AMA

2026–2027 Pre-Budget Submission

Pillar 5
A health system for the future

Chapter 5: A health system for the future (Workforce)

Problem statement

A strong, future-ready healthcare system depends on a sustainable, well-distributed workforce that can meet the evolving needs of all Australians. The availability of appropriately skilled healthcare professionals is a critical enabler of timely, high-quality care. However, the system is under increasing strain — not only due to persistent workforce maldistribution, particularly in rural, regional, and outer metropolitan areas[i] — but also because of rising rates of burnout and fatigue across the medical profession.[ii]

Strengthening training pathways through to independent practice is essential as limited positions for new Fellows risk losing early-career doctors to other sectors and further reducing system capacity. At the same time, AI-driven change and evolving scopes of practice are increasing pressure on supervision, training, and workforce planning. Immediate resourcing is needed to address these emerging pressures.

At the same time, ensuring culturally safe care — particularly for Aboriginal and Torres Strait Islander peoples — requires sustained investment in cultural safety training, anti-racism initiatives, and the recruitment and retention of a diverse health workforce. Without these efforts, inequities in access and outcomes will persist.

For patients, these workforce challenges mean longer wait times, delayed diagnoses, and unmet health needs. For the system, they result in inefficiencies, increased pressure on emergency departments, and widening disparities in health outcomes.

Addressing these issues demand coordinated, long-term policy solutions that prioritise workforce planning, strengthen training pipelines, ensure cultural safety, and provide incentives to attract and retain healthcare professionals where they are most needed. This includes:

- **Establishing an independent health workforce planning agency** to provide robust, data-driven insights into current and future workforce needs, enabling more responsive and targeted policy interventions.
- **Expanding the Specialist Training Program (STP)** to increase specialist training places and improve access to care for patients. The STP should continue to focus on providing high-quality clinical experience for doctors in training, with priority given to funding training places that provide care for underserviced populations.
- **Making medical training a key focus of the next National Health Reform Agreement** by including commitments from each jurisdiction to provide adequate numbers of prevocational and specialist training places, based on the modelling and advice provided through the AMA's proposed independent health workforce planning agency.
- **Enhancing support for workplace-based assessments (WBAs) for international medical graduates (IMGs)** to streamline pathways into the workforce, reduce barriers to practice, and ensure IMGs are well-prepared to deliver safe, high-quality care across diverse settings.

Together, these investments form a cohesive strategy to strengthen the medical workforce, improve equity in access, and ensure the healthcare system is equipped to meet future demand.

Policy proposals

Investing in a future-focused independent health workforce planning agency

To ensure all Australians can access timely, high-quality care, the AMA is calling for funding to establish an independent national health workforce planning agency. Despite ongoing data collection, Australia lacks the modelling and strategic planning needed to align workforce supply with patient demand. Despite best efforts, the Department of Health, Disability and Aged Care has not been able to deliver the necessary outputs due to competing priorities.

An independent agency would fill this gap — using workforce data to forecast supply and demand, guide training and distribution, and inform evidence-based policy. This will ensure the right health professionals are in the right places, at the right time. With the National Medical Workforce Strategy 2021–2031 already in place, medical workforce planning should be the initial focus. This investment will build a proactive, responsive health system that puts patients first.

Risks and implementation

To ensure the success and sustainability of a new independent health workforce planning agency, a thorough analysis of the strengths and weaknesses of Health Workforce Australia (HWA) — abolished in 2014 — should be undertaken. This will help ensure valuable lessons from HWA's experience are applied to the design and operation of the new agency.

Functions identified as in-scope and out-of-scope during the 2022 consultation phase must be further refined in collaboration with key stakeholders. These functions should be clearly defined in the agency's establishing legislation to ensure transparent, accountable decision-making.

The agency must be empowered to access and utilise up to date employment data to independently advise government and inform policy and planning in a way that is verifiable, evidence-based, and focused on meeting patients' healthcare needs. The ultimate outcome will be ensuring the health workforce is equipped to deliver care where and when it is needed most.

The following key principles will underpin the agency:

- **Autonomy and independence**: Free from political influence, enabling evidence-based decisions that focus on patient and system needs.
- **Data-driven planning**: Supported by advanced analytics to forecast workforce supply and demand and guide strategic investment.
- **Stakeholder engagement**: Collaborating with jurisdictions, educators, and providers to ensure planning reflects real-world needs.
- **Sustainable funding**: Secured through upfront investment to establish robust infrastructure and capability.
- **Transparency and accountability**: Ensuring regular public reporting to build trust and verify decisions.
- **Jurisdictional collaboration**: Overcoming current fragmentation by fostering cooperation across states and territories, while maintaining independence.

