

**Senator Steve Fielding
Second Reading Speech**

National Health Amendment (Budget Measures – Pharmaceutical Benefits Safety Net) Bill 2005

8 December 2005

The Pharmaceutical Benefits Safety Net Bill is another piece of legislation which shifts health costs to Australian families. It is interesting to hear the word ‘savings’ when they are actually shifting costs onto families; it is a new concept.

My principle concern is that the Bill, when combined with other measures, will lead to significant increased health costs for families and individuals.

The Bill will increase costs on families because it increases the PBS Safety Net thresholds.

To gauge the effect of the extra costs, by 2009 a patient without a concession card would have to spend at least an extra \$228.80 each year before being eligible for the concessional rate. Concessional patients would need to spend an extra \$36.80 each year before co-payments are waived.

The effect of increasing the threshold for the PBS Safety Net is compounded for families by the 30 per cent increase in co-payments on 1 January 2005 and by the recent Government decision to raise the Medicare Safety Net thresholds.

The increase in the PBS Safety Net will have a particularly harsh effect on lower income people who require pharmaceuticals for medical problems. The Government should consider other ways to fund cuts to expenditure, rather than these measures which negatively affect vulnerable people.

People living on low incomes are more vulnerable to increases in the cost of living. Many other low income households will also be forced to decide between buying pharmaceuticals and forgoing other spending, or risking their health.

The increase in the PBS Safety Net thresholds is just one more in a series of recent increases in the health costs forced on Australian families by the Federal Government.

If the Government was genuinely concerned about the interests of families, particularly low income and disadvantaged families, it would issue a Family Impact Statement on such policy measures so that the full impact on families can be

understood. In the absence of such a statement, the evidence shows that such increases in the health costs for families are not in their interests and should be addressed by the Government.