

**TAX LAWS AMENDMENT (MEDICARE LEVY SURCHARGE
THRESHOLDS) BILL (NO. 2) 2008**
Second Reading

[Mr ROBERT](#) (Fadden) (5.17 p.m.)—I rise to add my voice to absolutely and categorically not support the revised [Tax Laws Amendment \(Medicare Levy Surcharge Thresholds\) Bill 2008](#) before the House. I do so because this has nothing to do with improved health outcomes. This is simply a budget measure. We hear the member for Ballarat talk about a tax trap eating at the hip pocket and that she is determined to deliver tax relief, when this moribund government in its budget increased taxes by \$19.8 billion. This government brought in almost \$20 billion in new taxes in its first, and I am sure only, term, yet the member for Ballarat rolls out the statement that she is determined to deliver tax relief and that, if we do not support it, clearly we do not believe in tax relief. It is farcical and ludicrous in the extreme.

Mr Rudd wanted to fund his promises through cuts and through \$20 billion in new taxes. Not that he told anyone prior to the election but he wanted to do it so he could claim the mantle of an economic conservative. It is interesting that he felt he needed to massively increase taxes and fund election promises through those cuts if he were to claim that mantle of economic conservatism. Clearly he was looking back to the dreadful days and the appalling legacy of Keating to this nation: \$96 billion in debt, \$8 billion in interest payments per annum and a \$60 billion hole in unfunded superannuation liabilities. Keating almost destroyed the nation.

What is worse is that the Labor Party were planning to change the threshold levels even before they won the election but failed to inform the voting public. In fact, the health minister's office stated that they would not release details during the election campaign. Thus, considering the harm that this legislation will enact, its passing would be a travesty. The original legislation sought to change the thresholds where the Medicare levy surcharge kicked in—for singles, from \$50,000 to \$100,000 and, for couples, from \$100,000 to \$150,000. The government's initial estimates showed, when the thresholds were set at \$100,000 and \$150,000 accordingly, that 485,000 people would drop their private health insurance. This modelling only included adults, not children or dependants. Once they were included, the government predicted 644,000 people would leave.

A range of organisations, including Access Economics and PricewaterhouseCoopers, showed that anywhere up to a million people will leave private health insurance because of these measures. The Rudd government has maintained that it will be young, healthy people who will drop their insurance first, but, as premium prices increase, we know the biggest losers will be those on fixed incomes, especially pensioners. Older Australians are the biggest claimants on private health insurance. Many of these are pensioners who—despite an increase in the cost of living and the government's complete recalcitrance in providing any relief through supporting the opposition's \$30-a-week increase for single pensioners and veterans—continue to maintain their health insurance despite their budgetary constraints.

Treasury has revealed it expects 57,000 Australians who are 65 years or older to drop their private health insurance, based on the initial legislation. The Rudd government, though, faced with its proposal's inability to gain passage through the Senate, introduced the revised legislation to the House with a new level of \$75,000 for singles and an unchanged level of \$150,000 for couples. The government predicts 583,000 people will drop their private health insurance—down from 644,000. Even with the revised levels, Access Economics estimates that by 2012 well over one million Australians will have dropped their insurance or will not take it out.

Access Economics also predicts that, with the thresholds set at \$75,000 and \$150,000 respectively, by 2012 over 770,000 episodes of care will have shifted to the public system—a massive extra burden on the already struggling, and indeed failing, public health system. The initial legislation would save the government \$300 million over four years; the new legislation, \$354 million.

By way of history, I can say that in 1997 the coalition government introduced the then Medicare levy surcharge to tackle the low level of private health insurance coverage. Under these measures there has been a 10.8 per cent increase in private health insurance participation levels, from 33.9 per cent to 44.7 per cent. This is the result of three initiatives designed to work together: firstly, the 30 per cent rebate; secondly, Lifetime Health Cover; and, thirdly, the Medicare levy surcharge.

The latest data from the Private Health Insurance Administration Council show that 10.9 million Australians, or 44.7 per cent of the population, were covered by private health insurance. Significantly, in the 12 months to June this year, the biggest growth of any age group was in 25- to 29-year-olds, with an increase of over 53,000 people. These are the people the Rudd government expects to drop their coverage—reducing the pool of people, which will result in increased premiums and a greater load on an already strained public health system.

