



**PRIME MINISTER**

**\*\*CHECK AGAINST DELIVERY\*\***

**SPEECH BY THE PRIME MINISTER, THE HON P.J. KEATING, MP  
AUSTRALIAN NURSING FEDERATION FEDERAL DELEGATES  
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It is an honour to be asked to address the 11th Biennial Australian Nurses Federation Conference.

I have been talking to nurses quite a lot lately - at Ballarat yesterday, and in Perth a couple of weeks ago.

And this is not just because I believe that nurses do some of the most important work in our communities, although I do think that. Nurses provide the most important ingredient of any civilised society, any decent community and, I think it is fair to say, any successful health system. They provide care.

How as a society we treat nurses is therefore a measure of how much we value care. It is a measure of what we mean by "civilised", by "decent", and "successful".

To take nurses for granted is to compromise those values. To actually cut into their pay and conditions speaks of abandoning them altogether.

Something similar can be said, I think, about the present fashion for privatising health services, including ambulance services.

A great many things can be done equally as well by private interests, but where the people's health is involved there are very clear lines to be drawn.

The people's health should never be subject to ideological fashion or obsession. It should never be placed at the mercy of no other consideration than the bottom line.

On these things - on the pay and conditions of nursing, on cost cutting and privatisation in health - there is a very significant national debate now raging.

At present, the antagonists are the Commonwealth Government and the conservative state governments. I can tell you now that the Commonwealth Government will do all it can to protect nurses against state governments like the one in Western Australia.

The industrial relations policies of the conservative States and the health policies of the conservative States are of the same ilk. They are related. They come from the same family of thought.

And, needless to say, the conservative States and the Coalition come from the same family too. So what we see happening in the conservative States we can expect from a conservative Coalition. In fact, there are indications that a Federal Coalition government would hand over much more responsibility for health to the States.

That is why this debate is so important. It is a debate about not just the fundamentals of health care or even just the fundamentals of industrial relations and fair wages - it is a debate about the kind of society we want Australia to be.

If this strikes you as a political speech, you are probably right. There is a great deal at stake, and the fact is we can only defend the things we have won and the things we believe in by winning the political debate.

As I said the battles at present are being fought out in the conservative States.

In the conservative States there have been particularly poor dealings between nurses and those State governments. For example, in Western Australia and South Australia, the second safety net adjustment of just \$8 a week has still not been paid.

Nurses in conservative States have received almost no pay increases for several years.

This has meant that many thousands of nurses have experienced cuts in the purchasing power of their pay. Nursing is one of the very few occupations to have had this experience over recent years.

The lack of empathy for and understanding of nurses' needs led the Government to make an important decision.

We decided to support a Special Case before the Industrial Relations Commission on nurses' pay.

This is an Accord commitment to guarantee wage justice for nurses in conservative States - and it should be noted that it is very rare for a specific occupation to be identified as in need of help in the eight Accords negotiated with the ACTU.

It speaks volumes for the Accord and, I think, for the difference between Labor and the Coalition.

Some might say, that's well and good for nurses working in conservative States, but it's a relatively minor issue, isn't it?

In fact, it is a major issue for all Australian nurses.

It is a major issue because the vast majority of nurses are covered by the Federal system, and this is where the current industrial relations debate really matters.

It is a major issue for all workers simply because the Coalition will radically alter the Federal awards, and that will mean reductions in pay and conditions for nurses.

The big point - and it is a very big point for nurses - is that the Coalition's policy does not guarantee workers' pay. The value of penalty rates, and overtime, and holiday loadings, among other allowances, will disappear.

When I was in Western Australia I illustrated what this might mean for the earnings of nurses and, I must say, there were some signs of shock at the extent of what could happen.

How much pay is involved? Let's have a look at some facts.

Currently working nightshifts typically pays about 15 per cent more than the day rate, or about \$15 a night extra. The Coalition's policy means that the nightshift can be paid at the day rate.

Most nurses who work full-time work some nights and some weekends every year. For weekends there is at least a time and half penalty rate.

Taking away the penalties and the holiday loading costs the average nurse around \$5000 a year. This is a typical nurse, not a special case. \$5000 a year.

Typical nurses have typical needs. Typical family needs, typical recreation needs, typical financial commitments. Cut nurses' pay - cut anyone's pay - and you cut into their standard of living, into their hopes and expectations, into their opportunities and opportunities for their children.

Cut nurses' pay and you cut into the quality of health care and the fabric of communities. Cut nurses' pay and you cut into the basic values of Australian society.

