



**PRIME MINISTER**

**CHECK AGAINST DELIVERY**

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**SPEECH BY THE PRIME MINISTER  
OPENING OF THE HEALTH INSURANCE COMMISSION'S  
NEW NATIONAL HEADQUARTERS  
CANBERRA - 21 OCTOBER 1988**

One of the great sources of satisfaction I have had as Prime Minister for the past five and a half years is the capacity to oversee a project such as this - the creation of these new national headquarters - right through from planning to bricks and mortar.

On this occasion, that sense of satisfaction and pride is heightened because this building represents an enduring and central element of the policies my Government promised to implement on our election to office in 1983.

I want at the outset to pay tribute to the skill, dedication and vision of my colleague the Minister for Community Services and Health, Neal Blewett, who has overseen the health portfolio for the entire duration of this Government - and indeed who formulated the Labor Party's health policy when we were in Opposition.

Very few people in the history of the Australian Parliament can claim the expertise and insight into a major policy area that Neal Blewett can claim in health policy.

Today's opening ceremony is something in which he would have enjoyed participating; I know you will sympathise with him, as I do, in understanding the reasons he is unable to be here.

It's appropriate that our ministerial colleague, Ros Kelly, is here representing Neal. As the Member for Canberra, Ros has played a major role in the development of the Tuggeranong Town Centre - a development to which this building represents a substantial new commitment.

With the re-introduction of Medicare after its short-sighted termination by the previous Government, we put into place an absolutely critical part of our social justice strategy.

That strategy is making Australia a fairer society - a society in which the economic resources of the community are taxed fairly and distributed fairly, and where access to essential community services is available on equal terms to all Australians.

Just as our economic strategy has been about laying the groundwork for new prosperity in the community, our social justice strategy has been about distributing that prosperity fairly throughout the community.

And just as our economic strategy during this time of acute challenge has required us to tighten our belts and make the sacrifice of restraint, so our social justice strategy has meant ensuring that those necessary sacrifices have been shared, fairly, by all sections of the community.

The fruits of this complementary policy approach have been abundant - including the creation of more than 1.1 million new jobs; a massive and continuing expansion in child care places; a steady and continuing improvement in the education and training opportunities for young people; real increases in age pensions; the Family Allowance Supplement for low income families; a massive extension of superannuation coverage.

Among these many achievements the restoration of Medicare stands tall. Fairness and universality are the hallmarks of our social justice strategy; they are unquestionably the hallmarks of Medicare.

With the re-introduction of Medicare, we brought back under the health care umbrella some two million Australians who under the system adopted by our predecessors had no health insurance.

We were able to do this because we were determined Medicare would be funded fairly - by funding it on the basis of a person's capacity to pay.

In 1983 a family earning just above the Health Care Card limit had to pay more than seven per cent of its income on basic health cover, while a family on \$50,000 a year paid only 1.4% of its income.

By funding Medicare through an income-related levy, people contribute to health care in accordance with their capacity to pay.

Furthermore, low income earners are excluded from paying the Medicare levy. For example, a married couple with two children on an income of \$390 a week is exempt from the Medicare levy.

Medicare also assists chronically ill people through paying heavy "gap" expenses which can be incurred by those who are in frequent need of medical services.

All this of course amounts to a substantial contribution to the social wage. Without Medicare an average family would need basic private health insurance costing, at 1987-88 prices, \$21.50 per week more than the \$5.50 they now contribute to Medicare.

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At the same time, we have backed our commitment to Medicare with new support for Australia's hospital system. In the August Budget the Commonwealth embarked on a new five year program of hospital funding. Totalling \$3 billion this year and to be increased by some \$1.1 billion over the next five years, this program will be devoted to providing a more modern efficient hospital system.

In addition, a new three year \$175m Hospital Enhancement Program starts in conjunction with the States this financial year. These funds will assist public hospitals to acquire new equipment so as to provide better services to those who need them.

All these initiatives represent the central thrust of the Government's approach to health policy.

However, there is another side of health policy which is becoming increasingly important, as pressure builds on the use of resources within the health system. I refer to the area of preventative health measures.

Prevention is better than cure - yet for too long, too many Australians have undergone the cost and the suffering of preventable diseases.

In the last Budget we commenced a National Better Health Program, to be cost-shared with the States and Territories, which is aimed at demonstrating that good health can be enhanced by adopting a commonsense attitude to the way we lead our lives - and especially through attention to nutrition, preventable cancers and injuries.

It would not be appropriate to conclude even this cursory survey of health policy without acknowledging the efficiency and effectiveness of Medicare, Medibank Private and the Health Insurance Commission.

By continually striving to improve its efficiency the Commission makes a vital contribution to ensuring all Australians have access to the best possible health insurance at the lowest possible cost.

Despite its size, the HIC operates Medicare at a high level of efficiency measured both in terms of short turnaround times in handling Medicare claims and in low administrative costs. This efficiency is reflected in consumer satisfaction - people know and trust Medicare for its service and reliability.

Medibank Private, too, can boast a proud record of efficiency and effectiveness. Starting from nothing on 1 October 1976 Medibank Private is now the largest and arguably the strongest health insurer in the community. It has achieved remarkable growth rates in membership and has developed substantial reserves. By March of this year, its market share for hospital membership was over 26 per cent and total reserves stood near \$250m - equivalent to more than five months of contribution income.

As befits a government business enterprise those reserves have been devoted to the public good. This has been achieved, in part, by placing pressure on health insurance premiums so as to ensure the lowest cost to the public - and, in part, with the construction of these new headquarters.

I would now like to declare the new headquarters for the Health Insurance Commission open and wish all who will use it continued success in their operations.

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