

EMBARGO : NOT FOR RELEASE BEFORE 6.30 PM (EST)



## PRIME MINISTER

MACQUARIE NETWORK WEEKLY BROADCAST

BY THE PRIME MINISTER, THE RT. HON.  
WILLIAM McMAHON, CH, MP.

24 AUGUST 1972

Interviewer : Paul Lynch

Q. Prime Minister, quite obviously poverty is going to be one of the big issues in the election in 1972. You have spoken, and Mr Snedden has spoken, about the Government's endeavours to stamp out poverty, particularly in the areas of pensioners, particularly widows and aged and invalid pensioners. Now what exactly have you done?

PM: This covers a pretty broad canvas, but what we did was to study the Henderson Report on Poverty, a limited report though it was, and we tried to ensure that in each case, that is of aged pension, invalid pension, widow's pension, and in the case of a standard family, that at least we gave them increases in benefits that took them above the poverty line as defined by Professor Henderson and his group.

Q. The Professor's Report is not yet fully public, as I understand it?

PM: Oh yes, it's fully public. It was published a year or more ago, I believe, but it has been brought up to date. But what we have done is we have increased the poverty line in accordance with the movement of, say, the Consumer Price Index, and we have compared that with the increases we have made in the various benefits.

Prime Minister, one of the suggestions that has been made this year is that pension benefits should be tied to the cost of living index in some way rather than being announced in the Budget on an annual basis. Do you accept this point of view?

.... /2

PM: No, I don't. I think it is better we make up our mind based upon the Consumer Price Index of the kind of increase that we should give. But what we have done, and I think it is much more important, we have gone much further than the increase in the CPI Index would indicate. As for example, you take, as it were, a married couple where under Professor Henderson's criteria they would have got about \$19.50, the actual rate for us -- and if it has been updated by the Consumer Price Index, would have been about \$24 or \$25 - they will receive about \$38.50 from us. In other words, we do better than tying it to the Consumer Price Index.

Q. How exactly will this \$38.50 be made up, Prime Minister?

PM. It will relate to the actual pension rate itself together with what we call supplementary assistance and endowment.

Q. I see. The supplementary assistance and endowment has to be applied for separately - is that correct?

PM. Yes, they have to be.

Q. One of the complaints that I have heard voiced by people calling Open Line to this station has been that whenever something like this happens with pensions all that happens is that such people as the pensioners' landlords take it away again. Can anything be done about this?

PM. That is difficult because we have no power here, but what we have done in this Budget is to provide that supplementary assistance, that is assistance to those pensioners who have to pay rent, would also be increased by \$2 to \$4. Regrettably, we haven't a direct influence here. I only wish we had.

Q. Another issue I would like to raise with you this evening, Prime Minister, is the National Health system. There have been a number of revolutionary ideas put forward in the last year about the National Health system. There is, of course, an alternative Labor scheme and various things like this. One of the ideas I believe Labor is putting forward is one for compulsory medical insurance. Can you see that within a year or two your Government will be interested in adopting a need for compulsory medical insurance?

PM. I don't think so. What we are trying to do is to work with the Australian Medical Association in order to get a common fee, and we had a committee of inquiry, first of all it started with Mr. Justice Kerr and then continued when he went to the Supreme Court, that made recommendations to us that would bring the doctors' remuneration was increased but also had the effect of ensuring that the patients themselves were protected to the maximum extent. In other words, that if we in government were prepared to pay an additional amount to the medical practitioner for the common fee, it would overcome the necessity of the patients themselves having to make an additional contribution. We believe that with the AMA that now has the power to recommend and to decide upon common fees for domiciliary attention, for attention in the

surgery, or for major surgical operations, we believe if we can get an accommodation and agreement with the AMA, that this will really make the National Health Scheme, whether for hospital or medical attention, not only well balanced but in the best interests of the patient.

Q. One final point, Prime Minister, with the National Health Scheme, is the Government looking at all at the possibility of insurance for the cost of dental care or various ancilliary services like the cost of glasses and things like this?

PM: We have had a look at them on several occasions, not in this Budget because we thought there were other matters to which we had to give very urgent attention. We decided in the past that it was a little too difficult to supervise and for that reason we have not gone ahead with it. But this is a matter more, I believe, for my colleague, the Minister for Health, than it is for me. I will certainly direct your question to him as soon as I get back into the House.

Q. That is very kind of you, Prime Minister. Thank you very much.

---