

ADDRESS BY THE PRIME MINISTER, MR. E.G. WHITLAM, Q.C., M.P.,
TO THE 46TH ANNUAL WESTERN AUSTRALIAN SUMMER SCHOOL -
UNIVERSITY OF WESTERN AUSTRALIA - FRIDAY 18 JANUARY 1974

A SOCIAL SERVICE APPROACH TO HEALTH

LAST MONDAY I WAS ABLE TO TELL A NATIONAL CONVENTION OF TEACHERS OF MY SPECIAL SATISFACTION AT THE ACHIEVEMENTS OF THE AUSTRALIAN GOVERNMENT IN THE FIELD OF EDUCATION IN THE LAST YEAR. I DESCRIBED HOW IT HAD TAKEN AUSTRALIAN GOVERNMENTS NEARLY 100 YEARS TO ESTABLISH THE PRINCIPLE THAT EDUCATION IS A NATIONAL RESPONSIBILITY. I OUTLINED HOW THE RESULT OF THE FAILURE TO ACCEPT THIS PRINCIPLE HAD BEEN "TO ENTRENCH PRIVILEGE AND WIDEN STILL FURTHER THE INEQUALITIES IN THE EDUCATION SYSTEM". THE MAJOR BATTLE OVER THIS ISSUE WAS WON LAST YEAR WITH THE CREATION OF A NEW CHARTER FOR THE CHILDREN OF AUSTRALIA AND THE PROVISION OF THE ESSENTIAL FUNDS AND MACHINERY TO IMPLEMENT IT.

THAT SPEECH COULD HAVE BEEN EASILY ENTITLED "A SOCIAL SERVICE APPROACH TO EDUCATION". FOR THE ESSENTIAL INGREDIENT OF A SOCIAL SERVICE APPROACH TO ANY ASPECT OF OUR SOCIETY MUST BE TO OFFSET PRIVILEGE AND MINIMISE INEQUALITIES. IT MUST BE TO IDENTIFY AREAS OF DISADVANTAGE AND DISABILITY AND STRIVE TO IMPROVE AND REMEDY THEM. I AM PROUD OF THE IRREVOCABLE FIRST STEPS WE HAVE TAKEN TO ACHIEVE THESE GOALS IN EDUCATION. I AM CONFIDENT THAT WE CAN PRESS ON SUCCESSFULLY WITH THE GREAT TASK THAT LIES AHEAD OF US.

UNHAPPILY I CANNOT SPEAK TO YOU TODAY ABOUT AUSTRALIA'S HEALTH SYSTEM WITH THE SAME DEGREE OF PRIDE AND CONFIDENCE. WE CAN BE PLEASED WITH THE PROGRESS THAT HAS BEEN POSSIBLE IN THE LAST YEAR. THE AUSTRALIAN GOVERNMENT HAS MADE THE FIRST MOVES TO IMPROVE OUR HOSPITALS AND OTHER HEALTH-CARE FACILITIES; THE MINISTER FOR HEALTH, DR EVERINGHAM, TOLD YOU OF THESE ADVANCES ON WEDNESDAY. WE HAVE, HOWEVER, BEEN THWARTED IN OUR ATTEMPTS TO ACHIEVE SOME OF OUR MOST IMPORTANT OBJECTIVES.

THE RESULT IS THAT THE PROVISION OF HEALTH-CARE IN AUSTRALIA IS STILL CHARACTERISED BY THE ENTRENCHMENT OF PRIVILEGE AND BY INEQUALITY. TOO MANY AUSTRALIANS - MORE THAN A MILLION, IN FACT - HAVE NO FINANCIAL PROTECTION AGAINST THE HIGH COST OF ILLNESS AND INJURY. TOO MANY AUSTRALIANS - PARTICULARLY THOSE WHO LIVE AWAY FROM THE CENTRES OF OUR MAJOR CITIES - HAVE INADEQUATE ACCESS TO HIGH QUALITY HOSPITALS AND MEDICAL SERVICES. TOO MANY AUSTRALIANS SUFFER FROM A SYSTEM WHICH MAKES IT CHEAPER FOR A WEALTHY MAN TO INSURE HIMSELF AGAINST MEDICAL CHARGES THAN IT IS FOR PEOPLE WHO ARE NOT WEALTHY.

I HAVE JUST MENTIONED THAT MORE THAN ONE MILLION AUSTRALIANS ARE UNPROTECTED AGAINST HOSPITAL AND MEDICAL CHARGES. OUR OPPONENTS HAVE FREQUENTLY TRIED TO DENY THAT ESTIMATE. THEY HAVE MADE THEIR DENIALS SO THAT THEY CAN PRETEND THAT IT IS POSSIBLE TO OVERCOME THE DEFICIENCIES OF OUR PRESENT HEALTH SYSTEM BY MINOR IMPROVEMENTS. ON THE 8TH JANUARY THE AUSTRALIAN BUREAU OF STATISTICS - A BODY WHOSE OBJECTIVITY I PRESUME WOULD NOT BE CHALLENGED - PUBLISHED A REPORT ON A SURVEY WHICH GIVES THE LIE TO OUR OPPONENTS' ASSERTIONS.