Risks of not taking action

Australia, like many countries, face persistent health workforce shortages and an uneven distribution of healthcare professionals. These challenges directly impact patients, leading to longer wait times, reduced access to care in underserved areas, and variability in the quality of services. When healthcare professionals are concentrated in some regions but absent in others, patients in rural and remote communities often struggle to access timely care. This imbalance also creates inefficiencies in resource allocation and increased costs for both individuals and the health system.

Critically, the absence of an independent workforce planning agency limits Australia's ability to respond effectively during health crises — such as pandemics or natural disasters — when coordinated, data-driven

workforce deployment is essential. Establishing such an agency is a vital step toward building a health system that is equitable, resilient, and responsive to the needs of all Australians.

Timeframe and costing

To inform the establishment of a new independent national health workforce planning agency, the AMA has drawn on the final budget allocation for Health Workforce Australia (HWA) in 2012–13. While HWA included a significant grants program — totalling $773.6 million over four years — this component has been excluded from the AMA's cost estimate for the new agency.

The AMA estimates the cost of the agency at $191.5 million over the forward estimates, based on the operational funding allocated to HWA,[iii] adjusted for wage growth using the Wage Price Index (WPI) at an average annual increase of 2.7 per cent from 2015–16 to 2026–27. An additional $5 million has been included to support establishment in the first year.

Importantly, this estimate reflects a more efficient operating environment. Since HWA's closure in 2014, technological advancements and improved data analytics have enhanced the capacity for streamlined data collection and analysis. The estimate also excludes potential offsetting savings from consolidating existing functions within the Department of Health, Disability and Aged Care, where initial staffing may be sourced.

Further savings are likely to be generated through better coordination across jurisdictions, which currently operate in silos. These efficiencies can be reinvested into innovative functions that improve workforce planning and ultimately enhance patient access to care.

Table 1: Cost of establishing and funding an independent national health workforce planning agency

	2026–27	2027–28	2028–29	2029–30	Total
Estimated cost of a health workforce planning agency ($m)	$44.5	$45.9	$47.3	$48.7	$186.5
Establishment cost ($m)	$5				
Total cost to government ($m)	**$49.5**	**$45.9**	**$47.3**	**$48.7**	**$191.5**

Expanding the Specialist Training Program (STP) for a sustainable specialist workforce

Australia's Specialist Training Program (STP) is a key national initiative designed to improve the quality of training by extending specialist medical training into non-traditional settings, including rural, regional, remote, and private practice environments. Available data shows doctors in training are increasingly unable to enter specialist training programs due to a shortage of training places. This initiative will support more doctors to access specialist training and help expand the availability of high-quality specialist medical care for the community.

The AMA proposes expanding the STP from 920 to 1,700 places over three years.[iv] The program should continue to focus on providing high-quality clinical experience for doctors in training, with priority given to funding training places that deliver care for underserviced populations. Funding should also enable rurally based trainees to undertake rotations in metropolitan areas, giving them access to training opportunities that may not be available locally.

Risks and implementation

The STP has played a vital role in providing quality training places across diverse settings, broadening participants' experiences and expanding access to specialist medical training in non-traditional settings, including rural, regional, and community-based environments.

The AMA proposes a strategic redesign and expansion of the STP to ensure it delivers long-term value, flexibility, and workforce sustainability. The aim is to modernise the program so it better supports Australia's evolving health system and training needs. This reform would expand the number of funded

training places — particularly in rural, regional, and non-traditional settings — and introduce a Reverse STP model, enabling trainees based in these areas to rotate into metropolitan centres for short-term, high-skill training not available locally.

To support this, the AMA recommends strengthening governance and coordination between specialist colleges, health services, and training hubs; enhancing support for supervisors and infrastructure in expanded settings; and increasing flexibility in training pathways to reflect diverse clinical environments.

The AMA proposes a staged implementation strategy focused on flexibility, accountability, and strategic alignment:

- **Governance and transparency reform**: To ensure these additional places have an impact and are properly targeted, the AMA proposes the establishment of a new governance structure for the STP that encompasses key stakeholders, including the AMA, colleges, supervisors, doctors in training, jurisdictions, and other relevant bodies. This body will provide advice on allocation policies and decisions, monitor outcomes, and ensure alignment with national health priorities.
- **Data-driven workforce planning**: Integrate STP planning with national health workforce data, potentially in collaboration with the AMA's proposed independent health workforce planning agency, to identify priority areas for specialist training expansion. This includes mapping geographic and specialty gaps and forecasting future demand.
- **Reverse STP model**: Amend program guidelines to encourage and better support rurally based trainees to undertake short-term, high-skill rotations in metropolitan centres. This will be supported by a dedicated funding mechanism to cover travel, accommodation, and backfill costs.
- **College engagement and accreditation**: Ensure specialist colleges support curriculum mapping and accreditation for rotations from rural to metropolitan locations, enabling seamless integration into existing training pathways.
- **Outcome monitoring**: Introduce mechanisms to track training quality, workforce impact, and retention outcomes, ensuring the program delivers measurable value.

