



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

CONSTITUENCY STATEMENTS

Private Health Insurance

SPEECH

Wednesday, 24 August 2011

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Laming, Andrew, MP

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Mr LAMING (Bowman) (10:19): When you are a cash-strapped government looking for every cent you can, you can understand why having a go at the 30 per cent private health insurance rebate is attractive. Like most shortcuts in public life they can look good at the time but there is a very good reason why they have never been done before. Today I am going to talk about the regional cities and towns around Australia because they are at the forefront, at the battlelines, where we will see significant economic pain, which has not been modelled by Treasury, if we see a continued molestation of this 30 per cent rebate by the government.

When you take out the 30 per cent private health insurance rebate, the first thing you do is give incentives to downgrade to cut-price insurance. That may well mean not so many people pull out because of the Medicare Levy Surcharge but more importantly—and I note the Australia Physiotherapy Association's statement yesterday—it is the ancillary cover that starts to disappear. It is the revenue model for physios, dentists, podiatrists and other allied health providers that starts to suffer. It is the specialists who devote their services to regional towns and cities as you go from Sydney north through Port Macquarie, Taree, Coffs Harbour and Ballina who say, 'Maybe I am better going back to the city where there are more people who are privately insured.' These are the specialists who do honorary sessions in public hospitals. These are the specialists who while they work at a private hospital are doing the on-call arrangement at the public. These are the specialists who if they go will leave a dangerous situation with on-call cover in some of these larger towns and smaller cities. This starts a perpetuation of the underskilling and the workforce shortages that we already face.

It is always attractive to find a quick, easy solution to this perennial problem, but usually that easy solution is wrong. It is time that we started to get over this notion that you are paying PHI to millionaires from poor people. No-one on an income of under \$800 a week pays any net tax. No families under \$900 a week pay any net tax. It is called the net tax threshold. Secondly, if you take a dataset from the ATO and actually look at it, people who are insured are only \$100 or so a year more wealthy. When they pay their health insurance premium they are actually hundreds of dollars poorer.

If you hate the rich, as half this chamber appears to, take it out in the tax system and raise taxes, but stop cutting off social services to Australians. We are proud of what Medicare delivers to every Australian. We are proud of what the safety net delivers to every Australian. We do not charge rich people more to send their kids to an independent school. We do not charge rich families more to send their kids to university. Back off the 30 per cent private health insurance rebate. It keeps 51 per cent of Australians insured and it is something that should be protected and supported in Australia. (*Time expired*)