



Media Release

Senator Mathias Cormann

Liberal Senator for Western Australia

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“ENDING THE BLAME GAME” JUST ANOTHER LABOR SHAM

A Senate Estimates hearing has heard how the Federal Government deliberately set out to ambush the States on the change to the Medicare levy surcharge thresholds.

WA Liberal Senator Mathias Cormann says it has been revealed that the Rudd Labor government deliberately kept the States in the dark for at least two months on its planned changes to the Medicare levy surcharge thresholds.

“Depending on whether you believe the Government or industry experts, the lifting of the Medicare levy surcharge thresholds will see between half a million and a million Australians abandon their private health insurance,” Senator Cormann said.

“Even based on the very conservative Federal Government estimates, every State government has acknowledged the obvious impact of this move – an enormous additional strain on public hospitals.

Senator Cormann said the Department of Prime Minister and Cabinet at Estimates hearings late last night confirmed that the so-called “end of the blame game” and the “new era of cooperation between the States and the Commonwealth on health” was nothing but a sham.

“We’ve heard a lot of rhetoric from the Prime Minister and Labor State and Federal Governments about the need to co-operate and work together to address the issues in our health system.

“Of course the Federal Government should work together with the States and Territories on an important issue like health.

“But we now have even more evidence that the reality under this Federal Government is different.

“The Prime Minister’s own department has confirmed that it has been working on this major policy change since March 11 – more than two months before the Federal Budget was handed down.

“This policy change will see a major cost shift from the Commonwealth and from Australians currently taking additional responsibility for their health needs through private health insurance to the States. More than \$1 billion is being taken out of the Australian health system as a result.

“PM&C officials told Senate Estimates that the States weren’t consulted in advance because it was ‘not usual practice’. “What happened to Kevin Rudd fresh, new approach to working with the States?”

“If the States had known in advance no doubt they would have been asking up front for the more than \$1 billion. That’s what they’ll need to keep their already over-stretched public hospitals operating at current levels once the effects of this change kick-in. No provision for that in the budget!

“It is the \$1 billion question – who is going to pay for this poorly thought-out policy shambles?”

“And it raises another question - is the Federal Government deliberately trying to set the States up for failure so it has an excuse to take over the running of public hospitals?” Senator Cormann said.

This issue will be explored further at the Health Estimates hearings next Wednesday.