THE BUREAU CONDUCTED A SURVEY WHICH COVERED ABOUT 30,000 DWELLINGS IN ALL STATES, THE NORTHERN TERRITORY AND THE AUSTRALIAN CAPITAL TERRITORY TO DETERMINE HOW MANY PEOPLE AGED 15 AND OVER WERE COVERED BY HOSPITAL AND MEDICAL EXPENDITURE ASSISTANCE SCHEMES - THAT IS PEOPLE COVERED EITHER BY CONTRIBUTORY HEALTH FUNDS OR BY NON-CONTRIBUTORY SCHEMES, INCLUDING THE PENSIONER MEDICAL SERVICE, FREE COVER OF PERSONS ON UNEMPLOYMENT OR SICKNESS BENEFITS AND THE LIKE. THE SURVEY DID NOT INCLUDE SERVICEMEN BECAUSE OF THE FREE HEALTH SERVICES THAT ARE PROVIDED FOR THEM.

THE REPORT SHOWED THAT ONLY 86.5 PER CENT OF THE PEOPLE SURVEYED WERE COVERED BY AN ASSISTANCE SCHEME. IN OTHER WORDS, 13.5 PER CENT OF THESE AUSTRALIANS WERE UNPROTECTED. EVEN ALLOWING FOR THE PARTIAL PROTECTION AFFORDED TO QUEENSLANDERS BY THE FREE PUBLIC HOSPITAL SYSTEM IN THAT STATE, MORE THAN 10 PER CENT OF THESE AUSTRALIANS WERE DEVOID OF HEALTH PAYMENT COVERAGE. TO USE ABSOLUTE FIGURES, THE REPORT ESTIMATES THAT 1,225,000 AUSTRALIANS AGED 15 AND OVER WERE NOT PROTECTED. IF WE BEAR IN MIND THAT NEARLY 30 PER CENT OF AUSTRALIANS ARE AGED UNDER 15, WE CAN CONFIDENTLY ESTIMATE THAT WELL OVER 1½ MILLION AUSTRALIANS ARE NOT COVERED FOR THE COST OF HOSPITAL AND MEDICAL TREATMENT.

WHO ARE THESE PEOPLE? THE BUREAU'S REPORT CONTAINS FIGURES WHICH THROW UP SOME INTERESTING ANSWERS TO THIS QUESTION. MIGRANTS HAVE LESS PROTECTION THAN PEOPLE BORN IN AUSTRALIA. AND AMONG MIGRANTS, THE WORST OFF ARE THOSE WHO HAVE NOT BEEN IN AUSTRALIA FOR VERY LONG; AND SOME MIGRANT GROUPS FARE LESS WELL THAN OTHERS. THE FIGURES ALSO INDICATE A DISPARITY BETWEEN INCOME GROUPS; LOW INCOME EARNERS ARE LESS LIKELY TO BE PROTECTED THAN THE WEALTHY. IN OTHER WORDS, THE CLASSIC PATTERN OF INEQUALITY AND ENTRENCHMENT OF PRIVILEGE WHICH ANY SOCIAL SECURITY APPROACH MUST CONTEND WITH IS TO BE FOUND IN OUR HEALTH SYSTEM.

SOME OF THE FIGURES THAT INDICATE THESE CONCLUSIONS ARE WORTH QUOTING. ONLY 83.3 PER CENT OF PEOPLE BORN OUTSIDE AUSTRALIA WERE COVERED, COMPARED WITH 87.6 PER CENT OF THOSE BORN IN AUSTRALIA. OF PEOPLE WHO ARRIVED IN AUSTRALIA BETWEEN JANUARY 1971 AND AUGUST 1972, WHEN THE SURVEY WAS CONDUCTED, ONLY 68 PER CENT WERE COVERED. OF THOSE WHO ARRIVED BETWEEN 1967 AND 1970 THE FIGURE IS 77.2 PER CENT. MORE THAN 53,000 GREEK MIGRANTS - OR 37.5 PER CENT - WERE UNPROTECTED; ABOUT 52,000 ITALIAN MIGRANTS - OR 19.1 PER CENT - WERE WITHOUT COVERAGE. IF A GREEK MIGRANT ARRIVED IN AUSTRALIA BETWEEN 1967 AND 1970 THERE WAS ONLY A 40 PER CENT CHANCE THAT HE HAD BENEFITED FROM HEALTH EXPENDITURE ASSISTANCE SCHEME.

