

Overview of 1st two months of the Labor Government (2025-2028)



Department of Health, Disability & Ageing

Introduction

The first 60 days of this term have focused on consolidating structural reforms, progressing major legislation, expanding core services, and responding to immediate operational challenges across health, ageing and disability support. Early actions have largely advanced pre-existing commitments while laying the groundwork for more complex reforms still to come.

Key actions undertaken

1. Health system strengthening

- **Primary care and Medicare**

Bulk-billing was a key priority with a significant funding injection to boost GP incentives. A major increase in Medicare funding aims to expand free GP visits for low-income and regional patients. This was promoted as an immediate way to make healthcare more affordable and reduce out-of-pocket costs, especially where clinics had been charging gap fees.

- **Urgent care clinics**

Expansion of Medicare Urgent Care Clinics continued. More than 1.5 million people received free, walk-in treatment during the period. An additional 50 clinics were announced, set to open by mid-2026, which will bring the total network to 137 sites, covering most of the population within a short drive. These clinics are intended to relieve pressure on hospital emergency departments by diverting non-critical cases, with early figures showing nearly half of UCC patients would have otherwise gone to hospital.

- **Medicines and pharmaceutical benefits**

Pharmaceutical access was strengthened through new PBS listings. For example, broader access to the cystic fibrosis drug Trikafta was confirmed from 1 July, cutting annual patient costs from hundreds of thousands of dollars to under \$30 per script. New Medicare items were also introduced to improve women's health care, including funded long consultations for complex conditions like endometriosis and menopause, as part of a wider women's health package. The first national lung cancer screening program was also launched, with free CT scans for eligible Australians aged 50–70, aiming for earlier detection and improved survival.

- **Medical innovation**

Investment in local biotech and medtech firms was supported through a new \$12 million grant round to help commercialize treatments for heart disease, diabetes, and related

conditions. This is designed to grow Australia's medical research and manufacturing capability, leveraging additional private co-investment.

2. Aged care reform

- A significant milestone was passage of the new Aged Care Act, designed to implement the recommendations of the Royal Commission and protect the rights of older Australians. However, the scheduled start date was postponed from 1 July to 1 November 2025, following sector feedback that more time was needed to ensure readiness. This deferral is intended to give providers time to upgrade systems, train staff, and avoid a rushed implementation that could compromise service quality. The Support at Home program continued in development as part of this reform package.

3. Disability and the NDIS

- **Portfolio integration**
Responsibility for the NDIS was moved under the broader Health, Disability and Ageing portfolio. This was designed to better align health, aged care, and disability supports, reduce duplication, and provide states with a single point of contact.
- **Foundational supports**
Work on foundational supports such as basic services for people who do not qualify for individual NDIS plans remain in focus. This support was meant to be in place by mid-year but negotiations with states continued through the reporting period. The goal is to have them operating by the end of 2025, starting with support for children with developmental delays and for people with psychosocial disability.
- **NDIS governance and sustainability**
Public statements during this period emphasized that eligibility rules will not be tightened, to reassure participants, while also acknowledging the need to control cost growth through better plan management and alternate supports. New compliance measures allow the NDIA to intervene if there are risks in plan management, and a limit on backdated provider claims will begin later in the year.

Major challenges and responses

- **Implementation readiness**
The decision to delay the Aged Care Act's start date was a direct response to sector concerns about readiness for complex operational changes. While the delay slows delivery of expected benefits for older people, it was positioned as necessary to ensure the system is robust.
- **NDIS cost pressures**
Rising scheme costs continued to pose a challenge. Early steps included stronger compliance and renewed negotiations with states to co-fund foundational support, aiming to reduce demand pressure on the NDIS. Messaging focused on stability and sustainability, with clear reassurances about continued eligibility for participants.

- **Private health system stability**

The sudden receivership of a major private hospital group created risk of disruption for patients and staff. Immediate meetings with operators and receivers resulted in assurances that care would continue without interruption and that an orderly sale would be pursued. No public funds were offered for a bailout; instead, the focus was on maintaining service continuity and avoiding additional pressure on public hospitals.

