



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

APPROPRIATION BILL (NO. 3) 2003-2004

APPROPRIATION BILL (NO. 4) 2003-2004

**APPROPRIATION (PARLIAMENTARY
DEPARTMENTS) BILL (NO. 2) 2003-2004**

Second Reading

SPEECH

Tuesday, 2 March 2004

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Page 25656
Questioner
Speaker Gillard, Julia, MP

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Ms GILLARD (Lalor) (6.53 pm)—I take this opportunity in the wide-ranging debate on the Appropriation Bill (No. 3) 2003-2004, the Appropriation Bill (No. 4) 2003-2004 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2003-2004 to firstly raise an issue of great concern to my electorate of Lalor. It is an issue that members of the House would have heard me raise on a number of occasions—some might suggest on so many that they are perhaps a bit bored with it. But it is an important issue. That issue is of course the future of the Point Cook RAAF base, which is within my electorate. A very important announcement was made on Sunday about the Point Cook RAAF base by the Parliamentary Secretary for Defence, the member for McEwen, Ms Fran Bailey. After years of community campaigning, the Howard government has agreed that Point Cook will remain in Commonwealth ownership and that its day-to-day management will be put in the hands of a trust composed of aviation and heritage groups—including the Point Cook Action Group, Point Cook Operations Ltd, a not-for-profit company which was formed specifically with the intention of becoming a manager of the site, and the National Trust—so that this very special place can be managed in the long term, in keeping with its heritage values and its very great history.

The announcement on Sunday has delighted the local community and those who have fought long and hard to see this sort of outcome for Point Cook. I think it is important to remind ourselves that Point Cook is a truly historic site, a site of national significance. As you may be aware, Mr Deputy Speaker Causley, Point Cook is the oldest airstrip in the world that is still functioning as an airstrip. It has many of its original features, including hangars and heritage listed buildings. It was established in 1913 as the Central Flying School, and the airstrip has been in continuous use ever since. It is therefore the birthplace of the RAAF and a place of international significance, as the oldest airstrip in the world still being used as an airstrip. When we talk about the Central Flying School being started at Point Cook in 1913, it is important that we get some perspective about that, because we need to remember that in terms of aviation history the first ever flight with a person on board took place on 17 December 1903. So a mere 10 years after man's first venture with flight, Point Cook was operating a flying school, and planes have been flying from there ever since.

Apart from having history around the length of aviation service, it is the birthplace, as I have said, of the Australian Flying Corps and the Royal Australian Air Force. It was the departure point for the first north-south and east-west crossings of the continent by air and for the first aerial circumnavigation of the continent. Recognising its historic nature, Point Cook is home to both the RAAF museum and the RAAF chapel. With a site of this significance, which has continuously been in Commonwealth ownership, one would have thought that its future, that preserving its history, would always have been at the forefront of the Commonwealth's mind, but unfortunately that has not been the case. It was determined in 1997, as part of the Defence Efficiency Review and the Defence Force Reform Program that Point Cook was to be sold, that it was to move from Commonwealth ownership.

When I was elected to this parliament in 1998, being aware of the importance of the Point Cook site to the local community, I immediately sought a briefing from representatives of the then Defence Estates Organisation on what was proposed for the future of Point Cook. As we hunched over maps of the site, I was told that, from the point of view of the Defence Estates Organisation, whilst the RAAF museum would continue to operate from the site and whilst they would carve out a heritage precinct that had to be respected, as far as they were concerned, a freehold purchaser of the site would be able to do whatever they wanted to do with the remainder of the site. When I specifically asked them whether that would include closing the site so that it could no longer be used for aviation, they said that that would be all right. When I specifically asked them whether it would be possible for the site to be used for housing development, they said that that would be all right. When I specifically asked them whether it would be possible for the site to be used for industrial development, they said that that would be all right. So, from the point of view of the Howard government at that stage, they were contemplating a future where the oldest operational airstrip in the world would no longer be an airstrip, where the RAAF museum could end up marooned in a sea of housing or incompatible industrial development, and where thereafter the RAAF

museum would have been limited to static displays of planes because it would not have been able to engage in heritage aviation and it would no longer have been situated at an operating airfield.