NOW LET US TURN TO THE DISADVANTAGES BETWEEN VARIOUS INCOME GROUPS. THE REPORT ESTIMATES THAT 92.4 PER CENT OF PROFESSIONAL, TECHNICAL AND RELATED WORKERS AND 91.5 PER CENT OF ADMINISTRATIVE, EXECUTIVE AND MANAGERIAL WORKERS BENEFITED FROM ASSISTANCE SCHEMES. IN CONTRAST, THESE BENEFITS APPLY TO ONLY 68.7 PER CENT OF SOME GROUPS OF LABOURERS, 78.7 PER CENT OF OTHER GROUPS OF LABOURERS, TRADESMEN, AND PRODUCTION PROCESS WORKERS, 77.7 PER CENT OF CONSTRUCTION WORKERS AND 81.5 PER CENT OF MINERS, QUARRYMEN AND RELATED WORKERS. PEOPLE IN RURAL INDUSTRIES ALSO SUFFER BY COMPARISON WITH OTHER AUSTRALIANS; ONLY 82.9 PER CENT OF FARMERS, FISHERMEN, TIMBER GETTERS AND THE LIKE ARE PROTECTED.

IT IS ABSURD THAT IN A COUNTRY AS WEALTHY AS OURS DISCRIMINATION OF THIS KIND - AGAINST NEW ARRIVALS AND LOW INCOME EARNERS - SHOULD EXIST. THOMAS JEFFERSON SAID IN 1787 THAT "WITHOUT HEALTH THERE IS NO HAPPINESS. AN ATTENTION TO HEALTH, THEN, SHOULD TAKE THE PLACE OF EVERY OTHER PROJECT". IT SEEMS THAT AUSTRALIAN GOVERNMENTS HAVE BEEN PREPARED TO CONDONE A GREATER MEASURE OF UNHAPPINESS AMONG OUR DISADVANTAGED THAN AMONG THOSE WHO DERIVE SO MANY OTHER BENEFITS FROM OUR SOCIETY.

AUSTRALIA'S PRESENT PRIVATE HEALTH INSURANCE SYSTEM IS CLEARLY TO BLAME FOR THIS SITUATION. DISADVANTAGED PEOPLE ARE DISCOURAGED FROM BELONGING TO PRIVATE HEALTH FUNDS BECAUSE CONTRIBUTIONS TO THEM ARE IN NO WAY RELATED TO A PERSON'S ABILITY TO PAY; CONTRIBUTIONS INVOLVE FLAT RATES OF PAYMENT. IN FACT, THERE IS DISCRIMINATION IN REVERSE BECAUSE OF OUR SYSTEM OF TAX DEDUCTIONS.

A TAX DEDUCTION IS WORTH MORE TO A HIGH-INCOME EARNER THAN TO SOMEONE ON A LOWER INCOME. THUS, WHEN THE HIGH-INCOME EARNER CLAIMS A TAX DEDUCTION FOR A HEALTH FUND CONTRIBUTION HE GAINS MORE FROM IT THAN DOES A POORER MAN. THIS MEANS HIS HEALTH INSURANCE ENDS UP BEING CHEAPER. FOR EXAMPLE, IN NEW SOUTH WALES A MAN WITH A WIFE AND TWO CHILDREN ON ABOUT \$70 A WEEK PAYS \$81 A YEAR IN PUBLIC WARD HOSPITAL COVERAGE AND MEDICAL INSURANCE AFTER TAX CONCESSIONS. HOWEVER, A MAN WITH THE SAME NUMBER OF DEPENDANTS ON \$400 A WEEK ONLY PAYS \$54 FOR MEDICAL INSURANCE AND PRIVATE WARD COVERAGE AFTER HE HAS GAINED HIS TAX CONCESSIONS. AND TO REPEAT A POINT I HAVE OFTEN MADE IN THIS CONTEXT, I PAY LESS FOR HEALTH INSURANCE THAN DOES MY CAR DRIVER.

TO ADD TO THIS INJUSTICE, A PERSON WHO CANNOT AFFORD HEALTH INSURANCE OR WHO DOES NOT QUALIFY FOR ANY ASSISTANCE SCHEME SUFFERS A FURTHER PENALTY. FOR THE COMMONWEALTH SUBSIDIES FOR MEDICAL CHARGES ARE ONLY PAID TO PEOPLE WHO ARE INSURED AND, IF THE UNINSURED PERSON GOES INTO HOSPITAL, HE ATTRACTS A PALTRY SUBSIDY OF 80 CENTS A DAY FOR HIS ACCOMMODATION. CLEARLY, PAST GOVERNMENT PRACTICE HAS BEEN TO TRY TO FORCE PEOPLE INTO JOINING PRIVATE - THE SO-CALLED "VOLUNTARY" - HEALTH INSURANCE FUNDS WHETHER THEY FIND THE RATES EXCESSIVE OR NOT.

