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Transcript: AMA President, Dr Michael Gannon, SKY News, *with Samantha Maiden*,
 Tuesday 3 April 2018

Subject: Private Health Insurance, Health Outcomes for Indigenous Australians

SAMANTHA MAIDEN: Joining us now to discuss all of this and more is the Australian Medical Association's Dr Michael Gannon.

Good morning.

MICHAEL GANNON: Good morning, Sam.

SAMANTHA MAIDEN: So, just take us through. Look, you don't have to be Einstein to work out here that the Labor Party is not going to have a Productivity Commission review into the private health insurance industry and the rebate without possibly considering some changes, and maybe they should. It's a bit of a sacred cow in Australian politics these days; it's \$6 billion worth of taxpayers' money. It's possible that it could be used in a better way, without abolishing the rebate. Should you change it?

MICHAEL GANNON: Look, we completely support Labor's intention, if elected, to have a Productivity Commission review, and it would be a complete sham not to have all the cards on the table, so it's absolutely fair to expect to have them say: let's look at the review and see what it comes up with. It's longstanding Greens policy to abolish the \$6 billion which goes into the rebate. It's longstanding Coalition policy to maintain it. I'm perfectly comfortable with Labor, from that point of view, saying let's look at what it comes up with and let's look at the recommendations.

SAMANTHA MAIDEN: Okay. So we've already seen some changes. We talk about it being the 30 per cent rebate, but of course, for under-65s, it's now only worth about 25 per cent, and for older Australians it's worth a little bit more - it's worth up to 33 per cent for some over-seventies. Do you think there's any argument for tinkering around with that more? Perhaps making the rebate more generous for people that are on lower incomes. We sort of have two elements to the policy now that have changed: the rate is no longer 30 per cent across the board; there's also different means tests that apply, although they're pretty generous - I think they're up to \$280,000 a year combined income for families. Should that be lower?

MICHAEL GANNON: Well, the way the policy exists at the moment, what it amounts to is completely tax-free for about 80 per cent of Australians, and that's the important thing. We saw a situation previously where there was a tax break up to 30 per cent for all Australians; now it supports those on lower incomes getting basically tax-free private health insurance. It's entirely appropriate that we do look at tinkering, though.

I understand why the industry would be very nervous about Labor not guaranteeing the future of the rebate, but we've got a system that is on the verge of breaking. We've seen somewhere between 4 per cent and 8 per cent year on year growth in private health insurance premiums. That's despite the fact that the money going to doctors and dentists has been effectively frozen for five years. We do see some of the money going into profits of the for-profit insurers, so I think we need to be honest about it and say that it does need some changes with...Labor's call for a Productivity Commission review.

SAMANTHA MAIDEN: What changes would they be? I mean, I suppose if you could wave a magic wand and start again, what would you do with that \$6 billion? Would you just pump it into private health insurance, or do you think that some of that money should be shaved off in terms of higher rebates for doctors and practitioners that are doing that primary health care?

MICHAEL GANNON: Well, I think the solutions are going to be extremely complex. We see year on year growth in the cost of the health system. Now, that's not all bad. We are leading healthier, more productive lives. One of the successes of the health system is that we're living longer, and older Australians consume more health dollars. The health system, year on year, is a greater and greater employer of people. We often in the political narrative decry the diminution of manufacturing as an industry - well, services are growing, and one of those services is health care. So this spend is not all bad news, but what we do need to do, when we look at 7 per cent year on year growth in the cost of running our public hospitals, and when we look at the 4, 5 per cent increase in the costs of delivering care in the public system, we've got to look at all these issues. I'm glad you've raised the importance of funding the primary care sector. We do not spend enough money on Australia's GPs and the care that they deliver to people, so any root and branch review of every aspect of the health system is probably welcome.

SAMANTHA MAIDEN: Okay. Just switching subjects for a moment. I wanted to ask you about this story that broke yesterday in relation to culturally appropriate waiting rooms for Aboriginal patients. We're told they're 1.5 times more likely to leave emergency before they are treated. Some of it sounds a little whacky. Do we really think that hanging up an Aboriginal painting in a room is going to make these people stay? Or am I the idiot here and do you think it would actually make a difference?

MICHAEL GANNON: Well, I think it's good that issues like cultural safety are entering the popular narrative. We need to do better when it comes to delivering care to Aboriginal and Torres Strait Islander people, and I think we need to ask them what will and won't work. The truth is that health outcomes for Indigenous Australians are significantly worse than non-Indigenous Australians according to just about every possible metric. The AMA strongly supports Aboriginal control when it comes to primary care and when it comes to Aboriginal and Torres Strait Islanders being in larger health facilities like our hospitals, I think we need to do everything we can to make them- the appropriate settings for them to seek care. If that means spending a little bit of money on waiting areas, if that means making subtle changes to outpatient clinics or to inpatient wards to make Indigenous people feel more at home, I don't think non-Indigenous people should find that threatening.

SAMANTHA MAIDEN: Okay. We've also heard some just horrific stories in recent weeks. There's been a greater focus on these issues in the wake of the sexual assault of very young children in Northern Territory. We're hearing a lot more about children that have treatable sexually-transmitted diseases, including syphilis, and also ongoing issues in the community, not just obviously in Aboriginal communities, with chlamydia. What do you think needs to happen? We've thrown so much money over the years at this problem. Is it getting worse?

MICHAEL GANNON: Well, according to some measures, it is getting worse. One of the things we need to do is we need to separate two overlapping but very distinct issues. It is

wrong to directly draw a line between the broken nature of so many Aboriginal communities in the Northern Territory. So many sad stories of dysfunctional families, dysfunctional wider communities, and where alcohol, drugs, despondency, unemployment, all knit together and how that is a direct cause of childhood sexual abuse. That is distinct from the issues regarding increased rates of sexually-transmissible infection in central Australia. There is an overlap, there's no question about that, but we should make sure that there's not a confusion of the two issues. Both need addressing, both are very important, but the overwhelming majority of gonorrhoeal infections in the Northern Territory, of syphilis infections, are people engaging in consensual sexual activity from people of similar age groups. It's very important that we separate out these two very important issues and not treat them as if they're the same.

SAMANTHA MAIDEN: Alright. We're going to have to leave it there. Thank you very much for your time today, Dr Gannon. We know you've got a busy day.

MICHAEL GANNON: Okay. Pleasure, Sam.

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