



PRIME MINISTER

28 August, 1996

TRANSCRIPT OF THE PRIME MINISTER THE HON. JOHN HOWARD MP DOORSTOP, SYDNEY TOWN HALL

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PRIME MINISTER:

I just wanted to say something about the rise in health insurance premiums. This rise is a direct result of the health insurance policies that have been followed over the last five years. Those policies lead to a catastrophic drain of people out of private health insurance, naturally that put pressure on the reserves and it was only as a consequence of prudential decision making and managements that the rises should occur.

The judgement about future rises of course will over time be influenced by future policy. I want to make it very clear, as Senator Newman has today, that we are determined that the full benefit of the tax rebate for private health insurance announced in the budget will flow through to people who take out private health insurance. We've had a situation now where for 13 years a Labor government literally marked the health industry, made it next to impossible for people to have any real incentive to take out private health insurance and it's not surprising therefore, that we should have had such a catastrophic decline from 61 per cent in the mid 1980s to 35 per cent now in the number of Australians who've taken out private health insurance. It was because of that decline that we instituted the measures announced in the budget and the measures that will come into effect on the first of July next year.

Thank you.

JOURNALIST:

(inaudible)

PRIME MINISTER:

No, it doesn't complicate it at all. I mean, however you look at it people will get the full value, the full measure, the full benefit of the tax rebate that was announced in the budget. We are determined that that will occur and we've served notice on the private health insurance funds that that will occur and we intend to take whatever steps there are to ensure that it does occur.