

**COMMON SENSE PREVAILS AS
BILL TO CUT HIGHER PHI REBATE KICKED OUT OF SENATE****14 October 2026**

Today, seniors will be breathing a sigh of relief as the Senate voted to kill the Bill, which would remove the higher Private Health Insurance rebate for Australians aged 65 and over.

A motion, brought by Shadow Minister for Health and Aged Care, Senator Anne Ruston and Senator Jacqui Lambie, was supported by Senators across the chamber, and has meant the Bill will be taken off the Senate's agenda.

While the move kills the bill in its current form, the government has already indicated that it is committed to changing the rebate and will resurrect the bill, likely with some form of carve out to gain support from the Greens.

"Common sense has prevailed. The cut to the higher Private Health Insurance Rebate for people aged 65 over has been hit on the head" NSA Chief Executive Officer Mr Chris Grice said. "Older Australians were facing significant increases in the cost of health insurance. No one supported the cut to the higher rebate, except for the government."

"NSA has been leading the fight against this change since the cut was announced by the Health Minister ahead of the budget. We welcome the support of the Opposition and crossbench parliamentarians in opposing and killing the bill. We thank the tens of thousands of older Australians who have supported NSA's campaign to oppose this change."

"Senator Anne Ruston, Senator Jacqui Lambie, Dr Monique Ryan MP, Rebekha Sharkie MP and Dr Anne Webster MP have led the charge within parliament to oppose this bill supported by many others. We now look to the Greens to show leadership as the government looks set to court them to pass a new version of the Bill. We need the Greens to say no. Enough is enough."

"There is significant uncertainty about the impact of the cut on private and public hospitals and on the health of older Australians. Supporting seniors to retain private health insurance will ensure that our ageing population remains healthier for longer, alleviating pressure on our broader health and aged care systems. Government needs to see this as an investment in the future, not a burden on the budget."

NSA survey shows greater impact on seniors

National Seniors Australia's surveys suggest the government has grossly underestimated the impact of the cut to the Private Health Insurance (PHI) Rebate with pensioners, part-pensioners, and self-funded retirees likely to downgrade or drop their Private Health cover should the cut go ahead.

A National Seniors Australia (NSA) Survey* conducted last month asked participants their most likely response to a premium increase on 1 April 2027 due to the rebate cut (not including annual premium increases).

- **15.6% of respondents said they would drop PHI**
- **16.6% of respondents said they would downgrade their PHI**
- **20.3% of respondents said they would cut spending**
- **21.8% of respondents said they would draw on savings**
- **19.5% of pensioners said they would most likely downgrade their cover and 20.5% said they would most likely drop their cover.**

28.6% of self-funded retirees said they would most likely **draw on their savings** to meet the premium increase from the rebate cut **30% of self-funded retirees** said they would either **drop or downgrade** their cover (**16.3% downgrade** and **13.7% drop their cover**).

Consistent with NSA's previous survey work, full rate pensioners are more likely to **drop their PHI** than others. However, the proportion of those who say they would most likely drop their PHI is far higher than being reported by government and independent modelling.

**The National Seniors Australia survey asked participants to use the NSA [rebate estimator](#) so they accurately knew what the increase would be before completing the survey question about their intentions.*

Media enquiries please call Anna Townend 0488 047 380