Gaps and areas for improvement

- **Delayed foundational support:** The original target to roll out foundational support by mid-year was not met, leaving a gap for people ineligible for the NDIS. Interim or bridging programs could have been explored to avoid service gaps during negotiation delays.
- **Mental health and prevention:** While bulk-billing and urgent care clinics progressed, there was limited focus on new measures for mental health and wider preventive health priorities in this period. Stronger early signals in these areas would have complemented the primary care agenda.
- **Aged care workforce:** The deferral of the Aged Care Act highlighted readiness challenges but did not include new short-term measures to boost workforce supply, which remains a pressure point for providers.
- **Communication clarity:** The portfolio restructure to integrate disability with health and ageing introduced some uncertainty for stakeholders about who is responsible for operational versus strategic issues. Clearer role delineation and stakeholder communication could strengthen confidence during this transition.

Overall impact

The following summarize recommendations dated May 29, 2025, sent by IPAG Asia Pacific, Melbourne to Hon Mark Butler, Minister for Health, Ageing & NDIS Portfolio for implementing in the 1st 100 days of the 2nd term of the Labor Government. It provides status of implementation and what needs to be done is to be on track for timely completion of the initiatives.

IPAG Recommendations	Progress Made	Implementation Status (✓/X)	Remarks
Aged care act transition authority	New Aged Care Act passed; start date was postponed by 4 months; no standalone transition authority announced yet.	✓ (Partially)	Delay adds risk; transition authority still needs clear structure and timeline.
Ndis financial sustainability plan	Foundations supports plan underway; no formal taskforce yet.	✓ (Partially)	Foundations in place but formal oversight taskforce missing.

IPAG Recommendations	Progress Made	Implementation Status (✓/X)	Remarks
Bulk billing expansion	Bulk billing incentives boosted and promoted; no separate early adoption taskforce but policy accelerated.	✓	Boosted incentives welcome; ongoing monitoring needed to ensure clinics adopt fully.
Medicare urgent care clinics	50 new UCCs announced; planned underway; early use strong, over 1.5 million visits; no national recruitment drive flagged yet.	✓ (Partially)	Strong early use; recruitment and local staffing plans must keep pace.
PBS Co-Payment and 60-Day Scripts	PBS changes confirmed; Trikafta listing expanded; some related announcements made; national campaign limited so far.	✓ (Partially)	Policy changes are helpful; broader awareness campaign is still too limited.
Primary care workforce expansion	Workforce pressures acknowledged; scholarships and training not newly announced in 60-day period; some measures ongoing.	X	No substantial new initiatives; addressing shortages remains a priority.
Hospital Funding with Performance Tied	Hospital funding flagged in broad negotiations; no detailed performance-linked MOUs or rapid grants yet.	X	Negotiations are progressing but there are no concrete performance-linked deals yet.
Women's health package	New MBS items for longer women's health consults introduced; endometriosis and menopause included in statements; pelvic pain clinics details not finalized yet.	✓ (Partially delivered)	Early steps; more detail needed on pelvic pain clinics and roadmap timelines.
Rural & remote health equity	Rural bulk billing uplift will help indirectly; no new rural workforce plan or telehealth program announced in first 60 days.	X	No workforce or telehealth plan leaves access gaps unaddressed.
Mental health & suicide prevention review	No new national audit or suicide prevention overhaul yet; broader mental health approach is not a clear focus so far.	X	No visible progress; comprehensive strategy and audit still lacking.

Moving forward.....

In summary, the first 60 days delivered significant groundwork for longer-term improvements. Core actions as expanding bulk-billing, growing urgent care access, launching the new Aged Care Act, integrating the NDIS, and negotiating foundational supports that signal a clear commitment to improving health care access, aged care protections, and disability supports.

However, the deferral of key reforms and the lack of immediate new support for those currently missing out point to the scale of work still required. Effective follow-through will be essential to realize the intended benefits, maintain stakeholder confidence, and ensure that promised reforms translate into better services and outcomes.

Overall, these actions have stabilized key programs, protected continuity during sector disruptions, and advanced structural reforms. The real measure will be how successfully these early steps are implemented in the months ahead to deliver lasting improvements in Australia's health, ageing, and disability systems.