

# Media Release

24 August 2023



Private Healthcare Australia  
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## Australia needs a modern health system – fit for the 21<sup>st</sup> century

Australia's population is ageing. A sustainable health system has never been more important. It will enable people to live not only longer lives, but healthier lives, and importantly contribute to productivity.

The Intergenerational Report (IGR) notes that the top five spending pressures on the budget – health, aged care, NDIS, defence and interest payments on debt will account for half of all Australian Government spending within the next four decades. Health spending – one of the big expenditure areas of the care economy - is expected to increase the most as a share of GDP over the next 40 years.

There's no more business as usual. Australia's health sector must urgently adapt to meet the demands and expectations of both an ageing population, and younger Australians as they face significant social and economic challenges. Australia needs a health system that's designed and funded for the 21<sup>st</sup> century.

The Government needs to fast track reforms to keep our health system sustainable. There is no room for wasteful expenditure or low value care, funding should be directed to new cost effective and patient centred models of care – preventative care, a focus on wellness, in home or out of hospital care - that are fit for the 21<sup>st</sup> century.

Private Healthcare CEO Dr Rachel David said:

"Ageing in itself should not be seen as a drain on the economy of productivity and engagement can be maintained throughout life – the health and care economy is critical to this.

"The right investments in health and wellbeing throughout life can mean people stay productive for longer – not just in terms of paid work but other contributions to the economy like caring for grandchildren and volunteering. This does not mean stumping up for expensive interventions once people are already sick, but working harder on prevention and better management of chronic illness."

"The care economy must be much more flexible to deal with the massive demographic changes that are already upon us – all hospitalisations should be seen as 'avoidable'. We must use technology to prevent illness, foster wellness and implement modern models of care."

"Data and the digital economy represent a huge opportunity in the health sector and the care economy in terms of quality and economic sustainability. This will better enable the workforce to work to the full scope of their practice and target interventions appropriately. It will enable scarce dollars to go further, and can help people take better control of their own health. We should be excited and not scared by this.

"The intersection of multiple headwinds – housing insecurity, the changing nature of work, health impacts of climate change, delays in starting a family leading to infertility – threatens the health and wellbeing of people aged under 40. We have responsibility to rapidly analyse and address the impacts of these key trends if we are to create and support a productive and healthy society into the future."

PHA will work with the Government to implement the health sector reforms the nation needs, to manage the challenges highlighted in the IGR, and support Australians to live longer, healthier lives.

*Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 21 Australian health funds with a combined membership of over 14.2 million Australians, or 9% of the sector on membership.*

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