
BCA calls for urgent overhaul of 'paper and fax' healthcare system

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Australia's \$250 billion healthcare system requires an urgent overhaul led by more investment in digital technology to prevent the nation's old-fashioned model increasing the tax burden on younger people, the nation's peak business lobby group has warned.

The Business Council of Australia will on Tuesday release a damning report into the country's healthcare system, which it warns will suck up more than 10 per cent of GDP by the second half of the century as demands on the system accelerate.



Rohan Mead, the report's author and retiring chief executive of Australian Unity, says "it would astound many Australians that the majority of hospitals are still paper-based". **Elke Meitzel**

The detailed report, which includes 139 proposals to reform the system, also suggested the federal government's key healthcare policies, including increasing the GP bulk-billing [<https://www.afr.com/companies/healthcare-and-fitness/gps-to-share-bulk-billing-incentives-with-practices-under-labor-plan-20250814-p5mmxs>] rate to 90 per cent and opening more urgent care clinics, were piecemeal approaches which would not resolve the broader long-term issues.

It says the entire model needs a rethink rather than just pumping in more funding to meet needs.

"All of the healthcare sectors are under strain and deteriorating and the public are onto this. Ambulance ramping, long wait times, high out-of-pocket costs, close to zero capital formation in facilities, bed blockers, and at the same time the Healthscope debacle in the private sector," said Rohan Mead

[<https://www.afr.com/politics/federal/ageing-time-bomb-will-overwhelm-hospitals-and-budgets-20250302-p5lg7b>], the report's author and retiring chief executive of health giant Australian Unity.

"We are facing massive growth in the healthcare needs of the population. So rather than tip an extra \$10 billion of whatever it is into the system of yesteryear, we need

to look at how we make sure we start investing in a targeted way in the system of tomorrow.”

Mead, who is chair of the BCA health and care services committee, said the number of working Australians per retiree will fall from four to less than three, which will increase the tax burden on younger Australians. Growing mental health demand and chronic disease treatments are adding to cost pressures.

At the top of the report’s 139 recommendations to fix the system is a proposal to invest more in digital technology, which could save up to \$5.4 billion in productivity gains and \$355 million with less duplication of medical tests.

Artificial intelligence alone could save up to 30 per cent of clinicians’ time, while telehealth services have saved Australians \$895 million. The report recommended utilising digital mental health services to take the pressure off a surge in cases.

Mead said the current health care system was “based off a model from the era of Florence Nightingale”.

“In 2025, it would astound many Australians that the majority of hospitals are still paper-based and that up to 75 per cent of global fax traffic comes from medical services. It is time the health and care system came into the modern era,” he said.

Australia currently spends 9.8 per cent of GDP on health, compared to 16.5 per cent in the United States.

The BCA’s *Supporting a Health and Productive Nation* report said the country’s fragmented healthcare system was placing added strain on the delivery of health, aged care and the NDIS. It said the number of Australians aged 80 or more will triple, reaching more than 3.5 million by 2062-63.

The Albanese government last month announced plans to adjust the National Insurance Disability Scheme [<https://www.afr.com/companies/healthcare-and-fitness/this-thing-is-a-beast-ndis-insiders-speak-out-20250819-p5mo80>], which is threatening to become the biggest burden on the budget following a surge of children with autism participating in the scheme.

The report said the government should evaluate the effectiveness of its key election promise to increase the bulk-billing rate for those aged 16 to 64, 12 months after implementation to determine whether the new rate was being applied to the right type of consultation or not.

It also said the government should look at whether urgent care clinics could provide a broader range of community services.

The report calls for a more co-ordinated approach to the country's healthcare needs by governments and the private sector.

“We’ve taken that policy artifact, and we have let its boundaries drift into support for developmental and other types of disability conditions which the original artifact was not designed for and now leaves us with an extraordinary drain on the budget,” Mead said.

By 2062-63, health and aged care spending was projected to exceed 10 per cent of GDP, with hospital expenditure alone rising 35 per cent in real terms in 2022-23, the report said,

The BCA is calling on the government to look at ways to modernise the health and care economy, support workers and invest in preventative care that would reduce the need to see a clinician.

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