



Health on Demand

Smarter Benefits, Stronger Workforce

Australia 2025
Executive commentary



Introduction

The world has experienced profound change in recent years, and the pace of change is only accelerating. Alongside geopolitical conflicts, trade wars, record-breaking temperatures, extreme weather events and the spread of misinformation, employees are grappling with the changing world of work, technological disruptions and the rapid adoption of AI.

Given these pressures, it isn't surprising that employees are increasingly worried about their health and protection, now and over the long term. The 2025 Mercer Marsh Benefits **Health on Demand** study finds that financial stressors top the list of workforce worries. Making care affordable and accessible will go a long way towards easing these concerns.



The view from Australia

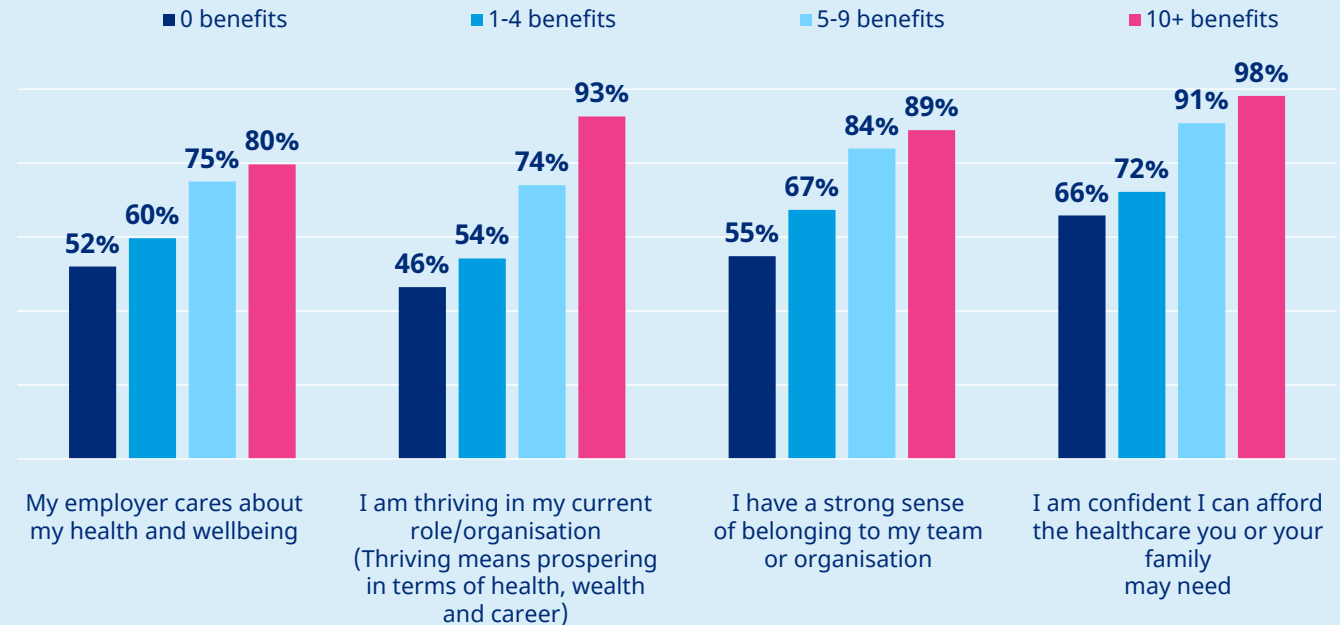
Emerging challenges related to healthcare access and alignment with global benefits expectations are demanding Australian employers' attention. The 2025 Health on Demand report reveals that Australians face an increasing healthcare access gap, based on affordability, availability and competing priorities.

At the same time, evolving workforce demographics are changing employee expectations, and benefits aren't keeping up with a globally aware workforce. Employers that want to remain competitive in an increasingly global talent landscape have an opportunity to meet their employees' unmet needs and better communicate existing benefits.

However, while the rest of the world is changing, our study finds that one constant remains: benefits continue to provide employees with a sense of security, helping them to navigate life's challenges while providing a competitive advantage to employers.

