

# 2024 / 2025 Commonwealth Budget Analysis



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**CAHA welcomes the budget announced by the Albanese government on 14 May 2024. However, the pace and scale of action must be drastically increased to drive down climate impacts on health and protect the wellbeing of current and future generations.**

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## Recognition and Commitment

We recognise Aboriginal and Torres Strait Islander People as the traditional custodians of the land on which we live and work and acknowledge that sovereignty of the land we call Australia has never been ceded.

We commit to listening to and learning from Aboriginal and Torres Strait Islander people about how we can better reflect Indigenous ways of being and knowing in our work.

# Executive Summary

The Climate and Health Alliance (CAHA) developed its [Pre-Budget Submission](#) in collaboration with our members and allies, to provide guidance on how the 2024/25 Commonwealth Budget could better support climate and health outcomes. Our submission proposed three key recommendations:

- Decarbonise Australia's economy
- Fund the implementation of Australia's first National Health and Climate Strategy.
- Fund civil society leadership and health

CAHA provided evidence around what could be achieved if a “health in all policies” approach was resourced in this budget.

It is disappointing that this budget does not have **funding to support the implementation of the National Health and Climate Strategy**. Also, while the budget contains measures that will have a positive impact on the Social Determinants of Health (SDoH), including budget support for housing and Medicare, it does not contain measures that directly address the climate impacts on health. Instead, the budget makes provisions for climate, and for health, in entirely separate tranches<sup>1</sup> of funding.

CAHA welcomes funding that will help reduce the Social Determinants of Vulnerability (SDoV), which have a direct relationship with health. The budget includes measures to improve women's access to primary healthcare, exert downward pressure on the cost of living such as energy bill relief and rent assistance, and freeze the price of medicines on the Pharmaceutical Benefits Scheme. However, the government has viewed these measures more through the lens of reducing headline inflation than from the perspective of improving public health.

Food security is of critical importance to the health of the wider Australian community, especially in the face of drought. CAHA welcomes the provision of \$519 million to the Future Drought Fund, as part of the \$19.7 billion for the Future Made in Australia plan, and would like to see the link drawn between the role of healthcare in regional communities in building community resilience and responding to shocks and stressors.

The Commonwealth Budget does not provide any significant **funding for civil society organisations** or leadership, despite the fact that these organisations have been instrumental in leading the way on climate and health for decades. CAHA advocates for significant funding from the Commonwealth government, in future, for not-for-profit and volunteer-run organisations nation-wide. These organisations work tirelessly, and with little funding, yet play a large role in building community awareness of climate and health

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<sup>1</sup> [Budget Paper No. 2: Climate Change, Energy, the Environment and Water](#), pages 52–61; [Health and Aged Care](#), pages 109–133.

challenges, building resilience in our communities, and mitigating the impact of the climate crisis on the health of ordinary Australians.

In 2023 Australia experienced the hottest year on record. As the planet continues to warm, and the health impacts of climate change worsen, it is crucial that the Australian economy is oriented towards a greener, healthier future.

While the Commonwealth Budget 2024/25, announced on 14 May, has some provisions to **decarbonise the economy**, its focus is on containing inflation in the near term. CAHA had advocated that the Commonwealth Government funds commitments to the [UAE Consensus](#) by tripling renewable energy capacity. CAHA welcomes initiatives in this budget to prioritise approvals for nationally significant renewable energy projects – \$19.7 billion over ten years as part of its Future Made in Australia plan, although it notes the emphasis on renewable hydrogen (green hydrogen). CAHA urges the Commonwealth Government to ramp up investment, and emphasis, on wind and solar, which emit little to no greenhouse gases<sup>2</sup>, are readily available, and cheaper than green hydrogen.

