

# MEDIA RELEASE

Thursday, 29 January 2026

## Hospitals and patients face more pain unless governments get next NHRA right

The Australian Medical Association says the federal government's public commitment to inject extra funds for struggling public hospitals is welcome but warned the commitment must translate to a real funding increase that does more than leave hospitals 'treading water'.

National Cabinet is expected to meet tomorrow to discuss the next National Health Reform Agreement, with the federal government offering additional funding — including some targeted funding to deal with long-stay older patients — and describing its offer as "generous".

AMA President Dr Danielle McMullen said there had been too much political points scoring and conflict between governments on hospital funding in the lead up to the next National Health Reform Agreement.

"It's time for governments to get a deal done, one that ensures our hospitals have the right level of funding and reforms are implemented to help deal with issues like exit block," Dr McMullen said.

"The AMA has been campaigning for years now on public hospitals, [sounding the alarm year after year on declining performance](#). We've seen announcements of record funding, which make for nice spin, but ignore the fact that funding should be increasing because every year the cost of delivering care increases as does the population.

"Comparing how much you are paying for the next five years compared to the last five years is not fair or honest because the fact is, costs are rising, our population is increasing, and care is getting more complex."

Dr McMullen said Australia's ageing population was well and truly accelerating demand for hospital care and it was time for all governments to meet this challenge, which was first highlighted in the intergenerational report of 2002.

"We knew this was coming. We can't leave the system on 'auto-pilot'. More funding to 'just keep pace' will not lessen wait lists, will not stem the bleeding of our public hospitals. What matters with hospital funding is the fine print. The funding above and beyond just 'treading water'."

The AMA has [examined the fine print and has been clear on what's needed](#), calling for extra funding beyond the additional funding announcement to cope with inflation.

"By our estimates, based on the government's own hospital authority inflation figures, we need an additional \$9.6 billion in federal government funding to just break even with today's level of services. Put another way, that \$9.6 billion does not provide anything 'extra' for hospitals to admit additional patients or services.

"That's not 'extra' money in the way you, me, or any other patient expects. To be crystal clear we are calling for a *real funding boost* to allow hospitals to expand their services, improve their performance and increase capacity in the future.

"The AMA is calling for two real funding increases. The first is an extra \$25 billion to \$40 billion (depending on inflation) to bring the federal government's contribution to 45 per cent of hospital funding, by 2030.

"This extra funding should provide states and territories with freed up funds to inject into our hospitals where it is needed. They should not reduce their own funding contributions, when federal government funding flows.

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"Our second ask is for real funding reform. All ministers have had an extra year, on top of the five years of the current agreement, to develop a better way forward.

"Ministers even commissioned an extensive review on what reform is needed to the next agreement, led by Rosemary Huxtable and Michael Walsh, with 45 comprehensive recommendations developed.

"What this report made clear is that funding 'more of the same' simply isn't enough.

"We must not repeat the mistakes of the past. We need [funding targeted towards dealing with exit block](#), capacity, [performance improvement](#) and avoidable hospital admissions. We used to fund performance improvement and to no-one's surprise, performance improved. Then it was scrapped, and performance got worse.

"We started, but then abandoned, a program that was going to target avoidable re-admissions. It's time to revisit that program."

Dr McMullen said the next funding agreement was an opportunity to get it right and learn from the past and from the independent reviews commissioned by the federal government that had highlighted what was needed.

"Without the right agreement, the right funding and reform, Australia's public hospitals and patients will face more of the same in the future," Dr McMullen said.

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