



HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON FAMILY AND COMMUNITY AFFAIRS

Reference: Concession card availability and eligibility for concessions

BRISBANE

Tuesday, 29 April 1997

OFFICIAL HANSARD REPORT

CANBERRA

HOUSE OF REPRESENTATIVES STANDING COMMITTEE
ON FAMILY AND COMMUNITY AFFAIRS

Members:

Mr Slipper (Chairman)
Mr Quick (Deputy Chairman)

Mr Ross Cameron	Mr Kerr
Ms Ellis	Ms Macklin
Mrs Elson	Mr Allan Morris
Mr Forrest	Dr Nelson
Mrs Elizabeth Grace	Mrs Vale
Mrs De-Anne Kelly	Mrs West

Matters referred for inquiry into and report on:

The potential of developments in information management and information technology in the health sector to improve health care delivery and to increase Australia's international competitiveness with particular reference to:

the current status of pilot projects already commenced and an evaluation of their potential for further development;

the costs and benefits of providing advanced telecommunications and computer technology to general practitioners and other health care professionals throughout Australia, particularly in rural and remote areas;

ethical, privacy and legal issues which may arise with wide application of this technology and transfer of confidential patient information;

the development of standards for the coding and dissemination of medical information;

the feasibility of Australia becoming a regional or international leader in the development and marketing of this new technology; and

the implications of the wider development and implementation of medical practice through telemedicine for public and private health outlays, including the Medicare Benefits Schedule.

WITNESSES

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Present

Mr Slipper (Chairman)

Ms Ellis

Mrs West

The committee met at 9.09 a.m.

Mr Slipper took the chair.

CHAIRMAN—I am pleased to open this fourth day of public hearings on the committee's inquiry into concession card availability and eligibility for concessions as referred by the Minister for Social Security, Senator the Hon. Jocelyn Newman, in June last year. The committee is looking at several matters including the range of concession cards currently available, the level of access to these concessions, the complexity of the administration of the current system both for recipients and for those delivering services, as well as how state and local governments are using the cards for the delivery of their own concession services.

This inquiry is being conducted against the background that the government has a commitment to reducing the administrative complexity of the current arrangements in order to improve and simplify the administrative process. The committee will address expressed concerns that some people may be using a concession card that they are no longer entitled to or which was not issued to them. The terms of reference for the inquiry also require the committee to examine the current means test for concession eligibility and the degree of consistency applied in different regions of Australia.

To date the committee has received a total of 44 submissions from a range of organisations and individuals with an interest in the inquiry, and we are very pleased with this level of interest. I would like to take this opportunity to thank all of those who have made a contribution and whose cooperation has greatly assisted our efforts to come to grips with the complex issues being considered by this inquiry.

The committee, in continuing its round of public hearings in state capital cities, will take evidence from peak consumer organisations based in Queensland as well as from the Queensland government. The hearing program will continue in Hobart and Canberra in the next few months. The committee's report will be prepared at the conclusion of the hearings and tabled in parliament early in the spring period of sittings in August-September. I would now like to welcome representatives from the government of Queensland who are appearing before us today.

[9.12 a.m.]

ERIKSSON, Mr Roger Charles, Manager, Concessions Unit, Community Care Program, Department of Families, Youth and Community Care, GPO Box 806, Brisbane, Queensland 4001

HERRING, Mr Nigel, Program Director, Community Care Program, Department of Families, Youth and Community Care, GPO Box 806, Brisbane, Queensland 4001

THERKELSEN, Dr Martin Andrew, Principal Analyst, Health Funding and Systems Development Unit, Health Systems Strategy Branch, Queensland Health, 147-163 Charlotte Street, Brisbane, Queensland 4000

GARDINER, Mr Peter Mark, Strategic Development Manager, Traveltrain, Queensland Rail, GPO Box 1429, Brisbane, Queensland 4001

VARVARO, Ms Marilyn Dianne, Acting Group Accountant, Traveltrain Group, Queensland Rail, GPO Box 1429, Brisbane, Queensland 4001

HOOPER, Mr Stephen Leonard, Principal Adviser, Transport Strategy Branch, Transport Coordination Division, Queensland Transport, 85 George Street, Brisbane, Queensland 4001

CHAIRMAN—Was Dr Botsman coming at one stage?

Mr Herring—That is an apology I have to make. Dr Botsman has unfortunately been taken ill and I have been asked to stand in his place.

CHAIRMAN—Thank you. We have three committee members with us today. We have Mrs West, who represents the electorate of Bowman, between Brisbane and the Gold Coast; Ms Ellis, who represents Namadgi in the Australian Capital Territory; and I represent the seat of Fisher, which is based on the Sunshine Coast. So two of the three members are from Queensland. Could one of you in a very short space of time summarise the submission of the Queensland government to perhaps focus our discussions to take place subsequently?

Mr Herring—If I may, Mr Chairman. Thank you for this opportunity to appear and to answer questions put to us by the committee. As I explained, Dr Botsman has unfortunately been taken ill. He is in intensive care at the moment. I have been asked to stand in for him. Dr Botsman had prepared a paper and, with your permission, I would like to go through the introductory remarks which he has prepared.

The first point I would like to make is that in Queensland the Department of Families, Youth and Community Care has been designated by the government as lead agency with respect to concessions. What this means in effect is that the department has been designated to provide guidance, leadership and strategic direction to other departments in the policy process.

The department, as lead agency, coordinated the preparation of the submission which has been forwarded to this inquiry by the Hon. Kev Lingard MLA, the Minister for Families, Youth and Community Care. As such, the submission takes a whole of government view in relation to some of the matters which flow from the inquiry's terms of reference. However, it is important to understand that the concessions lead agency role does not directly impinge upon the policy responsibility of those line departments charged with implementing the government's various concession programs except to the extent that the lead agency, because of its knowledge and expertise, has a position of some influence.

The department, as lead agency, has consulted with appropriate central and line departments. At the same time it is considered that the department may not have sufficiently detailed knowledge about certain programs, particularly in the areas of health and transport, that may be of interest to the committee. For this reason I would like to introduce colleagues who do possess detailed knowledge of those program areas: Dr Martin Therkelsen from Queensland Health; Steve Hooper from Queensland Transport; and Mr Peter Gardiner and Ms Marilyn Varvaro from Queensland Rail.

I would like to turn to the submission made to this inquiry by the Minister for Families, Youth and Community Care in order to highlight a few points. Firstly, there is a need for a coordinated approach to concession arrangements. The submission indicates that the collaborative relationship which currently exists between the Commonwealth and state and territory levels of government with regard to concession arrangements should be encouraged in order to maximise the efficiency and effectiveness of the concession program delivery by all levels of the government. This is a view that the department strongly reiterates.

The submission also indicates that a coordinated approach be maintained in order to avoid duplication and fragmentation of the concession policy and program delivery. With this objective in mind the submission suggests that any recommendations arising out of this inquiry be referred in due course to the health and community services ministerial council and the Standing Committee of Community Services and Income Security administrators. This is a view which the department also strongly reiterates.

Secondly, the submission indicates that the use of Commonwealth concession cards to access state and local government concessions is helpful and a practice the Queensland government is keen to see continued. However, the submission also indicates a number of difficulties associated with the practice and requests that this inquiry bears this in mind when considering possible changes to the Commonwealth concession cards. The department wishes to reiterate this view.

Thirdly, the submission indicates that the proposal relating to reciprocity and improved uniformity for core concessions which are home ownership based represents considerable problems. The department wishes to reiterate this view. Given the widely differing geographic, climatic and economic circumstances that exist throughout Australia, together with the widely differing pricing regimes for utilities such as electricity and water, it does not appear that greater uniformity of concession inputs on energy, water or

rates is desirable or a feasible policy option. In relation to transport concessions the submission indicates that the proposals for greater uniformity are also problematic.

The submission also indicates that the implications for the state travel authority be clearly understood before reciprocity in relation to travel concessions is agreed to. The department wishes to reiterate this view, while acknowledging that the current arrangements are considered inadequate by many concession card holders. The fact is that Queensland would, because of its size and desirability as a destination, be considerably impacted by any moves towards greater uniformity and reciprocity. There is perhaps some room for improved multilateral arrangements to be negotiated between states and territories with respect to interstate travel by eligible card holders and the means for recovery of revenue forgone.

I would like to introduce Mr Roger Eriksson, who is the manager of our department's Concession Unit. It is to him that I will refer a number of your questions in order that he may provide answers with his knowledge and expertise.

Ms Ellis—Can you please repeat for me the name of the person who is being—

Mr Herring—Dr Peter Botsman.

Ms ELLIS—What is his position?

Mr Herring—He is the Deputy Director General of the Department of Families, Youth and Community Care.

Ms ELLIS—Thank you. I was unaware of that name and position.

CHAIRMAN—Thank you for that introduction. How would the Queensland government react if the Commonwealth decided to abolish concession cards and cash out the value of concessions, perhaps with overcompensation, to those who currently hold the cards? I imagine you would, therefore, have to work up some kind of eligibility criteria for state based concessions.

Mr Eriksson—Mr Chairman, I have had the opportunity to read the transcripts of the Canberra hearing and the Sydney hearing in an attempt to prepare ourselves for this morning. In anticipation of some of the questions that the inquiry might have asked, we have developed, through a process of consultation, an agreed position. So, with your permission, I can read to you what the department's agreed position would be in relation to the cashing out option.

CHAIRMAN—If it could be read briefly—

Mr Eriksson—Certainly.

CHAIRMAN—I think the committee is appreciative of the level of representation from the Queensland government today. It certainly is infinitely better than the Victorian

government's contribution. They seem to have sent along the girl who runs the front counter—someone who knew nothing about the subject. So we are impressed with the array of people gathered before us.

Mr Eriksson—Thank you. I will try to make it as brief as possible. As the lead agency, we do not generally lend support to the cashing out option. We do acknowledge that cashing out would have a benefit in so far as it would lead to the elimination of demand market distortions. However, the overall view are that there is a significant number of difficulties associated with the option and, if you wish, I could just quickly identify what some of those difficulties are.

