

# MEDIA RELEASE

Friday, 7 March 2025

## Reform authority a must for a sustainable private health system

The Australian Medical Association has launched the [private health chapter of its federal budget submission](#) in Perth today, calling for an independent Private Health System Authority to provide fit-for-purpose oversight of urgent reforms, and to ensure the system is meeting the expectations of the community.

AMA President Dr Danielle McMullen said the budget submission also calls for a mandated minimum payout by insurers of 90 per cent as a proportion of their premiums to encourage greater uptake of private health insurance.

"We've seen many devastating closures of private hospital services, and we are glad to see Health Minister Mark Butler this week call for a better funding deal for private hospitals to address these challenges, which we support," Dr McMullen said.

"The AMA is also calling for a Private Health System Authority — an independent body dedicated to overseeing the sustainability and innovation of the sector while giving consumers the confidence in private health insurance products.

"Australia's health system is one of the world's best, in large part due to the critical balance between public and private healthcare, and we believe an independent authority is key to protecting that balance."

The AMA's private health budget submission provides costed proposals ahead of the federal election as the major parties contemplate their yet-to-be released private health election commitments.

Supporting the release of the submission in Perth today, AMA WA President Dr Michael Page said he was concerned with the state of private health in WA.

"We are seeing major financial challenges in our private hospitals leading to closures and reduced services," Dr Page said.

"Western Australian patients are finding it harder to get the care they need, and they will continue to suffer without meaningful reform.

"We support the Health Minister's call for an immediate and better funding deal for private hospitals, so patients can receive the comprehensive services expected from their private health insurance."

While the AMA has welcomed the federal government's recent efforts at reform through the Private Health CEO Forum, an authority would also address regulatory gaps in the current system, working as an "independent umpire" to ensure insurance products and services prioritise consumers over shareholders.

"Our health system relies on the private system, where the overwhelming majority of our elective surgery is done. Our public hospitals don't have the spare capacity to cope with a deluge of urgent patients if the private system falters," Dr McMullen said.

---

Contact: AMA Media: +61 427 209 753 [media@ama.com.au](mailto:media@ama.com.au)

 [@ama\\_media](#)

 [@amapresident](#)

 [@medicalassociation\\_au](#)

 [AustralianMedicalAssociation](#)

 [@medicalassociation\\_au](#)

 [@medicalassociation\\_au](#)

"Australians deserve to know they are getting value from their insurance, as well as services when and where they need them. They deserve to know they will be able to access care in their community, see their preferred doctor and not simply be funnelled into a service preferred by their insurer."

[Read the AMA's budget submission](#)

---

Contact: AMA Media: +61 427 209 753 [media@ama.com.au](mailto:media@ama.com.au)



[@ama\\_media](#)



[@amapresident](#)



[@medicalassociation\\_au](#)



[AustralianMedicalAssociation](#)



[@medicalassociation\\_au](#)