

AHHA welcomes Budget investment in Medicare, urges continued focus on long-term reform

25 March 2025



The Australian Healthcare and Hospitals Association (AHHA) welcomes the Federal Government's commitment to Medicare in tonight's Budget, recognising its focus on easing cost-of-living pressures for Australians accessing healthcare.

Key Budget measures for the health system have focused on increases in bulk billing incentives, a reduction in Pharmaceutical Benefits Scheme (PBS) co-payments to \$25 from 2026, and funding for 50 new urgent care clinics. Additional funding has also been allocated to improve access to women's health services, as well as an increase in the Medicare levy threshold to help ensure that low-income earners are exempt.

'Affordability is a crucial component of accessibility, but it is not the only one,' says AHHA Chief Executive Kylie Woolcock.

'Medicare is built on the principles of equity, universality, efficiency, and simplicity. To fully realise these principles, we must also consider broader structural challenges such as workforce shortages and service availability. Without addressing these issues, affordability alone will not guarantee equitable healthcare access.'

'The one-year extension to the National Health Reform Agreement now gives us an opportunity to embed in our system coming together in the shift to focus on better and equitable health outcomes and system sustainability.'

To achieve this, as a system, we need to measure and report what matters and look to develop a National Health Information Strategy that allows access to timely, high-quality data to support better care and system-wide improvements.

Funding models should also be explored that incentivise improved health outcomes for individuals and communities and build a sustainable and resilient health workforce that incentivises person-centred care and supports regional innovation and reform.

'Recognising that the 2025-26 Budget is focused on addressing cost-of-living pressures, we need to continue to consider the health system as a whole – and question the processes by which we currently manage, fund, deliver and receive care.'

AHHA remains committed to working with Government to ensure that healthcare reforms are made to strengthen the system in a way that benefits all Australians, now and into the future.

The online version of this [media release](#) can be found on the AHHA website. **The Australian Healthcare and Hospitals Association (AHHA) is the independent peak membership body and advocate for the Australian healthcare system and a national voice for universally accessible, high-quality healthcare in Australia.**

Media enquiries: Kylie Woolcock, Chief Executive, AHHA, 0410 625 830