CHAIRMAN—Please do.

Mr Eriksson—The first difficulty is one of equity. There are significant equity problems that would arise as a result of moving in this particular direction. A second difficulty would be to do with calculating an average value of the cashed out amount. A third difficulty is the substantial cost of cashing out, if adequately valued. The fourth difficulty would be the likelihood that subsequent adjustment by the Commonwealth to state-territory financial assistance grants would not improve vertical fiscal imbalance and could, in fact, worsen it.

The next point is the inefficiency of a supplemented income support system in dealing with lumpy expenditure. Another point is the risk that the cash component of income support payments might be eroded over time due to the cashed out value of concessions being taken into account. Finally, there is the risk that funds could be diverted from their intended use. For example, funds would not necessarily be available at the point of use to be spent on health products because of poor money management. A consequence could be that additional demands are then placed on product services, for example, through poor money management—reduced health. In the longer term, that could result in a higher level of demand for health products and services.

CHAIRMAN—I followed your points carefully, but could you clarify the first point—equity.

Mr Eriksson—For example, from where we sit in Queensland, one of the difficulties with equity is, if you consider a pensioner with a pensioner concession card residing in Winton in remote rural Queensland compared with a pensioner in Brisbane or in Sydney, their access to, and use of, concessions and the value that they attach to those concessions. Quite apart from the notional concept of pensioners attaching high and sometimes unrealistic values to concessions, I think the reality is that for a pensioner in Winton the real value is perhaps substantially less than a pensioner in Brisbane.

Therefore, if you were to average, say, \$1,500 or \$3,000, the pensioner in Winton would probably end up getting a cash value that is far greater than their actual use of concessions, whereas perhaps a pensioner in Sydney might not consider that that was adequate compensation. So, because of those kinds of differences—geographical differences, cost differences, the access to service differences—in our view it would be

very difficult to find an average that is equitable.

CHAIRMAN—I agree with you that the pensioner at Winton gets less use out of the concession benefits than would someone in Sydney. But Mr Forrest, if he were here, would be saying that rural and regional Australians are disadvantaged at the present time by the fact that we have not cashed out and that, if we did cash out and if we calculated it would be worth, say, \$1,400 per person on average and we gave people \$3,000, that would, in fact, be giving to people in rural and regional Australia the equality and equity of treatment that they do not receive under the current system because their remoteness, in many cases, means they are simply unable to access the concessions that are technically available to them, but are available, in effect, to everyone else.

Mr Eriksson—Certainly. I do understand the point.

CHAIRMAN—I was interested in the point you made that, because of the desirability of Queensland as a tourist destination, if we had reciprocal travel benefits, that might impact more adversely on the Queensland budget than elsewhere. Evidence coming before the committee during our previous hearings seems to strongly say that as a nation, where possible, we ought to have a national approach and there ought to be core concessions available to people throughout the country. How would you reconcile that desirability for equal treatment of people with similar circumstances throughout the nation with, I think, what is a very valid concern that the government of Queensland has raised that, if you have this equality, then you need some kind of mechanism to make sure that Queensland is not paying a disproportionate price for that equality of treatment?

Mr Eriksson—In relation to that issue of portability and reciprocity of concessions, again our position is that, subject to any constraints that we understand national competition policy might impose, we acknowledge that transport is the one area in which the argument for greater portability and reciprocity does seem to have some application. However, as the lead agency, we believe there are factors which could adversely influence progress. As you say, under the present arrangement, in some of the states and territories—for example, Queensland with its extensive transport network and popular tourist destinations—it would be more affected.

CHAIRMAN—Like the Sunshine Coast.

Mr Eriksson—And Cairns. Cairns and Longreach are particularly desirable destinations. The second point, though, is that we believe the argument that has been put—that the provision of both urban and rural transport concessions to interstate visitors will have a spin-off economic effect, for example, boosting revenue from tourism—is not necessarily persuasive in states and territories such as Queensland which have very extensive provincial, rural and remote public transport networks. I do not know whether my colleagues from Queensland Rail would want to make any comment about your particular point.

CHAIRMAN—Can you suggest some provision that one could put in place to make sure that Queensland does not pay a disproportionate price towards achieving the

national uniformity that everyone would like?

Mr Gardiner—No, I don't think we can. Just to clarify, Traveltrain represents the long-distance passenger network and not the suburban network. So we speak from that point of view. It is more than likely that there will be increased costs to the Queensland government as a result of uniformity.

CHAIRMAN—There couldn't be some kind of voucher system that might work?

Mr Gardiner—For southern pensioners, do you mean? We offer a discount to southern pensioners now—we made a commercial decision to do that—outside peak periods because currently we are to capacity in peak periods. With the current rolling stock, we find it difficult to carry any more passengers during school holidays and at such times. Even if there were a voucher, there is going to be an increased demand on the rolling stock required to carry those people, and we currently do not have that rolling stock. So there could be increased capital costs.

CHAIRMAN—The last question I have is that the Australian Pensioners and Superannuants League mentions in its submission that pensioners receive two return rail passes each year and then they go on to assert:

It is our belief that these passes should be able to be traded in on either one return airfare or two return bus tickets.

Is that practical? If it is, how would it occur, bearing in mind that at the present time the concession is given through a Queensland government owned railway system and, to my knowledge, the Queensland government as yet does not own the airlines and, I suspect, is not going to move into that, and I don't think you run any buses.

Mr Gardiner—How that would work is probably a matter for Queensland Transport as opposed to Queensland Rail. I believe they have done some work in that regard. Again, the impact on Queensland Rail and the government would probably be increased cost. If that concession were given, or if it was cashed out or used under another form of concession, and pensioners were able to travel by whatever means they chose and they chose not to travel by rail, it would still be difficult in this state to see governments not providing a rail service to the western communities at least, if not the coast. So you would have underutilised capacity on your rolling stock that would still need to be operated.

Mrs WEST—Could the Queensland government provide an estimate of its concession expenditure for 1995-96?

Mr Eriksson—That is a difficult question to answer because, as I think the inquiry is aware, a number of agencies have indicated paucity of management data. Our very best estimate suggests that the Queensland government cost, rather than necessarily budgeted for expenditure, is somewhere in the vicinity of \$400 million to \$450 million per annum, of which approximately \$160 million-odd is spent on concessions for pensioner concession

card holders.

Mrs WEST—Do you maintain any statistics for planning purposes on the take-up of specific state and local government concessions, disaggregated by category of pension and allowance recipients?

Mr Eriksson—We try to increasingly. There is some variability between the agencies and the service deliverers. For example, Queensland Rail collects quite detailed data with the claims of disaggregated breakdowns that you mention. With other agencies it is more difficult, particularly where there is use of privatised buses and the involvement of 123 local governments in the delivery of the rate subsidy. There is relatively good data in relation to electricity with eight electricity corporations. So the message is one of variability—from fairly good to reasonably poor—which I guess makes planning a bit difficult. But we are attempting to improve the database all the time.

Mrs WEST—Could the information you have be given to the committee?

Mr Eriksson—We could certainly put together a collection of the kinds of examples of data that are available from the various sources.

Ms ELLIS—I am particularly interested in the transport area because that constantly comes up as a frustration to pensioners concerned. If an aged pensioner from somewhere else comes into Queensland now, what ability do they have to use any of their concession cards here for any form of transport—bus or train?

Mr Gardiner—On train, they get 50 per cent in the suburban network and 25 per cent on the long distance anywhere else in Queensland.

Ms ELLIS—On production of their card?

Mr Gardiner—Yes.

Ms Varvaro—That is without voucher.

Ms ELLIS—Are you aware of any bus access?

Mr Hooper—I am not absolutely clear about what would happen with interstate pension card holders. I think most of the concessions would be limited to Queensland residents.

Ms ELLIS—Could we have that confirmed at some point?

Mr Hooper—Do you mean both urban buses and long distance buses?

Ms ELLIS—Particularly long distance, but urban as well.

Mr Hooper—The long distance buses offer only a commercial concession, of

course. There is no government support for those concession arrangements.

Ms ELLIS—I would like to ask about taxi concessions. I will use my mother as an example. She is an aged pensioner in her late seventies living in Melbourne. There is a voucher system down there which allows her, when she needs to get around, to get 50 per cent off her taxi fare. When she comes to visit me in the ACT that is totally unusable. I also raise the issue of people with a disability using disability service taxis. Can you tell us how those two examples are applied in Queensland? Can a pensioner from elsewhere with a voucher in either aged or disability services access taxis here on a similar arrangement on the production of that material?

Mr Hooper—I am not certain of the answer to that, but I think it is unlikely. The same taxi voucher type arrangement does apply to people who have the eligibility.

Ms ELLIS—Could you get that for us and could you tell us what your view is on the idea of reciprocity for those two basic services for those two particular categories?

Mr Hooper—The two categories being?

Ms ELLIS—The first is for the aged person. You have it here for your similar residents, as other governments do in other states and territories. The second is for disability services. Do you have a view on how that can be made reciprocal for people who come to visit family members? I am not just talking tourism here; I understand that angle. But do you have a view on how we should make the arrangement reciprocal for those visiting family members?

Mr Hooper—It is difficult.

Ms ELLIS—It is; but it is a real area of need, as I understand it.

CHAIRMAN—Would you like to contemplate that and let us have some information?

Mr Hooper—Yes.

Mrs WEST—On eligibility for concessions, submissions to this inquiry have variously proposed that the income test be relaxed for eligibility for the Commonwealth seniors health card or that the CSHC be extended to all retirees, irrespective of income. What would be the implications for the Queensland government of extending eligibility for the Commonwealth seniors health card?

Mr Eriksson—No impact at all, because the Queensland government does not use the Commonwealth seniors health card as an accessing card. The cards that we use to access our concession programs are the pensioner concession card, the health care concession card and the Queensland government seniors card.

CHAIRMAN—What about the veterans card?

Mr Eriksson—Sorry, the DVA cards, the gold card, yes.