Having received that brief, I was rightly appalled. I found that in my local community, in the heritage community across Australia and in the aviation community across Australia, people were as appalled as me and I found that there was already in train a community campaign to try to ensure that Point Cook stayed in the ownership of the Commonwealth, that it was managed in a way which was always compatible with its heritage values and that it operated as an airstrip.

The depth of that community campaign can be shown by the fact that quite quickly more than 10,000 signatures were assembled on a petition which I was able to table in the House. In my capacity as local member I brought together the groups that were interested in the future of Point Cook and they were quite quickly able to agree on a vision whereby Point Cook was managed by a not-for-profit company formed by aviation enthusiasts and former members of the RAAF. The vision of that not-for-profit company—Point Cook Operations Ltd—was to have Point Cook managed in the long term as an aviation heritage, tourist and educational precinct. This would build on its strengths, its heritage value, its aviation value, the fact that the RAAF Museum is located there and the fact that flight training was occurring from Point Cook then, and continues to occur there now through RMIT. That was the vision that people were prepared to very actively campaign for.

I should note the following individuals as people who have put in huge service to this community campaign: Mark Pilkington, who has led the Point Cook Action Group, the preservation society that has always had at the forefront of its activities ensuring that Australia did not lose this historic asset for all time; Peter Scully; Gary Westley; and Brad Owens. Each of them contributed to Point Cook Operations Ltd and to bringing its vision of the site together. Each of them, particularly Peter Scully, contributed to very active lobbying of members of parliament to ensure that people understood the true significance of Point Cook.

If members are ever passing through or are in the vicinity of my electorate of Lalor—they are welcome, as long as I know they are there and what they are doing!—one of the things they should do is visit the RAAF Museum. They should meet there my friend Dave Gardner, who is the director of the museum, and they should take the opportunity to experience the history that lives and breathes all around you when you are at Point Cook. I say congratulations to each of the people who has been in a leadership role in this community campaign. Their work saw fruit on Sunday when the Parliamentary Secretary for Defence agreed that this community campaign had had the right idea all along and that Point Cook should be kept in Commonwealth ownership and should be leased for the longer term to a trust. Active in that trust will be the stalwarts of this campaign: people from the Point Cook Action Group and people from Point Cook Operations Ltd, who will be able to manage the site over the longer term in a way that is compatible with its heritage and aviation values and builds on its strength as a tourist and educational precinct. That is a very important issue from the point of view of my electorate.

I now turn from a local good news story to something that is in no way a good news story, but I think it would be remiss of me in my capacity as shadow minister for health not to take this opportunity to make some comments on the Medicare issue. I want to talk particularly on the sham safety net, which is at the forefront of the health policy debate, particularly in these two sitting weeks. I think we are all aware that our colleagues in another place are presented with making decisions about the sham safety net in the coming sitting days.

I want to take members through what I think it is important to acknowledge in the debate about the sham safety net. From Labor's point of view, we think our challenge in the coming few weeks is to save Medicare from opposition. Of course Labor will save Medicare from government. We are used to getting into government and saving universal health systems that have been destroyed by conservative governments, but in the next few weeks we have set ourselves the task of saving Medicare from opposition. If we are to save Medicare, it is vital that the Senate rejects the health minister's political fix—the so-called safety net that is up for debate at the moment. The failure of the Howard government to attend to bulk-billing rates and ensure that specialist fees are fair and reasonable has meant that out-of-pocket costs are rising.

For the Howard government the sham safety net is the solution of choice. Why is that? Despite the fact that 'safety net' are pleasant sounding words, this is yet another policy from the Howard government which is infected with its values and is another policy stepping stone on the path to the dismantling of Medicare. I want to take people through the absurd policy that this sham safety net is if you look at it in detail. First, we need to debunk the Howard government's spin about the benefits of the sham safety net. The truth is that, on the Howard government's own figures, only 220,000 families or individuals will benefit from the sham safety net in a year. I note that the

Minister for Health and Ageing is actually even revising those figures downwards. Professor John Deeble, one of the architects of Medicare, has said, 'A generous estimate of the percentage of Australians who will benefit is three per cent and it could well be closer to two per cent.' Professor Deeble also says that of those who could benefit half would be better off under current arrangements than under the sham safety net. Specifically, Professor Deeble has calculated that the safety net benefits under the Howard Government's proposal would exceed those under the current system only for services billed at more than 25 per cent over the scheduled fee. On the basis of current GP, specialist and diagnostic fees, this means that well over half of the 220,000 people who reach the threshold would be better off under the current arrangements rather than under the proposed new sham safety net. Professor Deeble says that the proposal to cover 80 per cent of actual fees without limit is effectively uncapped gap insurance, and he is right. This is an admission that the Howard government is both unwilling to increase benefits and unwilling to do anything to ensure specialist fees are fair and reasonable.

