

QUEENSLAND BROADCAST NO. 9 - 18 May 1975 -

AUSTRALIAN GOVERNMENT INSURANCE CORPORATION

LATELY - ON RADIO AND TV AND IN THE NEWSPAPERS - THERE'S BEEN A HIGHLY EXTRAVAGANT AND TOTALLY MISLEADING CAMPAIGN BY THE INSURANCE COMPANIES AGAINST OUR PROPOSAL FOR AN AUSTRALIAN GOVERNMENT INSURANCE CORPORATION. THE AIR HAS BEEN THICK WITH CRIES OF NATIONALISATION, SOCIALISM AND GENERAL DISASTER. LAST TIME WE HAD A CAMPAIGN OF THIS KIND, YOU'LL REMEMBER, IT WAS THE DOCTORS CRUSADING AGAINST MEDIBANK - BUT AS SOON AS PEOPLE REALISED THE TRUE BENEFITS OF MEDIBANK THE WHOLE CAMPAIGN COLLAPSED. SO I MAKE THIS PREDICTION: WHEN PEOPLE UNDERSTAND WHAT OUR INSURANCE PROPOSALS REALLY MEAN, THE CAMPAIGN BY THE INSURANCE INTERESTS - MANY OF THEM FOREIGN OWNED - WILL BE EXPOSED JUST AS QUICKLY AS THE FALSE PROPAGANDA FROM THE DOCTORS.

BASICALLY, WHAT WE ARE DOING IS ESTABLISHING A GOVERNMENT INSURANCE COMPANY TO COMPETE WITH THE PRIVATE INSURANCE FIRMS. YOU MAY ASK: WHY HAVE A GOVERNMENT CORPORATION WHEN THERE ARE PLENTY OF PRIVATE INSURANCE COMPANIES ALREADY PROVIDING A GOOD SERVICE TO THE PUBLIC? THERE ARE TWO MAIN REASONS. THE FIRST IS COMPETITION. THE MORE COMPETITION - GENUINE COMPETITION - THERE IS IN ANY INDUSTRY, THE BETTER THE SERVICE TO THE PUBLIC AND THE CHEAPER THE RATES. THE SECOND REASON IS WIDER COVERAGE. THE AUSTRALIAN GOVERNMENT INSURANCE CORPORATION WILL BE PROVIDING INSURANCE COVER THAT CANNOT BE OBTAINED FROM THE OTHER COMPANIES, EITHER BECAUSE THEY'RE NOT INTERESTED OR BECAUSE IT'S NOT SUFFICIENTLY PROFITABLE.

THE PEOPLE OF BRISBANE HAD THEIR OWN HARSH EXPERIENCE OF THIS PROBLEM DURING THE FLOODS AT THE BEGINNING OF LAST YEAR. AT THE TIME OF THE FLOODS, THE AUSTRALIAN GOVERNMENT ACTED PROMPTLY AND GENEROUSLY TO PROVIDE RELIEF AND THE NECESSARY FUNDS FOR THE TASK OF REPAIR AND RECONSTRUCTION. WE DIDN'T STINT ON THAT, BUT THOUSANDS OF BRISBANE RESIDENTS FOUND THAT THEIR HOUSEHOLD POLICIES SIMPLY DIDN'T COVER THEM AGAINST FLOOD DAMAGE. DARWIN PEOPLE HAD THE SAME EXPERIENCE AFTER THE CYCLONE LAST CHRISTMAS. THE ONLY PEOPLE FULLY COVERED IN THE FLOODS OR IN THE CYCLONE WERE THOSE INSURED UNDER THE DEFENCE SERVICE HOMES SCHEME ADMINISTERED BY THE AUSTRALIAN GOVERNMENT. THE AUSTRALIAN GOVERNMENT INSURANCE CORPORATION WILL PROVIDE SUCH INSURANCE FOR EVERYONE WHO NEEDS IT - AND PROVIDE IT AT THE LOWEST POSSIBLE COST. IT WILL OPEN THE WAY TO MORE WIDESPREAD INSURANCE COVERAGE AGAINST LIVESTOCK AND CROP LOSSES ARISING OUT OF NATURAL DISASTERS. SO IT WILL BE OF PARTICULAR VALUE TO THE MAN ON THE LAND.

