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HOUSE OF REPRESENTATIVES

BILLS

**Social Services and Other Legislation
Amendment (Seniors Health Card
and Other Measures) Bill 2014**

Second Reading

SPEECH

Thursday, 17 July 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Neumann, Shayne, MP

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Mr NEUMANN (Blair) (18:36): I rise to speak on the Social Services and Other Legislation Amendment (Seniors Health Card and Other Measures) Bill 2014. Australians finally realised the true worth of the Prime Minister's promises on budget night. This legislation must be seen in the context of budget measures relating to Commonwealth seniors health card holders and pensioners and the impact of those measures in relation to what they can receive, what they can spend their money on, their health, their cost-of-living pressures, how they spend money on their education and how they spend money on other aspects of their household needs. The Prime Minister promised no cuts to education, no new taxes and no increased taxes

He said it was an absolute principle of democracy that governments should not, and must not, say one thing before an election and do the opposite afterwards. I am going to talk about the coalition's policies—it is unusual for a Labor MP to refer to the coalition's election policy in this area. I am also going to talk about what Liberal premiers and ministers say about the government's policy and how it affects Commonwealth seniors health care card holders, and pensioners as well, in the context of this piece of legislation.

We know that Commonwealth seniors health care card holders will be paying the \$7 GP tax when they visit their doctor. They will pay an extra \$7 each time they get a blood test, each time they get an X-ray and for each ultrasound the GP orders. That tax will compound and cascade on each visit to the doctor, and that will make them think twice before they visit the doctor. It will be a tax which will give older Australians pause before seeking their GP's advice about any nagging health concerns they have.

Last night we saw the government pass a bill which delivers a 13 per cent increase in the PBS co-payment from January 2015. This is on top of a proposed increase in the petrol tax. Families will be paying more to take their kids to netball and to school. The sheer extent of the government's broken promises, particularly in relation to pensioners and Commonwealth seniors health care card holders, is quite immense. There is a broken promise in almost every portfolio. This will reach into every aspect of Australians' lives and impact on the most vulnerable, who will be the hardest hit.

This particular legislation deals with those people who have the Commonwealth seniors health care card. The CSHC assists seniors with the cost of prescription medicines and other health services. The card is targeted at those people who, by virtue of their income or their assets, do not qualify for a pension and therefore do not get the pension concession card. The current qualifications for a single person are that they must have an adjusted taxable income of less than \$50,000 a year and, for a couple, they must have a combined income of \$80,000 or \$100,000 combined for couples separated by illness, respite care or prison. There is also an extra amount if they have dependants on top of that threshold figure—a top figure of \$639.60 per year added to an allowable income amount in the context of each dependent child.

There is no asset test in relation to the CSHC, so it is an option and an assistance to older Australians which will help them with their cost-of-living pressures. State governments and councils provide assistance, rebates and concessions in relation to a whole range of things older Australians need for their daily living—such as electricity, car registration, transport, public transport, travel et cetera. So it is a significant benefit to someone if they qualify for the CSHC. I am sure there are federal members all around this chamber who deal with people every day concerning this issue. Certainly, at the many mobile offices I conduct in my electorate, eligibility issues are raised on a regular basis.

The Commonwealth seniors health care card was the subject of coalition policy before the election, and they had something to say about it. Do you remember that fabulously awkward photo on the front of that *Real solutions* booklet which the now Prime Minister hugged so closely to his chest at nearly every photo opportunity? I am sure it was pretty tattered and torn by the end of the campaign. The photo shows the coalition brains trust looking at a long table, gazing off to the left—it is probably the only time they ever gazed to the left on anything. The Prime Minister clutched that photo to his chest on just about every occasion. Sitting there is a glum-looking

now Treasurer, now foreign minister and minister for trade. Of course there was the member for Wentworth as well. They thought he was a bit popular, so they stuck him on the front cover. This was a policy they took to the last election, stating that a coalition government would index the income threshold for a Commonwealth seniors health care card holder to CPI. So they are proposing to do that much, and in itself it is not a bad idea.

There are other policy priorities which we think are more important, particularly for those who are poorer and more vulnerable, disabled or sick, or from an Indigenous background. In and of itself, the idea of changing the threshold is not a bad idea, but the coalition policy describes the benefits self-funded retirees may enjoy through access to the CSHC. The policy talks about indexation and goes on about the fact it will mean there will be greater eligibility for purchasing PBS prescriptions at a concessional rate—and I might have a bit more to say about that in this speech; eligibility for PBS prescriptions generally without charge for the remainder of the year once that safety net is reached; and eligibility for discounts on rates, water, sewerage, electricity, car registration, gas bills, public transport and the annual senior supplement, which I am sure those opposite do not really want to talk about now.