CHAIRMAN—Do you think that there are too many cards? Should those cards be issued on an annual basis? I gather some of the states like that idea, but that is very costly. Should they move to smart card technology? What should happen? At the present time, a lot of doctors tell us that they look at these cards and they are so worn that it is very difficult to determine eligibility. In some cases the chemist who has wrongly prescribed someone at a concessional rate can be stuck with a bill.

Mr Eriksson—Mr Chairman, again with your permission, I would like to make a couple of comments first about the duration of cards and then about the concept of smart cards.

CHAIRMAN—And the number of cards?

Mr Eriksson—Yes. In relation to the number of cards, could I express a view as the lead agency, I guess, that yes, there are a lot of cards and I agree that it is potentially very confusing to the target populations. Also from a service delivery point of view, it must be very confusing for the people who are actually at the points of service—the bus drivers and the people who have to look at the cards and try to work out what they are. From a bureaucratic point of view, there is probably no great difficulty. But if you try to think of the user and the service provider, yes, I can understand the difficulties.

CHAIRMAN—With the number of cards?

Mr Eriksson—Yes.

CHAIRMAN—And with the quality of cards, the way they wear out?

Mr Eriksson—In relation to the quality of cards, the duration of cards, our view is that we have some concerns in relation to the possibility of what is being discussed before the inquiry of a two-stage card—a first stage and a second stage card. That implies that the second stage could well have a life beyond 12 months. Our concerns are related to the physical durability of the card and its continued capacity to provide and transmit data required for validation processes and also the heightened potential for misuse and fraud and the need to ensure the potential is minimised through the implementation of validation systems which are both on line and real time.

In other words, to just summarise, as soon as a card goes over 12 months, we begin to think about how durable it is going to be, is the potential for abuse and fraud heightened and how do you build into a card like that mechanisms for transmitting data and validation processes? I would very much like, if I may, to make some comments about the smart card proposal.

CHAIRMAN—Before you get to that, I would like to make a comment. All of these cards essentially have one Commonwealth benefit—that is, access at the concessional rate to the pharmaceutical benefits scheme. There are some minor

Commonwealth differences. Some people have access to audiology and so on, but essentially the core benefit federally is access to the PBS at the concessional rate. I know that the states have managed to hang different concessions off different cards for different purposes.

I was wondering whether by asking us to issue cards annually what the states are really doing is transferring the cost of determining eligibility for their own concessions to the Commonwealth whereas, from the Commonwealth's perspective, we could deal with a much simpler arrangement.

Mr Eriksson—I would certainly have to agree that, without access to Commonwealth cards under the current arrangements, Queensland would be faced with a real dilemma, which is how to target essentially, because through using the Commonwealth cards, that helps us to target. Through using Commonwealth data matching and so on, we are able to try to ensure that the holder is a valid holder. It would create substantial difficulties.

Smart cards and the potential that they have is obviously an area that interests us very much. We wish to indicate our support for the proposal by the Commonwealth to work with the states and the territories to test the feasibility of a smart card. But whilst adopting the position, we do wish to indicate that any involvement, particularly in any feasibility study, is of course contingent upon resources being available and any cost sharing arrangements being negotiated with the Commonwealth.

CHAIRMAN—It seems to be the basis of federal government, doesn't it, or government in a federation?

Mr Eriksson—As the lead agency, we wish to indicate that the future use of smart cards to access state concessions would also be dependent on a number of factors—for example, the necessity to address issues surrounding confidentiality and privacy, especially those to do with public perception and Commonwealth and state/territory privacy legislation where it is operative. We also understand that there are COAG driven developments in a related field—for example, piloting of smart card technology for health information systems, so there would need to be some meshing in that regard.

We think there is a necessity to test the feasibility of standard architecture. This is a point that, for example, my colleagues in transport have particularly brought up—the need to integrate with state based systems. We believe that there is a necessity to rigorously test the feasibility of smart cards and technologies in both metropolitan and rural remote communities. From a Queensland perspective, it is all very well to have the cards and the technologies in Brisbane, but what about Winton, Boulia, Quilpie and so on?

Finally, there is the point that I have made that any agreement contingent upon the availability of additional resources would need to have a negotiated cost sharing arrangement. I perhaps should indicate that our department has recently written to the Department of Social Security in Canberra indicating that, subject to those kinds of constraints, we are particularly interested in working with the Commonwealth.

Mrs WEST—Just going back to the value of concessions, the committee has received evidence that the failure to index concessions, particularly those provided by local councils, has significantly decreased the value of those concessions and compromised the financial ability of older people to remain living independently in the community. Does the Queensland government have any evidence of this occurring?

Mr Eriksson—Thank you for asking the question; I did anticipate it. In Queensland we have a thing called the Queensland government pension rate subsidy scheme. Under that arrangement there is a formula whereby the Queensland government subsidises home based rates. That arrangement has been in place since about 1980-81. It has been indexed on a number of occasions so that the maximum—I can give you the details if you wish—is now \$180 a year and it was last increased in 1992.

I am aware that it has been put to the inquiry that the rate of rates remissions has perhaps decreased in Queensland. What has possibly created that situation is that you have got to understand that, in addition to the state subsidy, many local governments also provide their own remission. In most instances it is matched. The criteria mirror the states. We offer up to \$180 and the local government matches that. In the case of Brisbane, for example, they are very much more generous. The maximum could go up to \$400 or above, which is in addition to the state subsidy. My perception is, although we do not have any direct evidence of this, that some local governments perhaps have not increased the level of their remission or might have slightly reduced the level of their remission.

CHAIRMAN—Some have no remission.

Mr Eriksson—Some have no remission at all. That is correct. Where there might have been a reduction in the overall level of the subsidy, I suspect that is because people are looking at the state subsidy plus the local government remission, putting those together and seeing a slight reduction, in which case that is not an outcome of anything that has happened with the Queensland government scheme.

CHAIRMAN—Thank you all very much for appearing before the committee this morning. I must say that I am particularly impressed by your level of preparation. I am wondering, as we have not got to all of the questions that you have anticipated, whether you might be kind enough to let us have copies of the material that you have there, not necessarily right now. You might pass that request on to the secretary because clearly you have given detailed and concise thought to various aspects, and in drawing up our report we will be very happy to know what you have got in front of you.

Mr Eriksson—Mr Chairman, may I clarify the point please. What I have in front of me are some prepared position statements about a range of subjects. I also have some attached briefing notes, which are for my own benefit in case I suddenly lose the plot.

CHAIRMAN—There does not appear to be a danger of that. I could not say that about all our witnesses.

Mr Eriksson—What I would propose, with your permission, is that we would be

quite happy to put together a compilation of the prepared positions.

Ms ELLIS—In a supplementary submission maybe.

Mr Eriksson—Yes.

CHAIRMAN—That would be very much appreciated because we are really quite keen to get our report to the parliament right so if you could do that we would appreciate that. Thank you all very much for appearing before us this morning.

[9.49 a.m.]

GOULLET, Mr Ernest George, State President, Australian Pensioners and Superannuants League Queensland Inc., PO Box 5141, West End, Queensland 4101

CHAIRMAN—Thank you very much for appearing before the committee today. We have read your submission and have circulated it and digested it. In a brief opening statement, would you like to highlight some key elements of it to focus our questioning later on?

Mr Goulet—I would summarise our position as being a historical one. The organisation has been about being a pensioners' organisation. We have always supported the need for retirees to have access to the health card. We have not taken a similar attitude about the concession card. Mainly we have taken the position, and it has proven to be correct, that by increasing the availability of access to those concessions those concessions would diminish in their value over a period of time. That in fact has happened.

Through the advent of the seniors cards and such, a lot of people who have previously received benefits, like supporting parents and invalids, no longer receive a lot of concessions. The Commonwealth, as I heard you say before, only gives one major concession—that is, the health concession. The major concessions are given either by local authorities or state governments. If you broaden the range of people who have access to them they set up their own tests of eligibility. In a lot of cases if there are more people coming into it they tighten up on the availability. That is what is happening in a lot of cases. We have the situation here about the rate concession in Queensland. A lot of them do not do it. If you broaden the numbers of people they tighten up the eligibility criteria.

CHAIRMAN—Could you briefly outline the function and role of the Australian Pensioners and Superannuants League and in doing so tell us the relationship between the league and other associations such as the Association of Independent Retirees and National Seniors?

Mr Goulet—Essentially, the Australian Pensioners and Superannuants League is an organisation that was set up to fight for better conditions and to maintain conditions for all pensioners, not simply age pensioners—I stress that. I have been involved with the organisation for 20 years and I have not quite hit the aged section yet. Obviously, with the demographic changes in the retired population over the years, what has happened is that with the advent of superannuation and the broader involvement of people in it now we take in superannuees, but we have always taken up superannuees' concerns, particularly going back to the period when women were severely disadvantaged. With periods in and out of the work force they did not receive large sums of superannuation but they would receive enough to cut them out from the health concession.

CHAIRMAN—You have probably answered my next question—that is, if I were an independent retiree and I was looking for an organisation to support my interests and looking at the range of organisations in existence would I join your organisation or the

Association of Independent Retirees? It seems that you are principally a pensioners' league with some add-ons and it may be that an independent retiree would be better joining AIR.

Mr Goulet—I think that would possibly be true but we have at various stages been involved with them with common aims on particular issues.

CHAIRMAN—You do not feel that there is some creative tension on the one hand between the advocacy of pensioners' interests versus the advocacy of the interests of those who through circumstances or through thrift have been able to make provision for their own retirement?

Mr Goulet—I think a previous witness from our federation mentioned that straddling the fence with barbed wire between you is a bit touchy at times.

CHAIRMAN—You mention that you agree that in rural and regional areas people have not got the same benefit of concessions that they would receive in urban areas. Cashing out has been advanced as one possible way of redressing the current disadvantage perceived by rural and regional people who technically have a right to all these concessions but simply have not got the capacity to use them. How does your league feel about cashing out particularly if people who had lost the concession had been overcompensated? For instance, I understand it costs on average \$1,400 per person in concessions—at least Commonwealth concessions—so how would you feel about people being overcompensated to the extent of \$2,000 or \$3,000? Is moving in that direction a good thing or a bad thing?

