

Federal Election 2025: investing in sustainable funding models for better health

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Recognising the significant investment in Medicare in last week's Federal Budget, and in the Opposition's Budget Reply, the Australian Healthcare and Hospitals Association (AHHA) is calling on all parties to look beyond the short-term and commit to reforming healthcare funding to ensure investments deliver long-term improvements in health outcomes for people and communities.

'Healthcare funding must go beyond simply sustaining services—it must be structured to incentivise and reward high-value care that leads to better health outcomes,' says AHHA CEO Kylie Woolcock.

'Short-term, rigid funding models fail to provide the security needed for innovation, workforce retention, and sustainable improvements in care delivery.'

Trials and pilot programs have long been used to test service innovation, particularly in rural and remote areas. However, these short-term initiatives often lack the stability needed to embed successful models, creating uncertainty for providers and communities alike.

AHHA is calling for:

- Investment in and support for mixed, flexible funding models that reward high-value care delivery while ensuring sustainability and equity. This requires recognising how costs, risks, and rewards are distributed and incentivising outcomes rather than outputs.
- Longer-term funding approaches, to ensure continuity of care through co-designed models that address local needs and include accountability mechanisms – particularly for rural and remote health care.

'When funding is tied only to activity rather than outcomes, we miss opportunities to create a health system that truly meets the needs of people and communities,' Ms Woolcock continued.

'A shift to flexible funding models that are value-based is essential to driving real reform—ensuring that investment leads to improved health, rather than simply more services.'

'Recognising the significant burden that cost-of-living pressures place on Australians, often at the expense of healthcare access, we must also consider what these costs will be to Australians in the long-term if meaningful system reforms are not implemented. AHHA urges all parties to prioritise healthcare funding reform that supports long-term system sustainability, encourages innovation, and delivers meaningful health outcomes.

For more information, read the [AHHA 2025 Election Statement on the AHHA website](#).

The online version of this [media release](#) can be found on the AHHA website. **The Australian Healthcare and Hospitals Association (AHHA) is the independent peak membership body and advocate for the Australian healthcare system and a national voice for universally accessible, high-quality healthcare in Australia.**

Media enquiries: Kylie Woolcock, Chief Executive, AHHA, 0410 625 830