Let's talk about the first one. The coalition policy stated that CSHC holders receive medicines listed on the PBS at the concessional rate. However, we learnt in the budget is that this government will increase the cost of PBS medicines by 13 per cent over inflation from 1 January 2015—another 80c to the cost of prescriptions for a holder of a CSHC. There is no certainty the coalition will not raise that in the future, and it will certainly add up over time. We will see what their attitude will be. I am sure that none of the candidates who were successful, or even unsuccessful, for the coalition parties in the last election campaigned that they would be increasing the cost of prescription medicine by 13 per cent to their constituents. I am sure they did not go around many debates and say they were going to do that. The Real Solutions booklet is certainly silent on that.

The coalition's policy on the safety net at the last election said that CSHC holders 'can access Pharmaceutical Benefits Scheme prescriptions, generally without charge, for the remainder of the calendar year after reaching the Pharmaceutical Benefits Scheme Safety Net.' That is correct, too. However, we learnt in the budget that the government is proposing to increase the PBS safety net threshold for general and concessional patients. I debated my opponent I think half a dozen times during the campaign at various events, and I do not recall her ever saying that that was in their policy and certainly I do not recall anyone ever talking about that before the budget. The consequence of all of that is that for general patients the PBS safety net threshold will increase by 10 per cent over and above the CPI increase for each year for four years from 2015 to 2018. By 2018, general patients will be paying \$2,287.90 each year, \$725 more than they would have under a Labor government—and \$725 is a lot of money. That is before they reach the safety net. For concessional patients such as holders of the cards we are talking about, the PBS safety net will be increased by two prescriptions each year—each year—between 2015 and 2018. By 2018, CSHC holders will need to pay for 68 prescriptions before reaching the safety net. This is an out-of-pocket expense of \$114 more than if Labor had won the election. I am sure that none of the coalition candidates, successful or otherwise, ever said that.

The coalition's policy also stated that CSHC holders were entitled to 'bulk-billed general practitioner appointments, at the discretion of the doctor.' That is true as well—except that the coalition government wants to force CSHC holders and all other Australians to pay a \$7 tax every time they visit a GP—and an extra \$7 every time they have a blood test or an X-ray or an ultrasound which the GP orders. Another broken promise and, again, no candidates or elected members ever talked about that. The coalition policy also talked about access to senior concessions. It mentioned the fact that holders of these cards will be entitled to 'concessions offered by State, Territory and Local Governments,' and these concessions are offered pursuant to a National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Seniors Card Holders.' They talked about the fact that they would get access to that. But on budget night we learnt that this government is unilaterally terminating the agreement, and is doing so from 1 July 2014—slashing \$1.3 billion in Commonwealth assistance to the states and territories to provide seniors, including CSHC cardholders, with discounts on their rate notices, on their water, sewerage, electricity and gas bills, on their car registration and on their public transport fares. The National Seniors organisation estimates that these concessions can add up to about \$1,000 to \$1,200 of assistance to seniors each year. This is not an insignificant issue.

Guess what happened. The states and territories were left contemplating a significant and unexpected budget shortfall. The response from the states and territories has been feral. Denis Napthine, the Victorian Premier, lamented the Abbott government's termination of the national partnership as 'just another hidden landmine in the federal budget', and the lack of consultation had been 'unfair and unreasonable.' In my home state we saw a

shortfall of \$233 million over four years. The Queensland government initially refused to make up the shortfall. Initially Tim Nicholls said they were not going to pass it on; the problem was that they were unable to absorb the extra cost. That is what he said in his budget. This meant that 435,000 Queenslanders were set to be worse off. In my electorate, as of 31 March 2014 there were 13,803 recipients of the age pension and 953 holders of the Commonwealth Seniors Health Card. This was a big impact, and grey power went mad in Queensland. Within a day or so there was a backflip and Campbell Newman and Tim Nicholls had to eat humble pie and restore that benefit. It just goes to show that even the government's state and territory colleagues are furious with what it has done in the budget.

As ACOSS has said, pensioners will be about \$80 a week worse off within 10 years because of the changes to the indexation of the pension. Changes have been made right across the board with respect to the holders of these cards and our seniors, and those changes adversely impact upon them. This bill needs to be seen in the context of the budget measures. It is fine in and of itself but, when you look at it in the context of all the other broken promises, you have to choose where your priorities are. This government has its priorities wrong with respect to seniors and pensioners and cardholders, and we condemn it for that.