

Additional Comments by Labor Senators

1.1 Labor Senators make the following additional comments on the Red Tape (Health Services) Report.

1.2 Comment on Recommendation 2—Labor Senators are committed to improving preventive health and primary health care, to help keep Australians healthy and out of hospital wherever possible. However, Labor Senators note concerns that allowing insurers to cover out-of-hospital care could undermine the universality of Medicare and create a two-tiered primary health care system. Labor Senators also note concerns that introducing a second major payer into primary health care could have an inflationary effect, driving up costs for patients and taxpayers.

1.3 Comment on Recommendations 3 and 4—Labor has proposed a Productivity Commission inquiry into the private health system, which would be the most significant review of private health in 20 years (since the then Industry Commission's last review). Pending its terms of reference, which Labor will develop in consultation with experts and the sector, the inquiry could consider cost drivers for private health insurance, the regulation of the prostheses market, and other reform proposals. Labor Senators urge the Government to adopt Labor's proposal for a Productivity Commission inquiry.

Senator Murray Watt

Deputy Chair

