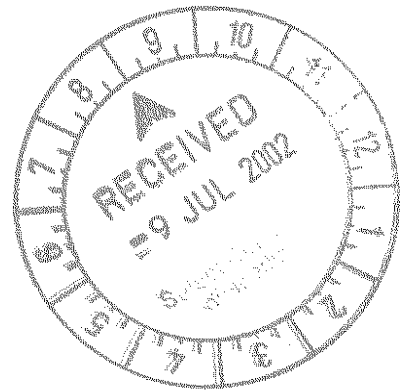


Secretary, The Senate Select Committee on Medicare
Parliament House
Canberra ACT 2600



129

My responses to Government's proposals for reform of Medicare:

- **Free health care (Bulk Billing) must be abolished.**
- **I oppose 150 new GP training places and the 234 new medical school places per year** as proposed by the government, because it will drive up the cost to the Government.
- Two-tier health/education system is essential, if we want to health care/education to be subsidized by tax-payers. Otherwise it will **NOT be sustainable**.
- Most academics argue for universal free health care. This is because, for several reasons they hold left-wing views. One reason is self-interest. They **live off tax-payers' money** at universities, rather than make a buck in the real world. They then come to believe in its virtue (living off tax-payers) and feel it should happen in other sectors of the economy such as health care as well, using **creative reasons for justification**. It is therefore easy to see why they argue the way they do.
- Everyone must pay to see the doctor. Low-income earners and pensioners can be **compensated by higher benefits**.
- **Pay-Doctor' cheques must be sent to doctors**, rather than to patients in the interest of efficiency.
- As **people become more affluent, they seek greater choices** in all aspects in life. In health care, they want to have a choice in who treats them, when and where they are treated. Patients should be free to see the doctor they want and whether they want to be a public patient or private patient.
- Rapid developments in technology in the future will lead to **exponential increase** in the cost of healthcare. There is NO way the public purse can afford to pay for this.
- Information asymmetry between 'providers' and 'consumers' is an inherent feature of health services is often cited as the reason why free market does not work in health care. However, such information asymmetry also is present in all other services eg, services of an accountant, lawyer, mechanic, plumber etc, yet they all seem to work well in free market environment.
- The public is so firmly attached to the 'free' (bulk billing treat) health care that they now see it as their right and get angry when it is denied and use staff at practices as 'punch bags'. This shows how far people have been spoiled with **politically popular freebies**, resulting in a mentality of "I have a right to expect others to pay for what I want".
- The issue of 'supplier induced demand' is not unique to health care. It is present in the case of all goods and services (eg over-servicing with respect to car repairs, ambulance chasing by lawyers etc). It becomes a problem (driving up costs) only because health care is free. This is another reason why **health care should not be free**.

George Goutzimanis
Box 317, Dallas, Vic 3047