

SPEECH BY THE PRIME MINISTER,  
THE HON. E.G. WHITLAM, Q.C., M.P.,  
AT THE 16TH ANNIVERSARY OF THE OFFICIAL OPENING OF THE  
LIVERPOOL DISTRICT HOSPITAL,  
SYDNEY - FRIDAY 26 JULY 1974

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THE LIVERPOOL DISTRICT HOSPITAL STANDS AS SOMETHING OF AN OASIS IN A DESERT OF HEALTH CARE FACILITIES IN THE WESTERN SUBURBS OF SYDNEY. IT IS ONE OF ONLY 14 PUBLIC AND 6 PRIVATE HOSPITALS IN ONE OF THE MOST POPULOUS AND RAPIDLY GROWING AREAS OF AUSTRALIA. THE WESTERN METROPOLITAN AREA OF SYDNEY, WHICH INCLUDES LIVERPOOL AS ONE OF ITS FOCAL POINTS, HAS A POPULATION OF NEARLY ONE MILLION, OR NEARLY ONE QUARTER OF THE POPULATION OF THE STATE. IT IS EXPERIENCING A RAPID POPULATION GROWTH OF MORE THAN 3% A YEAR AND YOUNG FAMILIES COMPRISE MOST OF THIS INCREASE.

DESPITE ITS SIZE AND RATE OF GROWTH, THE AREA IS DEFICIENT IN MOST HEALTH SERVICES. THIS APPLIES PARTICULARLY TO HOSPITAL SERVICES. THE AREA HAS ONLY 3.3 BEDS FOR EVERY THOUSAND PEOPLE COMPARED WITH THE STATE'S AVERAGE OF 6.4 BEDS PER THOUSAND. THE DEFICIENCY IS EVEN GREATER WHEN ONE CONSIDERS THE SHORTAGE OF MATERNAL AND PAEDIATRIC SERVICES WHICH EXISTS IN AN AREA WITH SO MANY YOUNG FAMILIES.

THE PROVISION AND PLANNING OF HEALTH CARE FACILITIES IN AUSTRALIA FOR TOO LONG HAS BEEN CHARACTERISED BY SHORTCOMINGS OF THIS KIND. INDEED IT IS A LACK OF PLANNING WHICH IS THE FAULT. MY COLLEAGUE, THE MINISTER FOR SOCIAL SECURITY, MR. BILL HAYDEN, HAS POINTED OUT THAT IN SYDNEY, FOR EXAMPLE, THE CITY'S 7 TEACHING HOSPITALS ARE LOCATED WITHIN AN EIGHT MILE RADIUS OF THE G.P.O. AND 5 OF THEM ARE WITHIN A FOUR MILE RADIUS. YET THE GREAT MAJORITY OF SYDNEY'S POPULATION LIVES A CONSIDERABLE DISTANCE OUTSIDE THESE PARAMETERS. BEYOND HOSPITALS, THERE IS A MALDISTRIBUTION OF DOCTORS AND OTHER SKILLED MEDICAL MANPOWER. THE RESULT IS THAT PEOPLE WHO LIVE IN LONG-ESTABLISHED AND GENERALLY AFFLUENT AREAS HAVE ACCESS TO THE FULL RANGE OF HIGH QUALITY HEALTH CARE. IN CONTRAST, PEOPLE WHO LIVE IN NEWER AND FREQUENTLY DISADVANTAGED AREAS DO NOT HAVE SUCH ACCESS.

