researchers in Australia.

Conclusion

In this submission, we have outlined six areas for investment focused on the themes of prevention, equity and resilience. Investing in these areas will bring immediate, mid- and long-term benefits to Australia's health system and our region. Strengthening primary care and investment in prevention of chronic disease will reduce long-term healthcare costs and improve overall public health. Integrating Aboriginal and Torres Strait Islander knowledges and ensuring women's diverse health needs are addressed through research and health policy will close evidence gaps that prevent our health system from being accessible and effective for all. Finally, our submission has highlighted how investments to address the health and climate risks in our region will build resilience to emerging threats. These priorities are not isolated but deeply connected and aligned – working together to create a more equitable, sustainable and robust health system that supports the well-being of all Australians.

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