



Battle to salvage Medicare measure

By Danielle Cronin
Health Reporter

Federal Government officials were locked in negotiations with key senators last night in a bid to salvage plans to change the Medicare levy surcharge.

Independent senator Nick Xenophon vowed yesterday to vote against the legislation, leaving the Government facing defeat in its second attempt to steer the tax changes through the upper house.

The debate was suspended late yesterday before the vote so the Government could hold eleventh-hour talks with Senator Xenophon and the Greens, who share the balance of the power in the upper house.

The talks are scheduled to continue early today before the Senate resumes consideration of the legis-

lation.

Australians without private health cover pay the Medicare levy surcharge when their income exceeds \$50,000 for singles and \$100,000 for couples.

The Government intended to lift these thresholds to \$100,000 and \$150,000 respectively but was forced to compromise after the Senate blocked the legislation.

The Government's revised plan was to raise the thresholds to \$75,000 for singles and \$150,000 for couples.

Health Minister Nicola Roxon said in question time yesterday 330,000 Australians would receive tax relief because of the change. "For a couple earning \$60,000 each a year, this tax cut could deliver

them \$1200 just like that if the Leader of the Opposition would . . . ask his senators to vote for this measure.

"The Liberal Party has to decide whether or not they stand for tax relief. If they are for tax relief, they should be voting for this measure in the Senate."

The shadow parliamentary secretary for health administration, Senator Mathias Cormann, said the change would have a "disastrous" impact on the health system.

Without support from the Opposition, the Government must rely on the Greens, Family First's Steve Fielding and Senator Xenophon to pass the legislation in the Senate.