

The Secretary
Senate Community Affairs Legislation Committee

I would like to see the Private Health Insurance Incentives Amendment Bill 2004 sent to Committee.

I oppose the private health insurance rebate, and deplore the proposal to extend it further for people over 65 (despite the fact that I am approaching that age myself).

If the rebate is really intended to take pressure off public hospitals, it must be the ultimate observance of the Shakespearean dictum to "by indirection find direction out". It does very little to help the public system, yet is used to justify cutting direct support to public hospitals. It is 'middle class welfare' gone mad, and contrary to the principle of supplying health care on the basis of need rather than capacity to pay. It is pouring more and more money into the bottomless pit of the private insurance industry's capacity to raise its premiums. Good money after bad.

The principle of having a single public insurer is a good one. A single government buyer of health services for all can exert a powerful downward pressure on costs, which no gaggle of competing insurers can do.

Again, privatised health care does not cut costs. Just look at the appalling situation in the USA. All you do by privatising is shift the costs from the public sector to the private. One way or another, the people end up bearing them.

This policy is simply a device to undermine Medicare.

Colin Smith