Mr Goulet—Personally, I would be sceptical about how generous it would be. That would be my initial response to that.

CHAIRMAN—Governments are always generous.

Mr Goulet—I know. I think the major danger in cashing out those so-called benefits would be that if you get income you spend it. That is at least what I do. I do not tend to keep that amount aside to pay for the things that that is supposed to pay for when you need them. In some cases, yes, it would obviously be generous. The only concession that I personally use—I live in shared rental accommodation; I am a basic pensioner—is the travel concession, and that would not be worth much a week, I assure you. I walk to most places.

CHAIRMAN—If you do not cash out, how do you redress the fact that rural and regional pensioners are currently disadvantaged?

Mr Goulet—I think we have to look at how much they are disadvantaged. If they own a car, they get the registration concession.

CHAIRMAN—Not a petrol concession, though.

Mr Goulet—Well, we can look at that. That is probably within the province of

the state or whatever. What we put up as a proposal is that where people do not have access to rail within the state sphere they can cash in their rail concession for bus tickets or, say, one airline ticket or whatever. The cost differential would not be that great.

CHAIRMAN—The Pharmacy Guild of Australia has proposed to the committee that all pharmacies should be linked with the Health Insurance Commission database via an on-line interactive electronic system to enable pharmacists to verify the eligibility of card holders for concessional pharmaceuticals. How do you feel about that?

Mr Goulet—I am not opposed to it. I think it would overcome problems like people going to different doctors and getting medications or whatever, and there can be conflicts. If that acts to stop that, great. I am not incredibly opposed to that.

Ms ELLIS—You comment in your submission about lessening the value of concessions, given that we have seen the lowering of criteria for eligibility, but at the same time you tend to argue that we should try to broaden access for some. Can you reconcile that for me, given that, on the one hand, you are arguing that it is too accessible but, on the other hand, you are arguing that it should be more accessible. I would just like you to address that for me.

Mr Goulet—I think the problem that we have here is, whether we argue for extended eligibility or not, that it is an action of governments and they do these things to improve their popularity or whatever. That is the way most of these things have occurred—whether it is seeking votes or whatever, and I am not a cynical person. I think that we have always needed to look at a better way of handling things. I mention again the case I gave before of women—this is going back to the 1970s—who had retired and might be receiving, say, \$40 superannuation. That would cut them out for the health card. They would have to take out private health insurance. They would immediately be behind the eight ball.

Wherever you set a cut-off point, unfortunately somebody is going to be disadvantaged. I do not know how you overcome that, but I do not think that it is impossible. We have not looked at schemes of that sort to do it. When we raised this last one I think that the eligibility was about \$98. Now we have increased it to something like \$400. No, I am not in favour of that, personally.

Ms ELLIS—Can I just take that a bit further, then. You have actually proposed that every retired and low income person should be entitled to a health care card. Can you explain what you mean by every retired person? That poses a bit of a dilemma for me. Do you mean every retired person and every low income person? Are you going to set a limit on the income of every retired group, or is that open slather?

Mr Goulet—As far as I am concerned it is open slather because we take the position that there are certain entitlements that you have as a human being in this society. One of them is access to adequate health care. So, no, we cannot put a limit on it if we hold that as a value. We cannot say that. People are entitled to a number of things: shelter, housing, health and an adequate income. I think they are the rights of human beings.

Ms ELLIS—With regard to the general bottom line of core concessions, what would your organisation consider would be included in that group?

Mr Goulet—We have called for the pensioners and senior card holders to receive the rate concession. What we mean there is the state government component of it. We also have a dilemma because of the sort of organisation that we are. We know there are a lot of people out there, because of the increased eligibility, who are not earning as much—and are raising children—as some of the people who are qualifying for the concessions. That is the dilemma that we have. Whilst seemingly being fair we say that certain people who are missing out should get it; they should be entitled to it. Or there should be some mechanism that somebody can make a decision and say, ‘They’re 50c over. This is ridiculous. Why should we take it off them?’

Ms ELLIS—With regard to the self-funded retirees who have been in the fortuitous position of being able to set up their life financially in that sense, I know of a lot of cases—and I am sure everybody in this room does—where they have geared themselves very well but then, with the money markets and the interest rates doing what they do, in a very short period of time they can go from being relatively comfortable in a financial sense to being on the breadline. This is an extension of what you were just saying. Do you think that there should be some sort of flexibility woven into the system so that there can be a response if the person might not need the assistance now but in six months time they might be desperately in need of it to actually exist?

Mr Goulet—If we are talking about income, generally what we are saying is that, if they drop below the 400, they start receiving part pension. My pension is nowhere near 400; that is, in fact, 2¼ times what I get and most pensioners get.

CHAIRMAN—What sort of pension are you on?

Mr Goulet—An invalid pension. I think that they are handled by that and they are always going to be at the mercy of or the vagaries of their shares and the vagaries of the money markets or whatever—I realise that. People are in a situation where they have so-called assets that they cannot realise. Surely that is the job of the assessment officer; they should be given that freedom to make sensible decisions. I do not think people should be put in penurious situations by any means.

Mrs WEST—So you do not believe that there should be an income limit for eligibility for the health care concession?

Mr Goulet—For the health concession, no. I think that is the right of every Australian. Having been through that situation myself, with my wife and I having raised four kids, the greatest thing that ever happened was when Medibank came in. I have gone through that situation that many people do go through where you could not afford private health insurance and you would put off calling the doctor because you lived out. Or you would pop your kids on a bus and go to the local hospital and then the fever would get worse. Or you would hold off, hoping that they got better. Of course, they never did so you would have to call the doctor when they were worse and you finished up having to

pay out. Whichever way the old system worked you had to pay out to get it back.

Mrs WEST—That is the case now where the income limit is reached: the disability pension cuts out. That is the case at present, isn't it? Even though the disability does not go away, the concession does.

Mr Goulet—Yes.

CHAIRMAN—Are there any other aspects of administration or concession cards which warrant action, in your view?

Mr Goulet—I think the number of them probably gets a bit confusing for everyone, particularly the health benefit ones. It has been simplified over the years. One of the things we had in Brisbane which was different from other states was that the transport concession card that used to be provided by the Brisbane City Council—because they are responsible in Brisbane for running the transport system; it is not run by the state—

CHAIRMAN—The buses, not the trains.

Mr Goulet—The trains are run by the state government but most people use buses for getting around—it is simply the way that the city has spread over the years. The health card was used as your entree to most other concessions. The Commonwealth finally sorted that out with the transport concession card, which is now used as your entree to most things, not your health card, although you would take that along to apply for other things—but it used to be quite bulky years ago.

CHAIRMAN—So what you are saying is that you would support the principle of reducing the number of concession cards? Would you support their being in smart card form—plastic cards? A lot of people complain about the paper-based or cardboard cards. It is very difficult to read information and it is very hard to see who is eligible. In fact, to me they seem to be an unmitigated disaster. What would you suggest the government should do to improve the situation?

Mr Goulet—I personally have no objections. I was not even opposed to the Australia card because governments know all the details of my life anyway—you have to bare your soul to qualify for the pension. So I never really saw it as a problem; in fact, it may have made life a lot easier for me because I could never cash cheques in the bank, but my wife could. I could not even cash one at the Reserve Bank because at the time we were on the pension the children's payments were added to my pension and banks would only cash to the value of a single pension. But my wife could go and cash it. So it may have been ideal for me to have photographic identity to prove who I was.

I think there would be privacy concerns. Something that has just come up recently—the outsourcing of some of the government's computer input—would be a worry to me. I think that you are going to find guaranteed privacy more difficult if you start outsourcing things. That would be my concern.

CHAIRMAN—The question did not relate to outsourcing. Essentially, it was that some people have proposed to the committee that concession cards, instead of being paper-based or cardboard-based cards, should be issued in the form of smart cards to assist with the verification of eligibility for concessions, including pharmaceuticals. I suppose my question was: does the league have any views on this proposal and, in answering that, would older people consider a plastic smart card an acceptable alternative to the existing concession cards?

Mr Goulet—I do not think they would be opposed to a plastic card, but if it is going to contain information about them, they may have some concern. If it is just basic information as to who you are and what your pin number is—like your Bankcard has—I would have no worries about that.

Ms ELLIS—Could I just ask a supplementary to that? I have a particular view myself about the ability of some of our older citizens, and maybe some people with a disability of one sort or another, to keep up with all of this technology. I know that some oldies could not possibly handle a card with a pin number in a fit. But in terms of a good, simple education program so that they understand that it does do certain things for them, do you think that—as long as it was handled in that fashion—it could eventually become something that they would actually value? I think the older people that I know would be appalled by it at first, but if they were guaranteed that there was only certain information on it and it was very simple to use and they did not have to have a pin number, it might end up being a little bit more acceptable than we might think.

Mr Goulet—I think that could be so. I think we have problems with all sorts of technology and with the present attitude of the banks that people have to go and use automatic tellers. I have trouble with automatic tellers. There is only one kind that I will use, and I have been using them for God knows how many years. But you change the machine from the old one to the new rinky-dink one that has more options than it has buttons—it is not even rationally designed. I have problems with those. The only time that people can access their money safely is in the daytime and usually there is a queue of people behind you, so if you get momentarily flustered and the sun is shining on it or something else—

Ms ELLIS—Or you cannot read the small print on the screen—

Mr Goulet—That's right. So you finish up not getting your money and you walk away.

CHAIRMAN—It is like a form of forced saving.

Ms ELLIS—So the bottom line of this is that there is nothing really wrong with smart cards per se but what we have got to do is to be terribly careful that we keep in mind the reason we are doing it and gear it accordingly, rather than go headlong into it.

CHAIRMAN—One last question, Mr Goulet. We have had raised before the committee the fact that there are different transport concessions among the various states,

and also that a pensioner or a person who is entitled might go from one state to another and not have the ability to have a reciprocity of benefits. Do you have any views on this? Do any of your members complain to you about it and what do you think should be done?

