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Delivering quality care more efficiently- interim report

Royal Australasian College of Physicians submission to the Australian Productivity Commission

September 2025

About The Royal Australasian College of Physicians (RACP)

The RACP trains, educates and advocates on behalf of over 23,200 physicians and 8,700 trainee physicians, across Australia and Aotearoa New Zealand.

It represents a broad range of medical specialties including general medicine, paediatrics and child health, cardiology, respiratory medicine, neurology, oncology, public health medicine, infectious diseases medicine, occupational and environmental medicine, palliative medicine, sexual health medicine, rehabilitation medicine, geriatric medicine, and addiction medicine.

Beyond the drive for medical excellence, the RACP is committed to developing health and social policies which bring vital improvements to the wellbeing of patients, the medical profession and the community.

Delivering efficient, accessible quality physician care is a core priority of the RACP, as reflected in our initial submission to the Productivity Commission inquiry *Delivering quality care more efficiently*, and this follow up response.

You can contact Peter Lalli, Senior Policy & Advocacy Officer via policy@racp.edu.au for any inquiries.

We acknowledge and pay respect to the Traditional Custodians and Elders – past, present and emerging – of the lands and waters on which RACP members and staff live, learn and work. The RACP acknowledges Māori as tangata whenua and Te Tiriti o Waitangi partners in Aotearoa New Zealand.

RACP's position

We appreciate the ongoing dialogue with the Productivity Commission on its *Delivering quality care more efficiently* Inquiry.

With Australia's care economy contributing 8% of the GDP and its workforce now employing 12% of the national workforce and projected for significant growth, urgent and systemic reform is long overdue.[1]

The RACP welcomes important recommendations relating to Indigenous healthcare and preventive health, namely

- better collaboration and partnerships with Aboriginal Community Controlled Health Organisations (ACCHOs) by Local Hospital Networks and Primary Health Networks - the RACP has consistently advocated for long-term, sustainable funding models for ACCHOs
- proposed National Prevention Framework with sustained funding focused on improving outcomes and reducing acute care spend, particularly to enable independent advice and co-ordinated funding models across the country
    - the RACP has long advocated for an increased focus on prevention to reduce chronic disease, and shared a range of successful initiatives in its initial submission
    - it is imperative that the growing impacts of climate change on health are central to preventive health efforts.

The Commission's interim report is an important start, but more is needed to ensure Australians continue to receive high quality healthcare despite increasing pressures on the system.

Physicians are a vital part of a collaborative healthcare system and stand ready to work with Governments and other stakeholders to develop innovative and efficient care models.

The RACP draws attention to our initial recommendations to the Inquiry and our further feedback provided below for consideration in the Commission's final report. In particular, we seek a greater focus on a range of critical issues in healthcare which impact productivity, including

- digital sharing of information
- medicines access and supply
- workforce pressures
- supporting overseas trained doctors
- role of artificial intelligence
- maximising the value of healthcare (reducing low value / maximising high value care).

Together with other bodies in the healthcare sector, **we request a further Roundtable specifically focused on health economy**. Our inclusion in such a Roundtable would reflect the urgent need for reform of the health care system across all of its sectors and recognise our role as the peak body for physicians working in a broad range of Australian health care settings.

[1] Productivity Commission, Delivering quality care more efficiently- Interim report, page 6

Quality and Safety Regulation

Considering the Inquiry's broad remit, **Draft Recommendation 1.1** relating to regulatory reform to support a more cohesive care economy, is too narrow.

While the RACP acknowledges the importance of streamlining regulation across the NDIS, aged care and veterans' affairs portfolios, the recommendation omits a number of critical enablers that drive system efficiencies and sustainability, and consequentially ensure a more cohesive care economy.

As outlined in the RACP's initial submission these include:

Sharing critical information via digital infrastructure

- Efficient specialist care depends on timely access to the right information.
- One-third of GP patients are referred to specialists each year yet **My Health Record** (MHR) lacks integration and user friendliness for specialist use.
- While GPs have been supported to adopt MHR, physicians and their practices have received no equivalent support, leading to system siloing.
- We must address barriers to interoperability, better incentives for use and adaptability to physician practice settings to reduce fragmentation and waste of resources and improve continuity of care.

Medicines access and supply

- Hundreds of essential **medicines** face ongoing shortages due to dependence on imported medicines, slow regulatory pathways for internationally approved alternatives and new medicines, insufficient mandatory stockpiling, and the delisting of proven older medicines from the PBS.
- These all pose risks of patient harm and can force physicians into complex substitution decisions which can compromise quality and efficacy of care.
- Whilst the RACP is working with the TGA on addressing these issues, a sector- and economy-wide focus on these critical issues for both productivity and the broader community would be valuable.