IT IS MONSTROUSLY INEQUITABLE THAT PARENTS ON A LOW INCOME LIVING IN THE WESTERN SUBURBS SHOULD HAVE TO SPEND HOURS TRAVELLING AT RELATIVELY GREAT COST 20 MILES OR MORE BY TRAIN AND BUS TO VISIT A SICK CHILD IN A PAEDIATRIC HOSPITAL WHILE AFFLUENT PARENTS LIVING IN, SAY, THE EASTERN SUBURBS OF SYDNEY FACE ONLY A SHORT CAR TRIP TO VISIT THEIR CHILD. IT IS EQUALLY INEQUITABLE THAT THE WESTERN SUBURBS FAMILY SHOULD SUFFER A DEARTH OF DOCTORS TO TREAT THEIR ILLNESSES AND INJURIES WHILE THE EASTERN SUBURBS FAMILY SHOULD LIVE IN AN AREA WHICH ABOUNDS IN MEDICAL AND HOSPITAL SERVICES. IT IS NOT THAT WE SHOULD DENY THE AFFLUENT ACCESS TO THE BEST HEALTH CARE; BUT WE MUST ENSURE THAT EVERYONE IN THE COMMUNITY RECEIVES THE BEST POSSIBLE TREATMENT, IRRESPECTIVE OF THEIR FINANCIAL MEANS AND THEIR PHYSICAL LOCATION.

IT IS FOR THIS REASON THAT THE PRESENT GOVERNMENT SAW THE NEED FOR AN URGENT AND THOROUGH EXAMINATION OF THE DELIVERY OF HEALTH SERVICES THROUGHOUT AUSTRALIA. A HOSPITALS AND HEALTH SERVICES INTERIM COMMITTEE, WHICH LATER BECAME BY STATUTE THE HOSPITALS AND HEALTH SERVICES COMMISSION, WAS APPOINTED LAST YEAR TO INVESTIGATE, REPORT ON AND RECOMMEND NECESSARY ACTION TO OVERCOME BOTH IMMEDIATE AND LONG-TERM PROBLEMS. THE OBJECTIVE OF THE COMMISSION IS "THE PROVISION OF HIGH QUALITY, READILY ACCESSIBLE, REASONABLE COMPREHENSIVE, CO-ORDINATED AND EFFICIENT HEALTH AND RELATED WELFARE SERVICES AT LOCAL, REGIONAL, STATE AND NATIONAL LEVELS." ON THE COMMISSION'S RECOMMENDATIONS WE ALLOCATED \$4.5 MILLION IN 1973/74 TO MEET URGENT NEEDS FOR ADDITIONAL HOSPITALS IN SYDNEY, MELBOURNE AND BRISBANE. OF THAT AMOUNT, \$4 MILLION WAS TO BE PROVIDED TOWARDS THE COST OF PLANNING AND COMMENCING THE HOSPITAL PROPOSED FOR WESTMEAD SINCE 1968. TO DATE ONLY \$577,000 HAS BEEN USED FOR THE WESTMEAD PROJECT. THIS MEANT THAT THE GOVERNMENT WAS ABLE TO ALLOCATE FROM THE UNUSED FUNDS \$500,000 TOWARDS THE COST OF A NEW WARD BLOCK AT THE LIVERPOOL DISTRICT HOSPITAL. NEARLY \$112,000 OF THIS HAD BEEN SPENT BY THE END OF THE FINANCIAL YEAR.