Risks of not taking action

Australia has dramatically expanded medical school places, and the federal government has committed to further increases. To ensure the full benefit of these increases is realised and community access to care is improved, sufficient specialist training places must be available. Evidence suggests this is not the case, with the number of available posts essentially flatlining and a growing number of doctors in training unable to progress to a specialist training program.

Without additional specialist training places, the community will not be able to access the care it needs in a timely way. This problem will be most acute in specialties facing workforce shortages, as well as in rural and remote Australia.

Timeframe and costings

Training places are assumed to ramp up over three years. A rural allowance loading is applied in line with the current program. Travel and placement costs for those undertaking a rotation of up to 12 weeks in a metropolitan area are assumed to be covered by the rural loading allocated to those rural placements.

Table 2: Cost of establishing and funding additional Specialist Training Program places

	2026–27	2027–28	2028–29	2029–30	Total
Number of additional places	260	520	780	780	
Cost of additional places ($m)	$39.6	$82.0	$127.3	$131.8	$380.7
Total cost to government ($m)	**$39.6**	**$82.0**	**$127.3**	**$131.8**	**$380.7**

All wage supplements and allowances are indexed at 3.5 per cent to maintain relativity with wages and ensure training and supervision costs are supported.

In addition to these costed places, it is anticipated that greater emphasis will be placed on planning and stakeholder engagement to deliver the training places where they are needed most. The AMA's proposed independent health workforce planning agency has a vital role to play in this process. Any costs associated with this additional governance and planning would fall within the proposed independent health workforce planning agency budgeted envelope.

Make medical training a key focus of the next National Health Reform Agreement

Medical workforce and training are a shared responsibility across all jurisdictions. Unless there is a shared understanding of the need to properly resource medical workforce and training — starting with medical school and continuing through to the completion of specialist training — we will be unable to meet the future needs of the Australian community.[v]

The former Council of Australian Governments recognised this in 2006, agreeing that the states and territories would provide high-quality clinical placements and intern training for federally funded medical students. The states and territories also committed to continuing significant investment in on-the-job and postgraduate training for these doctors.

The next NHRA must take a similar approach as part of a comprehensive strategy to address medical workforce shortages.

Informed by data and projections from the AMA's proposed independent health workforce planning agency, we are calling on all jurisdictions to commit to funding sufficient future prevocational and specialist training places to meet the number of medical graduates entering the workforce each year and to meet the long-term health needs of the community.

Risks of not taking action

A failure to invest in sufficient training places across all stages of the medical training pipeline will undermine the significant investment already made in expanding medical school places and will mean patients will not have the level of access to care they deserve.

A growing number of doctors will be working in unaccredited roles in public hospitals, with no clear career pathway and only limited access to career development. We need all jurisdictions to commit to increasing the number of training places they fund, including in specialty and geographic areas, so we build a medical workforce that is more accessible to patients and better meets community needs.

While the next NHRA should lock in long-term commitments to build and sustain Australia's medical workforce, immediate resourcing is required to address AI-driven change, evolving scopes of practice, and pressures on supervision and training. The NHRA can then provide sustained funding and accountability.

Timeframe and costings

This commitment should be incorporated into the next National Health Reform Agreement, with existing workforce modelling from the Department of Health, Disability and Ageing informing broad initial projections. These projections would then be updated once a new independent health workforce planning agency is in place. Once the updated projections are available, governments will be able to estimate any additional costs that might be involved, recognising that workforce needs will continue to evolve over time.

Supporting international medical graduates through nationally funded workplace-based assessments

IMGs are a vital and permanent part of Australia's medical workforce. They bring diverse experience and skills and play a critical role in delivering care to underserved communities, particularly in rural and remote areas. Despite their contributions, many IMGs face significant barriers to integration, including complex regulatory processes, limited access to supervised practice, racism, and insufficient support systems.

To improve access to medical professionals and support IMG integration, the AMA is calling for national investment in Workplace-Based Assessments (WBAs) as a flexible, practical and clinically relevant evaluation pathway. WBAs provide an alternative to traditional examination models by embedding assessment within supervised clinical practice, enabling real-time feedback, fostering professional development, and promoting safer patient care.

