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**Transcript:** AMA President Dr Michael Gannon, Sky News, 24 June 2016

**Subject:** Medicare privatisation, bulk billing and sugar tax

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**ASHLEIGH GILLON:** Dr Gannon, good to talk to you, thanks for your time.

**MICHAEL GANNON:** Thank you, Ashleigh.

**ASHLEIGH GILLON:** The Liberals have made it clear privatisation of Medicare is not on its agenda. You've examined this issue closer than most, you've called it out as an overreach from Bill Shorten. Scare campaign or not, though, Labor's internal polling is suggesting that voters are worried about the Coalition's approach to health policy because the campaign seems to be cutting through... in your view, do patients have cause to be suspicious of the Coalition when it comes to maintaining the Medicare system as they know it?

**MICHAEL GANNON:** I don't know that they need to be suspicious of hidden agendas. There are various elements of health policy where we've got the ALP in front; the ALP has agreed to lift the freeze on Medicare rebates, the ALP has agreed to limit out of pocket expenses for radiology and pathology. Those elements have been welcomed by the AMA. As for any hidden campaign, we see no evidence for it, modernising the payment scheme would be a good thing.

**ASHLEIGH GILLON:** So is it fair then, do you think, for Labor to argue that the bulk billing of patients as you point out, an element of Medicare is actually under threat because of the Coalition's policy to continue the GP rebate freeze, that this element of Medicare is something that voters need to be concerned about?

**MICHAEL GANNON:** Well, I think that's right. I mean bulk billing's not all of Medicare and we should never focus on that one element of the system, but what the AMA is concerned about is that the freeze of rebates is making it harder and harder for GPs to accept the patient rebate as the full fee for seeing patients. What we know is that if patients are faced, sometimes what many of your viewers would regard as fairly modest out of pocket expenses, they'll choose not to see the doctor, they will defer care, they won't have tests that have been requested by the doctor, sometimes making them sicker, sometimes resulting in hospital admissions, and general practice remains the most cost effective element of the health system. It's only about 6 per cent of the costs. If we support general practice, we've got a better, more robust and better value for money health system.

**ASHLEIGH GILLON:** When, though, would you expect for us to start to see GPs walking away from bulk billing though, because, as I understand it, bulk billing rates under the Coalition Government are actually as high as they've ever been.

**MICHAEL GANNON:** Well that's true, and as recently as last year, the AMA warned that bulk billing rates would fall if it wasn't unravelled, but that's because we're talking to our members and what GPs are telling us is that they've been able to swallow the freeze for a certain period of time, but they are at breaking point, their ability to continue to run their practices, which at the end of the day, small businesses, every year, the practice nurses were... want a pay rise, every year receptionists want a pay rise, every year power, water, consumables goes up. GPs are getting to the point that they can no longer accept the patient rebate as the cost of seeing a patient, and what we're worried about is that it won't... If they stop bulk billing

it won't be a \$3 or a \$5 increase in their fees, to recoup the costs of taking on private billing, it's more likely to be \$15, that'll result in patients deferring important visits to their GP.

**ASHLEIGH GILLON:** Okay, so the AMA is backing Labor when it comes to that aspect of policy and Mr Shorten says he believes the AMA does still broadly support Labor's health policies over the Coalition's. Is that a fair statement from Mr Shorten?

**MICHAEL GANNON:** Well, I think it's the AMA's job to look at different policies line by line and to examine them, not to play favourites, not to support one party over the other. What we're also interested in is a sustainably funded health system overall. We know that the Coalition is taking that very seriously. We understand that there's not a bottomless pit of money for us to advocate on but, when it comes to the key platforms of our election agenda, public hospital funding, unravelling the freeze, we've got the ALP in front.

**ASHLEIGH GILLON:** On the issue of privatising the payment system, haven't both of the major parties effectively tied their hands on this issue now, with Malcolm Turnbull saying well, the payment system does need to be upgraded, it will be done by the Government... after the election would you hope the Coalition would reconsider its view on that?