That is why I have said so often about John Howard - and to John Howard - you cannot pretend to stand for families and communities and the decent values which bind them together and also stand for low wages and wage cuts.

Even if you put aside all the obvious moral judgements to be made, it makes no logical sense.

Now I don't know whether Australian nurses think of themselves as "battlers". I prefer nurses myself. But if nurses are battling now, they would be battling a lot more if a Coalition government were elected and applied the same policies as Western Australia is applying.

A Federal Coalition government will mean pay cuts of over 20 per cent of incomes. About \$100 a week.

The Coalition says that this is a fantasy, that it just won't happen, that it's just a scare campaign.

Of course, the Coalition would have the Australian public believe that any questioning or criticism of their intentions - to draw the merest negative inference from their past policies or their present lack of them - is a scare campaign.

They say that anyone who wants to stay on the awards can choose to do so.

But this is not how things work.

And it is not what most nurses will experience.

A huge number of people - and a very large number of nurses - move into new jobs every year.

How will these nurses be able to "choose" to stay on an award with penalties and holiday loadings if such conditions aren't offered as part of the job? After all, there can't be a choice if the employer doesn't want to offer it. And there is no effective way a government could insist on this.

In 1994, 1.73 million workers took a job with a new employer, and there were many nurses among them.

Several hundred thousand of the 1.73 million had just finished higher education, and there were many nurses in this group.

Around 400,000 were married women returning to the labour force, and many of them were nurses.

A large number would be workers - including nurses - who have moved for any number of essential reasons. Australians often have to move. It is a pretty basic necessity, and a pretty basic freedom: attach to it the penalty of significantly lower wages and less security and that freedom is pretty seriously compromised.

So how many nurses face a new employer each year and would thus, under a Coalition government, have no effective choice about keeping penalties, overtime, holiday loadings and other allowances?

In 1994 the number was 32,387 - about 22 per cent of all registered nurses. In just one year.

10,897 of these nurses were women aged between 25 and 34. That's 31 per cent of all female registered nurses in this age group.

About 1 in every 3 of this group, and just in the course of one year. This means that the majority of nurses would have faced a new employer within just a few years.

And it's not just the nurses facing a new employer who have things to worry about with the Coalition.

What's to stop an employer - even a Federal government employer - from reducing pay and conditions when nurses' contracts without penalties expire?

What's to stop an employer giving preferred working hours to nurses who are prepared to take the contract instead of the award?

What's to stop an employer offering promotions to those who are willing initially to move off the award?

And what's to stop an employer from eventually decreasing pay for workers on contracts without penalties who will find themselves unable to get back onto the award?

The answer is, nothing.

In bringing these issues to public attention it must be recognised that what happens to nurses' pay is not just an issue for nurses.

It is a reflection of what can happen to the majority of Australian workers.

And it is a symbol of the essential differences in the sorts of societies valued by the Government and the Coalition.

This Government will continue to protect the bargaining position of all workers.

The Government, through its Accord commitments, has worked to ensure that not only is Australia a place of reform, but also a country in which the welfare of families is assured.

We say that the best way to ensure the income of families, particularly working families with children, is through the maintenance of the value of award conditions.

Our opponents have long made it abundantly clear that they do not value the Accord and the consensual philosophy on which it is built, or the award wages system which is in many ways its expression.

They are committed to doing away with both.

That puts at risk our social cohesion, the very nature of our society.

This is evident in more fields than industrial relations, of course. But industrial relations are the most basic of relations - the relations of work - and how we conduct them determines the most basic of our needs and the most basic characteristics of our society.

That is why I say that this industrial relations debate is so important.

It is why I say the Government must win it.

We also have to win on health.

Labor's health policy is built on Medicare - universal access to quality health care.

Medicare is affordable, simple and accessible. And, unlike many other countries, we do this while maintaining spending on health at a sustainable 8.5 per cent of GDP.

As front line health workers, nurses are the guardians of Medicare. Nurses ensure that Medicare means quality care that is efficiently and compassionately delivered.

A recent survey shows that 88 per cent of Australians are satisfied with Medicare - very few government programs ever reach this level of public support. And a decade ago the figure was only 44 per cent.

The Government is very proud of this, and you should be too. Because the best policy in the world will flounder without dedicated and skilled people to put it into place.

So popular is Medicare that John Howard now says that he also is a supporter of Medicare.

Just a few years ago he described it as "a great failure"; "an absolute nightmare"; "a total disaster".