Risks and implementation

Currently, access to WBAs is limited and dependent on state-based funding, individual contributions, and local health network capacity, creating inequities in availability and uptake. While several health services have successfully implemented WBA programs, their reach remains constrained by inconsistent funding and infrastructure support.

Given IMG workforce challenges are a national issue, a nationally coordinated and funded approach is essential. This would ensure equitable access to WBAs across jurisdictions, reduce bottlenecks in the assessment process, and accelerate the safe integration of IMGs into the workforce — particularly in areas of greatest need.

Expanding access to WBAs delivers tangible benefits for both patients and the health system. By embedding structured, supervised assessment into real clinical settings, WBAs enhance patient safety and ensure IMGs are clinically prepared to deliver high-quality care from day one. This model supports faster workforce integration by reducing reliance on centralised, high-stakes examinations, enabling IMGs to contribute to patient care sooner — particularly in areas facing critical workforce shortages. Localised training and support also improve retention of IMGs in regional and rural communities, strengthening continuity of care. In addition, WBAs foster a more culturally competent and diverse medical workforce, while easing the financial burden on IMGs, who often face significant costs associated with traditional assessment pathways.

The expansion of WBAs represents a strategic investment in Australia's medical workforce. A nationally funded WBA program should include:

- **pilot programs** across diverse health settings and jurisdictions
- **national accreditation** through the Australian Medical Council (AMC) to ensure consistency and quality
- **investment in infrastructure, training, and supervision capacity** within local health networks
- **a robust evaluation framework** to monitor outcomes, quality, and workforce impact.

Risks of not taking action

Without investment to expand access to WBAs, IMGs face prolonged delays in workforce integration — delays that directly impact patients through longer wait times and reduced access to care, particularly in under-served areas. This not only hinders individual career progression but also contributes to stress, burnout, and attrition among IMGs, many of whom are navigating complex and unsupported pathways.

Critically, Australia risks underutilising a skilled and motivated workforce while undermining its reputation as a destination for international medical professionals — ultimately to the detriment of patients and communities in need.

Timeframe and costings

The AMA has costed a proposed rollout of an expanded WBA over a reasonable three-year timeframe. Initially, a modest expansion of existing sites is likely; however, it is anticipated more sites will come online once funding becomes available. These costs are based on figures from existing programs implemented at the state level, as well as current pass rates for the alternative AMC clinical exam.[vi] The pass rate for those selected for WBA is expected to be lower than at present. Nevertheless, the AMA estimates future WBA candidates will still far exceed the current average pass rate of the AMC clinical exam.

There is also a reasonable approximation of the costs of supervision during the 12 months of the WBA program, based on past published estimates evaluating the program in the *Medical Journal of Australia.*[vii] It is proposed the Australian government help fund this to incentivise states to provide more places.

Candidates are currently required to contribute a fee. The AMA is calling for the Australian government to cover at least one year's contribution of IMGs' fees towards WBA.

Separately, an estimate has been made of the ongoing supervision costs for doctors yet to pass their AMC clinical exam, as well as the number of additional months of supervised employment.

All costs for training, exam fees, and supervision have been indexed to hospital wage growth, approximated at 3.5 per cent.

Table 3: Cost of funding additional Workplace Based Assessment positions

	2026–27	2027–28	2028–29	2029–30	Total
Number of additional places	500	600	900	1,000	
Cost of additional WBA candidate fees ($m)	$7.0	$8.7	$13.5	$15.5	$44.8
Hospital WBA program supervision subsidy ($m)	$7.8	$9.6	$15.0	$17.2	$49.6
Hospital on-going supervision saving ($m)	$14.0	$17.4	$26.9	$31.0	$89.3
Total cost to government ($m)	**$14.8**	**$18.4**	**$28.5**	**$32.8**	**$94.4**

Note: Totals may not sum exactly due to rounding.

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[iii] Australian Government Department of Health. (2014). Portfolio Budget Statements 2014–15. Budget related paper no. 1.10. Health portfolio. Retrieved 21/11/2025 at: https://www.health.gov.au/sites/default/files/health-portfolio-budget-statements-2014-15.pdf

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[vi] Nair, B., et al. (2014). Workplace-based assessment for international medical graduates: at what cost? Medical Journal of Australia, 200(1), 41-44. Retrieved 21/11/2025 at: https://www.mja.com.au/journal/2014/200/1/workplace-based-assessment-international-medical-graduates-what-cost

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