

**MEDIA RELEASE:**

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**CUTS TO PRIVATE HEALTH INSURANCE REBATE TO HURT CONSUMERS**

The Australian Government has announced that private health insurance premiums will increase by an average of 3.73 percent from 1 April 2025.

Matthew Koce, CEO of Members Health, the peak body for not for profit and member owned health insurers said that for his funds, every effort has been made to keep increases as low as possible while delivering best value for money.

“Australians are facing unprecedented cost-of-living challenges and the Members Health funds have worked alongside Government and regulators to keep this year’s average premium increase at well below health inflation, presently running at 4%,” Mr Koce said.

“As a group, it is pleasing that Members Health funds will increase their premiums by well below industry average, at just 3.54% this year.”

“It is concerning that in addition to this increase, for the first time since COVID-19, the Australian Government will also cut the Australian Private Health insurance rebate. The Private Health Insurance Rebate is means tested, so only goes to those who need it most.”

“From 1 April 2025 the base tier rebate will be slashed to just 24.288% for those under 65, a far cry from its original 30%.”

“During a time of cost-of-living pressures, it is unfair to cut the rebate and cost shift to consumers. Members Health is calling on all sides of politics to put a floor under the private health insurance rebate as a matter of urgency and to start the process of restoring it back to its original 30%.”

“Cutting the rebate is hurting affordability for lower and middle-income earners. Given public hospital waits can stretch into the years, the last things anyone would want is for people to be forced into dropping their health cover.” Matthew Koce said.

“Private health insurance helps underpin sustainability of the entire health system. Each bed used in a private hospital helps free up resources in our overstretched public hospitals for those most in need. Government should be increasing assistance to help people afford health cover, not reducing support, especially during a cost-of-living crisis.”

Private health insurance continues to be a crucial component of Australia’s world-leading mixed public-private health system. Over half the Australian population choose to be part of a health fund, getting access to timely high-quality care,

bypassing lengthy public hospital queues, and enjoy greater treatment choices and control over their care.

*Members Health is the peak industry body for an alliance of 24 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting their members' health before profit. Our funds represent the interests of more than 5.3 million Australians.*

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