THE PRESENT HEALTH SCHEME HAS OTHER SUBSTANTIAL DEFICIENCIES APART FROM INJUSTICE AND INEQUALITY. IT HAS ONLY BEEN SAVED FROM SERIOUS FINANCIAL TROUBLE BY MASSIVE GOVERNMENT SUBSIDIES. SUBSIDIES FOR MEDICAL AND HOSPITAL BENEFITS ROSE FROM \$80,000,000 IN 1969 TO \$200,000,000 IN 1972. IF WE LOOK AT TOTAL AUSTRALIAN MEDICAL COSTS, WE FIND THAT THE AUSTRALIAN GOVERNMENT PAID FOR ABOUT 54 PER CENT DIRECTLY AND INDIRECTLY (THROUGH TAXATION) IN 1969. IN 1972-73 THE GOVERNMENT CONTRIBUTED 68 PER CENT. ABOUT \$203,000,000 WAS PAID BY DIRECT SUBSIDY AND \$61,000,000 AS TAXATION CONCESSIONS. THIS MEANS THAT TWO DOLLARS IN EVERY THREE EARNED BY DOCTORS COMES FROM THE AUSTRALIAN GOVERNMENT.

THE PRESENT SCHEME HAS ALSO BECOME UNNECESSARILY EXPENSIVE AND WASTEFUL. LARGE SUMS OF MONEY ARE KEPT USELESSLY IDLE IN THE RESERVE HOLDINGS OF THE PRIVATE FUNDS; IN 1971-72 THEY AMOUNTED TO \$124,000,000 OR THE EQUIVALENT OF 42 PER CENT OF THAT YEAR'S CONTRIBUTIONS. THERE IS UNNECESSARY DUPLICATION OF SERVICES BECAUSE OF THE EXISTENCE OF 81 MEDICAL AND 90 HOSPITAL INSURANCE ORGANISATIONS OPERATING THROUGHOUT AUSTRALIA. COMPETITION FOR MEMBERS, WASTEFUL ADVERTISING AND COMMISSION RATES ALL CONTRIBUTE TO UNDULY HIGH OPERATING COSTS FOR THESE FUNDS. AT PRESENT THESE COSTS ACCOUNT FOR AN AVERAGE OF ABOUT 11 PER CENT OF CONTRIBUTIONS FOR ALL FUNDS AND AN AVERAGE OF 15 PER CENT FOR MEDICAL FUNDS.

THE FAILINGS OF AUSTRALIA'S HEALTH SYSTEM ARE NOT, OF COURSE, CONFINED TO INSURANCE. GRAVE INADEQUACIES HAVE DEVELOPED IN THE PROVISION OF HEALTH SERVICES. AGAIN WE FIND THE SPECTRE OF INEQUALITY ARISES. FACILITIES HAVE NOT KEPT PACE WITH CHANGES IN THE NATURE OF OUR SOCIETY. HOSPITALS, DOCTORS AND OTHER SERVICES ARE SPREAD UNEVENLY AND UNFAIRLY. THERE IS A TENDENCY FOR DOCTORS TO LIVE IN MORE AFFLUENT SUBURBS BECAUSE OF THEIR FINANCIAL ABILITY TO DO SO. AND THERE HAS BEEN A TENDENCY FOR HOSPITALS TO BE LOCATED NEAR WHERE DOCTORS LIVE AND PRACTICE. MY COLLEAGUE THE MINISTER FOR SOCIAL SECURITY MR BILL HAYDEN, HAS POINTED OUT THAT IN SYDNEY, FOR EXAMPLE, THE CITY'S SEVEN TEACHING HOSPITALS ARE LOCATED WITHIN AN EIGHT-MILE RADIUS OF THE G.P.O. AND FIVE OF THEM ARE WITHIN A FOUR-MILE RADIUS. YET THE GREAT MAJORITY OF SYDNEY'S POPULATION LIVES A CONSIDERABLE DISTANCE OUTSIDE THESE PARAMETERS. IT IS OBVIOUSLY WRONG TO DEPRIVE MOST OF A CITY'S POPULATION OF READY ACCESS TO THE BEST HOSPITAL FACILITIES.

THE MAJOR PROBLEM, HOWEVER, WHICH CONFRONTS US IN THIS FIELD IS THE GROWING COST OF HEALTH SERVICES. AT PRESENT THEY COST AUSTRALIA MORE THAN \$2,000,000,000 OR ABOUT 5.3 PER CENT OF GROSS DOMESTIC PRODUCT. BUT THEIR COST IS INCREASING DRAMATICALLY WHEN COMPARED WITH THE COST OF OTHER SERVICES. HEALTH SERVICES ARE ENORMOUSLY DEMANDING IN TERMS OF MANPOWER. THE SORT OF LABOUR SAVINGS THAT HAVE BEEN POSSIBLE IN OTHER INDUSTRIES HAVE NOT BEEN ATTAINED.

