



## PRIME MINISTER

### SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP HEALTH POLICY LAUNCH, MELBOURNE, 6 FEBRUARY 1996

At this election - as in every election - the Government seeks a new mandate from the people of Australia. We seek to re-establish the trust of the people of Australia to govern for another three year term.

We are very proud of what we have done in the past three years. It has been a Government, I think, of great enterprise and purpose. And we have delivered those things we said we would deliver.

But we know that, once again, we must convince the Australian people that the policies we have implemented, and the policies we propose, are the best policies for Australia. And that they will be delivered by the people who are best able to deliver them.

A crucial element of the new mandate we seek is a mandate to maintain and extend Australia's universal health care system - a health care system for all Australians. We ask Australians to invest their trust in us to protect and extend Medicare.

And, as the pioneers of Medicare, we believe that Australians can extend their trust to us with confidence. We will defend Medicare. We will extend and improve it.

Between now and March 2 the Australian people must make a decision about the kind of health system they want.

Because health care is fundamental to the well-being of every Australian and every Australian family, because a fair and effective health care system is fundamental to our aspirations as a civilised society - it will be a **momentous** decision.

Health care is an immensely complex issue in modern society - and immensely expensive. In Australia it consumes more than 8 per cent of Gross Domestic Product. But the system we have developed is efficient. In the United States health care accounts for more than 14 per cent of GDP, and yet it leaves millions of people with no health insurance, or inadequate health insurance - and, as a consequence, without decent health care.

The Australian system is a good one and Labor will protect it.

Countries have choices in health care. In Australia the choices have been argued for the last 20 years.

The major political parties have come to the debate with two entirely different perspectives. More than twenty years ago, a Labor government made its position clear when it introduced a system of universal health insurance - known as Medibank. The Coalition, in turn, showed its preference for a private system by ripping Medibank down. When they left office in 1983, more than two million Australians had no health insurance.

The same divisions have characterised the debate ever since. Labor has rebuilt a universal health care system. Medicare is not perfect - no system ever will be. But there are few better systems in the world. And we can make ours better.

The crucial thing is that all Australians are covered. That has been the essential choice - should all Australians be covered in a universal system, or should there be a two tiered system? A system with gilt edged services for those who can afford it and much poorer and less reliable services for those on lower incomes.

Until now the Coalition has never disguised its preference for the two tiered system and its contempt for Medicare. At successive elections they have vowed to pull Medicare apart - and no one more consistently or virulently than John Howard.

In fact they were the very words Mr Howard used in 1987 - "I will pull it right apart", he said. He would do things "that amount to its de facto dismantling". He made no attempt to hide the fact of his ambitions for it. "I would love to go back" to the pre-Medicare days, he said.

That was his ambition in 1987. It was his ambition in 1993. And, make no mistake, it is his ambition now.

This time he says he will keep Medicare. But we all know he won't. Jeff Kennett will turn his casino into an Anglican mission before John Howard supports Medicare.

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Over the last decade. Australians have said again and again that they want a universal system, and not an American style system. They have said it at five national elections. In the most recent polls of public opinion over 85 per cent of them say they want Medicare retained.

And it is **only** for this reason that the Coalition are saying they will keep Medicare.

There it was in the newspaper advertisement placed by the Liberal candidate for Fremantle this week: Medicare is "a medical and moral scandal", he said.

And there it was in the *Financial Review* yesterday:

Coalition sources [the report says] privately concede that Medicare is financially unsustainable in the medium term and that it is being embraced by the Coalition mainly because it is electorally popular.

Not because they believe in it. Not because they will keep it. But because they think it will help them win the election if they pretend to support it.

That is why we say the decision Australians make about health in this election will be a momentous one. This is the same fight to the death for Medicare as it has been at every election since 1984.

Once again the election will decide the kind of health care system we will have over the next generation, and in so doing it will decide in large part the kind of society we leave our children. It will substantially determine the kind of country Australia will be.

John Howard is saying that we are running a scare campaign on Medicare. Apparently we should take him at his word when he says he won't harm it.

Well let me say even if we **half** believed him, or a **quarter** believed him we would be issuing the most dire warnings. But in fact we don't believe him at all.

We pioneered Medicare. We nurtured and built it into one of the best health systems in the world. It was our baby and now it is Australia's health system.

So no one should be surprised if we are passionate about defending it.

Erect the two-tiered system Mr Howard wants; put the weight of the well-off into the private health system, make the private system stronger than the public, and the public health system will start to crumble.

Australia will then have an entirely different kind of health system - a flourishing first rate private industry for those who can afford it, and a second rate public system for those who can't.