Workforce pressures

- Hospitals and community settings are under unprecedented pressure from increasing workloads and patient complexity.
- **System-wide burnout** and psychosocial risks are threats to patient safety and clinician wellbeing.
- Immediate action is needed to improve wellbeing of the health workforce by investing in dedicated workforce wellbeing positions in health services and implementing national workforce monitoring mechanisms.

Supporting overseas trained doctors

- Potential risks of ongoing reforms of **Specialist International Medical Graduates** (SIMGs) pathways need to be recognised in the report.
- Fast-track pathways for SIMGs must never prioritise speed over safety.

- Bridging programs designed in partnership with the RACP and other medical colleges, structured supervision (including remote models), and strong communities of practice are essential to ensure patient safety and quality and appropriate support for SIMGs.

Role of artificial intelligence

- The draft overlooks the transformative potential of **artificial intelligence** (AI) in health care by focussing too narrowly on social assistance and human service sectors.
- This underplays the significant efficiency and quality gains that can potentially be made through the appropriate use of AI in the health sector.
- We must urgently lay foundations for safe, effective, transparent and equitable adoption of AI in the sector.
- This is an area in which the RACP and other health sector stakeholders are undertaking a range of work and it is one that would benefit from a sector wide, productivity-informed lens.

Maximising the value of healthcare

- Initiatives that seek to minimise **low-value care** and maximise high value care, and thus improve patient outcomes and reduce waste, costs and environmental impact of care need to be acknowledged and supported.
- The RACP's Evolve Program discussed in our initial submission drives reduction of unnecessary clinical interventions.
- We must expand, fund and evaluate such innovative initiatives.

Collaborative Commissioning

We welcome **Draft Recommendation 2.1** for recognising the role of collaborative commissioning in the sustainability and efficiency of our health system.

For far too long, Australia's health care services have lacked appropriate policies, infrastructure, governance and funding mechanisms needed to deliver integrated and efficient patient care.

The Commission's proposed reforms to the National Health Reform Agreement embed collaborative commissioning as a core enabler of integration. What we need now are practical and effective care models to operationalise these reforms.

The current Strengthening Medicare reforms, while intended to support collaborative commissioning, does not adequately address the needs of the growing numbers of complex patients with multiple comorbidities. Primary care alone cannot effectively manage their needs. Ongoing physician input and integration with primary care is critical to reduce preventable admissions. Physicians and other specialists have important roles in collaborative care models to ensure patients receive the right care at the right time.

It is not only a matter of improving linkages between primary and hospital care settings, but a need to move towards more team-based approaches of physicians both in and out of hospitals working in multidisciplinary teams with GPs and other health professionals.

The RACP Model of Chronic Care Management is one model that could drive efficiency and integration in health care. It provides a fully developed, scalable framework that covers operational, financial and governance mechanisms and structures and supports for collaborative, multidisciplinary care that includes physicians, GPs, nurses, allied health professionals and ACCHOs.

We urge the Commission to support this and similar models to operationalise collaborative commissioning in practice.

Prevention

Draft Recommendation 3.1 recommends a National Prevention Investment Framework intended to provide a structured, evidence-based approach to funding prevention initiatives across Australia.

While an evaluation mechanism for funding prevention initiatives is long overdue, its design must be developed in the context of the Australia Centre for Disease Control (CDC). The CDC will be critical in overseeing surveillance and management of transmissible and, eventually, non-communicable diseases. These are often preventable and closely linked to social determinants of health and systemic inequities. Without careful integration, the two separate bodies risk increasing duplication and further fragmentation of the sector.

In line with our 2022 submission to the then Department of Health on CDC design, we call for:

- Integration any new bodies and mechanisms with the CDC's all-hazards approach, encompassing social determinants, climate change and health equity
- Investment in national data infrastructure, guided by an Open Data Policy Framework
- Development of a national public health workforce strategy.

Australia already has multiple evidence-based prevention strategies including the National Preventative Health Strategy, the National Obesity Strategy and the National Climate and Health Strategy; these remain largely unfunded and implemented. Well-designed secondary prevention models involving physicians in the community also show consistent effectiveness and value, as outlined in the initial submission to the Inquiry which sets out five effective real-life models of secondary prevention.

Independently of the proposed Advisory Committee and Investment Framework and in line with the National Preventive Health Strategy, we continue to call for short- to medium- term allocation of 5 percent of total health expenditure to prevention by 2030.

Summary

The interim report identifies the key strategic pillars of regulatory reform, collaborative commissioning and investment in prevention as critical to improving efficiency, integration and patient outcomes in health care.

However, it lacks detail on the comprehensive and practical mechanisms needed to deliver real reform.

Clear, actionable reforms are urgently needed to reduce pressure on the health system and control spending.

In addition, set out above are a range of other, important areas that the Commission's final report should consider in ensuring quality care is delivered efficiently.

We request a health-focus productivity roundtable to identify and drive the urgent actions needed for health system efficiency and sustainability.

Please contact Peter Lalli, Senior Policy & Advocacy Officer via policy@racp.edu.au for further information.