

FOR PRESS :

P.M. No. 23/1963HOSPITAL SUBSIDY PAYMENTSStatement by the Prime Minister, the Rt. Hon. R. G. Menzies

The following is the text of a telegram sent today to the Premier of New South Wales, Mr. Heffron, in reply to his telegram to me arising from a statement by the Commonwealth Minister for Health, Senator Wade, on Sunday night. My telegram reads :-

"I refer to your telegram of 25th February regarding the statement made by Senator Wade on the reduction from 1st February this year in the rate of subsidy payments to public hospitals in New South Wales. I have had the advantage of discussions with Senator Wade, before his statement and since, about the material at his disposal concerning some of the largest public hospitals in your State. I am satisfied that the Government of New South Wales has reduced the rate of hospital subsidy payments not only by the amount formerly paid by the Commonwealth to the State Treasury, but also by the additional 24/- per day now being paid by the Commonwealth direct to public hospitals in respect of uninsured pensioners in public wards.

Indeed it would appear that this action was foreshadowed by your Minister for Health, Mr. Sheahan, in a statement for public information which he addressed on 8th January this year to hospital boards. May I draw your attention to the following quotation from this statement -

'The increased benefit payment in respect of P.M.S. pensioners and the payment direct to hospitals by the Commonwealth of benefits previously paid through the State as part of maintenance subsidy will necessitate a material downward adjustment of the subsidy paid by the Hospitals Commission to each hospital.'

I therefore fail to see how there has been any misrepresentation of the facts by the Commonwealth.

It is of course for your Government to decide the size of the subsidies it pays to public hospitals in New South Wales, but I and my Ministerial colleagues wish it to be abundantly clear that the decision to reduce the rate of hospital subsidy payments in your State by the additional 24/- per day now being paid by the Commonwealth direct to public hospitals in respect of uninsured pensioners as well as by the amount formerly paid by the Commonwealth to the State Treasury, is entirely the responsibility of your Government and that the Commonwealth is in no way to blame for any financial difficulties being experienced by New South Wales hospitals."

CANBERRA,
28th February, 1963.