Mr Goulet—They should do and they really should be transferable between states. Up until probably the last, say, five years, Queensland in fact was the lone state out in reciprocal arrangements with the other states. But the thing to bear in mind with those arrangements is that they are only capital city arrangements, so the reciprocal arrangements that occur in Queensland only occur within Brisbane city because they were capital city arrangements. I think they should apply and people should be reasonably sure, since we live in the one country, that if you travel to New South Wales or to Victoria you can use your concession card.

CHAIRMAN—Some of the states, of course, particularly Queensland, because it is a more desirable place to visit than many of the other places, would say that it would cost them more than it would cost the states in, say, the rust belt where no-one wants to visit.

Mr Goulet—I doubt that very much because obviously you are picking up on the roundabout. If they are coming here for tourist purposes they are going to be spending money. I think a lot of the arguments that are used are spurious.

CHAIRMAN—If you look at it in a global sense you are probably right—that governments tend to look at the fact that they are paying out and the cost would be to, say, the Queensland government but the benefit might be to industry in Queensland. It probably all balances out but governments tend to look at their own debit and credit balance sheets.

Mr Goulet—All that would be happening is that they would be getting a 50 per cent concession on rail. That is it. There are no other benefits that would apply. So I cannot see that they would be losing that much. Trains are not always that full and it is a matter that people can only book on things if there is a seat available—and if that is at a 50 per cent reduction, so be it.

CHAIRMAN—There being no further questions, thank you very much, Mr Goulet. We appreciate your appearing before the committee this morning. We will adjourn for morning tea.

[10.31 a.m.]

**HAYNES, Dr Andrew, Vice-President, Gold Coast Division of General Practice Ltd,
PO Box 2764, Southport, Queensland 4215**

**MARSHALL, Mr James Vincent, Executive Director, Gold Coast Division of General
Practice Ltd, PO Box 2764, Southport, Queensland 4215**

CHAIRMAN—Mr Marshall, is that your full-time position?

Mr Marshall—Yes.

CHAIRMAN—How are you funded?

Mr Marshall—Predominantly through an annual infrastructure grant from the Commonwealth.

CHAIRMAN—Thank you. We have got your submission, thank you. We have looked at it, read it and digested it. Would you be able to summarise in about 30 seconds to a minute some of the key aspects of it just to focus our subsequent discussions?

Dr Haynes—If you will allow me, I may need more than 30 seconds.

CHAIRMAN—A few more.

Dr Haynes—Thank you. We have this written out, if you would like to take a copy. First of all I would like to thank you very much for the opportunity to elaborate on my submission to the inquiry made in July 1996. From the outset I wish to make it clear that my comments are confined to the criteria of the committee—that is, concession card availability and eligibility—and not to other matters such as bulk-billing, which I understand could be dealt with elsewhere. As a grassroots GP and a taxpayer I am concerned about the targeting of health care cards. I regularly see patients in receipt of a health care card with expensive cars and expensive houses who have just returned from an overseas trip.

CHAIRMAN—That is probably why they are poor!

Dr Haynes—Fellow colleagues often bring up examples of similar patients. Nobody in government has targeted GPs on what a health care card actually means—

CHAIRMAN—Could you repeat that, please?

Dr Haynes—Nobody in government has targeted GPs on what a health care card actually means and the exact criteria for obtaining and keeping one. We have not received information on how the criteria are reviewed and what systems are in place for evaluation. Therefore grassroots GPs are being scandalised by what they are seeing. I would recommend, firstly, that targeted information in an easily disseminated form be sent to

general practitioners. Secondly, I would like the government department responsible for health cards to actively seek out grassroots GPs' opinions on health cards.

CHAIRMAN—I think 'departments'—plural—would be a better way of stating that; a number of departments have responsibility—veterans affairs, social security and so on. It seems to me that your concern is that you must bulk-bill card holders and you, generally speaking, do not bulk-bill other patients. Is your concern that you are bulk-billing the so-called wealthy people who are coming to see you with cards, rather than charging them in the ordinary way—where you would charge a fee, a person would pay and would then claim from Medicare for the Medicare rebate?

Dr Haynes—No. That is not where I am coming from.

CHAIRMAN—You say that cards are being presented to you by wealthy people.

Dr Haynes—Health care cards are being presented by apparently wealthy people.

CHAIRMAN—For what purpose do you use those health care cards in your practice?

Dr Haynes—I can only speak for what I do in my practice. I use it as a gauge for people's ability to pay in my own practice.

CHAIRMAN—That is exactly what I am saying: if someone gives you a health care card, you would normally say that this person is a disadvantaged person and, therefore, maybe should be bulk-billed?

Dr Haynes—No, I do not bulk-bill health care card holders in my practice.

CHAIRMAN—So you would charge them the Medicare rebate?

Dr Haynes—No.

CHAIRMAN—If a person comes to you—

Dr Haynes—I would like to get back on the point, if I could.

CHAIRMAN—Before you do: if a person comes to you with a health care card, what do you charge them, compared with what you would charge other patients?

Dr Haynes—There is a very involved Medicare schedule. But, for vocation registered GPs, the majority are charged for what they call a level B consultation. The Medicare rebate for that is \$20.85. I charge \$26 for a consultation in my practice.

CHAIRMAN—To anyone?

Dr Haynes—No. To health care card holders. I charge those people not in

possession of a health care card \$33. You have house calls, after hours calls and the whole caboodle. If you want to look at the Medicare book, which is about an inch thick, you will understand what I am saying.

CHAIRMAN—So, with the health care card holders who get charged about \$26, you charge them that figure, they pay you and then they seek a refund or rebate from the Health Insurance Commission; is that right?

Dr Haynes—That is right, yes.

CHAIRMAN—If one was a bulk-billing doctor, one would not have that problem, I imagine, because bulk-billing doctors who bulk-bill all patients would simply run the card through the machine for patients, regardless of whether that person has a health care card or not and would simply come away with the Medicare rebate, which I think you said was \$20—

Dr Haynes—For a level B standard?

CHAIRMAN—Yes.

Dr Haynes—It is \$20.85.

CHAIRMAN—Is that correct? The dilemma you outlined in your submission is a dilemma because you are a doctor who chooses not to bulk-bill?

Dr Haynes—No.

CHAIRMAN—Let me repeat the question. There are many practices on the Sunshine Coast—and I imagine there are probably quite a few on the Gold Coast—which are bulk-billing practices—everyone who comes in is bulk-billed. I am not advocating that system, but I am saying that there are a lot of doctors who bulk-bill. Would you concede that?

Dr Haynes—I suppose I felt the committee was about concession card availability and eligibility, and I am trying to keep my remarks to that. I am quite happy to get involved with the bulk-billing argument, if you want to ask me along to a committee about quality of care on the present Medicare system, but I did not think that was the purpose of this committee.

CHAIRMAN—Well, perhaps you could listen to my question and answer it. Would you agree that there are doctors with practices on the Gold Coast who bulk-bill—yes or no?

Dr Haynes—You mean they are universally bulk-billing?

CHAIRMAN—Yes.

Dr Haynes—Yes.

CHAIRMAN—You have outlined here in your submission some genuine concerns, in so far as you have people who appear to be neither poor nor disadvantaged who are presenting health care cards to you. You do not quite know how to treat them, for that reason. If you were a bulk-billing medical practice which bulk-billed every single patient—an Edelsten style clinic—the concern you express about how to treat health care card holders would not be a concern that would worry you, because in those practices all patients, regardless of whether they hold a card or not, get put through the Medicare machine—is that true or false?

Dr Haynes—I am speaking as a grassroots GP where I am coming from.

CHAIRMAN—I understand that, but—

Dr Haynes—That is a question you have to ask the people who work in the entrepreneurial clinics.

CHAIRMAN—The concern that you express in your submission is not a concern that bulk-billing practices would have.

Dr Haynes—Universal bulk-billing, no, because that is going to be bulk-billing everybody. My concern, if I am allowed to clarify something, is that I would like to be able to target those people in genuine need who would like to go to my quality, I hope, general practice so that I can target those people who are in genuine need. I feel the health card system does not at present allow me to target those in genuine need. Many people who have a health card are in genuine need. I feel that the problem is that the system has allowed the dilution, for want of a better word, of the benefits of the health cards.

CHAIRMAN—You say there are far too many cards. That point of view has been expressed to us quite regularly in that they are issued by a number of departments. How would you suggest that they be reduced in number?

Dr Haynes—That is not a job for general practitioners to decide. That is a job for whatever department to decide. I do not think it is my prerogative to say that.

CHAIRMAN—Do you have a problem reading the cards, because in many cases they are cardboard and they seem to wear out very quickly?

Dr Haynes—I do not personally read the cards. My receptionist does.

CHAIRMAN—Does she have any problems?

Dr Haynes—She has not expressed any problems to me.

Mrs WEST—Who would you consider in genuine need? Do you have a category of people or a list of people that you would consider in genuine need?

Dr Haynes—No, I do not have a category. What I am saying to you is based on a general impression and anecdotal evidence rather than a pure need. I do not take the view that this person is rich or poor. I do not think that is my job. I think that there are people better qualified than me to do that.

Mrs WEST—Do you think there should be an income limit like a means tested limit for income for availability?

Dr Haynes—Again, I come back to the point that the system has to be evaluated better. That is up to the department rather than me. I am not trained in this.

CHAIRMAN—You seem very defensive, Doctor.

Dr Haynes—Sorry? You ask me if I am defensive?

CHAIRMAN—You seem very defensive, very cautious. We do not have a white light in your eyes. We are not here to embarrass you. We genuinely want the benefit of your experience.

Dr Haynes—I understand that. I suppose what I am worried about is that you have the wrong impression of what I am saying—that is, I really genuinely believe that there should be a better system out there. As a service deliverer, I see problems. Often bureaucracies or parliamentarians do not actually see what goes on in the real world.

CHAIRMAN—I think the government clearly knows that there is a problem. That is why this matter has been referred to us by the Minister for Health and Family Services.

