



PRIME MINISTER

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DOCTORS' FEES

Statement by the Prime Minister, the Rt Hon. William McMahon, CH, MP.

This afternoon I had a meeting with the President of the A.M.A., Dr. J.G. Johnson. Dr. Johnson was accompanied by Dr. L.L. Wilson, the Treasurer of the A.M.A., and by Dr. E.S. Stuckey, the Secretary-General.

The A.M.A. representatives came to see me at my request. I had asked them to Canberra on receipt of a report from the Minister for Health, Sir Kenneth Anderson, yesterday, that the Economic Advisory Committee of the A.M.A. was contemplating recommending to the Federal Council that fees for general practitioner consultations and home visits and for some other services might be increased shortly.

The Government was concerned to know more about the A.M.A.'s proposals because the arrangement between the Government and the A.M.A. is that, unless there were extraordinary movements in national economic indices, the next general fee increase would not be made before 1 July 1973, which is the end of the current two yearly period for fee reviews.

The last general practitioner fee adjustment made through the A.M.A.'s normal two-yearly fee review arrangements took place from 1 July 1971. The recommendation made from that date was for a fee increase of 15% in N.S.W. (with minor variations in other states) on the fees being charged as at 1 July 1969.

A dispute developed earlier this year regarding the appropriate baseline for N.S.W. general practitioner consultation and visit fees. This led the Government to establish, in March of this year, a judicial enquiry on the subject of medical fees for these services in N.S.W.

Mr Justice Mason, who conducted the Enquiry, reported to the Government in May and, as a result, consultation fees and benefits were increased in all States from 1 July 1972.

Besides putting into effect Mr Justice Mason's recommendation for N.S.W., this decision of the Government represented an increase of about 6% to general practitioner fees for consultations and home visits for all other States from 1 July 1972.

For some time past the A.M.A. and the Department of Health have been developing a consultative procedure under which adjustments to common fees and benefits could be determined equitably and by agreement between the parties at intervals of two years.

It was in the course of these consultative procedural discussions between A.M.A. officers and representatives of the Department of Health that it came to the notice of the Government that the A.M.A. was contemplating an increase in fees before the expiration of the two-year period.

The Government's position is clear. It believes that the two-year agreement should run its course before any adjustments are made unless there have been some quite exceptional developments which would justify a departure from the timing of the agreed review.

The A.M.A. representatives put it to me that national economic indices had moved upwards at an abnormally high rate since December 1970.

I told them that the movements in the indices could not properly justify a departure from what had been agreed.

The A.M.A. representatives said that the decision on this matter would be one for their Federal Council, which is scheduled to meet at the weekend.

I stated plainly to them that while the Government was willing to continue to participate in consultative procedures, its officers would not be permitted to enter into commitments with the A.M.A. on the basis of claims which could not be fully justified. I also indicated that action on the line mentioned would be contrary to the interests of the medical profession and would not be acceptable to the public.

The A.M.A. representatives will be in touch with the Minister for Health after the Federal Council's weekend meeting and the Government will then consider the situation further.

CANBERRA,
18 October, 1972