Yet it is the impact of this legislation that is of such profound concern. Those who leave private health insurance will need to rely on the public system. There is no plainer statement of fact. Short of dying a lonely, miserable death in their own homes, patients will go to the public health system. Yet the government has not provided any extra funding for the public system to cope with the predicted and absolutely sure influx of patients.

During the Senate inquiry, the Western Australian government stated that people dropping insurance would lead to higher hospital costs in the magnitude of over \$50 million per year. That is just one year for one state. The government has offered no compensation for the public hospitals and in fact did not even conduct any modelling on these so-called second-round effects. It did not speak to the National Health and Medical Research Council. It did not speak to any of the states. I do not think the government even spoke to its own health minister, because this was simply a move by Treasury because Mr Rudd, the Prime Minister, wanted to make a range of savings and tax increases so he could claim some mantle of being an economic conservative.

The government is trying to save money—with a \$22 billion surplus left for them and a \$20 billion surplus from the preceding year. These changes would see a reduction in revenue of \$660 million but a government saving of \$960-odd million. I can only conclude, by looking at the evidence, that the Labor government, considering the \$22 billion surplus and looking to save \$300 million, just does not like private health insurance.

Here are the facts to support it. Private hospitals treat four out of every 10 admitted patients in Australia, representing nearly one-third of all days in hospitals. Private hospitals perform the majority of surgery—56 per cent. In my electorate of Fadden on the Gold Coast, the fastest growing electorate in the nation, there are 49,724 people with private health insurance. With predictions that almost 10 per cent of insured people will drop out of the system, that is almost 5,000 people dropping out who will then be required to go into the public system. We only have one public hospital on the Gold Coast. That is it. There is only one place to go.

Let us look at the wider public health system—the one that is being prevailed upon, the one that has been governed by the Labor states over nearly the last decade. Let us

look at Queensland Health, which has had 18 years of Labor government authority out of the last 20. Let us look at Queensland Health, that incredible organisation of efficiency and effectiveness. Let us particularly focus on their quarterly public hospital performance report for the March quarter of this year. The Gold Coast Hospital is the only public hospital that services the sixth-largest city in the nation. With at least 5,000 people in my electorate and a similar number in the electorates of McPherson and Moncrieff, 15,000 more people will draw on the requirements and services of the lone Gold Coast Hospital because of this bit of moribund legislation.

The Gold Coast Hospital has the third-highest number of people admitted to hospital in Queensland: 17,344. It services the most people in Queensland in an emergency department: 24,613, which is 30 per cent more than the next highest hospital, Royal Brisbane. The Gold Coast Hospital performed 2,650 elective surgeries, coming third after Royal Brisbane and Princess Alexandra hospitals.

Whilst the move on the Medicare surcharge will throw at least 15,000 people in the three electorates on the Gold Coast—and as many as half a million people across the nation—into the public system, let us look at the elective surgery numbers now and the impact of this move. According to Queensland Health's March quarterly service report, right now in Queensland there are just over 36,000 people on waiting lists and a further 159,000 people waiting to get on the waiting list. And this government thinks it economically prudent, socially right and medically the best thing to do to raise a surcharge and push more people onto public hospitals! How much bigger does this government want the waiting list, and the list of people waiting to get on the waiting list, to grow? There are 36,000 waiting and 159,000 people in Queensland waiting just to get on the waiting list—and this government brings forward legislation such as this. It would be ludicrous—it would just be absolutely funny—if what they were trying to do were not so tragic.

Leaked Queensland Health data on Queensland's biggest emergency departments show the number of sick people waiting more than eight hours in the Queensland government's emergency queues to get a hospital bed has doubled in the last five years, all under a Labor government's watch. I can only assume Labor is proud. 'Access block' is the term that describes the delay that patients who need to be admitted to hospital experience in the emergency departments when their in-patient bed is not available. Queensland Health access block data count the number of seriously ill people who wait eight hours or more in the emergency department or outside on an ambulance trolley for a hospital bed.

