Media Release

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New polling reveals strong opposition to the Government's health insurance rebate cut

New research has revealed strong opposition to the Albanese Government's plan to slash the higher private health insurance rebate for Australians aged 65 and over, with most people across Australia questioning the fairness of the policy and supporting alternatives.

RedBridge polling of 1,505 Australians found 39 per cent of people aged 65 and over with health insurance say the rebate change would make them more likely to drop their cover, causing them to rely on the stressed public hospital system instead.

Dr Rachel David, CEO of Private Healthcare Australia – the peak body for health insurance funds – said this suggested the Government's prediction of 44,000 older people dropping their cover due to the change could be a significant under-estimate. It also does not account for the possibility of mass downgrades in insurance, leaving people uncovered for care such as knee and hip replacements and cataract surgery.

The RedBridge research also found people across generations were sceptical of the Government's argument that the policy improved intergenerational fairness. The "sandwich generation" - Australians supporting both their children and ageing parents - are particularly concerned about what would happen if their parents could no longer afford health insurance.

Dr David said the findings were consistent with the level of distress and anger observed in the community about the proposal since Health Minister Mark Butler announced it in April as an intergenerational equity measure that would save $3 billion over four years.

"I have never seen so much genuine anger about a Government policy before. Older people are furious about this. Many of them have been investing in health insurance for decades and right when they need to use their cover most, the Government is forcing them to pay hundreds more a year for it," she said

"We are also hearing from middle-aged Australians who are already juggling the cost of raising children and supporting ageing parents who are saying they may have to step in and help pay their parents' health insurance rather than see them lose their cover. The concern is trickling down."

Under the proposal, more than 3.2 million Australians, including at least 470,000 Age pensioners, will lose a significant Government discount on their health insurance from 1 April 2027. These people include:

- Australians aged 65–69 earning under $105,000 as a single or $210,000 as a family who will see their health insurance rebate reduced from 28 per cent to 24 per cent.
- Australians aged 70 and over in the same income brackets who will see their rebate reduced from 32 per cent to 24 per cent.

The changes come on top of inflation driven annual premium increases which averaged 4.4% this year. This means Australians aged 70 and above with Gold hospital cover could see premiums surge 21 per cent from next April. This translates to an annual premium increase of about $807 for an individual and $1614 for a couple.

The polling found strong support for an alternative approach of protecting pensioners and low-income older Australians across all generations with 53 per cent preferring an approach that would protect Age Pensioners and low-income older Australians from the reduction.

Protecting pensioners and low-income earners is preferred by 55% of 18-34-year-olds, 54% of 35-49-year-olds and 49% of 50-64-year-olds. Among Labor voters, 59% prefer the exemption approach, compared with just 15% who prefer the Government's policy as announced.

Dr David said the Government's proposal was set to hurt millions of older people and their families, put more pressure on public hospital waiting lists, and undermine the viability of some smaller regional hospitals that currently care for high rates of older people.

"People who leave health insurance don't stop needing healthcare. If people who currently use private hospitals are pushed into the public system, that has consequences for public hospital demand, waiting lists and government spending," she said.

"If their families then have to step in to help them financially or provide additional care, the consequences are felt well beyond the individual who has lost their cover. The Government needs to consider the full consequences of this policy - not just the immediate budget saving."

Research notes

The RedBridge quantitative research was conducted between 26 May and 3 June 2026 among 1,505 Australian citizens aged 18 and over who were enrolled to vote, recruited through an online panel across 22 Commonwealth electoral divisions. Quotas were applied for age, gender, location, education and 2025 federal vote, with rim weighting applied. The effective sample size was 1,261 and the stated margin of error for a 50 per cent result on the full sample was ±2.8 percentage points.

The qualitative research comprised seven 90-minute online focus groups conducted between 8 and 15 May 2026, covering Australians aged 65–74, 70+, the 50–60 "sandwich generation", Millennials aged 28–42 and Gen Z aged 18–27.