

SPEECH BY THE PRIME MINISTER

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TO THE FEDERAL CONFERENCE OF THE HEALTH AND
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It is seven years since I had the pleasure of opening an annual conference of your association. It was a memorable conference and a memorable year for my party. It was in 1968 that Labor formulated its health scheme. In my speech on that occasion I took one of the first opportunities available to me to explain publicly the fundamentals of our health program and the philosophy behind it.

Since then I have often had cause to be grateful to your association for the support you have given us - support through two elections, continuing support for one of the fundamentals of Labor's program. Experience has taught me to be grateful for the fact that medical care is not solely in the hands of the medical profession. Health is too serious a matter to be left to doctors! Your association is one of the oldest and largest trade unions in Australia. Your members include a wide range of workers in public and private hospitals, in psychiatric hospitals, child welfare institutions, ambulance services, universities and laboratories. No one is better qualified by day-to-day experience to understand Australia's health problems, why they exist and how they may be resolved. You know at first hand the shortcomings and inadequacies of our hospitals, the lack of equipment and facilities, the problems of staffing and morale. You have seen the failings of the antiquated and inefficient private health insurance scheme. At the same time you have been in the vanguard of many important industrial reforms. That is why I value so highly the support you have given the Government - support expressed in successive conference resolutions.

Anyone who heard my speech to you seven years ago will be forgiven for thinking that the more things change, the more things remain the same. For the truly remarkable thing, the sobering thing, is that so much of what I said to you in 1968 - the facts, the figures, the arguments of 1968 - are still part of the current debate about health care in this country. The Labor health scheme, the scheme developed and nurtured in those days, has of course been modified over the years, but its essential purpose remains the same. We are determined to bring universal health insurance to every Australian. We are determined to ensure that every citizen, regardless of means, enjoys the best medical and hospital care that an affluent and advanced society can provide.

It is one thing, of course, to grant universal health insurance coverage. It is another to see that those benefits give real security against the cost of hospital and medical care and that the price of this guarantee can be met by the community. Labor's scheme means that for the first time the whole community will be undertaking responsibility for the community's health - just as the community is responsible for the education of children. It is a sad and astonishing fact that Australians can still be brought to court, and even put in gaol, because of an inability to pay medical and hospital bills. It is a sad and astonishing fact that more than a million Australians have no protection against medical or hospital expenses. And the people who remain outside the present system are precisely those most in need of health insurance coverage.

It is certainly not for want of trying that seven years after it was first proposed, Labor's health scheme has still to be implemented. Never in the history of our country has a major social reform faced such sustained and unscrupulous opposition. Our proposals have been debated interminably. No policy has been more thoroughly expounded or widely canvassed. Our health program was adopted at the ALP Federal Conference in 1969. It was first put to the people at the 1969 general election - and was in fact the central issue in that campaign. It received a clear mandate from the people in the 1972 elections and again in the 1974 elections. So the people have three times voted for it, twice approved it, twice empowered us to put it into action. The basic legislation has been passed three times by the House of Representatives. It was one of the bills that formed the basis of the double dissolution. It was passed a fourth time at the joint sitting of both Houses last August. It has had repeated electoral and legislative endorsement. If ever a party had a mandate for its legislation, the Labor Party has a mandate for its health scheme.

There is something about universal health schemes that arouses a special fury in the hearts of conservatives. In every western country social democratic parties have had bitter and protracted struggles to implement similar proposals. The British national health service - a scheme very different from ours, a scheme, nevertheless, much maligned and much misunderstood - has been so widely accepted that no Conservative Government has dared to undo it. You will remember the efforts of doctors and conservative politicians in the United States to sabotage the Medicare scheme. Similar battles have been fought in Canada and New Zealand. All these schemes have differed in points of detail, sometimes quite radically, but all of them have had one basic purpose - to make medical treatment available to all who need it, to ensure that medical care is not just another marketable commodity but a right of every citizen.

Of course it is not just doctors who oppose the health scheme. If we only had the doctors to contend with our scheme would have been working long ago. In fact there are thousands of responsible and fair-minded doctors who support us. The truth is that our health scheme arouses the deepest conservative instincts in our political opponents - our opponents in the Parliament and our opponents in the community. The issues involved are quite fundamental to the basic political struggle. That struggle is between those who want greater equality and those who want to preserve the power and privilege of a minority.

