

Media Release

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Private Healthcare Australia
Better Cover. Better Access. Better Care.

Private health insurance ‘canary in the coalmine’ as Australia’s working population declines

Private Health Insurance is the canary in the coalmine for the impact of intergenerational imbalance in health.

The Albanese Government’s Population Statement 2023 reveals Australia will face significant demographic challenges in the years ahead as the population continues to age and the proportion of working age people declines.

Private Healthcare Australia CEO Dr Rachel David said the report confirmed it was more important than ever to keep Australians healthy and able to participate in the workforce for as long as possible.

“It has become the expectation that people born today will live into their 90s and beyond. As a society we should celebrate this, but take prudent steps to ensure the economy can adjust.

“Business as usual in health won’t be sustainable into the future. As Australia’s population grows older and life expectancy increases there’ll be increased pressure on our health system, which will inevitably impact the Government’s budget and the working population.

“One way to manage this risk is to improve the productivity of the existing workforce by ensuring people who choose to remain working longer are able to do so, and are not discouraged by health conditions that are treatable.

“Many people today are accessing common surgical procedures like hip replacements so they can return to an active lifestyle, including paid work. The medical evidence is clear that longer active participation in society, including paid work, is protective against cognitive decline and other chronic conditions associated with ageing.

“Quick access to surgery and quality healthcare is key to managing the risk of a deteriorating old age dependency ratio. Supporting private health is the most effective way for the Government to provide this.

“PHI is the most efficient way to fund essential non-emergency surgery, inpatient mental health care, drug and alcohol addiction medicine, and other services in high demand. A sustainable health system will enable people to enjoy their extra years and contribute to productivity.

“Australians realised the value of PHI during the COVID-19 pandemic and currently a record 14.37 people have private health cover, taking the pressure off struggling public hospitals.

Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 23 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.

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“With cost of living pressures hitting Australian families hard, the Federal Government must work with the private health sector to keep premiums affordable, and avoid regulation which locks the health funds into wasteful costs.

“This means fixing outdated regulations which compel health funds to pay the highest prices in the world for commonly used generic medical devices, and which force health funds to continue to pay for care which medical evidence has shown to be over-priced or ineffective.

‘Keeping a lid on health inflation will mean more people can continue to participate in the private health sector as the population ages, taking the pressure of public hospital waiting lists,’ Dr David said.

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