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THIS IS ONLY THE BEGINNING OF A MAJOR OVERHAUL OF HOSPITAL SERVICES ENVISAGED BY THE AUSTRALIAN GOVERNMENT. ON 10 APRIL THE MINISTER FOR HEALTH, DR EVERINGHAM, TABLED IN THE HOUSE OF REPRESENTATIVES A "REPORT ON HOSPITALS IN AUSTRALIA" PREPARED BY THE HOSPITALS AND HEALTH SERVICES COMMISSION. THE REPORT PROPOSES THAT OVER A FIVE YEAR PERIOD BEGINNING ON 1 JULY 1974 A PROGRAM BE IMPLEMENTED FOR THE DEVELOPMENT AND CONSTRUCTION OF HOSPITALS, MENTAL HEALTH FACILITIES, PUBLIC NURSING HOMES AND HEALTH HOSTELS AT A TOTAL COST OF \$1,160 MILLION. THE REPORT HAS YET TO BE CONSIDERED BY CABINET, SO IT IS TOO EARLY FOR ME TO DEFINE THE EXACT EXTENT OF THE AUSTRALIAN GOVERNMENT'S INVOLVEMENT IN SUCH A PROGRAM. HOWEVER, IT IS QUITE CLEAR THAT, IF WE ARE TO HAVE ADEQUATE HOSPITALS, THE AUSTRALIAN GOVERNMENT WILL HAVE TO BECOME MORE INVOLVED IN THEIR PLANNING AND FINANCING THAN IT HAS BEEN IN THE PAST. THE STATE GOVERNMENTS SIMPLY DO NOT HAVE THE RESOURCES TO OVERCOME THE DEFICIENCIES THAT EXIST AT PRESENT. AN AUSTRALIAN GOVERNMENT INVOLVEMENT IS ESPECIALLY NECESSARY IF WE ARE TO SOLVE THE PRESENT GROSS MALDISTRIBUTION OF FACILITIES. SINCE THE 1946 REFERENDUM THE AUSTRALIAN GOVERNMENT HAS POSSESSED, BUT HITHERTO HAS NOT EXERCISED, THE CONSTITUTIONAL RESPONSIBILITY TO PROVIDE HOSPITAL BENEFITS AND MEDICAL SERVICES; IN OTHER WORDS, THE AUSTRALIAN GOVERNMENT CAN ITSELF BUILD, FINANCE AND MANAGE HOSPITALS AND HEALTH CENTRES.

THE INVOLVEMENT OF THE AUSTRALIAN GOVERNMENT IN THE FINANCING OF PUBLIC HOSPITALS MUST EXTEND BEYOND CAPITAL COSTS. THE RUNNING COSTS OF HOSPITALS REPRESENT AN EVER-INCREASING PROBLEM. THE HOSPITALS AND HEALTH SERVICES COMMISSION REPORT IN APRIL POINTED OUT THAT, AS TECHNOLOGICAL CHANGE AND THE COMPLEXITY OF INSTITUTIONS INCREASE, SO THE HOSPITAL SYSTEM BECOMES MORE LABOUR INTENSIVE. "THIS TREND MAY BE PECULIAR TO HOSPITALS AND IS UNLIKELY TO BE REVERSED," THE REPORT SAID. THIS PROBLEM EXTENDS INTO OTHER HEALTH SERVICES AS WELL AS HOSPITALS. AT PRESENT HEALTH SERVICES COST OUR NATION MORE THAN \$2,000 MILLION A YEAR, OR ABOUT 5.3% OF GROSS DOMESTIC PRODUCT. THEIR COST IS INCREASING SO DRAMATICALLY THAT IT HAS BEEN ESTIMATED THAT OUR EXPENDITURE ON HEALTH SERVICES COULD BE MORE THAN 12% OF GROSS DOMESTIC PRODUCT BY THE YEAR 2000. THE RESULT OF THIS INCREASE HAS BEEN ESPECIALLY REFLECTED IN HOSPITALS. HIGHER CHARGES AND GROWING DEFICITS HAVE BECOME A FEATURE OF OUR HOSPITAL SYSTEM IN RECENT YEARS.

THE AUSTRALIAN GOVERNMENT WILL IN FACT ASSUME A MUCH GREATER ROLE IN THE MEETING OF RUNNING COSTS UNDER ITS PROPOSED HEALTH INSURANCE PROGRAM. UNDER THE PRESENT SYSTEM IT PAYS A SUBSIDY OF ONLY \$2 A DAY FOR HOSPITAL PATIENTS, ALTHOUGH THERE ARE INEVITABLY 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.