The 2024/25 Budget also included \$40.9 million over two years to continue implementing the Nature Positive Plan and \$176m to establish two new agencies: Environment Protection Australia and Environment Information Australia. However, the Commonwealth has delayed reforms to the Environment Protection and Biodiversity Conservation Act (EPBC Act). CAHA notes that this commitment was made in the 2023/24 budget announcement and therefore it is unclear if this is 'new budget allocation'. In delaying the reforms necessary to underpin these agencies, the Commonwealth has failed to address the [2020 Samuel Review](#), which highlighted the lack of provisions for genuine compliance and enforcement in the EPBC Act.

The Nature Positive Plan also includes \$48 million over four years to implement further reforms to the Australian Carbon Credit Unit scheme. These reforms will establish the Carbon Abatement Integrity Committee to oversee proponent-led method development, strengthen integrity, enhance transparency, and support First Nations participation.

## Our ask: Safeguarding Health and Wellbeing in the Climate Crisis

### Decarbonise Australia's economy

The 2024/25 Budget provided a critical opportunity to achieve climate and health outcomes through the Australian Treasury's own Wellbeing Framework, "[Measuring What Matters](#)". CAHA had called on the Commonwealth Government to "develop climate and

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<sup>2</sup> United Nations. (2024). *Renewable energy – powering a safer future*. Retrieved 17 May 2024 from <https://www.un.org/en/climatechange/raising-ambition/renewable-energy>

health indicators within the Measuring What Matters Framework to orient government policy towards win-win-win climate and health solutions”. The wellbeing framework and requested indicators did not shape the 2024/25 Budget, which leaves much work to do in the year ahead.

CAHA called on the Commonwealth Government to eliminate fossil fuel subsidies, and reinvest savings into critical adaptation infrastructure, including health services. While there were no new large-scale subsidies for fossil fuels in this budget, the fuel tax credit scheme alone – where businesses get a rebate on the diesel they use – will cost the budget \$10 billion this year and \$44 billion over the next four years. This scale of funding could not only decarbonise the health sector but also build resilience to climate impacts, benefiting all Australians.

In terms of support for renewable energy in the budget, the emphasis is on green hydrogen. This renewable energy source may mitigate the intermittent nature of wind and solar, but it presents significant challenges: high production costs, regulatory uncertainties, and the need for extensive production technologies and infrastructure<sup>3</sup>. CAHA urges the Commonwealth Government to ramp up investment, and emphasis, on wind and solar, which emit little to no greenhouse gases<sup>4</sup>, are readily available, and are cheaper than green hydrogen.

Societal obstacles<sup>5</sup> to green hydrogen, such as cultural practices, experience with technologies, cost, and safety, also need to be considered in the Australian context. Globally, the technology for green hydrogen has been mostly utilised from the techno-economic viewpoint, less from the social perspective, and least from a regulatory standpoint<sup>6</sup>.

## **Fund the Implementation of Australia's First National Health and Climate Strategy**

CAHA called on the Commonwealth to invest in expanding the capacity of the National Health, Sustainability and Climate Unit in the Department of Health and Aged Care (\$3.5 million over three years) via: recruitment of personnel to oversee the development of governance structures to implement the Strategy; collaboration with state and territory

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<sup>3</sup> Hydrogen Council. (2020). Path to hydrogen competitiveness: A cost perspective. <https://www.h2knowledgecentre.com/content/policypaper1202?crawler=redirect&mimetype=application/pdf>

<sup>4</sup> United Nations. (2024). *Renewable energy – powering a safer future*. Retrieved 17 May 2024 from <https://www.un.org/en/climatechange/raising-ambition/renewable-energy>

<sup>5</sup> Carr-Cornish, S., Lamb, K., Rodriguez, M., & Gardner, J. (2019). Social science for a hydrogen energy future. *Aust Now: CSIRO*. <https://research.csiro.au/hydrogenfsp/wp-content/uploads/sites/247/2020/07/Social-science-for-a-hydrogen-energy-future.pdf>

<sup>6</sup> Bade, S. O., Tomomewo, O. S., Meenakshisundaram, A., Ferron, P., & Oni, B. A. (2024). Economic, social, and regulatory challenges of green hydrogen production and utilization in the US: A review. *International Journal of Hydrogen Energy*, 49, 314-335. <https://doi.org/https://doi.org/10.1016/j.ijhydene.2023.08.157>

governments on the implementation of key programs and future activities; collaboration with Commonwealth portfolios to ensure a Health in All Policies approach to implementation; and collaboration with civil society, experts and community.

