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News release

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Healthy profits before healthy Indigenous people

The budgetary impact of tomorrow's increases in private health insurance premiums suggests that the Howard Government is more concerned with propping up the private health insurance industry than extending the lives of Indigenous Australians, according to The Australia Institute.

"As of tomorrow the Government will be topping up the \$2.3 billion spent on the 30 per cent private health insurance rebate with an extra \$170 million dollars. This increase in the subsidy to the insurance industry is almost as much as federal spending on health services in Indigenous communities", said Richard Denniss, Senior Research Fellow at the Institute.

Commonwealth spending on Indigenous health was \$212 million in 2002-2003.

"The life expectancy of Indigenous people in Australia is 20 years less than the rest of the population. On average, Iraqis live longer than Indigenous Australians. But while the Government continues to spend billions on health insurance subsidies for high-income Australians, Indigenous Australians continue to suffer", said Mr Denniss.

Research by the Institute has shown that three-quarters of the subsidy for private health insurance goes into the pockets of the top 40 per cent of taxpayers, and that most of these households would buy private health insurance without the 30 per cent rebate.

According to the ABS, the life expectancy of Indigenous Australians is 56 years for males and 63 years for females compared to 77 years for all Australian males and 82 years for all Australian females, a difference of 20 years. According to the US Government, Iraqi men have a life expectancy of 66 years and Iraqi women 69 years.

"People in nursing homes are going without adequate dental care, families of people with disabilities are struggling with inadequate respite care and public health programs to discourage smoking are short of funds. Yet hundreds of millions of dollars continue to pour into subsidies to the private health insurance industry", said Mr Denniss.

The Institute has called for the abolition of the 30 per cent rebate with the savings to be put into the public hospital system.

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