

12 May 2026  
Federal Budget reaction

## Forward to the future: Budget pressures understandable, but a timely re-focus on rural health will be crucial

Tonight's Federal Budget was largely as expected given current global and economic pressures, but it will be critical for the Federal Government to invest further in key rural health measures once the economic environment improves, the Rural Doctors Association of Australia (RDAA) has said.

**"It is a Budget as expected – there has been no new investment for rural healthcare in particular, but it's not all doom and gloom" RDAA President, Dr Sarah Chalmers, said.**

"We recognise the challenging fiscal environment and current global pressures, meaning this was not the time for a big spending Budget.

"Looking forward, however, once the economic outlook improves, there will be a need for a significant re-focus on rural healthcare, and particularly measures to deliver more doctors to our rural and remote communities.

"Crucially, we still need to do more to make the most of the growing interest in General Practice and Rural Generalist (RG) Medicine from the next generation of doctors.

"The numbers for GP and RG training heading into 2027 are strong. There were record numbers for training through the Royal Australian College of General Practitioners (RACGP) in 2026, and the Australian College of Rural and Remote Medicine (ACRRM) has now had its RG training places oversubscribed for three years – there are simply not enough Government-funded training seats available for all the young doctors who want to undertake training in Rural Generalist Medicine in particular.

"This growing interest is great news and bodes well for the future, but only if we continue to nurture it and meet this demand – this is a focus we will want to see as soon as the economic environment allows, including funding for an additional 200 RG training places each year.

"While this Budget has not specifically targeted rural health, the continued funding for bulk billing incentives (which are tiered for rural and remoteness – an RDAA supported initiative) is benefitting some rural and remote practices – mostly those that were already bulk billing.

"A fully bulk billing model is much better suited to practices where there is active throughput of patients who have less complex health needs – and this often doesn't work for many rural and remote general practices.

"To this end, we continue to advocate strongly for the urgent need for better support for rural and remote general practices, many of which continue to struggle with increased operating costs – not just due to the current global pressures, but more widely. Many simply cannot afford to fully bulk bill their patients, as doing so will not enable them to survive and keep their doors open.



“We welcome the additional funding granted to the states under the National Health Reform Agreement, but it must come with a strong warning to the state governments – do not just spend all of it in city hospitals!

“Strong rural and regional hospitals deliver benefits across the whole of the public hospital system, including by reducing pressure and bed block in the city hospitals, and ‘spreading the training load’ through creating additional training settings for the health workforce. The states must focus on the whole hospital system, not just the big city hospitals dominated by a sub-specialty approach to care.

“The Government’s additional investment to embed Urgent Care Centres (UCCs) in the health system is also of some concern to us – not only because it is blowing out funding that might otherwise be invested in better supporting general practice.

“While not many UCCs are in ‘real rural’ communities, there are continued reports of increased competition with private general practices for the health workforce, as well as signs that the fragmentation of care created by UCCs could be affecting key primary care initiatives like immunisation.

“We caution the Government that unless measures to increase healthcare access are backed by better solutions to ensure coordinated care across settings, they may not be a good investment.

“Over the next 12 to 18 months, we want to work closely with the Government to further develop initiatives that cost-effectively deliver more doctors across all specialties, and so more health services, to rural and remote communities.

“These initiatives will support the productivity agenda of the Government, don’t necessarily require additional funding – often costing nothing more than simply making sensible reforms to existing measures – and will deliver genuine improvement in access to health services closer to home for those living in rural and remote communities.

“We hope this work may deliver significant announcements from the Government in the lead-up to its Mid Year Economic and Fiscal Outlook (MYEFO) in December.”

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[Click here](#) to read RDAA’s pre-Budget submission to the Federal Government.

[Click here](#) for a downloadable photo of Dr Chalmers.

**Available for interview:**

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