There was no explicit commitment to the Strategy in the 2024/25 Budget. The recent launch of the National Health and Climate Strategy (December 2023) and interim home to the responsible Directorate within the Commonwealth likely influenced the result.

CAHA also asked that this budget include modest amounts to fund the Global Green and Health Hospitals program and a “Continued Professional Development Program” for health workers. While the budget did not include these requests, these programs can provide delivery mechanisms for areas announced in the budget including the through Disaster Resilience and Preparedness allocations. Health systems in regional areas are the largest employers and have a key role in disaster preparedness and supporting the health and wellbeing of communities.

### **Fund civil society leadership on climate and health**

CAHA, as it has for many years, asked the Australian Government to fund our alliance to do the critical work to continue to support a powerful health sector movement for climate action and sustainable healthcare. With the launch of the National Health and Climate Strategy demand for our services continue to grow; bridging the gap between research and implementation in health systems, training and empowering healthcare workers to respond to climate challenges, demonstrating how a health lens can lead to win-win outcomes. Now more than ever cultural power is needed to support courageous policy that will enable a healthy, regenerative and just future. We were again left wanting but will continue to advocate for Governments to value the role we play, giving voice to our members through our efforts in the months following the budget announcement.

CAHA also fully supported the Lowitja Institute’s funding call for an Aboriginal and Torres Strait Islander Coalition on Climate and Health (the Coalition). CAHA notes the minimal commitment to First Nations self-determination across the whole budget. CAHA’s discussion with First Nations Leaders post the budget point to the unsuccessful Referendum as one reason for less prominence in the 2024/25 budget. As ‘the Coalition’ will achieve a self-determined voice to the Australian Government, making it easier to engage and achieve health outcomes, CAHA will continue to support and advocate for this solution.

## **Budget Wins for Climate and Health**

While the Commonwealth Budget 2024/25, announced on 14 May, has some provisions to decarbonise the economy, its focus is on containing inflation in the near term.

## First Peoples and Climate Risks

CAHA welcomes \$15 million allocated over four years to work with First Nations peoples and communities to support connection to Country through management of drought and climate risks. CAHA advocates that the budget is allocated to First Nations organisations to lead this effort.

## Renewable Energy

CAHA welcomes initiatives in this budget to prioritise approvals for nationally significant renewable energy projects – \$19.7 billion over ten years as part of its Future Made in Australia plan:

- Renewable hydrogen industry, green metals, low-carbon liquid fuels, processing critical minerals, and manufacturing solar panels.
- Tax incentives for the production of hydrogen and critical minerals in 2027/28.
- A further \$1.3bn for another round of the 'hydrogen head start' program to boost early-mover renewable hydrogen projects.
- The \$1billion Solar Sunshot Program will provide improvements in essential energy.

## Food Security

CAHA welcomes the provision of \$519 million to the Future Drought Fund as part of the \$19.7 billion for the Future Made in Australia plan. Winter and spring rainfall is likely to decrease across Australia, possibly by around 15% by 2030<sup>7</sup>. Over ten years, funding provided in this Commonwealth Budget will help farmers and rural communities better prepare for climate change and drought, decreasing the burden on mental and physical health, reducing the impact on water and air quality, and reducing the impact on households<sup>8</sup>.

## Active Transport Fund

The budget includes \$100 million for a national Active Transport Fund that will upgrade and deliver new bicycle and walking paths. This promotes healthier and more active communities, supports zero emissions, and provides a safer environment for cyclists and pedestrians. The program is expected to start on 1 July 2025 after a period of consultation with states and territories.