FOR EXAMPLE, THE SELLING OF GROCERIES AND ALLIED COMMODITIES HAS BEEN REVOLUTIONISED IN RECENT YEARS BY THE DEVELOPMENT OF SUPERMARKETS, WHICH OVERALL ARE LESS DEMANDING OF LABOUR THAN THE TYPE OF STORES THAT THEY HAVE TO A GREAT EXTENT REPLACED. THAT SORT OF MANPOWER RATIONALISATION HAS NOT BEEN POSSIBLE WITH HEALTH SERVICES, PARTICULARLY AS COMMUNITY EXPECTATIONS HAVE RISEN AND AS NEW AND MORE COMPLICATED MEDICAL PROCEDURES HAVE BEEN DEVELOPED. THE RESULT IS THAT IT HAS BEEN ESTIMATED THAT, AT THE PRESENT RATE, HEALTH COSTS WILL DOUBLE EVERY FIVE OR SIX YEARS IN AUSTRALIA. ACCORDING TO THIS ESTIMATE, OUR EXPENDITURE ON HEALTH SERVICES COULD BE MORE THAN 12 PER CENT OF GROSS DOMESTIC PRODUCT BY THE YEAR 2000 - ONLY 26 YEARS FROM NOW. THAT IS, IF NOTHING IS DONE TO ENSURE GREATER EFFICIENCY IN OUR HEALTH SPENDING.

I CAN DEMONSTRATE THE PROBLEM THAT CONFRONTS GOVERNMENTS AND CITIZENS ALIKE BY ANALYSING THE CURRENT PLIGHT OF PUBLIC HOSPITALS HERE IN WESTERN AUSTRALIA. THE OPERATING COSTS OF PUBLIC HOSPITALS IN THIS STATE IN 1974-75 ARE EXPECTED TO BE MORE THAN DOUBLE THE COSTS IN 1970-71 WHEN THE LAST INCREASE IN FEES OCCURRED; THEY ARE EXPECTED TO RISE FROM \$46 MILLION TO NEARLY \$95 MILLION. THE SHARE OF THE COSTS THAT COMES FROM STATE GOVERNMENT SUBSIDIES IS EXPECTED TO RISE IN THE SAME PERIOD FROM 59 PER CENT TO 67 PER CENT. THIS TREND CAN ONLY BE ARRESTED BY A LARGE INCREASE IN PUBLIC HOSPITAL FEES OR BY GREATER ASSISTANCE FROM THE AUSTRALIAN GOVERNMENT. SIGNIFICANTLY GREATER ASSISTANCE FROM THE AUSTRALIAN GOVERNMENT WOULD FLOW FROM THE FINANCING ARRANGEMENTS UNDER OUR PROPOSED HEALTH INSURANCE PROGRAM. OUR OPPONENTS IN THE SENATE, HOWEVER, WERE ABLE TO USE THEIR NUMBERS IN DECEMBER TO HINDER THIS HAPPENING.

THERE CAN BE NO QUESTION THAT TWO THINGS NEED TO HAPPEN TO CONTROL THESE TRENDS AND ACHIEVE THE GREATER EFFICIENCY AND GREATER EQUALITY THAT ARE NEEDED IN THE PROVISION OF HEALTH SERVICES IN AUSTRALIA. WE MUST ACCEPT THE NEED FOR NATIONAL RESPONSIBILITY FOR HEALTH, AS IN EDUCATION, AND WE MUST OVERHAUL OUR HEALTH INSURANCE SCHEME.

THE HISTORY OF MOVES TOWARDS NATIONAL RESPONSIBILITY IN HEALTH IS A RECENT ONE. AN AMENDMENT TO THE CONSTITUTION, CARRIED BY REFERENDUM IN 1946, GAVE THE AUSTRALIAN GOVERNMENT THE POWER TO PROVIDE FOR "PHARMACEUTICAL, SICKNESS AND HOSPITAL BENEFITS, (AND) MEDICAL AND DENTAL SERVICES". HOWEVER, SINCE THEN THE BENEFITS OF COMMONWEALTH INVOLVEMENT HAVE LARGELY BEEN FELT IN THE AREA OF MEDICAL AND PHARMACEUTICAL COSTS. THE MEDICAL BENEFIT SCHEME STARTED IN 1953 AND I HAVE ALREADY POINTED OUT HOW COMMONWEALTH SUBSIDIES UNDER IT HAVE GROWN DRAMATICALLY, IN NO SMALL PART DUE TO ITS INEFFICIENCIES. A PHARMACEUTICAL BENEFITS ACT WAS PASSED BY THE NATIONAL PARLIAMENT IN 1947. THIS ACT HAD LITTLE SUCCESS AND WAS SUBSEQUENTLY AMENDED UNTIL THE INTRODUCTION OF THE PRESENT FORM OF THE PHARMACEUTICAL BENEFITS SCHEME UNDER THE NATIONAL HEALTH ACT IN 1959. THE TOTAL COST OF PROVIDING BENEFITS UNDER THIS SCHEME, INCLUDING PATIENT CONTRIBUTIONS ON PRESCRIPTIONS, WAS \$226.3 MILLION IN 1972-73. THE AUSTRALIAN GOVERNMENT HAS INDEED ACCEPTED A NATIONAL RESPONSIBILITY IN BOTH THE MEDICAL AND PHARMACEUTICAL AREA - ALTHOUGH WHETHER ITS MONEY HAS BEEN WELL SPENT IS ANOTHER MATTER.

