



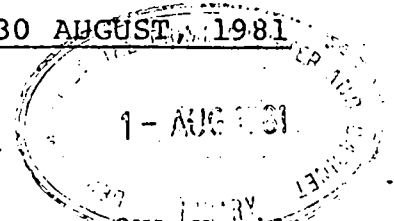
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PRIME MINISTER

FOR MEDIA

SUNDAY, 30 AUGUST, 1981

ELECTORATE TALK



(The weekly Prime Ministerial electorate talk over 3HA Hamilton today is given by the Minister for Health, The Hon. M.J.R. MacKellar)

I want to speak to you briefly about the new health insurance arrangements which start on Tuesday, 1 September. I think that by this stage most people will be quite clear in their minds as to what they should do to protect themselves against health costs from that date.

Very briefly, the arrangement is that unless you are eligible for free care (and over three million people will be) you will need to take out health insurance. Those eligible for free care include pensioners and sickness beneficiaries who have a pensioner health benefits card, people in special need - and these are people on specified low incomes, people on unemployment benefits on certain income levels, migrants and refugees for their first six months in this country.

For those who need to take out private health insurance, the health insurance funds have been announcing details of their benefits offered and the contribution rates charged. It is pleasing to note that the net cost of such health insurance will be cheaper under the new arrangements than it is now, due to the effect of the taxation rebate made by the Government. The first of September will see the start of a system of health funding that will preserve the element of choice by both the providers and the users of health care, it will protect those in special need against health care costs, it will require State Governments to take up their proper constitutional responsibilities for health services, and it will encourage a sense of personal responsibility in using and paying for health care.

The new arrangements reflect the Commonwealth Government's commitment to 'small Government'. This is important if people are to be free to decide how they will spend their money rather than having the Government take the decisions for them through heavier taxation burdens. This is a basic difference between the philosophies of the Government and the Labor Party, who are apparently still committed to a monopolistic, centralised, tax-financed, Government health scheme. I say "apparently" committed because so far the Labor Party is a Party without a health policy.

The fact that they do not have a health policy goes a long way towards explaining the "spoilt child" behaviour of the Opposition during these last few weeks in attempting to spread misunderstandings within the community. This is unfortunate, because in any change, people need to consider what they need to do to take best advantage of the coverage available.

We believe that the new health arrangements will serve the country well - preserving and encouraging the best elements and standards of our high quality health care delivery system. We also believe that the new arrangements will avoid the destructive effects of so-called "free" health schemes. There is no such thing as a free health scheme. The Government will use community funds, gathered through general taxation, to fully protect the less well-off, the elderly, and others in our community in special need. For the majority of people who do not fall into these categories, the Government will heavily subsidise private health insurance rates. These subsidies are expressed by way of taxation rebates, and direct financial grants through medical benefits and subsidies to private hospitals. I believe that this kind of approach represents a reasonable and a proper balance between the Government's role and the right to individual choice and responsibility.