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<sup>7</sup> Climate Council of Australia. (2018). Climate Change and Drought. Retrieved 17 May 2024, from [https://www.climatecouncil.org.au/wp-content/uploads/2018/06/CC\\_MVSA0146-Fact-Sheet-Drought\\_V2-FA\\_High-Res\\_Single-Pages.pdf](https://www.climatecouncil.org.au/wp-content/uploads/2018/06/CC_MVSA0146-Fact-Sheet-Drought_V2-FA_High-Res_Single-Pages.pdf)

<sup>8</sup> Fleming-Muñoz, D. A., Whitten, S., & Bonnett, G. D. (2023). The economics of drought: A review of impacts and costs. *Australian Journal of Agricultural and Resource Economics*, 67(4), 501-523. <https://doi.org/10.1111/1467-8489.12527>

## Nature Positive Plan

The government will also provide a \$40.9 million over two years to continue implementing the Nature Positive Plan, including:

- \$176m to establish two new agencies, the Environment Protection Australia and Environment Information Australia.
- \$31.5 million over two years to establish the Nature Repair Market.
- \$65.1 million for research on threatened species.
- \$24.5 million for regional planning to improve environmental decision-making.
- \$23 million to continue building Australia's path to a circular economy, including maintaining the Commonwealth's policy, programs, and legislative functions, and developing a new circular economy framework.
- \$17.7 million to support the administration of complex applications under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984*, and progress the reform of Australia's cultural heritage laws.

## Carbon Credits and Carbon Abatement

The budget also sets out \$48 million over four years to implement further reforms to the Australian Carbon Credit Unit scheme. These reforms will establish the Carbon Abatement Integrity Committee to oversee proponent-led method development, strengthen integrity, and enhance transparency. CAHA supports \$11.8 million allocated over 4 years from 2024–25 to support First Nations groups to participate in upfront consent processes for Australian Carbon Credit Unit Scheme projects on Native Title lands.

## Social Determinants

### Social Determinants of Health (SDoH)

CAHA welcomes improvements to Social Determinants of Health (SDoH) through budget support for housing and Medicare:

- \$3.4 billion for new and amended listings on the Pharmaceutical Benefits Scheme.
- Cheaper medicines as part of the up to \$3 billion agreement with community pharmacies.
- \$2.8 billion to strengthen Medicare, including 29 new Medicare Urgent Care Clinics.
- \$2.2 billion to improve the aged care system.
- \$888.1 million to help people get the mental health care they need.
- \$1.1 billion to pay superannuation on Government-funded Paid Parental Leave.
- \$7.5m to support the health and well-being of First Nations and Torres Strait Islander communities, with research led by Indigenous researchers from the Australian National University (ANU) through the National Health and Medical Research Council's grants.

- This funding will support important work that will contribute to much needed government efforts to close the gap for First Nations and Torres Strait Islander peoples.

### Social Determinants of Vulnerability (SDoV)

CAHA welcomes reductions to the cost of living, in the form of assistance on energy bills and rent, which builds resilience to the shocks and stresses that climate change will bring. The budget provisions \$1.9 billion to increase Commonwealth Rent Assistance by a further 10 per cent, benefiting nearly 1 million households. In addition, there is new housing investment of \$6.2 billion, for a total of \$32 billion, and an additional \$1 billion to help states and territories build more homes.

This budget contains measures that will improve women's access to primary healthcare, including:

- Access to birth debriefing, mental health and domestic violence screening.
- The role of midwives has been recognised in primary sexual and reproductive health care, including contraceptive care, with funding for best practice midwifery care in the Medical Benefits Scheme.
- This offers women more flexible options, allowing them to choose primary healthcare options best suited to their needs, which will also reduce SDoV.