THE HEALTH INSURANCE PROGRAM INVOLVES A GREAT AND CONTINUING IMPROVEMENT 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. THE AUSTRALIAN GOVERNMENT PAID BENEFITS APPROACHING 50 PER CENT OF OPERATING COSTS FROM THE INTRODUCTION OF THE HOSPITAL BENEFIT ACT IN 1945 UNTIL THE ACT'S REPLACEMENT BY THE LIBERAL/COUNTRY PARTY GOVERNMENT IN 1952. HOSPITALS IN ALL STATES WILL BENEFIT FROM THE NEW ARRANGEMENT. THE TOTAL GAIN TO STATE GOVERNMENTS IN 1974/75, IF THE PROGRAM HAD BEEN INTRODUCED IN TIME, WOULD HAVE BEEN \$80 MILLION. IN NEW SOUTH WALES THE GAIN WOULD HAVE BEEN \$15 MILLION.

THE IMPROVEMENT IN THE FINANCIAL SITUATION OF THE STATE PUBLIC HOSPITALS SYSTEMS WILL NOT OF COURSE BE THE ONLY BENEFIT FROM THE HEALTH INSURANCE PROGRAM. THE PROGRAM WILL OVERCOME THE INEQUITIES AND LACK OF COVERAGE WHICH EXIST AT PRESENT UNDER THE PRIVATE HEALTH INSURANCE SYSTEM. FOR A START, THE PROGRAM WILL AUTOMATICALLY COVER ALL RESIDENTS OF AUSTRALIA, IRRESPECTIVE OF THEIR MEANS OF THEIR BACKGROUNDS. IT WILL BE FINANCED IN THE MOST EQUITABLE MANNER AS THE PAYMENTS TO BE MET BY INDIVIDUALS WILL BE BASED ON THEIR CAPACITY TO PAY. THE PROPOSED LEVY OF 1.35 PER CENT ON TAXABLE INCOME WILL PROVE CHEAPER THAN THE PRESENT HEALTH INSURANCE SCHEME FOR THE GREAT MAJORITY OF AUSTRALIANS.

FOR THEIR CONTRIBUTIONS, AUSTRALIANS WILL 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 WILL APPLY TO SERVICES PROVIDED BY ANY DOCTOR THAT ANY PATIENT CHOOSES TO CONSULT. FOR HOSPITAL TREATMENT, EVERYONE WILL BE ENTITLED TO FREE STANDARD WARD TREATMENT; ADMISSION TO THESE WARDS WILL NOT BE RESTRICTED TO PEOPLE WHO SATISFY THE SAVAGE MEANS TESTS WHICH APPLY IN SOME STATES AT PRESENT. THE PROGRAM WILL 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 WILL ATTRACT A BED SUBSIDY OF \$16 PER 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.

THE FAIRNESS, THE UNIVERSAL COVERAGE AND THE OTHER BENEFITS OF THE HEALTH INSURANCE PROGRAM HAVE COMPELLED US TO PERSEVERE WITH ITS IMPLEMENTATION IN THE FACE OF SOME BITTER OPPOSITION. THIS IS NOT A BLIND DOCTRINAIRE PERSEVERANCE. THE GOVERNMENT HAS WON TWO ELECTIONS IN WHICH THE PROGRAM HAS BEEN AN ESSENTIAL PART OF OUR PLATFORM. IN FACT PROBABLY NO CURRENT ISSUE IN AUSTRALIAN POLITICS HAS RECEIVED A MORE THOROUGH AIRING. WE BELIEVE THAT, IN ELECTING US TO GOVERNMENT, THE AUSTRALIAN PEOPLE HAVE INDICATED A DESIRE FOR THE SORT OF CHANGE TO WHICH WE ARE COMMITTED.