Who wins and who loses in this situation? We have 97 per cent of Australians getting nowhere near the sham safety net. Of the three per cent who notionally benefit, Professor Deeble says that 1.5 per cent are actually better off under current arrangements. An important point to note is that for the 97 per cent of Australians who do not get on the sham safety net, the situation does not remain neutral because it is those very Australians who will bear the impact of increased fees that occur because of the inflationary cycle started by the expectations of the sham safety net. All of the data from all around the world says that with these sham safety net arrangements there is a price inflation effect on doctors' fees and specialists' fees. The 97 per cent of Australians who do not get anywhere near the sham safety net are actually worse off because they end up being sluggish for higher doctors' fees and higher specialists' fees. We have a sham safety net where 97 per cent of Australians lose and of the three per cent who are notionally better off, half are actually better off under current arrangements according to Professor Deeble, and it costs \$266 million: A \$266 million plan to make 97 per cent of Australians worse off and, at best, 1.5 per cent of Australians will benefit. Even talking about 1.5 per cent of Australians benefiting is misleading. You have to be \$500 or \$1,000 out of pocket before you can begin to benefit and who benefits is subject to all sorts of perverse and unfair outcomes.

Use of medical services is skewed. While most people have five or fewer consultations a year, a small number of people account for the vast majority of services. Of 220 million Medicare services in 2001-02, 81 per cent were for people who had 10 or more services in that year. A quarter was for people with 40 or more services. These people are much more likely to be poorer than those who saw the doctor only five times a year. The two categories chosen to receive the lower threshold—concession card status or receipt of family tax benefit A—are a poor measure of health need. After all, the family tax benefit system was set up to address another set of problems and issues entirely and there is considerable evidence that even health care cards are not an accurate measure of need.

The selection of these two categories particularly discriminates against those without dependent children and low-income individuals, while providing significant benefits to many higher income families. For example, a self-funded retiree couple of pension age earning up to \$80,000 per annum is eligible for a health care card and hence for the \$500 safety net, but a working couple without children earning the same amount will only be eligible for the \$1,000 threshold. An individual working full-time earning \$35,000 per annum who has a chronic medical condition will enter the safety net only after spending \$1,000 out of their pocket, but a self-funded retiree of pension age earning up to \$50,000 will qualify for the lower threshold.

The Howard government have managed to cook up a \$266 million plan to at best benefit 1.5 per cent of Australians, and the tests that they have set up will not even pick the most disadvantaged 1.5 per cent. Then of course \$72 million of the \$266 million is wasted in administration costs. It is such a poor use of precious health dollars: \$72 million gone in administration costs; 97 per cent of Australians lose out; 1.5 per cent who notionally gain would be better off under current arrangements; and 1.5 per cent notionally benefit—and they have picked the wrong 1.5 per cent.

All of these practical objections should be enough to stop this latest political patch-up job going through the Senate. But there is also a bedrock principle objection to this sham safety net. This sham safety net is all about distorting from a universal health system to a welfare system. It is all about enabling the Howard government to justify henceforth its failure to invest in Medicare, its unwinding of the Medicare system and its allowing of Medicare to wither and die. And it will do all of that under the cover of saying, 'Don't worry. We have a sham safety net arrangement.' Ultimately, as the universal health system dies, we will end up with a health system like America's with private provision at the centre and sham safety net arrangements for people who are thought to be poor. And we know how badly those arrangements work in America. Anyone, including any senator, who

professes a belief in Medicare cannot endorse this sham safety net arrangement. All it will do is assist the Howard government in destroying Medicare. In and of itself it benefits very few, has unfair outcomes and is a bureaucratic monster.