

S. J. Duckett

Chopping and Changing Medibank

Part 1: Implementation of a New Policy

One specific incident in the development of health services in Australia is examined: the restructuring of the Medibank (national health insurance) scheme in 1976. The introduction of Medibank in 1975 was the subject of extensive public debate for a period of six years. Within a year of its introduction, Medibank had undergone a massive restructuring; it changed from a system which was providing health insurance to the whole population to one which covered about fifty per cent. The public debate which was associated with the restructuring was relatively quiet. It was marked by an air of confusion, with a number of minor adjustments being made to the government's proposals during the five months between their announcement and implementation. This article describes the events which took place between the announcement of a proposed restructuring of Medibank and the implementation of the new scheme in October 1976. A second article will analyse these events from pluralist and marxist perspectives.

Prior to the introduction of national health insurance in Australia, health insurance was provided by a large number of so called 'voluntary' or 'private' health insurance organizations, established as part of a national health scheme in 1953 by the then Liberal and Country party coalition government. The principal elements of the scheme were as follows:

1. All persons, irrespective of their age, sex and state of health, were entitled to enrol in a registered organization in a fixed scale of contributions. The family scale was set at twice the rate of a single contributor.
2. The scheme was subsidized by the government. Commonwealth benefits, based on a schedule covering a large range of specified treatments, operations and other procedures, were, however, payable only to members of insurance funds.
3. Both commonwealth and fund benefits were payable to fund members on presentation of receipts for the relevant medical expenses.¹

By the early 1960s it was becoming increasingly apparent that the existing health insurance arrangements were unsatisfactory. In a series of papers, two economists attacked the scheme on the grounds that the

S. J. Duckett is a Lecturer in Health Administration at the University of New South Wales.

level of benefits paid under the scheme was inadequate; the proportion of the population covered by the scheme was too low; the funds were administratively inefficient; their financial reserves were too large and the scheme was unduly complex.² They proposed a system of compulsory health insurance which would retain the system of fee for service payments but which would be administered by a statutory authority and financed by a levy on taxable income. These proposals were endorsed by the then leader of the opposition, Mr E. G. Whitlam in July 1968 and adopted as the health policy of the Australian Labor party.³ This activity forced the Liberal and Country party coalition (which was still in government) to establish an inquiry under the chairmanship of Sir John Nimmo and subsequently promise revisions to the scheme as part of its policy at the 1969 elections. The changes introduced after the election resulted in an increased surveillance of the health insurance funds, increased levels of benefits and a subsidised scheme designed to encourage low income earners into the scheme. The Australian Labor party maintained its support for a scheme of compulsory health insurance and, upon its election to government in 1972, proceeded to develop plans to implement such a scheme.⁴

THE INTRODUCTION OF MEDIBANK MARK 1

Although the scheme had been specifically included in the Labor party's platform, the Australian Medical Association (AMA) and the conservative parties were vocal in their opposition. In a protracted public debate (which frequently degenerated into quasi-libellous mud slinging), the main role of the AMA and the 'voluntary' health insurance organizations was to attempt to whip up public suspicion and antagonism to the scheme.

The debate was described by two overseas commentators thus:

In November 1973, the federal government had issued a 'white paper' outlining the main provisions of the new bill it intended to present to the Parliament. In the British tradition, this document allowed for wide public discussion by all groups affected for several months before the final vote. Despite the vituperative attacks on the proposed new law by the Australian Medical Association and the voluntary insurance funds, an objective review of its provisions shows it to be essentially an extension, relatively modest, of the previous law, correction of its more obvious deficiencies, and a law which, in itself, does little to change the fundamentally private open-market character of the Australian health care delivery system.⁵

The legislative basis of the scheme was embodied in two bills which were both passed by the House of Representatives in December 1973. Both bills were opposed by the Liberal and Country parties who foreshadowed further opposition in the senate. As the Labor government did not have a majority in the senate, the bills were defeated in that house.