THE HEALTH INSURANCE PROGRAM IS COVERED BY TWO OF THE SIX BILLS WHICH WILL BE PUT TO A JOINT SITTING OF BOTH HOUSES OF THE AUSTRALIAN PARLIAMENT IN THE WEEK AFTER ~~NEXT~~<sup>7</sup>. BECAUSE OF THE RENEWED SUPPORT GIVEN TO US BY THE AUSTRALIAN PEOPLE ON 18 MAY, THE GOVERNMENT WILL HAVE A MAJORITY TO ENSURE THEIR PASSAGE AT THE JOINT SITTING. DESPITE THIS RENEWED SUPPORT, OUR OPPONENTS PERSIST IN TRYING TO PREVENT THE PROGRAM FROM COMING INTO OPERATION. THEIR SPOKESMEN IN THE PARLIAMENT SAY THAT THEY WILL OPPOSE ANY COMPLEMENTARY LEGISLATION. WE ARE EQUALLY DETERMINED NOT TO BE THWARTED YET AGAIN BY THESE PROPONENTS OF A MORIBUND AND UNJUST SYSTEM. IT REMAINS THE GOVERNMENT'S FIRM INTENTION TO INTRODUCE THE PROGRAM. OBSTRUCTION IN THE SENATE MAY HAVE DELAYED ITS INTRODUCTION, BUT WILL NOT PREVENT IT. WE EXPECT THE HEALTH INSURANCE PROGRAM TO BECOME A REALITY IN 1975.



THE PROGRAM WILL NOT IN ITSELF OVERCOME ALL OF THE FAILINGS OF HEALTH CARE IN AUSTRALIA. THE WORK OF THE HOSPITALS AND HEALTH SERVICES COMMISSION MUST PLAY A MAJOR PART IN THIS PROCESS. I HAVE ALREADY DESCRIBED ITS ACTIVITIES IN RELATION TO HOSPITALS. MUCH NEEDS TO BE DONE IN THE PROVISION OF OTHER COMMUNITY HEALTH SERVICES. IT IS FOR THIS REASON THAT IN 1973/74 WE ALLOCATED \$10 MILLION TO ASSIST THE STATES AND ELIGIBLE ORGANISATIONS TO MEET THE CAPITAL AND OPERATING COSTS OF REGIONAL 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 THE STATES TO DEVELOP COMMUNITY-BASED MENTAL HEALTH, ALCOHOLISM AND DRUG DEPENDENCY SERVICES.

COMMUNITY HEALTH SERVICES WILL NOT ONLY BENEFIT THE PUBLIC BUT WILL PROVIDE MORE EXCITING NEW POSSIBILITIES FOR HEALTH WORKERS. ALL GOVERNMENTS ARE CURRENTLY UNDERGOING A RETHINKING OF THEIR ATTITUDES TOWARDS THE IMPORTANCE OF ANCILLARY MEDICAL STAFF. RECENT INCREASES GRANTED TO NURSES IN NEW SOUTH WALES ARE ONE INDICATION OF THIS. BUT THE RETHINKING MUST INVOLVE MORE THAN A QUESTION OF MONEY. IT IS IN THIS CONTEXT THAT COMMUNITY HEALTH FACILITIES PROVIDE GREAT OPPORTUNITIES. THERE IS EVERY INDICATION THAT NURSES AND OTHER ANCILLARY STAFF WILL FORM A NEW "FRONT LINE" OF MEDICINE. OPERATING FROM HEALTH CENTRES THEY WILL PLAY A VITAL ROLE IN THE IMPROVEMENT OF HOME CARE SERVICES. AT THE CENTRES THEMSELVES THEY WILL BE ABLE TO PERFORM MANY FUNCTIONS AS A VALUABLE SUPPLEMENT TO THE WORK OF DOCTORS.

THE PROVISION OF A COMPREHENSIVE HIGH QUALITY SYSTEM  
OF HEALTH CARE IN AUSTRALIA DOES NOT REPRESENT AN EASY TASK.  
WE SUFFER FROM YEARS OF NEGLECT IN PLANNING AND FINANCE.  
BUT THE GOVERNMENT BELIEVES THAT WITH THE TWIN WEAPONS  
OF THE HEALTH INSURANCE PROGRAM AND THE HOSPITALS AND  
HEALTH SERVICES COMMISSION WE CAN MEET THE NEEDS OF ALL  
AUSTRALIANS.

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