



‘Premium Indigenous Health Care’ Initiative

Concept Paper

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Summary

- Indigenous Queenslanders had their wages and savings controlled & restricted by the State Government over many years.
- In the spirit of reconciliation, the State government set up a reparation fund of \$55.4 millions as a compensatory measure to eligible claimants. Following a conservative distribution formula, a balance of about \$36.4 million remains.
- The intention of the fund was to benefit eligible Indigenous claimants who had their wages & savings controlled by the State Government.
- It is justice if the surplus funds are used for initiatives which have:
 - A primary benefit for the eligible claimants; and
 - A long term positive effect on their lives.
- After a hard life, the health of older Indigenous Queenslanders (including eligible claimants) is at crisis levels.
- A premium Indigenous health care scheme can be set up by using the remaining reparation surplus to improve the health of the claimants and lead to a better quality and duration of life (at no additional cost to the tax-payer).
- This initiative can deliver significant benefits for the individual claimants, their families and communities, and the broader Queensland society.

This paper will outline at a high level the 'Premium Indigenous Health Care' initiative & request the Queensland government to partner in a feasibility study.

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1.1 Wages and Savings of Indigenous Queenslanders 1897 to 1972

The wages of Indigenous workers was compulsory deposited into a government controlled account.

- For over 75 years, the Queensland government controlled the labour, wages and savings of most Indigenous workers.
- All Indigenous people in Queensland who lived on government controlled settlements or missions pursuant to the Aboriginal Protection Act (“the Act”), were not able to open and operate their own individual bank accounts with mainstream banking institutions.
- Rather, as Trustee, the State Government established the Queensland Aboriginals Account (QAA) with the Commonwealth Bank; where compulsory deposits were made into this account from the wages of Indigenous workers.
- Most Indigenous people were not aware that their money was being deposited into this account, as government officials exercised full and total control of the account and the balance within.
- A conservative estimate of over \$200 million dollars of Indigenous peoples wages was automatically held in this account and much of it was never available to the account holders.
- Previously the State government has acknowledged that some of the monies held in trust was misappropriated & fraudulently obtained by government **officials.**

1.1 Wages and Savings of Indigenous Queenslanders 1897 to 1972

Funds from the Indigenous workers' savings account were invested in a range of areas, however It is not clear whether the principal amount and interest earned was deposited back into the Individual workers' savings account.

- The balance of the Indigenous Savings Accounts was invested in a range of areas such as the State Electricity Board, public company shares & various government projects.
- For example, between 1956 to 1962, approximately \$27 million in today's terms (610,000 pounds) of Indigenous workers wages was "loaned" to various Queensland Hospital Boards, on behalf of the Indigenous account holders.
- The irony is that major investments were made in various Queensland Hospital Boards, and generally the Indigenous "investors" were unable to access the facilities and services.

1.1 Wages and Savings of Indigenous Queenslanders 1897 to 1972

On 16 May 2002, in “The Spirit of Reconciliation” the Queensland Government made an offer to all Indigenous people who had their wages & savings controlled.

- In lieu of litigation, Indigenous claimants with sufficient evidence could accept *inter alia* a monetary offer of \$2,000 (claimants born between 1952 and 1956) or \$4,000 (claimants born up to 1951).
- The total reparation package available to claimants was capped at an amount of \$55.4 million.
- As of September 2006, 5,555 eligible claimants have been assessed, with 5411 claims having been paid. The reparation process will be completed by 31st December 2006.
- Currently, the total amount of payments made to eligible claimants is approximately \$19.099 million.
- Therefore, approximately \$36.4 million is currently remaining from the reparation package offer.

1.2 The Health Status of Indigenous Queenslanders Aged 50 Years & Older

The health of older Indigenous Queenslanders is at crisis levels.

- Median lifespan for Indigenous males living in Queensland is 58.9, and 62.6 for females.
- Statistically in Queensland, the number of hospital admissions by Indigenous patients in 2002-2003 aged 45 years and older was 2,759 (almost half of the total number of successful claimants).
- Nationally hospital admission rates for diabetes complications are 8 times higher, and pulmonary disease 4 times higher than for other Australian (AIHW).
- Nationally hospitalisation for renal complications of diabetes were 13.1 times higher for Indigenous people than non-Indigenous people.
- 47% of Indigenous people throughout Australia aged 55 years and older reported to be suffering from a cardiovascular condition.
- Approximately 16% of older Indigenous people have no natural teeth - the extent of tooth loss results partly from relatively poor periodontal health (often caused by bacterial infection associated with poor oral hygiene, infrequent dental visits and ill health)

Many of the 5,555 claimants suffer from poor health & require ongoing medical treatment. It is also a sad but true fact, that a number of claimants have passed away at an age well below the mainstream life expectancy level.

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2.1 Proposal Outline

The entire reparation package should be used for its' intended purpose: to recognise the injustices suffered by Indigenous people who had their wages & savings controlled by the Queensland Government.