Dr Haynes—I am very glad they have asked us this. What I would like to do is suggest a way around this. That is why I used the last recommendation in this submission, which I am quite happy to give you. It would be good if the opinions of GPs are sought. I cannot remember any department giving me accurate information on health cards. I do not remember any information being sent to me in a readable form about why, what, what income level and how it is done. I do not know anything about the means test. Through the divisions, which were set up five years ago, you now have a tool to disseminate the information. I think you also have a tool to get opinions of GPs on how it should be run. I would prefer that you get opinions from GPs rather than one GP, who is myself.

CHAIRMAN—Except you are not just one GP; you are representing 365 GPs. What the committee will do is write to the Minister for Health and Family Services to see how much of the information you say you have not got has in fact been circulated to GPs and what consultation has taken place. We will certainly contact the minister and that will certainly be information we will be interested in.

Dr Haynes—That would be good, but I pick up on that point if I could. As an average GP, I keep coming back to that—

CHAIRMAN—An average one or a good one?

Dr Haynes—I would hope better than average. As a good GP in a small practice, like most GPs in our division are—most of our GPs are in one or two doctor small practices—if I do not remember what I have been sent, that tells us something: either it has not been sent or it has been sent in the form of a thick government paper which no-one has read and which no-one understands.

Ms ELLIS—Dr Haynes, if I can just take you back a couple of steps in what you have been saying this morning, I want to see if I can get a bit more clarification from you. You obviously have a very strong opinion that you would question that qualification criteria by which a number of people qualified for cards. If I am assuming that my interpretation of what you have said is correct, then you have also said that there is a lot of information about the issuing of cards which you do not have.

I want you to clarify for me whether it is important for you as a service deliverer to have that information. When you have that information, how are you going to use it? Are you going to use it to understand better who is coming in with a card? Do you want to use it to make a judgment of some kind on who is and is not using it?

The authority for the issuing of the card is not with you; it is with the government and with the department. So am I right to say that you are really asking for your advice as an organisation, as group in the community, to be sought in the process that government uses to issue those cards? I am a little bit confused as to why you want all this information about eligibility and who has got them and why. I want to understand why you want that and how you would use it. At the moment it is not up to a bus driver, a GP, a train driver or a chemist to question the eligibility of a person with a card. That is a step back in the process. So what you are really being critical of is the process that is disseminating those cards; is that right?

Dr Haynes—I am being critical of the process because I am not sure what evaluation has gone on.

Ms ELLIS—You believe that, in government reassessing that process, you as a major service provider group should be consulted about the effectiveness of the current process when it is reviewed? That is what you are basically saying?

Dr Haynes—Yes, I think communication is a two-way thing. I think who has the power—the different departments—and who is evolving this or reviewing this could tell us exactly what criteria are being used.

Ms ELLIS—And for you to have an input into that process? That is what I am getting at.

Dr Haynes—And for us to come back to you and tell you our opinion as those people who are on the ground delivering this service. I think it is a two-way thing, yes.

Ms ELLIS—The other point I wanted to make was that you have said that you want to better target the assistance you can give to those who require it. If there were a

much smaller proportion of people coming into your practice with what you would consider to be a much better qualified card, how would that change how you target as against what you do now? I think that is a legitimate question. You have made a very strong point about that and I would like you to clarify that.

Dr Haynes—I agree with you there. I think the point that you make is very valid. I want to make this very clear because I think this is the crux of what we are saying. In relation to if we have fewer cards which are better targeted using whatever criteria the department has come up with to evaluate who is eligible or who can keep it and how that will alter things, I think the Medicare rebate has been fixed—and that is for another place. We are going to have to work out and ration which way we do charge. We often do discount our fees for those people who we feel are in genuine need as part of the community. If we have too many cards, it just dilutes the effect so that we are not able to target those very people who probably need it the most.

Ms ELLIS—I understand. The chairman asked questions before in quick succession. One of them was very similar to what we just said and then they were questions about the number of cards. There are two questions here: one of them concerns, as we have just discussed, the number of people with health concession cards; and then there is that second question, which is not in any way connected, about the number of cards available such as vet affairs cards, transport cards and senior citizen cards. I think the question about the number of cards is based on the variety of cards available, not on the number of people you have coming through with health care cards. I suppose the only cards you see are DVA ones and the health care cards; would that be right?

Dr Haynes—We see a lot of different concession cards.

Ms ELLIS—Do you have a view about how we should streamline that in terms of pure administration? I am not talking about the number of people with cards; I am talking about the number of cards people have.

Dr Haynes—No, I think it is not my place to tell—

Ms ELLIS—Can you see a benefit in there being fewer cards?

Dr Haynes—Yes. My point is—and I will make it again—that I would be very happy if the system were evolved or evaluated to give fewer cards to those people who generally need the cards rather than numerous cards which just dilute the effect.

Ms ELLIS—What do you think about smart card technology?

Dr Haynes—I do not think that has anything to do with the committee. Again I am quite happy to come back to that at another date. I have not had backing for my submission about anything else other than what we have been talking about here.

CHAIRMAN—We have had a lot of submissions in relation to smart card technology, which I would say is within the purview of this inquiry. If you would like to

direct your mind to it and send us in a supplementary submission, I will undertake to ensure that that is circulated and taken into consideration when we draw up our report.

Dr Haynes—I thank you for that opportunity. I will take you up on that.

CHAIRMAN—Thank you.

Mrs WEST—What specific changes does your organisation consider should be made to the concession card eligibility criteria?

Dr Haynes—We would like to have fewer cards.

CHAIRMAN—By ‘fewer cards’, do you mean cards out there in the community, fewer people with cards?

Dr Haynes—The number of patients who present to doctors with cards.

CHAIRMAN—Cards of whatever type?

Dr Haynes—Whatever type, whatever name or whatever they put on them.

Mrs WEST—The Royal Australian College of General Practitioners has proposed to the committee a six-tier grading system for use by GPs in deciding which categories of patients would be bulk-billed. The RACGP grading system would categorise people according to following degrees of disadvantage which the college proposes be indicated on an individual’s concession card: (a) for people receiving more than 75 per cent of the pension; (b) for people because of their large number of dependants; (c) for people who are currently unemployed and who have received a benefit in the proceeding fortnight; (d) for people who receive a benefit for a sick child or other carer pension, in some cases where both parents work full time; (e) for people who receive less than 75 per cent of the pension; and (f) for low income earners. Does the Gold Coast Division of General Practice see merit in this proposal?

Dr Haynes—No, we do not think it is a function for general practitioners to decide what system is evolved. Hopefully, the departments with our input will have more expertise in targeting those in genuine need because that is going to be very complicated and it is going to create another bureaucracy. I do not think we need another bureaucracy. We need simplification and fewer cards.

CHAIRMAN—I think the royal college was suggesting that this grading system would be implemented by the government and incorporated onto cards. The college would have no doubt assumed that the various alternatives listed in (a) to (f) would have been available to the government so that a medical practitioner confronted with a patient brandishing a card would know just what category that particular patient came in so they could decide whether the level of disadvantage of that patient was adequate for them to come to some concessional billing arrangements with the patient. I think that was the suggestion of the college. Do you not agree with that suggestion?

Dr Haynes—I personally think it is more for the government to sort out which criteria. We do not know what the criteria are, we do not know anything about it. We are quite happy to help with the more nitty-gritty thing, but, from a general point of view, we would just like to see fewer cards and better targeting.

Ms ELLIS—Dr Haynes, earlier on you said that you see people coming into your practice brandishing cards and that they give a very strong impression that they may not necessarily need them in a financial sense. You also said in another section this morning that you see a variety of cards. Have you done any analysis, either formally or in your own mind, of those people who appear to not need them? Do you know what sorts of cards they are actually flashing?

Dr Haynes—No.

Ms ELLIS—Could I suggest that, before you send us any more information, if you are in a position to make that observation it may be useful to us. For argument's sake, of those who give you that physical impression, it would be very interesting for me to know how many of them are walking in with a health care card, how many are walking in with a seniors card and how many are walking in with some other form of card. I think a variety of criteria are attached to the issue of each of those sorts of cards, depending upon where they come from. What I am really trying to get at is what sort of overwhelming impression we are getting from the clients you have coming in who appear to be inappropriately using a card. I would like to know what proportion of cards they are actually using.

Dr Haynes—You would like us to split it up.

Ms ELLIS—I do not want you to do any formal work. A large proportion of your submission this morning is based on the fact that you believe, quite legitimately, that there are a number of people who appear to have concession cards who do not appear to need them. Because there are a variety of cards, how many of those people actually have a departmental health care card? I would like to know that. Is it one of them, 50 per cent of them or 90 per cent of them? There might be other reasons for that.

Dr Haynes—I think that comes back to my point again about divisions and how you could use divisions. If you wish to know more about what is happening at a grassroots level, you could go to divisions and just ask them, 'Can you help us with that information?'

Ms ELLIS—Based on your evidence to this committee this morning, I think it would be very useful, if you were ever in a position to give us that information from the observations you are obviously making in your practice. That would be very useful.

Dr Haynes—So you are asking me whether I am aware of anyone making a formal study of this. That is what you are asking me, aren't you? Has anyone done statistics that has backed that up?

Ms ELLIS—No, I am sorry. I do not want to make this complicated. I am purely saying that in one very strong statement today you have said that there are quite a large number of people who come into your practice who appear not to need a card, but they have one.

In another statement you have also confirmed that you see a wide variety of cards. I believe it would help us to extrapolate that argument further if we had a way of knowing in very approximate terms whether these people who have inappropriate cards are flashing health care cards or some other form of card. It may emphasise or remove emphasis from some of the points you are making. It would be very useful for us. I am not asking you to go out there and undertake a formal study. But, if you are observing these things, I think it would be useful to see the context in which the observation is being made. I do not want you to do anything formal. I am just suggesting that it should be part of the consideration.

CHAIRMAN—As there are no further questions, I would like to thank Dr Haynes and Mr Marshall for appearing before us this morning. We will send a transcript of your evidence to you for checking. If you could let us have the additional information we requested, that would be appreciated. Thank you.

Dr Haynes—Thank you.