It is perfectly obvious that doctors will not be a whit worse off under the Labor scheme than they are at present. I am sure the doctors know this in their hearts. Their incomes will not suffer; indeed they will rise. Their practices, their day-to-day routines, will not change. All that will change from the doctors' point of view is the method of settling accounts. For many doctors this process will be more prompt, more simple and more reliable. I regret to say that doctors have been the victims of their own scare tactics and irrational prejudice. After next July, when Medibank is in operation, they will come to see that their fears were groundless. They will see that they were hoodwinked by a minority of extremists and propagandists in the profession and in the Parliament. I am dismayed at the lengths to which this great profession has gone to frustrate the wishes of the Australian people. There has never been a time when doctors were more at odds with popular opinion, more insensitive to the community's needs, or more indifferent to self-inflicted wounds on their professional reputation.

Misguided as their opposition has been, the obstruction of the Opposition has been even more disgraceful, their obstinacy on this matter, their utter contempt for the expressed wishes of the people, have been staggering. Even when the health bills were passed at the joint sitting, they proceeded to block our ancillary legislation to give effect to the Government's measures. This obliged us to make substantial changes in the method of financing the scheme.

Even now, with plans for Medibank well advanced, the Opposition is still threatening and undermining and misrepresenting our proposals. Mr Snedden last week told a public meeting in Melbourne that the Liberals would dismantle Medibank and pull down Labor's plans for national superannuation and a national compensation and rehabilitation scheme. These are all programs to which your association has pledged support. They are all programs for which the Government has a mandate from the Australian people. We cannot ignore these threats. Australians have already seen how a right-wing Federal Government can destroy a free hospital system. You will remember that every Australian had free standard ward hospital treatment for five years in the late '40s and early '50s under an agreement between the States and the postwar Federal Labor Government. The Menzies Government broke off that agreement. By June 1953 most State Governments had re-introduced charges for public ward patients. Australia's first free hospital scheme was dismantled. So don't think it cannot happen with Medibank. It has happened once, and the Liberals would do it again.

Our opponents were never able to decide what their attitude to the old health scheme should be. They argued in one breath that no change was needed and in the next breath that the present scheme can be easily repaired. When I last spoke to you I drew attention to some of the central weaknesses of the voluntary scheme. The Liberals had years to correct the shortcomings of the private insurance system. They did nothing. Nearly all the criticisms I made in 1968 can still be made of the private insurance scheme. It is costly. It is riddled with duplication and wasteful competition. It ignores the needs of a million or more Australians who have no medical or hospital cover. Contributors are obliged to pay a substantial proportion of the cost of the health services they receive. The scheme is ill-equipped to take account of increases in fee scales. It imposes unnecessary hardship on pensioners.

Many of these weaknesses were exposed in the report of the Nimmo Committee in 1969. Nimmo proposed many reforms to the old scheme. For example, they suggested voluntary deductions by employers to achieve a wider voluntary cover. They proposed a national Health Insurance Commission and standard ward hospital care without a means test. The Liberals did none of these things, but all of them have been incorporated, in various forms, into the Government's present proposals.

And here we find a particularly striking example of Opposition obstruction and hypocrisy. Early in 1968 the Senate set up a committee to look into hospital and medical charges. Mr Justice Nimmo's committee, to which I have referred, was established by the Liberal Government partly as a counter to the Senate committee. I do not disparage either of these inquiries; they did valuable work. But it was clear that the previous Government was prepared to ignore both committees when their findings didn't suit them. Last December the Senate removed important provisions from our health legislation relating to the supervision of health insurance organisations. These provisions were essential to protect the rights of contributors.

We accepted the Senate's amendments last year because, had we not done so, other important provisions of the legislation would have been held up. Last week, however, the Minister for Social Security, Bill Hayden, brought in new legislation to cover the provisions deleted by the Senate. The point is that the Senate's action last December was directly counter to the recommendations of both the Nimmo and the Senate's own committee established in 1968. It was counter to an undertaking given by Dr Forbes when he was Liberal Minister for Health. Dr Forbes promised on 4 March 1970 that he would implement the Nimmo recommendations relating to health fund reserves and the establishment of a special stabilisation account. In other words the Senate was ignoring the recommendations of its own committee and the promises of a Liberal Minister in obstructing our legislation.