THE HISTORY OF AUSTRALIAN GOVERNMENT INVOLVEMENT IN HOSPITALS IS IN SHARP CONTRAST WITH THE EXPERIENCE IN OTHER AREAS. THE LABOR GOVERNMENT INTRODUCED THE HOSPITALS BENEFITS ACT IN 1945 AND THIS PROVIDED A BENEFIT OF 60 CENTS A DAY FOR ALL HOSPITAL PATIENTS. THIS FIGURE MIGHT SEEM LAUGHABLE NOW, BUT AT THE TIME THE AVERAGE BED COST IN AUSTRALIA WAS ONLY \$1.40 A DAY. THUS THIS INITIAL COMMITMENT AMOUNTED TO 43 PER CENT OF DAILY OPERATING COSTS IN HOSPITALS. THE LIBERAL/COUNTRY PARTY GOVERNMENT REPLACED THE LABOR SCHEME WITH THE PRESENT HOSPITAL BENEFIT SCHEME IN 1952. THIS PROVIDED A COMMONWEALTH SUBSIDY OF 80 CENTS A DAY PLUS 40 CENTS A DAY FOR INSURED PATIENTS. STILL, IN THE CONTEXT OF THE TIME, THIS WAS A SUBSTANTIAL SUBSIDY.

CONTRARY TO WHAT ONE MIGHT EXPECT, THE AUSTRALIAN GOVERNMENT'S INVOLVEMENT IN PAYING FOR THE RUNNING OF HOSPITALS HAS SUBSTANTIALLY DECLINED SINCE THEN. IT NOW PAYS A SUBSIDY OF ONLY \$2 A DAY FOR HOSPITAL PATIENTS, ALTHOUGH THERE ARE NATURALLY OTHER BENEFITS WHICH DERIVE FROM TAXATION CONCESSIONS. IT IS ESTIMATED THAT IN 1974-75 THE AUSTRALIAN GOVERNMENT WILL HAVE TO PAY ONLY \$165 MILLION TOWARDS THE OPERATING COSTS OF PUBLIC HOSPITALS. THIS COMPARES WITH AN ESTIMATED EXPENDITURE OF \$540 MILLION BY STATE GOVERNMENTS AND \$240 MILLION BY INSURED AND UNINSURED PATIENTS. IT IS NO WONDER THAT SO MANY OF OUR HOSPITALS ARE INADEQUATE.

IT IS TIME THAT THE AUSTRALIAN GOVERNMENT ASSUMED A MUCH GREATER ROLE IN THE FINANCING OF HEALTH SERVICES. IT IS NO LONGER POSSIBLE FOR THESE SERVICES TO BE FINANCED IN THE FRAGMENTED MANNER WHICH HAS APPLIED UNTIL NOW. NO ONE WOULD EXPECT THAT ANY MAN, HOWEVER WEALTHY, COULD AFFORD TO PAY BY HIMSELF FOR ALL THE EQUIPMENT AND MANPOWER NECESSARY FOR HIM TO RECEIVE PROPER TREATMENT FOR A MAJOR ILLNESS. NO ONE WOULD EXPECT ANY DOCTOR, HOWEVER WEALTHY, TO BE ABLE TO PROVIDE BY HIMSELF ALL THE FACILITIES AND STAFF NEEDED TO TREAT THE RANGE OF ILLNESSES AND INJURIES HE WOULD ENCOUNTER TODAY. WE ARE ALL DEPENDENT ON THE AVAILABILITY OF COMMUNITY FACILITIES. I THINK I HAVE DEMONSTRATED THAT THESE FACILITIES ARE INADEQUATE AND ARE UNEQUALLY AVAILABLE AT PRESENT. IT IS ONLY BY THE ASSUMPTION OF A NATIONAL RESPONSIBILITY IN HEALTH THAT WE CAN OVERCOME THESE INADEQUACIES.

