



PRIME MINISTER

29 August 1996

**EXCERPT OF PRIME MINISTER
HON JOHN HOWARD, MP
ADDRESS TO QLD DIVISION OF THE LIBERAL PARTY
SHERATON HOTEL, BRISBANE**

E & OE.....

Now I mentioned a moment ago health insurance and we've had a bit of debate in the last couple of days about decisions taken by the private health insurance funds to lift their premiums. There are a couple of things I'd like to say about that. The first is that under arrangements that prevailed while the former Government was in office the power to approve those increases had been delegated by the Minister to somebody in his Department. And it's interesting that latest batch of increases was, in fact, approved by an officer in the Department of Health under that delegation without the Minister for Health being informed that that approval had been given.

Now, that's an interesting sort of consideration given the political sensitivities. It so happens that by the time it was a fait accompli the Minister was separately in an ad hoc way was informed by one of the funds that the approval had been obtained and the increase was going ahead. I've decided as a consequence of this, this afternoon, to have the Acting Health Minister revoke the delegation and that in future any increases in health insurance premiums will need to be approved by the Minister for Health personally in consultation with the Treasurer and myself.

Now I mention that, ladies and gentlemen, not to pretend that there can never be circumstances in which an increase in the cost of anything is unjustified. I'm not arguing that at all, but what I am saying that when the Government proposes to provide a subsidy of tax payers money to the tune of half a billion dollars a year, and that will be the cost of the health insurance rebates, it is entitled to be absolutely satisfied itself that the benefit of that subsidy is not being in any way exploited and the value of that subsidy, in terms of its benefits to the consumer, is not going to be lost. As I said last night the Government is absolutely determined to ensure, absolutely determined to ensure, that the full value of the subsidy through the tax system announced in the Budget by the Treasurer will flow through to consumers of private health insurance in Australia.

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