The development of social welfare policy invariably calls for compromise and flexibility. It has never been our approach to strike dogmatic attitudes or to ignore criticism. I believe Bill Hayden's handling of the Medibank negotiations was a model of firmness and fair play. To listen to our opponents you would think we had forced through every detail of our original scheme and done nothing to accommodate reasonable suggestions from doctors or interested groups.

It is worth looking at some of the modifications we have made in evolving the final shape of the Medibank scheme. I don't regard these concessions as any sort of weakness or backtracking since none of them undermines the essential structure of our plan. Indeed I acknowledge that many of the suggestions we have incorporated will do much to widen and strengthen the scheme. For example, we have decided to allow people who want additional private health insurance to insure with private funds; we have agreed to provide full benefits for medical services in private hospitals; we have agreed to increase by 30 per cent - to \$16 a day - the bed subsidy payable to patients in private hospitals; we have agreed to defer our measures to ensure that doctors adhere to schedule fees and drop premium payments designed to encourage doctors to bill the Health Insurance Commission directly. All this was done in a process of open public debate, in a spirit of co-operation and frankness. Yet the AMA and the Opposition ignore these reforms and modifications. They mouth slogans about "freedom of choice" and "nationalised medicine". For those who still give credence to these rantings I repeat categorically: We cannot nationalise medicine and we have not attempted to do so. And every Australian under Labor's scheme will have complete freedom to go to any doctor he chooses.

There is one class of patient who will gain particular benefit from the Medibank scheme. I refer to pensioners. Currently Pensioner Medical Service patients are entitled to free treatment only for GP consultations. In future, pensioner patients will have access to all medical practitioner treatment - specialist as well as general practitioner, procedural and diagnostic as well as consultations. Under Medibank, all treatment will be free to pensioner patients whose doctors agree to bill Medibank directly - that is, if their doctors accept the medical benefits payable for a particular service and do not charge pensioners an amount on top of the benefits. For the rest of the community, as you know, treatment will also be free if doctors bill Medibank direct. They will not be bound to do so, and will be free, if they wish, to bill patients in the traditional way. In this case the patient will have to meet only 15 per cent of the schedule fee up to a maximum amount of \$5.

We are offering the States a much better deal for hospitals than they have now. We are ready to enter into agreements with the State Governments to share equally the net costs of operating State public hospital systems. This will mean, as it did in the late '40s and early '50s, public ward treatment free of means test and free of charge. For those choosing private treatment either in a public or private hospital, there will be an \$18 a day subsidy towards hospital bed charges. It is frankly difficult to imagine why any State Government would refuse such a generous cost-sharing arrangement and penalise its citizens so severely. It is obvious

that hospital charges, which have already risen steeply, will go higher if the present financing system continues.

We are building on existing and well-accepted public hospital arrangements. The only innovation is that honorary medical services (those in public wards for which no payment is made to the doctor) will be eliminated. Doctors will be paid on a sessional or other contract basis. After all doctors in Queensland are already paid on this basis, and it is accepted by the AMA in that State. It is moreover, an increasingly common practice for many visiting specialists at public hospitals in all States. So far only Tasmania and Queensland have agreed to co-operate in our scheme. I hope the other States will come to accept it for the sake of their people. We owe it to ourselves and our families to see that every State Government participates in the new arrangements.

Medibank will mean substantial savings for every Australian contributing to a health insurance fund. I give examples of what contributors will save in New South Wales. For medical insurance alone, \$96.72 a year; for medical and public ward hospital insurance \$157.04 a year; for medical and intermediate ward insurance \$132.72; for medical and private ward insurance \$123.76.

For all that, it would be a mistake to think of Medibank merely in terms of money savings - of extra cash in the pocket. It represents a great commitment to community well-being, a great experiment in social responsibility, a milestone in the history of progressive Labor legislation. When Medibank is in operation, when people come to see and feel the practical benefits of the scheme and the increased sense of social security it fosters, there will no longer be any talk of pulling it down. It will stand, like all great reformist measures, as a permanent landmark in our legislative history. Its success will owe much to the steadfast support it has received inside and outside the Labor Party - from social welfare workers, from hospital workers, from enlightened members of the medical profession, and not least from the members of your association, whose annual conference I now have pleasure in opening.