Employees who receive more benefits feel more cared for and are more likely to be thriving in their roles

If your employee receives...



On average, Australians receive 3-4 benefits from their employer



Local findings

Recommendations in the global Health on Demand report fall under three broad themes. This summary identifies three key findings that present both risks and opportunities for Australian employers:



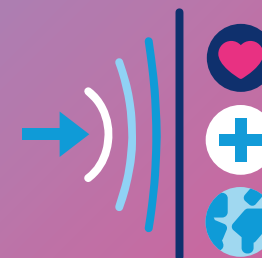
Health is wealth

Making care affordable



Health is personal

Tailoring for unique needs



Health is security

Exploring new ways to access care

Finding 1

Basic needs are unmet

Escalating cost-of-living pressures are leading Australians to delay seeking care, as many aren't confident they can afford the healthcare they need.

Finding 2

Expectations are changing

Australian organisations must future-proof their benefits to align with global expectations, meet evolving needs and add value for a more diverse workforce.

Finding 3

Benefits aren't resonating

With baby boomers working longer and Gen Z becoming a greater proportion of the workforce, employers must do better at meeting employees' unique needs.

These findings align with the core recommendations from the global report and reveal that Australian companies are feeling the same pressures as organisations across the globe. In this executive commentary, we explore how these recommendations can help Australian employers address these issues.

Section 1

Health is wealth

Making care affordable



Finding:

Basic needs are unmet



Recommendation:

Address gaps, and prioritise outcomes

Healthcare affordability continues to be a significant challenge for many Australians. This is especially true for the most vulnerable members of the workforce, who often delay seeking care due to financial constraints and access challenges.

Employers must step into the gap to ensure employees' needs are met.

24% of Australians aren't confident they can afford the healthcare they and their families need.



Opportunities for employers



Address access gaps

- Supplement government-provided benefits with coverage for preventive health services, and subsidise options for care.
- Improve healthcare access by implementing employee wellbeing programs, pooling risks and offering telehealth services.



Prioritise health outcomes

- Make long-term investments in health outcomes by introducing meaningful wellbeing programs that target issues identified through health risk modelling.
- Look beyond insurance programs towards solutions that improve broader health outcomes, including employee assistance programmes and other wellness offerings.



Improve health literacy

- Use targeted communications to help employees make informed decisions about their health.
- Normalise and encourage routine checkups and screenings, improve awareness of available screening programs, and ensure that leadership models these behaviours.



Creating positive change is a joint effort

Employees can ...

- 1** Become more health literate and take steps to actively manage their health — including engaging in preventive wellbeing programmes offered by employers, the local community and government to support their general health, wellbeing and longevity.
- 2** Explore what benefits are available to them and their families to support their health, and learn how to access both physical and digital resources when needed.
- 3** Take advantage of any preventive services, such as cancer screenings and health education tools, offered by their employers or through public or other community systems. Leverage programmes that can help them navigate securing the right care at the right time at the right price, such as second-opinion services.
- 4** Become informed regarding the cost of healthcare, monitoring health provider billings and speaking up when they suspect fraud, waste or abuse.
- 5** Look beyond healthcare to other ways that their employers may be able to help with personal and family care, such as childcare assistance and discount programmes, and explore career paths that could lead to higher-paying jobs.



Employers can...

- 1** Assess and improve care affordability for both insured and uninsured employees. Go beyond benchmarking to consider the lived experience and needs of employees by starting a benefits modernisation journey, including minimum standards — especially for essential healthcare services, such as prescription medications and preventive care.
- 2** Evaluate opportunities to ensure employees have sufficient coverage in the event of a catastrophic illness or injury (e.g., a major accident or cancer diagnosis), and enhance these supports over time.
- 3** Recognise that the factors driving costs, like ageing, health worker shortages and new treatments, will continue. Plan for future cost increases while prioritising cost-containment strategies that do not compromise quality of care (e.g., alternative financing, health risk management, vendor negotiations and high-value care).
- 4** Acknowledge the financial strain of caregiving and explore defined contribution or discount programmes to ease the burden, particularly where dependents are not covered under the employer's medical plan.
- 5** Implement strategies to enhance financial security, such as offering living wages or emergency savings programmes, to better support employees.