**MICHAEL GANNON:** Well, I think that the Coalition might be reluctant to do that, I think that all political parties are very vulnerable to accusations of broken promises. But the idea that modernising a 30-year-old payment system from the last millennium amounts to privatisation of Medicare is plainly wrong. Look, I'll give you an example. I've got 26 provider numbers, I've got provider numbers from when I worked on Christmas Island, when I worked in Kalgoorlie, when I worked in Katanning a generation ago - we're told that the idea of giving doctors one provider number can't be done with the old clunky system. So let's invest in the system that's 30-year-old, let's try and make things better for patients in terms of getting money back from when they've seen the doctor, let's fix the system, let's have some decent policy analysis. Scaring people that this amounts to privatisation holds the health system back.

**ASHLEIGH GILLON:** And do you believe that blatantly that is what Labor is doing here, scaring people? Mr Turnbull today in his news conference says that he's getting a lot of feedback that elderly Australians are getting very worried and anxious because of Labor's campaign on this. Is it an irresponsible campaign in your view?

**MICHAEL GANNON:** Well, what we do need to do is to look for reforms in the health area. We know that the population is aging, we know that there are items that aren't going away - the burden of mental illness in our community, the burden of drug use, the burden of overweight obesity, which is going to take at least a generation to go away, these things we're stuck with. We need to work out ways that we can sustainably fund our health system. We've got a massive budget deficit, we're interested in sensible ideas about how those who contribute to the cost of their health care can do that. We need to be able to have mature debates about who needs protection, who can't afford out-of-pocket expenses to go and see their doctor, and who can make that contribution. So what we'd like to see is a bit more maturity in the debate.

**ASHLEIGH GILLON:** So again though, Dr Gannon, would you go as far as saying that it is irresponsible? Is it irresponsible though, from the Opposition Leader, the approach he is taking?

**MICHAEL GANNON:** Well there is absolutely no evidence at all that the Coalition has got any desire to privatise Medicare. And what we would like to see is people look at the policy line by line. I can't see any evidence of it. I've never had a conversation with the Minister to suggest that this is even remotely close to the Coalition's agenda. Let's talk about the issues. Look, it's not the AMA's job to name call and to pick favourites, but there is no evidence at all of a privatisation agenda from the Coalition.

**ASHLEIGH GILLON:** Your election as President of the AMA was seen as something of a shift to the right for the Association. Whether you like it or not you have really been injected into one of the central issues of the last couple of weeks of the campaign period. Have you been getting much blowback from members because of this blow that you have dealt to Labour and to Bill Shorten over your privatisation comments?

**MICHAEL GANNON:** I'm receiving plenty of support from across the country from both my council and from members to talk about the key issues. We've got no desire to be seen to be partisan in this election campaign or in the years going forward; we're ready to work with whoever's elected, we're ready to talk to the Senate crossbench. Everyone expects a close election, we don't know who's going to win. It's our job to advocate for good health policy, it's our job to advocate on behalf of our members and on behalf of our patients.

**ASHLEIGH GILLON:** Well Dr Gannon, I am keen to get your view on another policy idea that was floated this week. It came from the Greens, a proposal for a 20 per cent tax on sugary drinks. The British Government decided in April to proceed with a tax on soft drinks; should we be following their lead here in Australia?

**MICHAEL GANNON:** Well, we've had a similar policy on our books for a period of time. We know that products like this do contribute to overweight obesity, we know that obese children become obese adults. What I don't want to see is a small number of fast food companies or a small number of soft drink companies demonised, and I don't want this to be seen as the entire fix to the system. But there is no doubt at all that these drinks are unhealthy, and price signals work: if you make these items more expensive you reduce consumption. Similarly, we should look at ways of supporting fresh foods perhaps being cheaper. So I think that this, as a part of a whole suite of policies, might be a good idea.

**ASHLEIGH GILLON:** Dr Michael Gannon, we appreciate you joining us live from Perth there today, thanks so much.

**MICHAEL GANNON:** Thank you Ashleigh.

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