

Australian Medical Association Limited

ABN 37 008 426 793

42 Macquarie Street, Barton ACT 2600: PO Box 6090, Kingston ACT 2604
 Telephone: (02) 6270 5400 Facsimile (02) 6270 5499
 Website : <http://www.ama.com.au/>



Transcript: AMA President Dr Michael Gannon on ABC News 24, Friday 12 May 2017

Subjects: Federal Budget, Medicare Freeze

ANDREW GEOGHEGAN: The Australian Medical Association says it is in favour of a rise of the Medicare levy, but says it will fight to ensure it goes back into the health system.

For more on this, AMA President Michael Gannon joins us now from Perth. Michael Gannon, welcome.

MICHAEL GANNON: Good morning, Andrew.

ANDREW GEOGHEGAN: Now, you've consulted extensively with the Government over the past few months in the lead-up to the Budget. Are you satisfied with the Budget measures that it's come up with?

MICHAEL GANNON: Well, you never get everything you want in the Budget period but what we've seen Minister Hunt do, what we've seen the Prime Minister do, is consign the toxic health budget of 2014 to the history books. It's the beginning of a new start...there's a long way to go. We're still actually two years away for the full impact of thawing of the Medicare freeze. But what we do have is the clear air to discuss the numerous other elements of the health system that we want to talk to them about.

ANDREW GEOGHEGAN: We'll get to the unfreezing of the Medicare rebate in a moment. Let's first talk about the Medicare levy. Do you feel as though, or are you confident that that will all be channelled into the NDIS?

MICHAEL GANNON: Well, what we always said is that if you tell Australian taxpayers they're paying for Medicare, you'd better be sure that you're paying for health. To the extent that the NDIS covers a lot of mental health spending - we support that. We're in a good place in Australia now, we've got the two major parties having no arguments about the importance of looking after the most vulnerable in the community, whether that is the disabled or the health services for all Australians. That's a good place to be in terms of the national debate.

ANDREW GEOGHEGAN: Are you concerned about the politics of it, perhaps that it may be derailed? Of course, we heard from Labor last night saying it's pushing for the increased levy to only apply to the top two tax brackets. Is that a concern for you?

MICHAEL GANNON: Look, the politics are for the politicians. I'm not a tax expert. I'm a health expert. We will let the politics of this play out. But the principles that the Medicare levy should go to the health of Australians are there, and that should be the case that if you tell taxpayers that they're paying for health that they are paying for health. And it's great to see both sides of politics actually coming to agreement that health is one of the best investments that Australia can make as a nation. Health spending is not out of control; I'll let them argue the toss as to exactly how they raise the money.

ANDREW GEOGHEGAN: Okay, let's turn our attention to the lifting of the Medicare rebate freeze. Now, not all of the rebates will be lifted at the same time, it's going to be staged over the next three years. Are you happy with that?

MICHAEL GANNON: We would have preferred to see the entire MBS unfrozen, thawed out on 1 July this year. What I was happy to welcome was an extra \$3 billion worth of health spending in this year's Budget. We're going to see at least certainty for doctors in terms of how they run their practices, in terms of employing staff, paying for costs. I'm delighted that the Minister understood the arguments about how the systems works to the extent it was very important to unfreeze patient rebates for visits to not only GPs but also specialists. But this is only the start, we've got many more conversations to go on certain, sustainable public hospital funding, on Indigenous health, on trying to correct some of the mess in private health insurance.

ANDREW GEOGHEGAN: Some of your State colleagues are not happy; New South Wales AMA are saying that the unfreezing of it is only small and incremental and it's a crushing blow for general practice. That's fairly strong words.

MICHAEL GANNON: Look, they are strong words and I understand the thinking of my colleagues in New South Wales. I've had broad support for the discussions I've had with the Minister from many other parts of the country. I don't completely reject the arguments of my colleagues in New South Wales. General practice will have been frozen for over five years across at least three Prime Ministers. It's simply not good enough and it should never happen again.

But the health system is so much bigger than the MBS freeze and I'll be in there talking to Minister Hunt in coming months talking about the other really important elements. I'm satisfied that he has a vision for broader health reform, which includes public hospitals, which includes private health insurance, which includes mental health spending. I look forward to continuing those discussions in coming months.

ANDREW GEOGHEGAN: AMA Victoria, also not happy, saying that the Budget would not make healthcare more affordable for at least 12 months, so they're very critical about the timing of this.

MICHAEL GANNON: You never get everything that you would want in the Budget. The Medicare freeze is but one small element of broader reform needed in the health system. I would have liked to have seen more spending in health, of course we'd always like more. But to have \$3 billion extra health spending two years out from an election is good news. I welcome the opportunity to constructively discuss other elements of the health system with the Minister in coming months.

ANDREW GEOGHEGAN: Okay. Just quickly Michael Gannon, do you feel as though enough is being spent on Indigenous health and also aged health?

MICHAEL GANNON: Look, we can always do better. And again, there are these drivers of increased spending and we need to find ways of having the conversation on how we fund the health system going forward. The Commonwealth's contribution to health spending has actually fallen over the last five years or so; there is room for extra spending. I think that the Turnbull Government has indicated the right signal, that they understand the importance of health, but clearly they've got a long way to go.

ANDREW GEOGHEGAN: Dr Michael Gannon, head of the AMA. Thanks very much.

MICHAEL GANNON: Pleasure, Andrew.

12 May 2017

CONTACT: John Flannery 02 6270 5477 / 0419 494 761
 Maria Hawthorne 02 6270 5478 / 0427 209 753

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