[10.58 a.m.]

KINGSTON, Mrs Maureen Hyne, Immediate Past National President and Association Advocate, Association of Independent Retirees Inc., PO Box 158, Buderim, Queensland 4556

CHAIRMAN—Thank you, Mrs Kingston, for appearing before the committee this morning. We have received your submission and we have circulated it and read it. Would you like to make a brief opening statement and summarise some elements of your submission?

Mrs Kingston—Yes. Firstly, thank you very much for the opportunity to appear before you. I have taken the liberty of expanding on some of the things that I have presented you with. I have copies of the two sheets, if you would like copies of those.

CHAIRMAN—We will receive that as a supplementary submission in due course.

Mrs Kingston—The main aim of our association is to help people maintain their own independence in retirement, to get concessions for those who do so in order to eventually save the government paying out pensions to a large number of people. The present system often encourages self-funded retirees to dissipate their assets purely to receive concession cards and a part pension of even a dollar that would give them those concession cards. That is our main thrust on the short-term basis.

On the long-term basis, we maintain that this country needs a universal contributory pension scheme. We differ with the actuaries who propose one that is not contributed to. We maintain that it is a user-pays society that we have to live with to be affordable. There should also be a safety net, of course, for those who get into trouble and may not be able to maintain this, but I would suggest that the previous government in its thrust for workplace superannuation has addressed it in principle to a certain extent.

To make it a viable proposition, of course, you would have to pay a very much larger percentage of your salary into superannuation, and you would have to devise a scheme to pick up those who do not come into that. It seems to us that it would be a much simpler criterion than age eligibility alone that would then determine your pension eligibility, and it would save the bureaucracy many millions of dollars per annum in administration and you would have paid for it over the years. You would be entitled to it. I know the argument is put forward that those who are on higher incomes would also benefit. They would also pay it back in tax if they are paying tax on their higher income and, if you have paid for it, why shouldn't you be entitled to it?

CHAIRMAN—I think probably that universal pension scheme is beyond our terms of reference, but I can understand what you are saying. I think former governments from time to time have allowed the pension to be given universally to all people over, I think, 70 years of age at one stage on the basis that people would pay tax on the pension, and this would make sure that those who had a greater income did not end up with a whole pension left in their pockets.

There have been suggestions that the Commonwealth seniors health card should be extended to all seniors over the age of 70. I think you suggested that as well as some cut-off limits of \$70,000 for couples and \$35,000 for singles. You state that the reason you have chosen these cut-off points is that these are the cut-off points or benefits under the Private Health Insurance Incentives Bill.

Some people say that such a scheme would cost a certain number of dollars, and clearly it would, but I wonder whether those costings have taken into account the fact that, if the health card were available to all seniors over the age of 70, fewer seniors would be encouraged to dissipate their resources and would therefore seek a pension. Do you have any comment on that?

Mrs Kingston—Yes, I do. The first sheet that I have given you does have the costings. It came from the Department of the Prime Minister and Cabinet, so they are actual figures.

CHAIRMAN—Absolutely. I would not dare differ.

Mrs Kingston—We do not range ours on an age; we range it on an income basis for the extension of any cards, except for Queensland state seniors cards, which is aged based for all concessions. You will notice that the figures that have come out to me are that, if these concessions were given to those on incomes below \$35,000 for a single and \$70,000 for a couple, it is estimated that 52,000 retirees would benefit at a cost of \$9.5 million per annum. The extension of these concessions to all of those on incomes below \$25,000 for a single and \$50,000 for a couple would relate to 15,000 retirees at a benefit of \$2.7 million per annum.

CHAIRMAN—That does not take into account the pensions that the Commonwealth would not be paying out because these people would not be dissipating their resources to get a pension.

Mrs Kingston—That is right. I have given you those figures also. The alternative for the government to consider is that 52,000—and that refers to the first cut-off point—receiving the pension at a rate of \$173 per week would be \$9.04 million a week. If only half of the retirees claimed part, it would be \$2.2 million. If you relate it to the extension on incomes below \$25,000 for a single person and \$50,000 for a couple, the figure would be \$2.6 million a week. They are the savings that the government would be making, although that is not in full because some of those will be pensioners at some stage. They are the sorts of figures you would be looking at if everybody in that bracket were to get rid of their money and transfer to the aged pension.

CHAIRMAN—You say in the submission that many retirees whose incomes are just over the cut-off point are encouraged to reduce their income and assets just to obtain the benefits and concessions such as a Commonwealth seniors health card. Given your experience in this area, to what extent do you think that happens?

Mrs Kingston—Quite a large extent. It usually comes from the people on the

counter at the Department of Social Security. People go in to see what they can get because they are short on income, and they find their assets preclude them from receiving anything. They are given the advice, 'If you did not have those assets, you would be eligible.' So they immediately see what they can do about depleting their assets to be below the cut off-point to get those concessions. When you are older, those concessions mean a lot more to people with disabilities. We all need more health care when we get older. They become very important, even more important than they really are financially.

CHAIRMAN—It is security.

Mrs Kingston—Yes.

Ms ELLIS—On that basis, what do you think about the cashing out of concessions?

Mrs Kingston—We are not really in favour of cashing out because I think it disadvantages some people. They might then change their lifestyle. I know what you mean.

Ms ELLIS—I have a view that we should not cash out.

Mrs Kingston—We do not believe in cashing out.

CHAIRMAN—We have discerned that.

Ms ELLIS—I can see who has the other view.

CHAIRMAN—Not necessarily. I think it is a subject that has to be canvassed. Mr Forrest is particularly concerned about rural and regional Australia.

Ms ELLIS—Yes, and I am canvassing it. It is just that Mrs Kingston made a very good statement about the value that these people put on the security they get from having that card. It is security to them; they do not see it as money. Do you agree with that?

Mrs Kingston—They do not put a monetary value on it at all. We are really not in favour of cashing out.

CHAIRMAN—I suppose you could argue that, because of the contribution made by retirees to the national welfare during their working lives, this extension of the Commonwealth seniors health card would be effectively paying them back for what we as a society collectively owe them.

Mrs Kingston—You can look at it that way. We have contributed, but we are still contributing. We are still taxpayers; we are still paying. We are still on the \$5,400 tax threshold just as you are. Pensioners, through the rebate system, have an extended threshold of \$10,720. We were very grateful that the present government recognised that in their last budget and extended it to self-funded retirees on incomes equivalent to those

of the pension. It cuts out now at approximately \$20,000 for a single person and about \$35,000 for a couple. But it is income based only.

There are areas that should be related to your income, not your assets. Many self-funded retirees may have assets, none of which can be realised, all of which may be earning five or six per cent if lucky. It does not follow that the income is related to the assets at the moment. This is where the extension of these cards has to be related to your income, not your age or any other criterion.

CHAIRMAN—It has been put to me that the average cost of the value of the health card is somewhere between \$1,100 and \$2,000. I understand that the average life expectancy of a person following retirement is about 14 years. Some live for decades, but the average is 14 years. If, for instance, the usage of a person is somewhere between \$1,100 and \$2,000 and you multiply that by the average of 14 years, it is really only less than \$30,000 per person for a person's expected lifespan.

Mrs Kingston—Mind you, the statistics that are coming out from the US now are talking about taking the figures through to 120. We will be living longer in retirement than in our working life. This is why we maintain that we have to do more and more to encourage retirees coming up through the system to provide for their own retirement. No government will be able to afford the present rate of pension, let alone any increase that might follow through outside influences.

CHAIRMAN—I suppose dissipating one's resources to get the pension is working against national savings.

Mrs Kingston—Most definitely.

Mrs WEST—I want to ask whether the association believes that the take-up rate for the Commonwealth seniors health card has been low because the application form is difficult to complete and intrusive. Could the association provide some specific examples of the difficulty of the form and its intrusiveness?

Mrs Kingston—It is a similar form to the one that you would use to apply for a pension. When the Commonwealth seniors health card was first put in place, it was said that all that would be necessary would be your income. If it is based on income, what more do you need than last year's tax return. That gives exactly your income. We are finding that our members have to go back two and three times for interviews to get the Commonwealth seniors health card. Having filled out a seven-page form to start off with, they go back to face still more questions. They have to provide this, that and the other thing.

CHAIRMAN—I suppose that frightens them away.

Mrs Kingston—It frightens them off. They say, 'What is all this about? It is supposed to be on our income.'

CHAIRMAN—Mrs Kingston, they tell us that the form is now more user friendly than it used to be.

Mrs Kingston—It is more user friendly, but it has a long way to go before it is really user friendly. I understand they are working towards it, but it definitely has problems.

CHAIRMAN—You would suggest that the Commonwealth should accept as evidence of income a tax return or assessment from the previous year in order to determine eligibility.

Mrs Kingston—That is right. The administrative costs that you would save the government in calling people back two or three times to talk to particular people in the department alone would be quite a saving if all you had to do was produce last year's income.

Ms ELLIS—The examples you have given us on the supplementary paper are in two stages. One of them is a \$35,000 to \$70,000 jump, and the other is a lesser one. If either of those were adopted, to what degree would we still have asset shedding or readjustments? In other words, people are doing it now to get that dollar or two to qualify. Is this just a moving line in reality when we are dealing with human nature?

Mrs Kingston—One hopes not.

Ms ELLIS—But the reality is that perhaps another section of the community would be tempted to do it. Wherever that line is drawn, those just over will then continually do whatever.

Mrs Kingston—We are now dealing with human nature.

Ms ELLIS—Exactly, which is a very difficult thing to legislate against.

Mrs Kingston—This is why, even though it is not within the realms of this inquiry, we are talking about a contributory pension scheme which cuts all that out. But we cannot deal with that at the moment. I take your point, but what you have to look at is the income that is there to support a person. The cut-off points, I maintain, are too low at the moment.

Ms ELLIS—I am not using my question as an attack on that; it is just a statement of reality. No matter what it is you are attempting to have people qualify for, and no matter whether we are talking about independent retirees of an aged nature or any other benefit, whenever there is a line drawn, for whatever reason, in disseminating government funds or assistance, there is always that just over the line category.