- It would be unfair to the eligible claimants if the remaining amount of \$36.4 million was used on projects and initiatives which benefit other members of the Indigenous community who have not been deprived of their wages or savings.
- Therefore the government needs to support initiatives which have a primary benefit to the eligible claimants.
- An additional round of offers to eligible claimants is not the most sensible use of this money - as it has no long-term sustainable benefits to the lives of the claimants & the community.

2.1 Proposal Outline

Case Studies (I): Eligible claimants are often strong community leaders who make a significant contribution to the community. They often suffer from poor health. The offer has made no long term benefits to their lives.

- **60 year old women**
 - Eligible for \$4,000
 - Once she received her payment, she advised that she had to buy a fridge straight away because she knew that her husband - who has gambling problem - would stand over her for the money.

- **63 year old community person**
 - Strong community leader who is responsible for the running of community functions & is on the board of several community organisations;
 - Eligible for \$4,000 payment;
 - Used majority of money to pay bills & gave remainder away to grandchildren;
 - Currently undergoes ongoing medical treatment for a cardiovascular condition

- **70 year old deceased Elder**
 - Eligible for \$4,000 payment;
 - At the time of receiving his payment he suffered from an alcohol problem;
 - Concerned community members reported: *“ when [he] received his \$4,000, word got around the community and some individuals went down to the Alcohol Rehab Centre where he was staying & offered to drive him into town to withdraw money from his bank account. Once his money dried up, he was left to find his own way back to the community - on foot.”*

2.1 Proposal Outline

Case Studies (II): Eligible claimants are often strong community leaders who make a significant contribution to the community. They often suffer from poor health. The offer has made no long term benefit to their lives.

- **Mid 60 year old women**
 - Life long involvement with the Indigenous Ministry
 - Renowned for her philanthropic work for Indigenous families (eg. preparing Christmas hampers, and runs a soup kitchen).
 - Eligible for \$4,000 payment
 - She gave half of her \$4,000 payment to a struggling young Indigenous family

- **68 year old prominent urban Elder**
 - Worked in the education field for over 25 years
 - Is unable to retire because of her commitment to improving Indigenous early childhood outcomes
 - It is not uncommon for part of her pay cheque to be used to support members of her extended family and the community
 - A chronic asthma sufferer which sometimes requires hospitalisation & has also previously received treatment for a cardiovascular condition.
 - Recently she complained of dental problems and sought initial treatment by the Indigenous dental service - which resulted in the wrong tooth being pulled. To fix this, she had to incur a dental bill of over \$1,500 at a private surgery, which she is currently paying off at \$50 a week.

2.1 Proposal Outline

The remaining amount of the reparation package could be used to provide premium health care to eligible claimants

The scheme could offer eligible claimants a gold class private health care package which could include:

- Private hospital care - including admission in a public hospital as a private patient;
 - Private medical treatment by specialists & doctors
- Dental;
- Psychological counseling;
- Optical; and
- Complimentary & remedial therapy - including physiotherapists, speech & occupational therapists, massage, acupuncturists & dieticians

Medicines and dressings could also be provided as an additional component by the federal government using the under-spend from the PBS scheme.

- between 1998-99, the expenditure per person on Medicare & PBS was much lower for Indigenous people - around 38% for Medicare and 31% for PBS.

In simple terms, for eligible claimants this means that they can get fitted with new teeth, stylish glasses (as opposed to the standard 'coke bottles'), obtain their medicines without trading off for food, be given first class medical care, and not have to wait on lengthy hospital waiting lists.

2.2 Possible Operational Models

The scheme could operate in at least two ways:

1. Privatized model with some federal government contribution

- Invest \$36.4 million with an expected 5% annual return of \$1.911 million
- Purchase at a wholesale price 5,000 private health care memberships through a private health care provider (eg. MBF)
- Administration of health care usage is completed by private health care provider
- Gaps to be paid out of the interest
- The cost of medicines & dressings could be subsidised by the per quota under-spend of the PBS.