Section 2

Health is personal

Tailoring for unique needs



Finding:

Expectations are changing



Recommendation:

Understand and meet the needs of a diverse workforce

All too often, standard benefits plans fail to hit the mark. Employer strategies need to evolve, replacing dated, one-size-fits-all approaches with tech-enabled solutions that allow employees to personalise their benefits.

Workforce diversity creates both risks and opportunities. The Australian workforce is changing, with 54% of males now identifying as caregivers, 32% of all employees identifying as having a health condition or disability, and longevity bringing multiple generations together. Employers must cultivate a deep understanding of their workforces and approach benefits holistically to meet the diverse needs of their employees.



Investing in employee wellbeing programs leads to a 25% increase in satisfaction and a 15% reduction in turnover.

Mercer Marsh Benefits' 2024 People Risk Report

Opportunities for employers



Understand your workforce

- Know your workforce, their challenges and their expectations.
- Perform benefits mapping and gap analysis to ensure all segments of your workforce are getting the help they need.
- Leverage employee listening to gain a better understanding of their needs and expectations.



Address diverse needs

- Emphasise the breadth and meaning of offerings. For example, help prepare older workers for retirement while offering flexible work arrangements to support caregivers.
- Instead of aiming for high benefits utilisation across your entire workforce, set key performance indicators based on the proportion of your workforce each benefit targets.
- Empower employees to select the benefits that meet their needs.



Section 3

Health is security

Exploring new ways to access care



Finding:

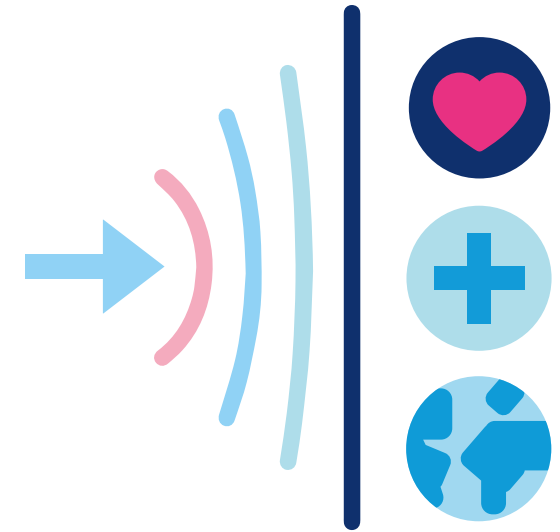
Benefits aren't resonating



Recommendation:

Bring innovation and communications into your benefits strategy

Around the world, accessing healthcare has become increasingly complex, and Australia is no exception. Organisations have a valuable opportunity to enhance healthcare access by introducing innovative models, such as virtual services. Whatever approach you take, clear and effective communication about healthcare and benefits is crucial.



43% of employees who receive engaging communications say they trust their employers to provide access to affordable, quality healthcare — but that percentage drops to 12% when employees don't feel engaged.

Opportunities for employers



Broaden your benefits strategy

- Go beyond the benefits — consider how to optimise awareness and access. Communication via multiple channels is critical.
- Create a culture of care, where using benefits and sharing knowledge are actively encouraged.
- Break down silos and integrate benefits as part of your people strategy.



Catch up with the world

- Ensure your organisation is keeping up with leading sectors. As the workforce becomes increasingly mobile, consider where your future talent will come from. Take inspiration from comparable regions and industries that require similar talent.
- Future-proof your approach with flexible benefits and digital solutions.
- Promote quality health innovations to overcome access challenges.
- Consider subsidising benefits with nontraditional options like telehealth subscriptions and wellbeing contributions.



Key takeaways

In today's rapidly evolving world, prioritising employee wellbeing isn't just a choice — it's a strategic imperative.

As organisations navigate significant demographic, technological, economic and environmental changes, employee health and wellness become even more crucial. The focus needs to shift from broad wellbeing to targeted health outcomes. The standout need emerging in Australia is improved access to care, with 32% of Australian employees delaying seeking healthcare for financial reasons.