Vertical text on the right margin, possibly bleed-through or a separate column of text, including words like "Medicare" and "No".

Lose universality, and essentially we lose Medicare.

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Lose Medicare, and we lose one of the great building blocks of fairness and cohesion in Australian society.

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And it will not be a temporary loss. It will not be a little experiment which we can abandon if we don't like the way it's going. Pull away the universality of our health care system and you pull Medicare down.

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ill", he said.

Fail to support it, say you support it while leaving the states to rip into the health system, and you pull Medicare down. And when it's down, we will have lost one of our great social achievements and our children will inherit a very different Australia.

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It's a free choice. That's what an election is. But there must be no doubt about what the choice is between. At this election the Coalition are not presenting policies, they are presenting tactics.

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Their environment proposal was not a policy it was a tactic. A tactic to sell Telstra by bribing the environmental vote.

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Their industrial relations proposal was not a policy, it was a tactic - a tactic to drive wages and conditions down and undermine job security by embracing enough of the Government policy to neutralise the debate.

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Their health proposal is also a tactic - a tactic to create the health system they want by pretending to keep the health system they hate.

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But even if we believed them, even if we believed that they had undergone a change of heart and were not merely heeding the polls for the purpose of winning the election, even if we ignored the mountain of evidence from the past, their health proposal still constitutes a critical attack on the foundations of Medicare.

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The fact is they neither understand it nor like it. Medicare is hostile to the very basis of their thinking. And it is hostile to their friends in the private health care system.

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Mr Howard says he will leave Medicare alone. But leaving it alone is not supporting Medicare. Leaving it to Jeff Kennett is not supporting Medicare.

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Nor is introducing tax rebates for private health insurance by itself supporting Medicare. Their tax rebates are designed to encourage people out of the Medicare system. They are designed as much to be an industry policy as a health policy - a policy for a private health care industry.

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Supporting Medicare demands that you believe in Medicare. Supporting Medicare demands that we see it as a rock on which our future will be built.

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And supporting Medicare means building on that rock.

That is what we are doing in this health policy. We are building on the rock.

Medicare gives all Australians access to free first rate treatment in a public hospital and affordable medical care from general practitioners.

But Medicare generally does not help with the costs of dental and orthodontic treatment, or other services such as physiotherapy, speech therapy or chiropractic treatment. These health services can be very expensive for families, particularly the cost of dental care for children. But the only way families can get help with these costs is to take out private health insurance.

Today I am announcing a new way for families to get assistance with these costs.

The new Family Health Rebate will be a cash payment from Medicare Offices to help meet the costs of dental and orthodontic treatment, physiotherapy, speech therapy and other health services for children.

Families who receive Family Payments will be eligible for the rebate - that is about 80 per cent of all Australian families.

The maximum rebate in a year will be \$350 for a family with one child and \$500 for a family with two or more children.

Families will be able to claim 50 per cent of the cost of dental and other health services for children up to the maximum rebates.

The Medicare system is a balanced system providing for people who take out private insurance. Because private health insurance is a major cost to families, a flat rebate of \$350 will be available towards the cost of health insurance premiums. This \$350 will be counted towards a family's maximum rebate.

An important element of the new rebate is that, if a family does not claim their maximum rebate in one year, they will be able to carry over unused rebates for up to seven years. This will help families plan ahead and cope with large bills, for orthodontic treatment for example.

The strength of the Family Health Rebate is the choice it gives families in meeting the health needs of their children.

Many families - around 40 per cent - already take out health insurance and these families will be able to claim \$350 towards this cost.

Many other families would like to take out health insurance to better manage health costs, but find the premiums too high. A rebate of \$350 will be a substantial help.

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Other families will be happy to remain in the public system. These families just need help with the costs not covered by Medicare. They will now be able to claim a rebate of 50 per cent of the cost of these services - whether it is a visit to the dentist or a physiotherapist or other health services - so that their children can get the help they need when they need it.

The Labor approach to health care is built on Medicare. We start with the public health system and ask how can we make it better. We start with families' needs and ask how can we best meet them. The Family Health Rebate extends public insurance to cover dental and health services for children not presently picked up by Medicare, but at the same time allows families the choice to insure privately if they prefer.

The Liberal approach to health care starts with the private health system and asks how they can give it more business, how they can boost its profits.

Their policy of tax rebates for private health insurance does nothing for the majority of families who do not have private health insurance and who do not want to take it up. These families will get no help with the extra health costs for their children.

For families who choose to have private health insurance, the Liberals' policy would push up premiums by blowing out costs as specialists and private hospitals simply increase their fees to take advantage of the rebates.