And back in the 1970s he was part of the government team which dismantled Medibank - when that was the name of the national health scheme - even though they had promised the Australian people they would keep it.

This is the same man who was happy to leave 2 million people without any health insurance.

The same man who voted twice against universal bulkbilling in the Australian Parliament.

The same man who went to the last election with yet another policy to abolish Medicare.

Some people say I am unfair to disbelieve Howard's change of mind.

I say that for John Howard to support Medicare he would need more than a change of mind. He would need a change of mind and heart and fundamental values. He would need a transplant of proportions which are beyond the reach of both science and credibility.

But more than that, he would need a change of Party.

Because the Liberal Party has never supported public health. They have never lined up with those who down the years have argued for the right of all Australians for access to free, public health care.

They went to the last election with a health policy which the AMA described as "music to the ears".

The ears of the AMA three years ago were pretty well all on the right of course. They included those attached to the now endorsed Liberal candidate for the safe seat of Bradfield.

It was reported at the weekend that Mr Nelson is keen to have a say in the development of the Liberals' health policy. He is also on the record as saying that bulkbilling should go.

Mind you, he said as recently as May this year, "I don't know what the Liberal Party's health policy is, and if you do, could you please let me know". In doing so, of course, he gave voice to what has become pretty well a national refrain.

But we know that, at its core, the Liberal's health policy will always support private health over public health.

And if you doubt this, you only have to look at what the State Liberal Governments are doing to public health.

Jeff Kennett has cut \$260 million a year out of public health, and plans to close two public hospitals in the La Trobe Valley and replace them with a private hospital.

Dean Brown in South Australia reduced health expenditure by \$35 million last year and has plans to cut a further \$35 million over the next two years and privatise public hospitals.

Ray Groom in Tasmania has privatised the Mercy Hospital.

And, of course, Richard Court has an agenda for widespread privatisation of the public health system in Western Australia.

All around the country, Liberal Governments are cutting funding and privatising hospitals. And, in Victoria, even ambulance services.

If John Howard wants to persuade us that he has changed his mind, that he does really believe in Medicare, that he does really believe in the public health system, there is one simple thing he can do for a start.

He can condemn the actions of his colleagues in those conservative State governments who are slashing public health.

If John Howard wants us to believe that he is going to break with the Liberal tradition of Medicare bashing - a tradition he supported in the Fraser Government, a position he supported at the last election - never was there a better opportunity to demonstrate it.

He can disown the policies of Jeff Kennett, Dean Brown, Ray Groom and Richard Court. He can tell them they are wrong.

Over the past two years, the Commonwealth has increased health funding to the States by about \$800 million. At the same time, the States have cut more than \$700 million from public health. He can tell them to put it back.

But maybe taking a stand for public health sounds too much like taking a policy position.

It strikes me as strange that the only health policy we have heard from John Howard is that he intends to give tax incentives to encourage people to take out private health insurance.

Tax deductions for private health insurance would cost over \$1 billion.

So he is going to show his support for Medicare, for public health, by giving a billion dollars to the private health system.



This is a novel way to show support.

If you want to improve the public health system, why would you give a billion dollars to the private health system?

Why is he doing this?

Is he doing this because he thinks the private health system needs support?

But over the past five years, there has been an increase in patients using private hospitals. Admissions to private hospitals as a proportion of total admissions has also increased, as have the reserves of the private health insurance industry from \$991 million in 1991-92 to over \$1.35 billion now - an increase of 36 per cent.

At the same time, average premiums for private health insurance have increased by 40 per cent in real terms.

It doesn't sound like the private funds need an injection of \$1 billion to stay solvent.

He can't be doing this because he thinks that private insurance is more efficient than Medicare. The administrative costs of private health funds are 11.6 per cent of the benefits paid, compared with only 3.5 per cent for the Government's Health Insurance Commission.

In fact, a shift to private health insurance would lead to a less efficient and more costly health system. Overall, health costs are likely to increase because of higher administrative costs, fewer controls on over-servicing and the reluctance of private health funds to encourage cost-containment in private hospitals.

We would end up with more, not fewer, resources being spent on health care.

And you don't have to take my word for it - this is the view of respected health economists such as Jeff Richardson, Richard Scotton, John Deeble, Stephen Leeder and Kevin Forde.

The evidence could scarcely be clearer. In the United States the introduction of tax subsidies for private health insurance caused an increased demand for medical services. It was a major cause of the rapid escalation of medical costs in the US.

