

**MEDIA RELEASE:**

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**'AUSSIES LEFT BEHIND AFTER GOVERNMENT CUTS HEALTH REBATE: HERE'S HOW YOU CAN FIGHT BACK AND GET A BETTER DEAL'**

This end-of-financial year, many Australians are facing a double whammy with their health expenses. If you don't maintain private health cover and earn over a certain amount, you'll be hit with the Medicare Levy Surcharge (MLS) – a government tax. To make matters worse, the government's private health insurance subsidy, which helps millions of families afford cover, has plummeted to a record low of just 24.28% for those under 65 years of age from its original 30%. This erosion of support makes it increasingly difficult for families to justify the cost, leaving them worse off.

"Cuts to the health insurance subsidy are hurting those that can least afford it." Matthew Koce, CEO of Members Health said.

With the recent re-election of the Albanese Labor Government, Members Health, the national peak body for not-for-profit and member owned health funds is calling on the Government to put a stop to any future cuts to the subsidy and to work towards restoring it back to its full original 30 per cent.

"If the full subsidy was reinstated to 30 per cent, Australian consumers on an average Gold cover policy could be \$479 a year better off." Mr Koce said.

Families can currently earn up to \$194,000 and singles up to \$97,000 to get the most back. However, these thresholds will increase to \$202,000 for families and \$101,000 for singles on 1 July 2025.

It means that a family can earn up to \$202,000 and still qualify for the highest rebate set for those aged under 65. For those on an average Gold policy, this can equate to a subsidy of over \$2,000 a year.

"Australians are continuing to do it tough and cuts to the private health subsidy are doing harm by unfairly adding to cost-of-living pressures."

"At a time when every dollar matters, the hip pockets of average Australians are being impacted by the government's declining private health insurance subsidy," Mr Koce explained.

"Further reductions to the private health subsidy risk pushing lower and middle income Australians onto the public health system at the worst possible time, making queues for care even longer, reducing choice and damaging the sustainability of our world leading health system."

"Every bed used in a private hospital helps free up scarce resources in the overstretched public system for those that need it most. Therefore, government should be doing more to help support Australians take out health insurance cover, not less" Mr Koce said.

While Members Health are calling for the re-elected Albanese Government to address the falling rebate and work toward its full restoration to 30 per cent, it is also encouraging consumers to take action and get a better deal.

"The good news is that there are ways to help get more value from your health insurance" Mr Koce said.

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“Firstly, shop around for the best deal and always talk directly with a health insurance fund before making a health insurance purchase”.

“Commercial online comparator websites can be a useful resource when shopping around but if you read the fine print, you will see they don’t actually compare all insurers and may not even display every policy on offer by those insurers they do feature. Commercial comparators also charge fees or take commissions from insurers that will have to be passed on to consumers”.

“Members Health insurance funds don’t have to generate large profits for shareholders or overseas investors and that means they can represent excellent value for money.”

“A second tip is to look closely at the industry-based health funds. There are industry health funds serving a range of professions including Teachers, Nurses, Doctors, Police, Emergency Services, Commonwealth Bank employees, Reserve Bank Employees, the military and Seventh Day Adventist employees. Many Australians qualify for these funds through family but don’t realise it.”

“Finally, have a chat to your health fund about your level of cover to make sure you are on the best value policy for your health needs. When you talk to a member owned and run health insurer, you can have the confidence in knowing they exist only to serve you, so are an excellent source for trusted advice.”

The not-for-profits and member owned health insurance funds can be found at <https://membershealth.com.au/our-funds/>

*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 5.4 million Australians.*

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## Appendix: Government private health insurance rebate levels

The rebate levels that applied from **1 April 2025** are:

Singles Families	≤\$97,000 ≤\$194,000	\$97,001-113,000 \$194,001-226,000	\$113,001-151,000 \$226,001-302,000	≥\$151,001 ≥\$302,001
Rebate				
	Base Tier	Tier 1	Tier 2	Tier 3
< age 65	24.288%	16.192%	8.095%	0%
Age 65-69	28.337%	20.240%	12.143%	0%
Age 70+	32.385%	24.288%	16.192%	0%

The new income thresholds and rebate levels which will apply from **1 July 2025** up to and including **31 March 2026** are:

Singles Families	≤\$101,000 ≤\$202,000	\$101,001-118,000 \$202,001-236,000	\$118,001-158,000 \$236,001-316,000	≥\$158,001 ≥\$316,001
Rebate				
	Base Tier	Tier 1	Tier 2	Tier 3
< age 65	24.288%	16.192%	8.095%	0%
Age 65-69	28.337%	20.240%	12.143%	0%
Age 70+	32.385%	24.288%	16.192%	0%

<sup>i</sup> All costings based on information publicly available on the Government's Private Health website  
<https://privatehealth.gov.au/>

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