



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MEDIBANK PRIVATE SALE BILL 2006

Second Reading

SPEECH

Wednesday, 1 November 2006

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker Ciobo, Steven, MP	Question No.

Mr CIOBO (Moncrieff) (1.50 pm)—I am pleased to rise in support of the Medibank Private Sale Bill 2006. In speaking to the bill I am mindful of the contribution made by the member for Banks, for whom I have much regard and respect. Notwithstanding that, he seems to be making erroneous assertions concerning the impact of a privatised Medibank Private. I must say that in broad terms this is an issue that has attracted some focus in the community. Certainly on the Gold Coast in my electorate of Moncrieff, the concern in the community has been heightened by the impact on health services broadly, and I guess in a tangential fashion, of the privatisation of Medibank Private. It is right that people should be concerned. As a member of the government, I have been appalled at the shocking way in which the Queensland Labor government has run the public hospital system. It is for that very reason that I am such a key supporter of this government's philosophical belief and adherence to the policy that says, 'We want as many Australians as possible to be in private medical insurance.'

This philosophical belief is related directly to the bill that is before the House today. In broad terms, we know that what is occurring in Australia is the maladministration of our public hospital systems around the country, but the problem is most evident in Queensland. It was with great interest that I read in the newspapers on the Gold Coast over the past fortnight that the Gold Coast Hospital has been put on emergency bypass on three or four occasions. In the past fortnight, a city of some 500,000-plus people has been forced to endure its local hospital being put on emergency bypass because the Queensland state Labor government is unable to appropriately manage and run public hospitals in this country.

Despite this fact, it is the position of the opposition and the Australian Labor Party to be opposed philosophically to the principle of private health insurance. I will speak about my own particular electorate of Moncrieff, which has approximately 55 per cent of its population holding private health insurance, despite the fact that the Australian Labor Party does not really believe that private health insurance is the way to go. We hear claims from the member for Banks and a whole host of previous speakers from the opposition who have said that the public should be greatly concerned about the impact of a privatised Medibank Private. The Labor Party says that it is all about ideology. The Labor Party says that the consequence of a privatised Medibank Private will be that premiums will increase. The fact is, though, that not only is the Labor Party engaging in significant acts of hypocrisy with respect to privatisations on this issue but it is also engaging in a very negative scare campaign over what a privatised Medibank Private means for the Australian people. What we know and what we as the government believe is that vibrant competition in the marketplace is one of the very best outcomes that can be achieved. We believe that competition promotes efficiency, drives down costs and provides benefits to consumers. These are the benefits that flow from a competitive marketplace and from privatisation.

We know that there are about 38 private health funds operating in the sector. Medibank Private is certainly one of the largest and a privatised Medibank Private will provide opportunities to further increase the competitive tempo in the Australian private health insurance market. Increasing that competitive tempo will have benefits for the Australian people that will include downward pressure on premiums, not upward pressure. We have seen that in a number of instances. This is where the Labor Party's hypocrisy is stark because the Labor Party was the party that privatised Qantas; the Labor Party was the party that privatised the Commonwealth Bank. Despite the rhetoric that we hear from those in the Australian Labor Party who are contributing to this debate, we know that the Australian Labor Party is happy to support privatisation when it can waste the funds, as it did with Qantas, as it did with the Commonwealth Bank, not to repay debt—as this government has done over the past several years for some \$96 billion of Kim Beazley's budget black hole that he left us—but simply to use the money in a recurrent way.

This government has made sure that the Australian people are the beneficiaries of privatisations. The various privatisations that this government has engaged in have seen the full repayment of the \$96 billion budget black hole that the Australian Labor Party left the Australian people, so that now this government is able to allocate an additional \$4 billion or \$5 billion each year into funds that help to provide for, for example, education and universities, that help to pay for roads and for the defence of our nation. These are the kinds of correct and wise

allocations of taxpayers' money that this government is now able to contribute to as a result of saving some \$4 billion or \$5 billion. That is money that the Australian Labor Party was previously paying as interest.

In addition to that there are a couple of safeguards that are worth mentioning with regard to the privatisation of Medibank Private. The first is that the government retains the approval process with respect to any proposed premium increases. So the member for Banks and other members of the Australian Labor Party can claim that the consequence of a privatised Medibank Private will be upward pressure on premiums, but the fact is that the government will keep in place the current safeguards that exist with respect to making sure that any premium increase that is sought is one that can be justified. So claims that premium increases will be unjustified, will be excessive or will put undue pressure and burden on those who are in a private health insurance fund are simply wrong because the government will retain its strong safeguard with respect to premium increases.

In addition to that, the benefits that will flow to the Australian people from a privatised Medibank were announced earlier this year in this government's budget when we announced that proceeds from the sale of Medibank Private will see the injection of some \$500 million into medical research grants through the National Health and Medical Research Council and provide \$170 million for the establishment of a research fellowship scheme. All of these benefits will have immediate and direct positive impacts on the Australian people. Quite simply it comes down to the fact that this government does not see the value in using taxpayers' funds to run a health insurance business. It certainly seems to me to make a lot more sense to use those funds to benefit the Australian people through, for example, the investment of money into the National Health and Medical Research Council and for medical research.

So Labor's scare campaign is certainly unfounded. I would like to see from the Australian Labor Party a contribution to this debate that actually details what the Labor Party will do with respect to private health insurance. I would like to hear from the Australian Labor Party not a scare campaign on the sale of Medibank Private but a policy proposal that highlights the way in which the Labor Party will support Australians becoming members of private health insurance funds. That is what the Australian people would like to hear from the Labor Party. I know that the 55 per cent of my electorate who have private medical insurance want to know what the Australian Labor Party's policy is with respect to making sure that premiums will not increase or that private medical insurance will not be nationalised.

We know that this government has in place the 30 per cent rebate, something that the Labor Party begrudgingly only came to the party on very recently. We know that the Labor Party philosophically is very weak when it comes to supporting that 30 per cent rebate—the rebate that makes health insurance so affordable for so many Australians. In addition to that, I would also say to the Australian Labor Party: why doesn't it put some pressure on its state Labor cousins? We know that the state Labor governments across Australia are maladministering their state public hospitals, the consequence of which is that there is increased pressure for those Australians who want to use health facilities. What private health insurance does is to make sure that those Australians—

The SPEAKER—Order! It being 2 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.