

PRIVATE HEALTH INSURANCE REBATE — MEANS TEST

30. Mrs L.M. HARVEY to the Minister for Health:

My question relates to the Gillard government's—sorry, Rudd government's—sorry, it is still the Gillard government!

Several members interjected.

Mrs L.M. HARVEY: Acknowledging that the Gillard government's bill to means test the private health insurance rebate has now passed through the commonwealth House of Representatives, can the Minister for Health please explain the potential impact this will have on Western Australia's public hospital system?

Dr K.D. HAMES replied:

I thank the member for Scarborough for the question, and I understand the confusion over who is the leader. Which week is it? We will find out shortly who it is going to be.

The legislation that has gone through the lower house of the federal parliament can only be bad for Western Australia, and that is not unusual. We have been through the whole process of debate on health reform with the federal government, and one of the critical issues that is apparent —

Several members interjected.

The SPEAKER: Member for West Swan, I am going to formally call you to order for the first time today. Member for Armadale, welcome on board: I am formally calling you to order for the first time today as well.

Dr K.D. HAMES: There are a lot of interjections coming from the other side, and I just wonder whether the Leader of the Opposition supports the legislation that has just been passed to change the means test on health insurance?

Several members interjected.

Dr K.D. HAMES: That is a quick dodge when someone does not answer. What about the shadow Minister for Health? Does he support the federal legislation that has just been passed? He was in his house —

Several members interjected.

Dr K.D. HAMES: I cannot get a word in edgeways, can I?

Point of Order

Mrs M.H. ROBERTS: Mr Speaker, you have twice asked members on this side to not interject, and now we have a minister deliberately goading members on this side.

The SPEAKER: I hear what you are saying, member for Midland, and I am very mindful of that. I am going to ask the Minister for Health to return to the question asked by the member for Scarborough.

Questions without Notice Resumed

Dr K.D. HAMES: It was an excellent point, and I would just like to apologise to the Deputy Leader of the Opposition for his inability to get his interjection in because of the incessant interjection from behind him, on the left! I would have liked to take the interjection, because that member was going on earlier today about the difficulties with waiting list surgery. We all know that it has been a struggle, with large numbers of people needing elective surgery, to get through that surgery in appropriate times. The last thing this state needs is people who can afford to have private insurance—Western Australia has one of the highest levels of private insurance in the country—dropping their insurance because of changes by the commonwealth government.

Dr A.D. Buti: Where's your proof that they'll drop it?

Dr K.D. HAMES: The proof that people will drop it is in the federal Minister for Health's report. Read her press releases! The federal Minister for Health, the member for Armadale's colleague, said —

Dr A.D. Buti interjected.

Dr K.D. HAMES: Why does the member for Armadale not look at her press releases? You are behind the times, mate! Go and look at her press release!

The SPEAKER: I am not impressed; I do not think some other people in this place are impressed. I will give the Minister for Health a chance to return to the question. I ask the member for Armadale to attempt to remain quiet.

Dr K.D. HAMES: The federal government health department has assessed that, as a result of its changes to the legislation, about 27 000 people Australia-wide will drop out of private health insurance. Other estimates have put the figure much higher than that. That is the federal government estimate. Whatever the figure turns out to

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Mrs Liza Harvey; Dr Kim Hames; Mrs Michelle Roberts; Speaker

be—no-one really knows exactly what it will be—it will place extra pressure on our public hospitals. People who can afford private health insurance will choose, because of changes being pushed through by the federal government, to compete in the public hospital system with people who can least afford private insurance and who are waiting for critical surgery, such as cardiac or abdominal surgery. People who can least afford private health insurance will have to compete with more people. Whatever the number is, it will be much more difficult for our hospitals to cope with the increase in demand.

Mr A.P. O’Gorman: Why should you get a 30 per cent subsidy on your salary?

Dr K.D. HAMES: It is not a matter of being on my salary.

Mr A.P. O’Gorman: Yes, it is. It’s means tested.

Dr K.D. HAMES: Does the member for Joondalup support the federal government position?

Mr A.P. O’Gorman: Why should I get 30 per cent of my health care paid for on my salary?

Dr K.D. HAMES: So the member for Joondalup supports the federal government position.

Mr A.P. O’Gorman: Why should I get 30 per cent of my health care paid for by you?

Mr W.J. Johnston interjected.

The SPEAKER: Order, member for Cannington!

Dr K.D. HAMES: What is important to remember about the rebate is that it is an excellent carrot and stick approach. People already have to pay a Medicare levy. Whatever their income, they pay that levy as a percentage of their salary—the more they earn, the more they pay. People who earn more already pay a higher amount of money, and that gives them an opportunity to use the public system. On top of that levy, they pay an increased amount that lets them use the private health system, and for that they are allowed to claim some back in their tax return. Under the new system they will be able to claim less back. It is much more likely that some of them will take a risk by dropping out of the private insurance system and moving into the public health system. Every time such people are ill and need to be hospitalised, they will be competing with pensioners, healthcare card holders and the disadvantaged who do not earn enough money to get into the private sector to have private work done. I read a letter to the editor in a newspaper from someone who had paid private health insurance all their life. That person—who is retired and on a pension, but still putting money aside—bitterly complained about what the federal government is doing. Why is the government doing it? Is it doing it to improve the health services of the states in Australia? No, it is doing so because it wants to get rid of the deficit. The only reason it is doing this is to claw money out of the health system and put it into Treasury so that it can meet its promise of not having a deficit. That is not good enough. It is not good enough to increase the states’ health load. It is not good enough to penalise the disadvantaged in every state and territory in Australia just to meet the bottom line.