PRESS RELEASE

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29 MARCH, 1967

GOUGH WHITLAM'S HOMEWORK

Recently Gough Whitlam strongly attacked the present Government about Commonwealth Health Services. After the attack a good deal of the sting in what the Leader of the Opposition had said was removed when Dr. Forbes, Minister for Health showed that Mr. Whitlam had either been very badly informed or had been very careless in his handling of the facts.

It is important that the true position should be known. The Opposition was so annoyed when Dr. Forbes was trying to remedy the situation and they tried to prevent him getting his points across by seven times raising points of order and by moving that the Minister be no longer heard. These tactics highlighted public attention on the fact that Dr. Forbes was challenging the accuracy and the reliability of a new Labor Leader. However let me get down to the actual position.

Gough Whitlam said there were 191 separate Health Funds in Australia, with separate administration and overhead expenses. He implied that this was an expensive and inefficient way of providing benefits.

The Minister pointed out that the Act requires each Hospital and Medical Fund to be registered separately but most funds carry on both businesses. This cuts the number...
of Funds by half. In addition a large number of small funds are run for the employees of particular firms or for the people of a particular district based on a local hospital. These funds are subsidised by the company or organisation responsible. However, five funds cover 72% of all the people insured for hospital and medical benefits in Australia. This gives the public a reasonable choice and in my view is certainly much better than compelling all people into one Government Fund which Mr. Whitlam would seem to prefer.

The next point made by the Leader of the Opposition concerned the management cost of this fund as a percentage of contributions. He compared this with the administration and costs of the Taxation Department, as a percentage of tax collections. It was pointed out that this is quite an unrealistic comparison e.g. if the cost of income tax collections are 10% of tax collected, the percentage cost could be halved by doubling the tax collected. On the other hand if hospital benefits devoted 5% of their collections to overheads and through their own efficiency would be able to reduce their scale of contributions by half then administration costs would immediately become 10% of their collections. The comparison made by the Leader of the Opposition was quite unfair and inaccurate.

Health expenditure in Australia was compared with that in the United Kingdom but in doing this Mr. Whitlam took only the National Health expenditure in the United Kingdom and compared this with all expenditure on health
in Australia by State, local authorities, by private persons as well as by the Commonwealth. If all the other United Kingdom health expenses were compared on a proper basis the story would be different from the one in which we were led to believe.

Another point that Mr. Whitlam made concerned the rapid increase in rate of contributions between 1960 and 1966, but again he made unrealistic comparisons. He compared the rate of contributions of a public ward bed in 1960, the lowest rate, with the contribution for a private ward bed in 1966 at the highest rate.

It took 25 to 30 minutes of question time for Dr. Forbes to be able to make his points but I think in the end the message got through.

Statistics can be used in many ways by many different people but when matters of some national significance are being put forward by national leaders there is an obligation to see that the matter is properly represented and that the facts are not distorted to win some debating trick.

I do not know if in making these mistakes Gough Whitlam did so merely because his homework had not been sufficiently well prepared or whether the errors were in fact made because it helped in an attack on the Health scheme. In either case this kind of debating is just not good enough.