



6 March 2026

Senator Andrew Bragg  
Chair, Senate Select Committee on Productivity in Australia  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
By email: [productivity.sen@aph.gov.au](mailto:productivity.sen@aph.gov.au)

Dear Chair

**Re: Submission to Senate Select Committee on Productivity in Australia**

The Australian College of Rural and Remote Medicine (ACRRM) is pleased to provide this submission to the Committee's inquiry into Productivity in Australia. ACRRM's vision is for *'Healthy rural, remote and First Nations communities through excellence, social accountability, and innovation'*. Key to this is access to doctors who are appropriately skilled and supported to provide services in rural and remote communities including Rural Generalists. ACRRM plays an important role setting professional medical standards for training, assessment, certification and continuing professional development of Rural Generalists and rural General Practitioners; and, providing quality education programs, innovative support, and strong representation for the dedicated doctors who serve our rural and remote communities.

ACRRM provides the below comments related to the rural health sector that are relevant particularly to the questions raised under the *'Industry contributions to productivity, including the non-market sector'* and *'Productivity in regional Australia'* sections of the discussion paper.

The Australian rural health sector is a critical component of the national economy however this sector faces significant challenges as well as opportunities for productivity growth. Around 7 million people, or almost one-third of Australia's population live in rural, remote and regional locations. As documented by the Australian Institute of Health and Welfare (AIHW), these populations generally have poorer access to health care than those in major cities and are often required to travel long distances or relocate to attend health services or receive specialised treatment (AIHW 2024). The AIHW also finds that those living in rural and remote areas have higher rates of hospitalisations, including for reasons that are potentially preventable, deaths and injury than people in major cities. The National Health Survey further shows that those in rural and remote areas when compared with those in major cities have higher rates of chronic and lifestyle conditions such as chronic obstructive pulmonary disease, diabetes, arthritis, mental and behavioural conditions, and are more likely to smoke and consume alcohol at levels that put them at risk (ABS NHS 2022). The result of these factors is a notably increased burden of disease – that being the quantified impact of living with and dying prematurely from a disease or injury (measured using disability-adjusted life years (DALY). The AIHW found that in 2018, the total burden of disease and injury in Australia was highest

in remote and very remote areas at 244 DALY per 1,000 population compared with 174 DALY per 1,000 population in major cities.

The above findings have a significant impact on the productivity, life expectancy and quality of life of rural and remote Australians. Further to this, and as documented by the National Rural Health Alliance, *“rural Australia contributes significantly to the country’s wellbeing, providing essentials like food, water, energy, resources and recreational spaces. Rural Australia is also vital to the economy and national defence. Rural communities generate at least 70% of exports (worth nearly \$500 billion per year) (Reserve Bank of Australia 2025; Department of Agriculture, Fisheries and Forestry 2025; Department of Industry, Science and Resources 2025), almost half (46% or \$107 billion) of tourism revenue (Australian Regional Tourism Ltd 2024) and produce 90% of the food we consume (Department of Agriculture, Fisheries and Forestry 2023)”*. But the rural health workforce shortage persists throughout Australia, negatively impacting both the ability for people in these areas to access necessary services and their health outcomes. Without reliable and comprehensive health services, people will not live in rural and remote areas that play such an important role in the national economy. Rural health must be adequately funded to ensure a supportive and sustainable workforce to provide comprehensive services to improve the health of rural and remote communities so they can continue to make the important contributions to Australia’s productivity.

Further to the points outlined above regarding the importance of rural Australia to the national economic productivity and the need to ensure adequate health services to support these communities, the health and care sector itself is a significant consideration of Australia’s national productivity. Over two million people work in the care sector, which is expected to rise significantly both in number, demand and value to the economy over the coming decades. Increasing demand will come particularly from an ageing Australian population, however this demographic trend is also evident within the health workforce that is already maldistributed between metropolitan and rural areas. Further support to grow the health workforce to meet the needs of the Australian community and ensure equitable distribution of services across diverse geographies is critical now and into the future. The National Rural Health Alliance has documented a significant gap in government-funded healthcare, pharmaceuticals, aged care and National Disability Insurance Scheme expenditure across rural and remote Australia, shown to be \$8.35 billion annually, amounting to an average of \$1090.47 per capita each year, up to \$4,701 per capita in the most remote areas (MMM5-7). This expenditure gap between metropolitan and rural and remote expenditure is shown to be largely driven by public hospitals, private hospitals, MBS and private allied healthcare and dentistry.

ACRRM notes the potential of technological advancements to both bridge the gaps in service access and increase productivity in the rural health sector, enabling more people to access more services more easily. However, implementation of care models incorporating telehealth, remote monitoring or other aspects of digital health must also be carefully managed for effectiveness, quality and sustainability in rural and remote practice. For example, the expansion of telehealth services funded through Medicare in response to the Covid-19 pandemic were taken up at much lower rates in rural and remote areas compared to major cities. This is likely to be reflective of digital infrastructure reliability and literacy challenges. The cost of digital health services and systems for

patients and practices must also be considered, along with the principle that services delivered remotely should complement and not replace critical face-to-face services.

Attracting a health workforce to rural and remote communities requires the presence of adequate local infrastructure and strong, vibrant communities where practitioners and their families can settle for the long term. For example, it is essential to ensure that rural clinicians have appropriate, safe and adequately equipped facilities to practice in, that are suitable for the care that needs to be provided to their patients. Appropriate clinical environments require adequate and coordinated infrastructure investment from governments to establish, modernise and maintain them for the benefit of rural and remote communities. As such, funding for health infrastructure projects in rural and remote areas must be prioritised and coordinated across governments.

The availability of appropriate and secure housing is also often a particular challenge in rural communities. Indeed, the Regional Australia Institute (RAI) has found that *'regional housing approvals are 20% lower than the early 2000s and failing to keep pace with population growth'*. However, without somewhere to live that is safe and affordable, rural communities will not attract medical professionals or be seen as a long-term option for practitioners and their families, including those coming from overseas. This must be recognised and addressed in infrastructure planning, housing initiatives and government reforms to prioritise areas and projects where there are critical shortages in rural and remote Australia. It is also essential to ensure that infrastructure projects are planned and funded to meet other social and economic needs of families in rural and remote areas, such as childcare centres, schools, community and sporting facilities.

Lastly, funding initiatives and long-term planning across all levels of government must recognise the impact of climate change on human health and the need for coordinated responses to natural disasters, that disproportionately impact rural areas, across all sectors of communities. Climate change action consistent with Net Zero ambitions and relevant to the rural and remote context, alongside the health system responses required and long-term support for natural disaster recovery support in affected rural and remote communities is a critical consideration for planning and productivity into the future.

Thank you for the opportunity to contribute to this inquiry. If you have any queries relating to this submission, please contact ACRRM at [policy@acrrm.org.au](mailto:policy@acrrm.org.au).

Yours sincerely



Marita Cowie AM  
**Chief Executive Officer**