

MEDIA RELEASE:

07.10.2026

Senate Report Deepens Concern Over Rebate Cuts as Pensioners Face Paying More for Healthcare

The release of the Senate Community Affairs Legislation Committee [report](#) recommending passage of the Government's private health insurance rebate legislation marks a particularly dark day for pensioners and older Australians on lower fixed incomes.

The Members Health Fund Alliance has renewed its call on Senators from all parties and the crossbench to reject the proposed changes, warning the legislation would increase the healthcare burden for millions of older Australians at a time when they can least afford it.

Members Health CEO Matthew Koce said the committee's recommendation did not diminish the serious concerns raised throughout the inquiry by pensioners, consumer groups, private hospitals, health insurers and healthcare providers.

"Reducing the rebate would be a particularly dark day for pensioners."

"At a time when older Australians are facing mounting cost-of-living pressures, the Government is still trying to press ahead with a proposal that will force many pensioners and lower income Australians to pay more to keep the health cover they have maintained throughout their lives."

"Many of these Australians did exactly what successive governments encouraged them to do. They took responsibility for their healthcare, paid private health insurance premiums for decades and helped relieve pressure on the public health system."

"They are now being asked to pay the price for a budget decision that will remove support at the very time they need healthcare the most."

Mr Koce said concerns raised during the inquiry were reflected in the views expressed by both the Coalition and the Australian Greens.

"It is rare to see such broad agreement across the Parliament, but the Coalition and the Greens are right to recognise the significant impact these rebate cuts will have on lower-income Australians and the public health system."

"They are right to highlight that those least able to absorb additional costs will be among those hardest hit."

"This is not a debate about wealthy Australians. It is about pensioners, lower income retirees, battling regional Australians, and older people on small fixed incomes, who will now face significantly higher health insurance costs."

"When parties from across the political spectrum are raising concerns about the impact on vulnerable Australians, the Government should take notice."

Putting members' health before profit

Mr Koce said the strength of public opposition to the proposal demonstrated the legislation had failed to earn community support.

"Australians have spoken clearly and consistently against these changes."

"Thousands of Australians have signed petitions because they are deeply concerned about what these changes will mean for access to healthcare."

"Given the overwhelming public opposition to this legislation, it must be rethought."

"This should not be treated as a settled matter. Senators should carefully consider whether it is appropriate to proceed with legislation that will leave older Australians worse off."

The proposed changes would remove the higher private health insurance rebate currently available to Australians aged 65 and over, affecting around 3 million older Australians with private health insurance, including around 1.5 million pensioners.

Mr Koce said the consequences would extend beyond those directly affected.

"When private health insurance becomes less affordable, healthcare demand does not disappear."

"More Australians will be forced to consider downgrading or dropping their cover, pushing additional demand onto public hospitals that are already under significant pressure."

"This is not simply a health insurance issue. It is a healthcare system issue."

"The Senate now has an opportunity to stand with older Australians, listen to community concerns and reject a proposal that will make healthcare less affordable for pensioners and place further pressure on an already strained public hospital system."

"Older Australians deserve certainty, choice and affordable access to healthcare. We urge Senators to oppose this legislation."

ENDS

Members Health is the nation peak body for an alliance of more than 20 health insurers that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethos of putting their members' health before profit. Our funds represent the interests of more than 5.4 million Australians.

Putting members' health before profit