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**Transcript: AMA President Dr Michael Gannon, Interview with Sky News, Wednesday 1 June 2016**

**Subjects: AMA's relationship with Government; Health Budget; Medicare freeze; Bulk Billing; GP maldistribution**

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**LAURA JAYES:** The AMA under Dr Brian Owler was staunchly opposed to the 2014 Budget measure that suggested a GP tax, a co-payment of first \$7 and then \$5, and Brian Owler was somewhat credited in killing that policy off once and for all. The AMA is one of the most powerful lobby groups around, and there has been a changing of the guard. Brian Owler is out and Dr Michael Gannon is in; he joins us from Perth this afternoon.

Dr Michael Gannon, thanks so much for your time. Is the relationship between the AMA and the Government in need of a bit of repair, do you think?

**MICHAEL GANNON:** Oh, I think we can do better in our relationship with the Government, but of course we find ourselves in the middle of an election campaign, and we need to be talking to all parties now during the campaign, and then we need to see who's elected in five weeks' time.

**LAURA JAYES:** How will it be different under your presidency? Because of course the 2014 Budget was probably a high - or low - point, whichever side of the ledger you're on when it came to consultations, and really a fight with Brian Owler and the Government.

**MICHAEL GANNON:** Well I think whoever's in charge of the AMA needs to speak out against bad policies, but we should go at them issue by issue. It's not healthy for the Government and the AMA to be at war with each other. They will criticise us, we will criticise them, but all the time we should be looking for constructive solutions that give us the health system we all want.

**LAURA JAYES:** How do you factor in the Government's own restraints, their own budget restraints? How does that factor in your thinking, because of course if we had a money tree, if we had endless amounts of money, everyone would agree that we need to spend more money on health, so are you realistic in terms of what can be spent in what areas?

**MICHAEL GANNON:** Well we understand the situation that the Commonwealth and most state governments find themselves in. We know that there's not a bottomless pit of money, so the AMA needs to be responsible when it advocates for further funding. But if you look at OECD comparisons, for example, Australia doesn't have a problem when it comes to health spending. We sit comfortably in the middle of nations. We would like the Government to think more of the health system as an investment in the community and the economy, rather than just focus on the costs.

**LAURA JAYES:** Health care is 16 per cent of the entire Budget. Would you support - and there have been calls for this - a Productivity Commission inquiry into the health care system so we can really see where that money's being spent?

**MICHAEL GANNON:** Well, I think that we have a lot of inquiries at hospital level into where the money goes, and they're not always that helpful. Certainly, individual doctors and

individual units spend a lot of time looking for efficiencies, but in so many areas of health care, all the low hanging fruit has been plucked. It's time to talk about greater investments in areas like mental health, in areas like Indigenous health and in areas like general practice. So that's why we've said to the Government, that the rebate freeze is not smart policy.

**LAURA JAYES:** We'll get to that in a moment. But you say more investment in health care, mental health is certainly an area where there have been calls for more investment there, but this is taxpayer funds - how are they going to see a return on their investment? And you say all the low hanging fruit has been plucked, but surely there are efficiencies that can be made in our health care system.

**MICHAEL GANNON:** Well, we can always try harder, and this is what doctors do, this is what hospitals do every day of the week. We're looking for the greatest efficiencies available, whether that's reducing complications from surgery, finding smarter ways to do things, reducing length of stay, finding the evidence for new technologies that genuinely do improve quality of life, do improve return to work. I suppose that's what we're always interested in.

We're interested in the moral arguments of how the health of people is a key responsibility of Government, but also the economic arguments. A healthy population is a productive population. We want to get people back to full function; that's what a well-resourced, world class health system does.

**LAURA JAYES:** Back to something you just mentioned then - why does the Medicare rebate indexation need to be unfrozen? Because it has been pointed out, and the statistics to back it up, that in fact bulk billing rates have gone up, and are still going up.

**MICHAEL GANNON:** Well, bulk billing rates are at higher levels, and that's not what we expected in the AMA, to be perfectly honest. But what GPs tell us is that they really are at breaking point. Their ability to continue to provide a quality service is significantly limited at this level. Let's not forget, this is the patient's rebate, this is the amount of money that a patient gets back as a contribution to the cost of their health care. But in terms of bulk billing, it's the amount that the doctor accepts for the neediest in our community to provide them with healthcare. Some GPs are saying "we can't provide a service at that level, we can no longer accept the patient rebate", and if they do cross the Rubicon, if they really do decide that they need to start charging, it won't be \$3 and it won't be \$6. It's more likely to be \$15 or \$20 to -

**LAURA JAYES:** [Interrupts] But sure, I accept that point, Dr Gannon - sorry to interrupt - but if that is the case, won't market forces essentially sort that out? Because a lot of this explosion - well, a lot of this is due to an explosion in the number of GPs, so there's a lot of competition out there, so wouldn't that alone keep those prices in check?

**MICHAEL GANNON:** Well, certainly I've heard that argument, and that may be true in densely populated areas of our major capital cities, but I think that that's also a slightly false argument.

What we really want to see is GPs given the ability to provide quality care, and they can do that if they are paid well enough to provide 10 or 15 minute visits, so with reduced use of pathology, reduced use of radiology, careful use of prescription medication. We want more investment in the GP sector. A quality primary care sector reduces costs in more expensive hospital care.

**LAURA JAYES:** So - but this issue with Medicare rebate indexation to be unfrozen, I'm going back to the number of GPs, there's been an explosion, I think exceeding the growth in population, so ending the freeze is not going to solve that problem alone, is it?

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**MICHAEL GANNON:** Well, Australia has deliberately invested in its GP workforce. This is one area where international comparisons aren't healthy, necessarily, because we do have more GPs in Australia than some other countries. That's the way we've set up our health system.

There are so many things that GPs can do capably without referral to other specialists, like for example happens in the United States. We would like the Government to listen to our arguments, to recognise that investment in this sector really does give them a lot of benefits. It's extremely cost effective, we've got a world class GP workforce, we can help keep patients out of hospital, help keep patients out of EDs.

**LAURA JAYES:** Alright, Dr Michael Gannon, thanks for your time. I'm sure we'll be speaking to you a lot over the course of the election campaign and also in the next term. Thanks for your time.

**MICHAEL GANNON:** Pleasure, Laura.

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