I DO ASK YOU TO IGNORE THIS ABSURD TALK ABOUT NATIONALISATION. SINCE WHEN HAS IT BEEN "NATIONALISATION" FOR GOVERNMENT ENTERPRISES TO COMPETE FAIRLY AND ON EQUAL TERMS WITH PRIVATE ENTERPRISE? THERE ARE MANY EXAMPLES OF SUCH COMPETITION. NO ONE SUGGESTS THAT THE COMMONWEALTH BANK ISN'T COMPETING FAIRLY WITH THE PRIVATE BANKS - AND NO ONE SUGGESTS THAT THE BANKS HAVE BEEN NATIONALISED. NO ONE SUGGESTS THAT THE AIRLINES HAVE BEEN NATIONALISED BECAUSE TAA IS COMPETING WITH ANSETT. IN EVERY CASE THE BENEFITS OF SUCH COMPETITION HAVE BEEN PLAIN. FOR EXAMPLE, IT'S CHEAPER TO INSURE YOUR HOUSE WITH THE COMMONWEALTH SAVING BANK INSURANCE SCHEME THAN WITH ANY PRIVATE INSURANCE COMPANY. IF THE COMMONWEALTH BANK CAN DO THIS FOR ITS CUSTOMERS, WHY SHOULDN'T THE SAME LOW PREMIUMS BE AVAILABLE TO EVERY HOUSEHOLDER? WE WANT TO SEE THAT THEY ARE.

IT'S WORTH REMEMBERING THAT EVERY STATE
HAS HAD A STATE GOVERNMENT INSURANCE OFFICE
FOR MANY YEARS. AND VERY EFFICIENT ENTERPRISES
MOST OF THEM HAVE BEEN. HERE IN QUEENSLAND YOU HAVE
A STATE GOVERNMENT INSURANCE OFFICE - THE SGIO:
ITS BUILDING IS A PROMINENT LANDMARK IN BRISBANE.
I DON'T SUPPOSE EVEN MR BJELKE-PETERSEN WOULD
SUGGEST THAT INSURANCE IN QUEENSLAND HAS BEEN
NATIONALISED. THE FACT IS THAT UNDER THE
CONSTITUTION THE AUSTRALIAN GOVERNMENT HAS AS
MUCH RIGHT TO ESTABLISH AN INSURANCE CORPORATION AS
IT HAS TO ESTABLISH A BANK. IT HAS AS MUCH RIGHT
TO ESTABLISH AN INSURANCE CORPORATION AS THE STATE
GOVERNMENTS HAVE. NO ONE TODAY WOULD DREAM OF
DISBANDING OR RESTRICTING THE OPERATIONS OF THE
STATE GOVERNMENT INSURANCE OFFICES. THEY HAVE
SERVED THE PUBLIC WELL. THEY WILL CONTINUE TO DO
SO.

REMEMBER THIS: FOR ALL THEIR PATRIOTIC TALK, A LARGE PART OF THE INSURANCE INDUSTRY IN AUSTRALIA IS CONTROLLED BY OVERSEAS INTERESTS. LESS THAN TWO YEARS AGO THE LEVEL OF FOREIGN OWNERSHIP OF GENERAL INSURANCE BUSINESS CONDUCTED IN AUSTRALIA WAS NEARLY 46%. A GREAT DEAL OF AUSTRALIAN MONEY IS BEING CHANNELLED TO FOREIGN COUNTRIES. I KNOW THERE ARE SOME GREAT AUSTRALIAN FIRMS, AND I PAY TRIBUTE TO THEM; BUT AN AUSTRALIAN GOVERNMENT INSURANCE CORPORATION WILL HELP REDUCE THE FLOW OF FUNDS OUT OF AUSTRALIA AND COULD WELL ENCOURAGE MORE MONEY INTO AUSTRALIA. GENUINE AUSTRALIAN-OWNED INSURANCE COMPANIES HAVE MUCH MORE TO FEAR FROM GROWING FOREIGN COMPETITION THAN THEY HAVE FROM COMPETITION FROM AN AUSTRALIAN GOVERNMENT CORPORATION. WE'VE MADE IT PERFECTLY CLEAR THAT ACROSS THE GREAT RANGE OF ITS BUSINESS, THE GOVERNMENT INSURANCE CORPORATION WILL BE OPERATING ON EXACTLY THE SAME COMMERCIAL AND COMPETITIVE LINES AS THE REST OF THE INDUSTRY. ANY SUGGESTION THAT IT WILL BE GIVEN UNFAIR ADVANTAGE IS SIMPLY UNTRUE. UP TO NOW, THE UNFAIR ADVANTAGE HAS BEEN WITH THE PRIVATE COMPANIES. THEY HAVE LAVISHED FUNDS ON EXPENSIVE OFFICE BUILDINGS AND IN SPECULATIVE REAL ESTATE DEVELOPMENTS; THEIR INVESTMENT IN HOUSING LOANS HAS FALLEN STEEPLY; A LARGE PART OF THEIR FUNDS HAS GONE OVERSEAS; AND IMPORTANT FIELDS OF INSURANCE HAVE BEEN NEGLECTED.

REMEMBER THESE FACTS NEXT TIME YOU SEE YOUR
PREMIUMS BEING WASTED ON COSTLY AND MISLEADING
ADVERTISING, AIMED AT A GOVERNMENT INSURANCE
CORPORATION THAT WILL PROVIDE MUCH NEEDED
COMPETITION, AND A COMPREHENSIVE INSURANCE COVER
FOR ALL AUSTRALIANS WHO NEED IT.