The Australasian College for Emergency Medicine likens the growing emergency department crisis to the national road toll, with recent studies showing a 20 to 30 per cent excess mortality rate caused by access block and emergency department overcrowding—about 1½ thousand deaths per year, at 2003 levels of access block. The Gold Coast emergency department is one of those at crisis point, with 27 per cent of emergency department patients caught in access block in 2003-04, growing to 44 per cent in the 2007-08 financial year. The Rudd government wants to send more Australians to the Gold Coast emergency department, where 44 per cent of the people who walk, crawl or are carried through those emergency department doors are either laying on trolleys or stretchers in the emergency department or in ambulances outside. The Australasian College for Emergency Medicine says that if you are access blocked, if you are lying on stretchers and trolleys, you have a 20 to 30 per cent higher chance of dying.

Despite those facts, which are appalling in their own right, this government wants to send over half a million people, 770,000 more episodes of care, into that already strained and overcrowded public hospital system. Is this a joke? Are you absolutely

kidding the Australian people? How can you possibly look at those statistics and say, 'You know what; it makes sense to put more people into those emergency departments, even though 44 per cent are waiting over eight hours or more and those 44 per cent of people have a 20 to 30 per cent chance of dying because of it'? You think it is wise to increase the number of people in that situation?

The major cause of access block and emergency department overcrowding is a lack of available hospital beds. This is because there has been a decrease in the number of real hospital beds in Queensland in the last decade, despite a major increase in population and clearly lots and lots of advertising. When the Beattie government took control of the state's public hospital system in 1997-98, there were 10,809 hospital beds in Queensland. Ten years later, in 2008-09, the Queensland budget shows there are 10,234 hospital beds—575 less. The embattled Minister for Health, Stephen Robertson, has since revealed that, of those 10,234 hospital beds, 1,370, or about 14 per cent, are not actually beds. They are chairs, trolleys, cots, stretchers and lounge suites. In 10 years the Labor state government have done an extraordinary thing: they have reduced the number of hospital beds by 700; they have made 14 per cent of them chairs, trolleys, cots, stretchers and lounge suites; and they have made 44 per cent of people going to the emergency department at the Gold Coast Hospital wait for eight hours or more on a trolley or cot or in an ambulance.

According to the Australasian College of Emergency Medicine, those 44 per cent of people have a 20 to 30 per cent greater chance of mortality, of dying, because of the situation they are put in, which is because of what Labor have done in the hospitals. This is the report card. This is the legacy. This is what the Queensland state Labor government have achieved in a decade. And their colleagues in power, the federal Labor government, want to push up to half a million Australians across the nation, and just under 100,000 Queenslanders, into that system with this bit of legislation. That is a legacy this government will not live down in a hurry.

Queensland Health nonsense does not stop there. A constituent recently let me know that she is trying to salary-sacrifice as a casual employee of Queensland Health. She is over 65 and wants to salary-sacrifice into super to take advantage of the tax benefits. Under the current Queensland Health ruling, you have to have been a casual on regular hours for 12 months before you can do this. The lady in question is a health professional, a mammographer, who sought to come out of retirement as an independent retiree—with no source of income from the government—because she is deeply concerned about the health of Gold Coast women and wants to assist them with her skills as a mammographer. Yet Queensland Health has told her: 'We're sorry—you can come, but as a casual you can't salary-sacrifice into super. We know it's not worth your while, but that's just the way it is.' There is a chronic shortage of professionals in Queensland Health and this is what constituents are told.

Queensland Health is a joke turning into an aberration turning into 10 years of dreadful policy failure. Notwithstanding that and the issues in the public system, the government are seeking to move legislation that will force many more Queenslanders into that ailing public system simply because they as a Labor government dislike private health insurance and because the Prime Minister wants to claim a mantle of economic conservatism and so has driven a whole range of tax increases and cuts to effect that. I do not think the people of Queensland or indeed the people of this nation should have to suffer in an overcrowded public health system because of the arrogance of the Prime Minister and his desperate desire to rid himself of the horror of the past Keating government and its economic excesses to try and claim what is a hollow mantle. The legislation is not supported. It should not gain passage through the houses. It should be deplored by all.