

MEDIA RELEASE

Friday, 30 January 2026

New hospital funding welcome, but more funding and reform will be needed

The securing of a new public hospital funding agreement is welcome, as is additional funding of \$25 billion from the federal government, but the new deal alone will not be enough to stem the decline in hospital performance without further reform.

Australian Medical Association President Dr Danielle McMullen said after years of negotiation it was a relief to see the premiers and the Prime Minister reach a deal along with additional funding.

"The additional funding announced by the Prime Minister in this agreement is welcome and long overdue and it will be critical for states and territories to ensure they lift their own funding levels as well," Dr McMullen said.

The AMA, through our [Clear the Hospital Logjam Campaign](#) has been relentlessly campaigning for more than five years for a better deal for our public hospitals.

"However, our own modelling would suggest that today's announcement alone will not be enough to stop the decline in hospital performance, with patients waiting too long for emergency surgery, longer waits for essential surgery and ambulance ramping.

"The additional funding will make a difference, but it is unlikely to reach the 45 per cent of total costs by 2030 the AMA has been calling for on behalf of our doctors and their patients.

"We are going to have to wait to see the detail to properly assess the impact of today's agreement. No mention was made of reaching a set percentage of Commonwealth funding, what year it will be reached, or whether the cap on growth will be scrapped to give hospitals the extra headroom they need to meet community demand.

The AMA continues to call for adequate funding so that hospitals can invest into tackling waitlists, expanding capacity and addressing avoidable admissions. Without concerted, funded action on each of these elements, our hospitals will continue to be caught in a cycle of crisis.

Through its Clear the Hospital Logjam campaign, the AMA has been sounding the alarm about the dire situation in Australian public hospitals over many years and highlighting the decline in hospital performance through its [annual Public Hospital Report Card](#), and calling for deep reform — not just 'more of the same'.

All governments commissioned an expert review into the failures of our national health reform agreement, and 45 clear, reform focussed recommendations were provided to all health ministers.

"Despite having a clear roadmap on what is needed from their own review, we are yet to hear how this new agreement will address those recommendations to clear the hospital logjam.

"It's clear that while we welcome the extra funding secured through years of advocacy, the detail of the new agreement will show if genuine improvement is going to be possible for our hospitals as patients have been waiting long enough."

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