DR EVERINGHAM TOLD YOU ON WEDNESDAY OF THE DEVELOPMENTS THAT HAVE TAKEN PLACE IN THE AREA NOW COVERED BY THE HOSPITAL AND HEALTH SERVICES COMMISSION. AS HE TOLD YOU, ITS AIM IS THE "PROVISION OF HIGH QUALITY, READILY ACCESSIBLE, REASONABLY COMPREHENSIVE, CO-ORDINATED AND EFFICIENT HEALTH AND RELATED WELFARE SERVICES AT LOCAL, REGIONAL, STATE AND NATIONAL LEVELS". WE HAVE ALREADY ALLOCATED \$4.5 MILLION FOR 1973-74 TO MEET URGENT NEEDS FOR ADDITIONAL HOSPITALS IN SYDNEY, MELBOURNE, BRISBANE. SIGNIFICANTLY, \$4 MILLION OF THIS HAS BEEN ALLOCATED TOWARDS THE COST OF PLANNING AND COMMENCEMENT OF CONSTRUCTION OF A MAJOR HOSPITAL AT WESTMEAD IN THE WESTERN SUBURBS OF SYDNEY - MUCH MORE A CENTRE OF POPULATION FOR THAT CITY THAN THE G.P.O. WE HAVE ALSO ALLOCATED \$10 MILLION

IN THIS FINANCIAL YEAR TO ASSIST STATES AND ELIGIBLE ORGANISATIONS TO MEET THE CAPITAL AND OPERATING COSTS OF REGIONALLY ORGANISED, COMMUNITY-BASED HEALTH SERVICES. COMMUNITY HEALTH FACILITIES, PROVIDED AT CENTRES AND THROUGH DOMICILIARY SERVICES, OFFER A GREAT OPPORTUNITY FOR COMBATING THE UNEVEN DISTRIBUTION OF DOCTORS AND OTHER HEALTH WORKERS IN OUR COMMUNITY. IN ADDITION, WE HAVE PROVIDED \$7.5 MILLION TO ASSIST STATES TO DEVELOP COMMUNITY-BASED MENTAL HEALTH, ALCOHOLIC AND DRUG-DEPENDENCY SERVICES.

OUR MAJOR FRUSTRATION IN THE LAST YEAR HAS BEEN IN OUR ATTEMPTS TO OVERHAUL THE PRESENT HEALTH INSURANCE SYSTEM AND THE FINANCING ARRANGEMENTS THAT FLOW FROM IT. IF OPPOSITION TO OUR HEALTH INSURANCE PROGRAM CONTINUES TO PREVENT ITS IMPLEMENTATION THIS WILL BE VIEWED BY FUTURE GENERATIONS AS A TRAGEDY OF GREAT PROPORTIONS. THE PROGRAM WOULD OVERCOME THE SERIOUS PROBLEMS THAT EXIST UNDER THE PRESENT SYSTEM. FOR A START, IT WOULD AUTOMATICALLY COVER EVERYONE IN AUSTRALIA, IRRESPECTIVE OF THEIR MEANS OR THEIR BACKGROUND. FOR MIGRANTS, THIS WOULD MEAN THAT, VIRTUALLY FROM THE MOMENT THEY STEPPED OFF THE BOAT OR THE AIRCRAFT THAT BROUGHT THEM TO AUSTRALIA, THEY WOULD BE PROTECTED AGAINST HEALTH COSTS. IT WOULD BE FINANCED IN THE MOST EQUITABLE MANNER AS THE PAYMENTS TO BE MET BY INDIVIDUALS WOULD BE BASED ON THEIR CAPACITY TO PAY. THE PROPOSED LEVY OF 1.35 PER CENT ON TAXABLE INCOME WOULD PROVE CHEAPER FOR THE GREAT MAJORITY OF AUSTRALIANS.

FOR THEIR CONTRIBUTIONS, AUSTRALIANS WOULD RECEIVE A COMPREHENSIVE RANGE OF MEDICAL AND HOSPITAL TREATMENT. IF A DOCTOR SENDS HIS BILL DIRECT TO THE PROPOSED HEALTH INSURANCE COMMISSION, HIS PATIENT WILL NOT HAVE TO PAY ANYTHING FOR MEDICAL TREATMENT. EVEN IF THE DOCTOR SENDS HIS BILL TO HIS PATIENT, THE COMMISSION WILL PAY AT LEAST 85 PER CENT OF THE SCHEDULED FEE, AND IN NO CASE, WHERE THE SCHEDULED FEE IS CHARGED, WOULD THE PATIENT HAVE TO PAY MORE THAN \$5 FOR ANY MEDICAL SERVICES. TO DISMISS IMMEDIATELY ONE PHONY ISSUE THAT HAS BEEN RAISED BY OUR OPPONENTS, THESE ARRANGEMENTS WOULD APPLY TO SERVICES PROVIDED BY ANY DOCTOR THAT ANY PATIENT CHOSE TO CONSULT. FOR HOSPITAL TREATMENT, EVERYONE WOULD BE ENTITLED TO FREE STANDARD WARD TREATMENT; ADMISSION TO THESE WARDS WOULD NOT BE RESTRICTED TO PEOPLE WHO SATISFY THE SAVAGE MEANS TESTS WHICH APPLY IN SOME STATES AT PRESENT. THE PROGRAM WOULD ACHIEVE THIS GOAL WITHOUT DESTROYING THE VIABILITY AND INDEPENDENCE OF RELIGIOUS, CHARITABLE AND COMMUNITY HOSPITALS. PATIENTS IN PRIVATE WARDS OF PUBLIC HOSPITALS OR IN PRIVATE HOSPITALS WOULD ATTRACT A BED SUBSIDY OF \$16 A DAY FROM THE AUSTRALIAN GOVERNMENT, A CONSIDERABLE IMPROVEMENT ON THE \$2 A DAY WHICH IS CURRENTLY PAID. THE GOVERNMENT AIMS TO ENSURE THAT PRIVATE INSURANCE IS AVAILABLE AT REASONABLE COST TO COVER ANY EXTRA CHARGES FACED BY PRIVATE PATIENTS.

