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TV AND RADIO TALK NO. 1 BY THE PRIME MINISTER

MR. JOHN GORTON

(To be broadcast on ABC Radio 7.15 pm E. S. T. Monday 9 November  
and TV 8.30 pm local time Tuesday 10 November).

Tonight I want to talk with you on the relative merits of our Health Scheme and the scheme with which you are threatened by Mr. Whitlam.

For with a certain sullen obstinacy, Mr. Whitlam is still threatening to introduce his scheme if he can. This could hurt every household in Australia and the facts about it should be known.

Further, an examination of the statements made to justify his scheme provides a test of his credibility.

Now his first intention is to take away from you your freedom to choose which fund you want to join. All the existing friendly societies and other closed funds, as well as all the open funds, would be abolished under his scheme. You would be compelled to deal with the single, monopolistic fund which would be the only fund he would allow to operate.

He justifies this by an incorrect statement. That statement is that "the existing funds squander or retain \$1 out of every \$4 they receive in contributions."

Now the independent Nimmo Committee found no support at all for the claim that a number of different funds adds to the cost of the Health Scheme. Indeed, it recommended that the friendly societies and closed funds should be encouraged to continue. And it published tables showing the cost of management of closed funds to be, on the average, 6 cents in the dollar, not 25 cents in the dollar as Whitlam claims. And it showed tables showing the cost of management of open funds to be on the average 12 cents in the dollar not 25 cents in the dollar as Whitlam claims.

So Mr. Whitlam's statement is quite untrue and you lose your freedom of choice for nothing.

His second intention is to make most of us pay more in contributions than we now pay. At present tax deductible contributions paid by an unmarried person, insuring for medical benefits and public hospital ward treatment vary from State to State.

But in every case, in every State, Mr. Whitlam's threatened levy of  $1\frac{1}{4}$  per cent of an unmarried person's taxable income would cost that person more in every case in every State.

At present the contributions paid by a married man also vary as between States. But in this case the Labor Scheme would cost him less until his income reached about \$4,000. But this would only be true if his wife were not earning or in receipt of income. For if she were she would also have to contribute  $1\frac{1}{2}$  per cent of her taxable income and the combined contributions would most likely cost the family more.

To sum up. Mr. Whitlam's Scheme -

- Would cost every unmarried person in Australia earning \$50 a week and over more
- It would cost every married man in Queensland more
- It would cost all married men in other States more if their income exceeded about \$4,000.
- It would cost many married men in other States with incomes less than \$4,000 more if their wives were also receiving income.

This is described by Mr. Whitlam as a scheme which costs the citizens of Australia less.

The third intention is to alter the benefits now payable. For small payments for visits to a general practitioner the Labor Scheme would give the contributor a few cents more. But for minor operations it would reduce the benefits now payable to a patient and for major operations it would reduce them very greatly.

Mr. Whitlam calls this increasing benefits.

Well, think of this - and think of the credibility of the statements that have been made to justify a scheme which in practice would cost you more and in most cases provide you with less.

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