The budget also provides other measures to improve SDoV:

- \$925.2 million for victim-survivors leaving violent intimate partner relationships.
- Paid placements for nurses to help them train for ongoing and future challenges, that may help with training to address the health impacts of climate crises.

## Call to Action

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**CAHA urges the Commonwealth Government to take the decisive steps needed in climate and health.**

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CAHA reminds the Commonwealth Government that the start of major investment in resilience and adaptation has to begin now, as life systems cannot support a planet that is 2.5 degrees higher than today.

## **Urgent Need: Fund the National Health Sustainability and Climate Strategy**

CAHA calls on the Commonwealth Government to urgently fund the National Health and Climate Strategy through resourcing the National Health and Climate Unit; research; and healthcare and civil society organisations positioned to deliver on the strategy.

## **Urgent Need: Directly Fund Health**

There was much hope from climate and health organisations that the Albanese Government was committed to moving Australia towards a world that is cleaner, healthier, and more just. It is clear that the pace and scale of action must be drastically increased – the budget does not reflect the urgency required. CAHA continues to have concerns about the lack of dedicated funding to deliver rapid, transformative health and climate action across society.

CAHA also calls on the Commonwealth Government to fund not-for-profit and volunteer-run organisations that play a large national role in building community awareness of climate and health challenges, building resilience in our communities, and mitigating the impact of the climate crisis on the health of ordinary Australians.

## **Gas is Not a Viable Strategy**

While this budget provides significant funding to boost renewable energy, the Albanese government has confirmed that gas will remain central to Australia's energy and exports till 2050 and beyond. The government **has underlined that gas** will be the key to transitioning the economy and the energy sector. This will have significant negative impacts on the nation's emissions reduction targets and our legally binding commitment as a signatory to the Paris Agreement.

CAHA is deeply concerned about the Government locking in a commitment to gas production for the next 26 years through the Future Gas Strategy. If a health lens was applied to how we generate energy, we would rule out gas, and invest in rapid transition to renewables. There is strong evidence of the cost to human health from industrial and domestic gas use, as well as gas being a major contributor to climate change.

## **EPBC Act Reforms**

Funding to establish Environment Protection Australia (EPA) and Environment Information Australia are welcome, but the government has delayed reforms to the Environment Protection and Biodiversity Conservation Act (EPBC Act). In delaying these reforms, the government has failed to address the 2020 Samuel Review, which highlighted the lack of provisions for genuine compliance and enforcement in the EPBC Act. This needs to be resolved urgently to ensure projects that impact human health and exacerbate climate change can be prevented through a robust process.

## Next Steps

It is imperative that the Commonwealth Government prioritises the National Health and Climate Strategy and recognises the urgent need to address – and fund – prevention and mitigation of the increasing health impacts of the climate crisis. It is also critically important for the Commonwealth Government to refresh and renew its commitment to the Paris Agreement and clarify, with specifics, how it will fulfil Australia's legal obligations as a signatory. The Climate and Health Alliance will underline, in its call to government, that a moratorium on new gas fields is absolutely imperative, as is significant reduction in existing extraction of gas, and firmer support, funding, and emphasis on solar and wind.

To achieve this, we will work with our members and partners, enhance our engagement with governments, and advocate for more commitment and funding to address the challenges of the climate impact on health. We will redouble our efforts to identify and seize opportunities to build far greater awareness, shift thinking, and ensure greater policy focus on mitigating the impact of the climate crisis on the health of our communities.

We need your help to fulfil this urgent and critically important work. We would welcome your involvement and support for the tasks ahead of us, to secure a healthier, more sustainable future for all Australians. Please consider [becoming a member](#) or [donating](#) to the Climate and Health Alliance.

In June 2024, CAHA will actively engage with Members of Parliament and Commonwealth Government departments to further understand opportunities for critical investment in climate and health.

In July 2024, CAHA will undertake a review of the progress made on the National Health and Climate Strategy, publish a scorecard and analysis, and host a members roundtable to progress our shared agenda.

## Contact

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