



Labor hold a health insurance time bomb

SUE DUNLEVY

AUSSIES who prepaid health insurance in a bid to beat means testing will face a perfect storm of health fund premium rises that will add between \$420 and up to \$2000 to the cost of their cover from July next year.

As a result the government is facing a time bomb that will erupt on election eve, while health funds fear the premium hit could prompt thousands of people to downgrade their health insurance to lower-cost policies that provide less cover.

Those to be hit by massive premium rises are the 160,000-plus Australians who opted to prepay 12 months of health cover in June to avoid the new means test on the private insurance rebate that would have slashed their 30 per cent government health insurance subsidy.

Their next health fund premium will fall due in July 2013, the first day on which Julia Gillard can call an election.

And they will not just be paying extra premiums as a result of the means test, they

will also have to pay for a premium rise of around 5 per cent that is likely to take effect in April 2013.

For singles earning over \$78,000 the effect of the means test and the annual premium rise could mean a premium slug of between \$210 and \$525 a year. For families earning over \$168,000 the premium slug will be between \$420 and \$1050.

Some people will face an even more catastrophic rise in premiums as a result of a measure announced in last month's mini budget which will withdraw the 30 per cent rebate from the penalty premiums people have to pay if they delayed taking out health cover after they turned 30.

Those people could pay up to \$2000 in extra premiums from next July if they are paying the maximum penalty. More than one million Australians are paying these premiums.

More people than expected prepaid their health fund policies, costing the government \$313 million in subsidies.

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Big rise in premiums forecast

High earners hit on health

AUSTRALIANS who pre-paid health insurance in a bid to beat means testing will face health fund premium rises that will add between \$420 and \$2000 to their cover from next July.

The Federal Government is facing a time bomb that will erupt on election eve, while health funds fear thousands of people could downgrade cover.

Those who will be hit by these premium rises are the 160,000-plus Australians who opted to pre-pay 12 months of health cover in June to avoid the new means test on the private insurance rebate that would have slashed their 30 per cent government health insurance subsidy.

Their next health fund premium will fall due in July, the first day on which Prime Minister Julia Gillard can call an election.

And they will not just be paying extra premiums as a

Sue Dunlevy

result of the means test, they will also have to pay for a premium rise of about 5 per cent that is likely to take effect in April.

For singles earning more than \$78,000, the effect of the means test and the annual premium rise could mean a slug of between \$210 and \$525 a year.

For families earning more than \$168,000, the slug will be between \$420 and \$1050.

Some people will face an even greater rise as a result of a measure announced in last month's mini budget, which will withdraw the 30 per cent rebate from the penalty premiums people have to pay if they delayed taking out health cover after they turned 30 years of age.

These people could have to pay up to \$2000 in extra premiums from next July if they are paying the maximum 70 per cent penalty.

More than a million Australians are paying these penalty premiums.

A higher number of people than the Government expected chose to pre-pay health fund policies to avoid the means test when it came into effect on July 1.

In the mini budget the Government revealed it was forced to pay an extra \$313 million in health insurance subsidies as a result.

Census figures show there are 122,039 families earning more than \$156,000 a year and more than 2.2 million individuals earning more than \$78,000 who could be affected by the means test.

In addition to the health fund means test, higher earning families and individuals missed out on compensation for the carbon tax, didn't qualify for the education tax refund and may have been affected by the freeze on indexation for family and childcare benefits.



Workplace Minister Bill Shorten could also help Roxon. An AWU official in 1996, he was copied in on a letter from a senior colleague to ACTU secretary Bill Kelty, warning if a royal commission was not headed off "we are all history".

Shorten later took over the AWU branch Wilson had led, eventually becoming the union's national secretary.

Resources Minister Martin Ferguson was president of the ACTU at the time Kelty was reported by AWU figures to be "supportive" of attempts to stop a royal commission. He is believed to disapprove of how the scandal was resolved, or not.

AGRICULTURE Minister Joe Ludwig was another employee of the AWU. In 1996 he was alerted by a company that had paid \$29,000 into Wilson's "slush fund", thinking it was legitimate, and was upset at being asked to call it a donation.

Ludwig's father, Bill Ludwig, was then and now the AWU's federal president, and is a key leader of the faction keeping Gillard in power. He was first Wilson's patron, but later fought to get back the stolen money.

Backbencher Chris Hayes, chair of the Parliamentary Joint Committee on Law Enforcement, was an AWU assistant national secretary who countersigned redundancy cheques to get rid of Wilson and his bagman, Ralph Blewitt.

Senator David Feeney, a faction boss, was in 1995 the union official who asked Gillard to explain why a builder wanted AWU payment for work done on her own house.

Gillard told Slater & Gordon partners in a formal interview she spoke to Feeney about her renovation, and he relayed her reassurances to the man who ousted her boyfriend as the AWU's Victorian secretary, Bob Smith, later president of Victoria's Legislative Council.

Astonishing how many Labor MPs know something of a scandal about which Roxon now claims she has no concern — not about Gillard's role, anyway.

Some are much less forgiving than Roxon, but what would they know?

Australia's highest law officer has declared Gillard above any suspicion and Roxon would tell us true, right?