Tax subsidies for health insurance would also assist specialists to raise their fees. Specialists have made it clear that the existing system holds their fees down.

John Howard wants more people to take out private health insurance. But let's be very clear that this would mean that those families and individuals who took up private insurance would pay more for health care than they do today.

They would have to pay the difference between the tax subsidy and the cost of private insurance. And they would have to pay the high cost of gap fees charged for private hospital care.

His policy is simply cost-shifting. Under the Coalition, the cost of health care would be shifted from government to the people. Patients would pay more.

And who would get the extra money?

Private hospitals, specialists working in private hospitals and the private health insurance funds.

The private health system, not the public health system.

In short, the Coalition would deliver neither an efficient nor an equitable means of solving health care problems. The major beneficiaries of the tax subsidies would be tax-payers who already have private health insurance - people who we know are more likely to be higher income earners.

The real danger is that a two-tiered health system will develop a rich, privately funded health system alongside a poor, publicly funded system.

Coalition thinking on health, like their thinking on so much else, betrays a strange magnetic attraction to the example of the United States. Yet, America's health system costs nearly twice as much as Australia's and it is based on sharp distinctions. It treats the well-off privately insured person very differently from the publicly-insured and uninsured poor people.

As I said in my speech to the nurses in Western Australian, the fundamentals of health care are not negotiable in the market place - the core of the health system, along with education and other essential human services, resides in the public sphere. It is the responsibility of communities and governments.

One of the challenges of the public health system is patient waiting lists for hospital admission.

Our best estimate of the number of patients on waiting lists is between 100,000 and 120,000 at any point in time.

It is not to in any way play down the need to solve this problem to put it in perspective - in fact, only by getting it in perspective will we get the solution right.

There are four million admissions to public hospitals each year in Australia, about 11,000 a day. So patients on waiting lists make up about 3 per cent of the total load on the public hospital system. And of the 120,000, 15,000 require surgery within 30 days and 20,000 within a year. These are the people we have to target.

Many of the other patients are counted on waiting lists because they may at some later stage need hospitalisation for a condition which does not respond to other treatments.

I make these points to demonstrate that the solution to waiting lists is not beyond us. It is within our means. And it lies primarily in the public health system.

It does not lie in giving tax concessions for people to take out private health insurance.

It is folly to think that people who take out private health insurance will only seek treatment in private hospitals, and thus free up public hospitals. In fact, many sophisticated procedures are only carried out in public hospitals. And most people, even Kerry Packer, when involved in an accident or an emergency, are treated in public hospitals.

Since 1992-93, the Government has provided some \$88 million additional funds to the States to reduce waiting times for elective surgery.

The Commonwealth is also funding demonstration models of public hospitals which have best practice approaches to waiting time management to improve the delivery of service to patients.

And in this year's Budget, the Government provided extra funding to the States to reduce waiting lists for public patients. Under the new arrangements, specific targets will be set for waiting times for elective surgery and for access to accident and emergency care.

We are serious about improving waiting lists. But are the States? Is John Howard?

How serious can the State Governments be about reducing waiting lists if they cut funding for public hospitals? Jeff Kennett's cut of \$260 million a year alone would fund an extra six public hospitals.

How serious can John Howard be about supporting public health if he not only does not condemn these cuts, but advocates giving \$1 billion to the private health system - \$1 billion which would more than pay for the treatment of all the people on the waiting lists for public hospitals?

I am justified, we are all justified, in disbelieving John Howard's claim to support public health.

His record shows he is not to be trusted. He has voted against Medicare, he has campaigned against Medicare. His Party in government at the State and Federal level has consistently cut funding for public health.

And his proposal for tax concessions for private health insurance shows he remains a supporter of private health at the expense of public health.

As I said at the beginning, the two issues of support for public health and support for the wages and working conditions of nurses are inherently linked.

If you support Medicare, you must support the front line workers who deliver the care and who make the system work. You cannot expect to maintain a quality health care system if you do not give fair and just reward to nurses for their expertise and dedication.

And you cannot expect to be believed when you say you support public health if in the course of your public life you have done little but oppose it, and your colleagues in the States are just now busily tearing into it.

Labor built Medicare. We have always believed in the right of all Australians to free hospital care. We have always supported public health. We have made the building and maintenance of a great public health system one of the foundations of a fair society - an essential and defining element of Australia's modern democracy.

And because Australia's nurses are an essential and defining element in this great equation, we will support you.