Historically, Australians have viewed healthcare as the government's responsibility. As employees face increasing access and affordability challenges, employers must grasp this opportunity to meet these unmet needs and close the widening healthcare gap.

Delivering wellbeing that works

Employers should also ensure the benefits they offer remain valuable, relevant and affordable. They need to assess them through distinct lenses, such as longevity, generational differences, gender and neurodiversity. Consider who your people are and what unmet needs they may have.

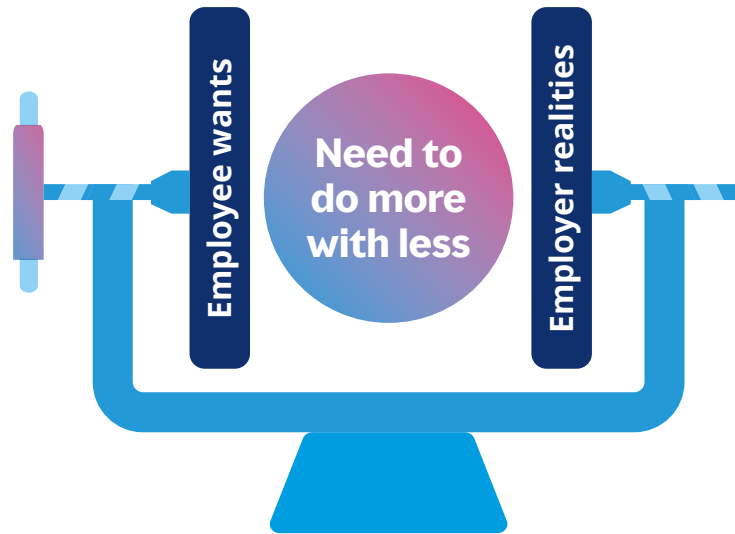
Creating a joint-responsibility culture for health and risk management

The best employee health and benefits strategies create a win-win scenario. Employees who have access to more benefits feel more cared for and are more likely to thrive in their roles. Meanwhile, organisations that lead the way in employee benefits experience improved engagement, attraction, retention and even innovation while safeguarding business continuity. Employers need to be clear and transparent about the importance of total wellbeing, taking decisive action through effective design, delivery and targeted communication strategies. This ongoing partnership between employer and employee is critical to cultivating a culture of health, risk management and trust.

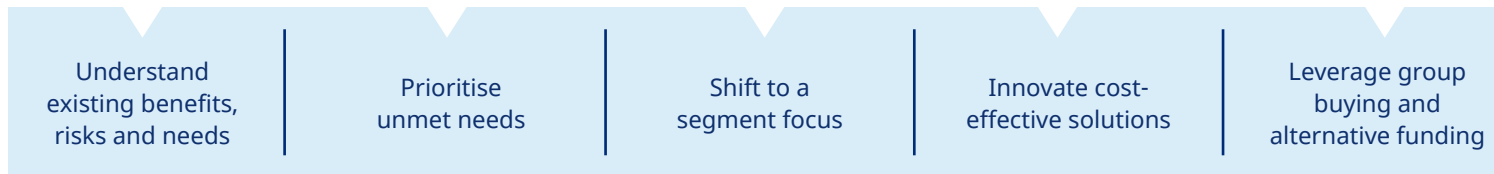


Keeping up with employee needs in an increasingly challenging environment

- Financial security
- Flexibility
- Personalised support
- Help with basic expenses
- Health screenings
- Discounted doctor visits
- Mental health support
- Benefits relevant to their age and stage



- Cost constraints
- Constantly evolving risks
- Competing priorities
- Global turmoil and uncertainty
- Technological change
- Diverse and dispersed workforce
- Lack of capacity
- Knowledge and capability



In playing catch-up in an increasingly global talent landscape, Australian HR, risk and finance leaders find themselves being asked to take on the role of healthcare managers and advocates,

even as they're under increasing pressure to do more with less. Mercer Marsh Benefits is uniquely positioned to provide the expertise and support employers need to stay ahead of the game.

Local findings



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Recommendations:

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