The advantage of Labor's Family Health Rebate is that, by giving families a choice, if health insurance premiums go up, people will vote with their feet and take up the alternative of the family health rebate.

As I said, it is not enough to say you support Medicare. You need to defend it. You need to extend it. And you need to protect it.

Under the Medicare agreements, the Commonwealth provides about \$4.5 billion a year to the States and Territories for free patient care in public hospitals.

Over the past few years, under the agreements, the Commonwealth has increased its funding by 26 per cent, which has taken our share of funding from 47 per cent to 55 per cent.

However, this has not resulted in the reduced waiting times and improved services we intended and the Australian people have every right to expect.

The principal reason for this shortfall has been the States' 10 per cent cut in their expenditure on public hospitals - 10 per cent in real terms. While the Commonwealth has put in an extra \$800 million to public hospitals over the past three years, the States have taken out \$700 million from public health.

The problem is that the Medicare agreements are basically "gentlemen's agreements". - by which I mean they are not tied to performance or achieving better results for their patients. We need a new partnership between the States and the Commonwealth on funding for public hospitals. We need to relate funding to performance, to better results in health care. We want to see what we are paying for.

The most important result we want to see is Australians having to wait no longer for surgery than their doctors recommend.

A Labor Government will offer the States and Territories an additional \$150 million over the next two years to reduce substantially the number of patients waiting longer than the time deemed clinically appropriate.

But to be eligible for the new funding, the States will need to achieve a reduction in the number of patients waiting too long for surgery. We will only pay on performance, on results. States will only qualify for their full share of the \$150 million if they ensure patients are treated within times recommended by doctors.

This new approach to funding will form the basis of new Medicare Agreements to be negotiated with the States. The new Agreements will look at the overall performance of public hospitals, with performance on waiting lists being one very important area.

But attacking waiting lists without looking more generally at performance could be counter-productive. For example, hospitals could reduce waiting lists quite easily by forcing patients out of hospitals too soon in order to save money.

The new funding arrangements will include other targets for quality health care, such as how long patients wait for emergency treatment; the number of unplanned readmissions to hospital; and the links between hospital and other services such as community care and general practitioners.

The new approach to funding will particularly benefit older people who are the main users of hospital services.

Understandably, many in the community are cynical about government promises to tackle waiting lists and to improve health services. Many are confused about the role of the Commonwealth and the States.

But it is important to emphasise that we can make our public hospitals better.

But this can only be achieved if the Federal Government plays its role and is willing to fight to protect Medicare.

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It is possible to reduce waiting lists. The number of patients on waiting lists make up only about 3 per cent of the total load of the public hospital system. With a new approach to paying on results, a target to ensure all patients are treated in the time recommended by doctors is achievable.

To strengthen confidence in the public hospitals, the community needs to have reliable, independent information about public hospital performance. Labor will establish an independent Hospital Services Authority to be a "watchdog" of the public hospital system for the public interest.

The Authority will monitor hospitals' performance and, in particular, report on the achievement of targets for better care, including the reduction in waiting times. It will also report on the effect on patients of any proposed privatisation of the public hospital services. The public interest must be protected in any contracting out and privatisation.

I began by saying that in this election we ask Australians to entrust us with the vital task of protecting Medicare and our universal health care system.

Today we ask to be given the opportunity to extend it and make it stronger in the ways I have outlined.

Elections are about choices. On health the choice could not be clearer.

At the last election our opponents went to the people with a policy for the abolition of bulk billing for more than 13 million Australians, a cut of at least \$1.3 billion in Commonwealth funding for public hospitals and a more than 10 per cent cut in the Medicare rebate.

Just two months ago Mr Howard said this:

I don't accept for a moment that we went to the last election as Paul Keating alleges promising to abolish Medicare; that is wrong, we didn't. We promised to make changes but not to abolish it, he said.

In other words, we were going to remove Medicare's heart and soul but we were not going to abolish it. We did not intend to kill it - only to make it dead.

And Mr Howard asks to be believed about Medicare. He asks Australians to entrust their health care system to him. He asks us to believe he will deal effectively with State Governments. He asks us to believe that on health he has had a change of heart and not just a change of tactic.

He asks us to believe that his proposal for the people's health is not simply a cynical deceit.

The fact is they cannot with a skerrick of credibility ask to be trusted with Medicare and the health of the Australian people.



With the release of this policy, Labor asks Australians to continue to put their trust with the people and the party who dreamed of Medicare, who made it a reality, who are still expanding and improving it - and who believe it is fundamental to our good society.



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