Mrs Kingston—There will always be a cliff face, no matter where you stop it at. That is right.

CHAIRMAN—Mrs Kingston, we had the Pensioners and Superannuants League in this morning, and we asked them a question about their relationship with other associations serving seniors in Australia, and they seemed to suggest that at times they work well with the Association of Independent Retirees and others but that sometimes differences arise, presumably because of the differing client base. How does AIR interact with other organisations, such as the league, the National Seniors Association and other bodies representing that section of the Australian community?

Mrs Kingston—May I preface that by saying that this association was formed in 1990 for the pure reason that none of the existing organisations recognised that there were any self-funding retirees in the community. They were pensioner and part pensioner orientated, and it was because we were the forgotten lot at that stage that we decided that something had to be done. I take nothing away from the work they do; they do an excellent job in looking after pensioners and part pensioners. But we targeted our own market, which was the self-funded retirees, not to try to get pensions for people—we have maintained adamantly that we are not there to get a pension for all self-funded retirees—but to get concessions to maintain our independence of government funding. That is the complete reverse of what the superannuants are doing. They are looking after those who are eligible—and rightly so—to get a part pension.

We get on with them quite well because we do not cross too much, except that we have some part pensioners in our association because, through no fault of their own, we have some members who fall into that category after having been self-funded: they find that interest rates have gone down and they need that pension. So we do not exclude them. But full pensioners are not eligible to join the association.

CHAIRMAN—Listening to Mr Goulet, he was honest enough to keep saying that, while his association is the pensioners and superannuants guild, their prime interest and focus relates to pensioners. So you have a niche, and they have a niche, and the government must clearly deal with all sectors.

Mrs Kingston—And we have both got to look at the other side when we are weighing up what we are asking for. We took this stand with the extension of the rebate system. Some organisations maintained that every retiree should have a \$10,000 threshold. We differed with that, and said, ‘No, it should be—again—income based and related to the eligibility of a pensioner.’ If you start giving a different threshold to all retirees, regardless of their income, you will then have younger people who are also having problems maintaining their lifestyle complaining that they need \$10,000, and you will be back to square one.

CHAIRMAN—Although a lot of your members—particularly some of those on the Sunshine Coast—come to me and tell me that all retirees should have that \$10,000 threshold.

Mrs Kingston—A lot of them do. But we do not believe that. We believe it has to be related to what is already in the system.

CHAIRMAN—That is a very reasonable approach.

Mrs WEST—This morning the league proposed that every retired and low income person should be entitled to a health care card. Where would your association stand on that?

Mrs Kingston—We would relate it to income again.

Mrs WEST—You think eligibility for a health care card should be means tested?

Mrs Kingston—Utopia is great, but it is not affordable.

CHAIRMAN—That is a very realistic statement.

Ms ELLIS—Mrs Kingston, to be a member of your association, other than being an independent retiree on your own income, is there no age category to it?

Mrs Kingston—There is no age category.

Ms ELLIS—I would like to extend this a bit further: given that, in the way the world is working today, we are getting an increasing number of people who are becoming independent self-funded retirees at the age of 40 or 45 or 50, do you see that as a possible problem in the argument to extend the benefits?

It would be fair to say that a few short years ago we could make an assumption that there would be a fairly containable number of people in this group, but the world has changed, unfortunately. A lot of people are finding themselves 'retired' at a much earlier age, probably with very little if any ability to work again, because of the way things are. Do you think that that is a problem that your organisation would need to deal with when talking to government about increased costs?

Mrs Kingston—It is a problem but not one that we deal with, because we still relate it to the criteria for the age pension, which is 65 for a male and 61.7, or whatever it is, for a female.

Ms ELLIS—So it is only the seniors health care card that we are talking about in that sense?

Mrs Kingston—Yes. It applies only to those people who are retired in the true sense of the word. They are the ones who are eligible for a Commonwealth age pension.

Ms ELLIS—It is the older use of the word.

Mrs Kingston—Those other people come into other areas and they have other opportunities through mature age allowance and all sorts of benefits that we do not get into at all.

CHAIRMAN—While your association accepts, I gather, all retirees, what would be the general age bracket of your members?

Mrs Kingston—Most of them are 65-plus. We would have some in the lower bracket, but I think the average age is somewhere around 70, if I remember correctly from the last stats.

CHAIRMAN—The Pharmacy Guild of Australia has proposed to the committee that all pharmacies be linked with the Health Insurance Commission database via an online interactive electronic system to enable pharmacists to verify cardholders' eligibility to concessional pharmaceuticals. Do you see the advantage in this proposal?

Mrs Kingston—Not really. The eligibility is formed by the government departments dealing with those cards. I do not really see anything more. Neither—if I may refer to the doctor before me—do I think that GPs really need to know whether a person is eligible or is not. It is for the government to decide the eligibility of the card and you accept it for what it is based on.

CHAIRMAN—I think the concern is that, because the existing cards have a short shelf life—they are not durable—often people come in and claim benefits they are not entitled to. If there were some kind of interactive system, a pharmacist, before dispensing medication, would be able to work out a person's eligibility with absolute certainty—eligibility criteria, I might add, set by the government.

Mrs Kingston—I do not really have a problem with it—I must say that I have not really even thought about it, Mr Chairman. But plastic cards should be able to last for quite some time anyway.

Ms ELLIS—The Medicare ones last for years, don't they?

CHAIRMAN—Do you have any views on concession cards being issued in the form of smart cards to assist with verification of eligibility for concessions, including pharmaceuticals?

Mrs Kingston—Yes, provided they do not have a PIN, as was mentioned earlier. Older people have great problems with PINs.

CHAIRMAN—Are there any other aspects of the administration of concession cards which are of interest or concern to the association?

Mrs Kingston—We would like to see the whole system streamlined, with perhaps one card with a variance of colouring—I think that is in my report—based on what Veterans' Affairs have. They have different colour cards for different percentages of disability. I would suggest that that might be what is confusing some of the GPs. Somebody may be reasonably wealthy and still have a Veterans' Affairs card. It is not based on income; it is based on your disability and your war service.

It does not matter whether you have money or not. You are entitled to that care, and it should not be up to a GP to decide whether you are entitled to care or not. It should be one card issued by the tax department. Again, it has to get back to somebody who has their hands tied, to a certain extent, regarding privacy and the laws governing privacy through taxation. You would be issued it. Again, if it is tied to income, it is issued on your income. It is very simply done—the same way that it is done with the DVA cards.

CHAIRMAN—We spoke about cashing out and you said that you are not in favour of it. Ms Ellis told us—in her usual subtle way—that she was not, either. Cashing out is advanced by our colleague Mr Forrest—who is not here; he represents rural and regional Victoria—as one way of redressing rural disadvantage. In the absence of cashing out, can you suggest any way that people in rural and remote areas could be compensated for the fact that, while they technically have access to concessions, in effect and practicably they really cannot access concessions?

Mrs Kingston—He is mainly talking, I would think, about concessions coming from the state area, isn't he, because it is the state cards that provide the concessions. In Queensland, for instance, you have motor vehicle registration—which, according to a commitment I got last week, is coming back in the life of this parliament, thank you very much—and discount on your electricity and things like that, and it does affect a lot of country people. What we are proposing in a universal transport card will help those people to travel interstate and so forth. There surely should be some other way—I think Mr Goulet or somebody mentioned it this morning—of being able to get some concessions on airlines, if that is the only route available to those people. I think that is a state issue, not a federal one. I understood we are really talking federally here.

CHAIRMAN—The terms of reference are fairly broad, including the desirability of greater consistency in the concessions available to concession card holders in different regions and suggestions on standard core concessions. We can probably talk about it, but I take your point.

Mrs Kingston—I have not done any work on that at all, Mr Chairman, other than the fact that it is most necessary, even though some recognition between states has been made. When you actually try to present a seniors card in a New South Wales railway station, they will not honour it.

Ms ELLIS—It is the reciprocity, rather than—

Mrs Kingston—That is the problem, yes. I suggest, too, in relation to the problems related to the states—and Queensland is one—that if they are not carefully handled and it is not a separate card or a differently coloured card, something like that, it would be too expensive for some states to handle. Surely, we could set a universal transport concession rate at perhaps a little above what is given to those in your own state. In Sydney, for instance, you can hop on a bus for \$2 a day and go absolutely everywhere. Obviously, they could not afford for all tourists to travel at that rate. The subsidy would be too high. But if it were perhaps \$4, or you were given a concession but not quite at the same rate as the state people, it might be acceptable.

CHAIRMAN—The Queensland government believes, because this is a very desirable destination for tourists, that there would have to be some kind of arrangement to make sure that states like Queensland were not disadvantaged.

Mrs Kingston—Yes. The Treasurer would look at it that way, but then you have other advantages and spin-offs from the people travelling, spending their money in Queensland instead of going to Malaysia or somewhere.

CHAIRMAN—Indeed. We canvassed those matters earlier.

Mrs WEST—Your association proposed that all self-funded retirees qualifying for pensioner tax rebate be issued with a beneficiary rebate concession card similar to the pensioner concession card and recognised by statutory authorities and local councils. Is this like your own card?

Mrs Kingston—No. All self-funded retirees—

Mrs WEST—Be included on that basis.

Mrs Kingston—On that basis, but one card for anybody.

Mrs WEST—Yes, and then a smart card option could be included as a concessional consideration.

Mrs Kingston—Yes, based on criteria of income.

CHAIRMAN—Is it your intention that pages 4 and 5 should be part of your submission?

Mrs Kingston—Yes.

CHAIRMAN—The last two pages prior to the form being included.

Mrs Kingston—It was just that I had not had time to do that before.

CHAIRMAN—Thank you very much, Mrs Kingston. Is it the wish of the committee that the pages be incorporated in the transcript of evidence? There being no objection, it is so ordered.

The incorporation read as follows—

CHAIRMAN—That brings us to the end of the public hearing today.

Resolved (on motion by Mrs West, seconded by Ms Ellis):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 11.30 a.m.