



F76/149

9

**PRIME MINISTER**FOR PRESS11 JULY 1976

EMBARGO: 7.15 p.m. - RADIO  
7.30 p.m. - TELEVISION

ADDRESS TO THE NATION - MEDIBANK

Tonight I want to talk to you about Medibank. In the last election, the Government said that Medibank would be maintained and improved. That commitment has been honoured.

There are many areas where this Government, the Australian Labor Party and the Australian Council of Trade Unions, agree about Medibank.

Everyone is included in comprehensive and high quality medical and health care. All Australians are covered automatically. Those on lowest incomes will make no payment - they are fully protected.

Bulk billing for medical costs remains. High quality standard ward treatment will be provided. Medibank offers and will continue to offer the lowest cost quality health care for all Australians.

On these matters there is no difference in what we propose and what Labor-enacted. Medibank however was capable of improvement and this is our objective.

Medibank as we all recognise is an expensive new benefit. The Government, the Australian Labor Party and the Australian Council of Trade Unions all recognise that it must be paid for by a tax or levy. This Government and the Labor Party believe that there should be a limit on that levy. The A.C.T.U. does not and that is a major difference. They do not accept a limit on the amount a family would have to pay.

They would provide no further help for the lowest income families. They would damage a large number of families where both partners are working, because they want each partner to pay. With no upper limit many people would pay more than their fair share of Medibank costs. Many of the Australian Council of Trade Union's own members would pay more under their proposal than under ours.

.../2

This in particular applies to the chronically ill, who would want to take out intermediate or private ward insurance. The chronically ill are those who spend many weeks each year in hospital. Many of them want some extra privacy or comfort. Many of them are low income families.

Under our proposals there will be a \$50 million a year subsidy for the chronically ill. A subsidy of this kind was embodied in the original Labor Party proposals.

The A.C.T.U. has demanded the abolition of this subsidy.

Together with other proposals of the A.C.T.U. this will have the effect of raising the cost of intermediate hospital ward cover.

The result of this would be that 85% of families who wanted to insure for intermediate ward treatment would be worse off.

I just cannot understand how the A.C.T.U. came to support that proposal. It would create grave injustices for many people who because of chronic or long standing illnesses deserve some additional support.

Our proposals are fair and just. Those who can afford to pay more will do so. In addition, because of the progressive tax scale, the better off made a further significant and increasing contribution to health care.

Further more, our proposals provide choice. Intermediate insurance will be available to most people. That means you can have the doctor you want in hospital.

I have pointed to the very considerable degree of agreement between ourselves and the Labor Party which has remained silent.

I have pointed out the considerable degree of agreement between ourselves and the A.C.T.U.

I have also pointed to the areas of disagreement which would seem to us to be important. They are basically that the A.C.T.U. has made it plain that they would not accept an upper limit on the levy. This will hit many two income families and many would be paying more than the cost of the service provided.

The A.C.T.U. would not accept a subsidy for the chronically ill. They would not allow people to insure fully with private funds. We believe these three elements are important. They will be maintained.

Our record shows that we are responsive to reasonable arguments, reasonably put. I have welcomed the contributions of the A.C.T.U. on the future of the Prices Justification Tribunal and on our industrial legislation. As a result the secret postal ballot provisions will be better and more effective.

We have had extensive discussions with the Trade Unions on Medibank.

We have in fact made on major and significant change - to allow Medibank to compete with the private health funds for intermediate and private wards. This will enable people to get full coverage from Medibank which wasn't possible before.

I know people are asking what the precise rates for intermediate and private ward treatment, what the upper limit on the levy, will be. The States had to make decisions on charges. These have been made.

Medibank insurance and the funds will shortly announce rates. This will remove one area of doubt I know has concerned many people.

I am asking you tonight to think carefully what this strike is really about. Ask yourselves why people have been told to go on strike against a scheme which is an improvement on the original Medibank arrangements. Ask yourselves why you have not been given a say in whether or not you want to go on strike.

Is the strike really about Medibank? I have made it plain that the Government is committed to support and to improve Medibank, to protect especially the lower income people in Australia.

The call for a national strike tomorrow should never have been made. This is not a time for ultimatums. It is a time for getting on with the real business of restoring prosperity to Australia, of showing what we as a people are made of, of showing that we can work together to make Australia the great country we know it can be.

All this strike can do is to postpone the return to confidence and prosperity and jobs which we all want. This strike cannot change anything. It can only harm the people involved in it. And the people most hurt will be the lowest income people. Those who called the strike did not think of them.

000ooo000