2. Administered by the government with some federal government contribution

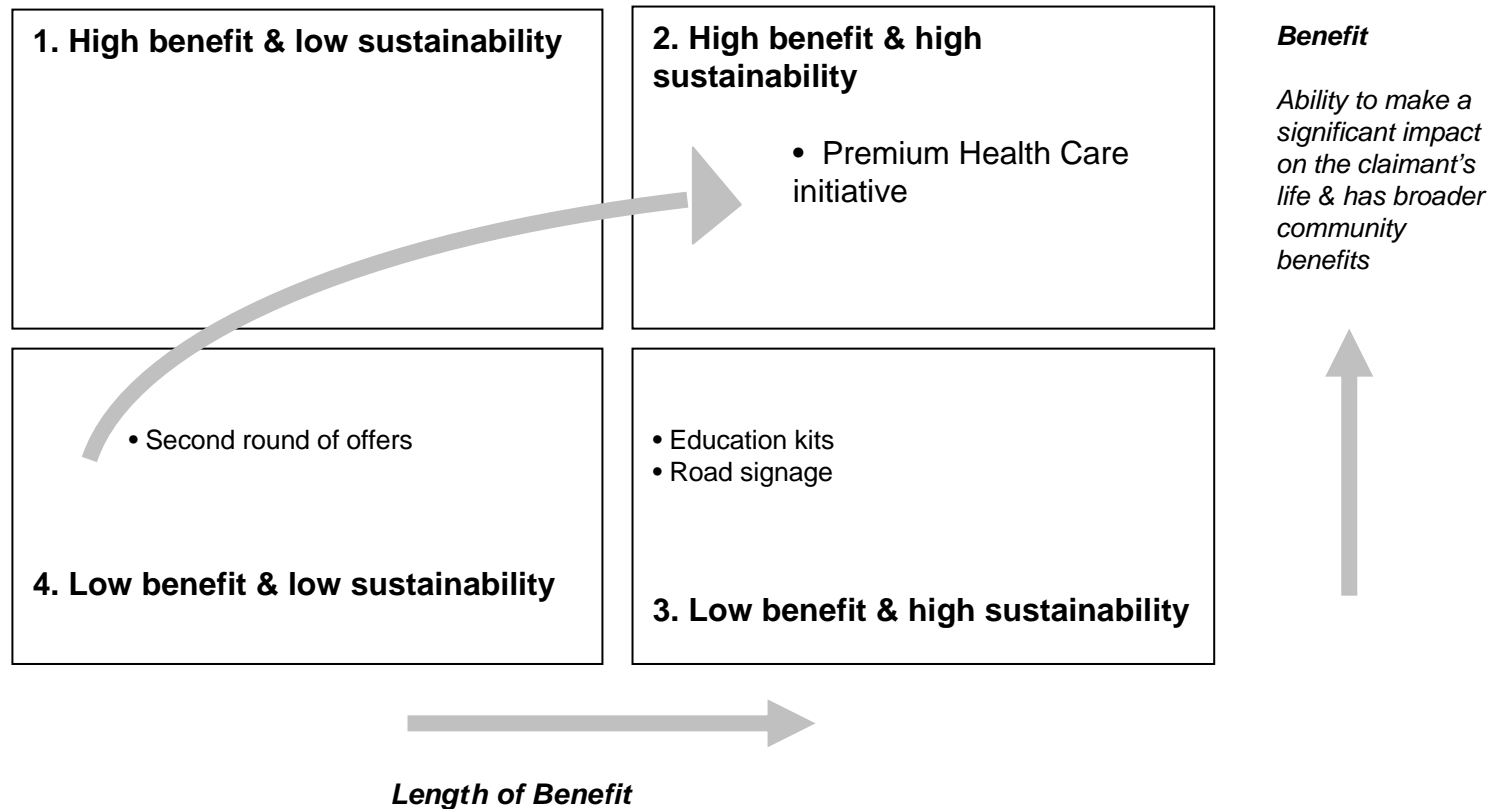
- Invest a portion of the \$36.4 million
- Use the remaining principal together with the annual 5% interest, in a scheme similar to the Veterans Affairs medical benefits scheme
- Administration of health care usage is completed by the government
- The cost of medicines & dressings could be subsidised by the per quota under-spend of the PBS.

The cost of the Premium Health Care initiative would be paid for by monies already allocated to eligible claimants - via the reparation surplus and the per quota PBS under-spend.

This initiative is about utilising resources already allocated to eligible claimants, but in a 'smart' way.

2.3 Proposal Benefits

As opposed to a second round of offers, the 'Premium Health Care' initiative is of high benefit to the claimant & community, and is long term.



This initiative offers a targeted 'quality of life' benefit which eligible claimants can enjoy for the remainder of their lives.

2.3 Proposal Benefits

The benefits of the 'Premium Indigenous Health Care' initiative are significant.

1. Better quality and duration of life for the Old People
 - Invest \$36.4 million with an expected 5% annual return of \$1.911 million
2. Greater benefit to the Indigenous community because the Old People are able to continue active service
 - Generally it is the Old People who have a good work ethic, assume most of the community leadership responsibilities and have cultural custodianship
3. Greater investment & demonstrates Indigenous peoples' confidence in the health system.
 - Consequently there will be a decrease in the public hospital waiting lists
4. The initiative provides the Old People with a benefit without risk of family conflict & pressure to share in a cash benefit
5. The beneficiaries of the full reparation package are those who initially contributed to the Savings accounts
 - There is a direct link to the injustice done in the past and an entitlement to the benefit.
6. There is no extra cost to the Government, as the initiative is funded by an already existing entitlement by virtue of the reparation package.
 - The financial viability of the fund is reassured because of the principals' investment.
7. This is a further step in reconciliation by recognising the Old People's contribution to the Queensland economy, and in particular to the health system.