ONE OF THE GREAT AND CONTINUING BENEFITS THAT WOULD FLOW FROM THE HEALTH INSURANCE PROGRAM WOULD BE IN THE FINANCING OF PUBLIC HOSPITALS. UNDER BILATERAL AGREEMENTS WITH EACH STATE, THE AUSTRALIAN GOVERNMENT WOULD BE PREPARED TO MEET 50 PER CENT OF THE NET OPERATING COSTS OF PUBLIC HOSPITALS. PUBLIC HOSPITALS IN ALL STATES WOULD BENEFIT FROM THESE ARRANGEMENTS. THE TOTAL GAIN TO STATE GOVERNMENTS IN 1974-75 WOULD BE \$80 MILLION. IN WESTERN AUSTRALIA, TO REFER TO MY EARLIER EXAMPLE, THE STATE WOULD GAIN AN EXTRA \$9 MILLION FROM THE AUSTRALIAN GOVERNMENT.

THE HEALTH INSURANCE PROGRAM, COMBINED WITH THE WORK OF THE HOSPITALS AND HEALTH SERVICES COMMISSION, WOULD PROVIDE THE MACHINERY TO ENABLE A CLOSER SCRUTINY OF THE USE OF OUR RESOURCES FOR HEALTH SERVICES AND GREATER EFFICIENCY. TO GIVE A MINOR EXAMPLE, THE OPERATING COSTS OF THE HEALTH INSURANCE COMMISSION WOULD BE ONLY ABOUT 6 PER CENT OF CONTRIBUTIONS COMPARED TO THE 11 PER CENT CURRENTLY SPENT BY PRIVATE HEALTH FUNDS.

SOME OF YOU MAY HAVE WONDERED WHY, IN AN ADDRESS "A SOCIAL SERVICE APPROACH TO HEALTH", I HAVE MENTIONED SO FREQUENTLY THE WORD EFFICIENCY. THE REASON IS SIMPLE. WE CANNOT ALLOW HEALTH COSTS IN AUSTRALIA TO RISE UNCONTROLLABLY. AT THE SAME TIME WE ARE DETERMINED TO PROVIDE ADEQUATE HEALTH SERVICES FOR ALL AUSTRALIANS. WE MUST THEREFORE ENSURE THAT EVERY DOLLAR WE SPEND IS SPENT WISELY. WE MUST ENSURE THAT WASTEFUL EXPENDITURE IS AVOIDED IN AREAS OF PLENTY SO THAT THE MONEY SAVED CAN BE DEVOTED TO AREAS OF NEED.

AS I ASSUME YOU ALL KNOW, OUR PLANS HAVE FOUNDERED, AT LEAST TEMPORARILY, ON THE ROCK OF THE SENATE. THE GOVERNMENT IS NOW CONSIDERING ITS POSITION IN RELATION TO THE HEALTH INSURANCE PROGRAM. MR HAYDEN IS LEAVING AUSTRALIA IN JUST OVER A WEEK TO EXAMINE HEALTH SYSTEMS OVERSEAS, PARTICULARLY THE CANADIAN AND AMERICAN FEDERATIONS. THIS DOES NOT MEAN THAT WE HAVE ABANDONED OUR LEGISLATION. BUT WE MUST LOOK AT ALTERNATIVE SYSTEMS OF FINANCING HEALTH SERVICES, PARTICULARLY PUBLIC HOSPITALS, TO ENSURE THAT WE MEET OUR NATIONAL RESPONSIBILITY. SINCE THE 1946 REFERENDUM THE NATIONAL GOVERNMENT HAS HAD THE RIGHT AND DUTY TO PROVIDE MEDICAL SERVICES. UNLESS THE AUSTRALIAN GOVERNMENT - THE PRESENT GOVERNMENT AND FUTURE GOVERNMENTS - ACCEPT THIS RESPONSIBILITY, WE WILL NEVER SATISFY THE OBJECTIVES OF A SOCIAL SERVICE APPROACH TO HEALTH IN THIS COUNTRY. UNLESS WE ACCEPT OUR NATIONAL RESPONSIBILITY, INEQUALITY, PRIVILEGE AND INADEQUACIES WILL CONTINUE TO CHARACTERISE OUR HEALTH SYSTEM.