A number of other major proposals of the Labor government were either amended or rejected by the senate as a result of the activities of the opposition. The fate suffered by the health insurance proposals was thus not unexpected. Viewed by many health workers the rejection was a significant blow but political commentators saw the rejection as just another example of obstruction by the conservative parties as part of their general opposition to the Labor government and their attempts to force a general election. Indeed, in the first twelve months of the Labor government, the opposition-dominated senate rejected 13 bills, deferred another 10 and amended a further 20. The Prime Minister, Mr Whitlam, listing the thirteen bills rejected by 13 December 1973, described the effect of opposition obstruction as follows:

In defence of their wealthy friends and vested interests, they have rejected the democratic principal of equal electorates; they have blocked attempts to democratize and modernize the trade union movement; they have denied representation in the Senate to the people of the Northern Territory and the Australian Capital Territory; they have sought to deny to local government direct access to national revenues and borrowings; they have preserved for foreign mining interests the right to exploit our off-shore resources; they have preserved the inequity, inefficiency and injustice of an antiquated health scheme.

By shelving the Trade Practices Bill they have left the door open to monopolies and big corporations to fix prices, organise cartels and exploit the Australian consumer. By shelving the Australian Industry Corporation Bill they have blocked the most effective instrument for ensuring Australian control of our industries and developing new industries. They have left the door open to foreign takeovers and foreign exploitation of the Australian economy. Yet for all the legislation I have mentioned the Government had a clear mandate from the Australian people.⁶

In April 1974 the senate again rejected the health insurance proposals which, together with four other bills, were cited as grounds for a double dissolution of both houses of parliament. The Labor government was returned to power at the subsequent election and again introduced the bills. They were again rejected by the senate but a provision of the

constitution allowed the bills to be considered at a joint sitting of both the House of Representatives and the senate, where they were carried on 10 August 1974.⁷

The government acted quickly to establish a Health Insurance Commission which was charged with the responsibility of implementing the new scheme.

Medibank, as it was officially known, provided for universal coverage of the population for medical expenses and free treatment in public hospitals.

The medical side of the scheme commenced on July 1 1975. As from that date all Australians were deemed to be insured through Medibank and were entitled to a standard rebate (of 85% of the 'scheduled fee' or that fee less \$5 whichever was greater) from Medibank for any medical expenses incurred. The hospital side of the scheme started on different dates in the various states (1 July, Tasmania and South Australia; 1 August, Victoria and Western Australia; 1 September, Queensland; and 1 October, New South Wales) primarily due to political differences between the state and federal governments.

Within six weeks of the accession of the last state to the program, the government had been dismissed by the Governor-General. Medibank was an issue during the 1975 election campaign. In his policy speech, for instance, opposition leader Malcolm Fraser said: 'We will maintain Medibank and ensure that the standard of care does not decline.'⁸ This remained Fraser's position throughout the campaign. However, on 8 December 1975, less than five days before the election, the previous Liberal leader, Mr B. M. Snedden said: 'Medibank is an area of massive expenditure which will have to be curtailed. People who use Medibank will have to make some contribution to it.'⁹ This statement was quickly repudiated by Mr Fraser who said, 'I have said repeatedly that essential programs in health, education and urban development will be maintained. Medibank will be maintained.'¹⁰

Indeed on the previous day (8 December 1975) Mr Fraser had outlined his views on the reform of Medibank. He was specifically asked whether a Medibank which includes free treatment in public hospitals and a 85% refund from a central health insurance fund would be maintained. He indicated that

the scheme has not been operating long enough for us to get an assessment of it . . . but the scheme would be continued as it was introduced until we can assess properly its virtues and whatever faults might be revealed as a result of experience. Then public

statements would be made about that and everyone would have an opportunity to express their views in relation to it.¹¹

The Liberal-National Country party government was elected on 13 December 1975 with a massive majority. Four weeks later, on 13 January 1976, Prime Minister Fraser announced the establishment of a Medibank review committee consisting of three public servants who were given the following terms of reference:

1. To examine the operations of the Health Insurance Program (Medibank) and to report to Cabinet through the Minister for Health on
 - (a) policy options available for controlling the cost of the Program;
 - (b) opportunities for administrative savings in the operations of the Program.
2. To identify, in each case, the consequences of implementing the various options and the economies likely to result therefrom.
3. To have regard to the government's desire to provide the most effective and efficient system of high quality health services delivery.¹²

On 14 January 1976 the president, vice president and secretary general of the AMA had their first meeting with the new Minister for Health, Ralph Hunt.¹³ These representatives were also introduced to the members of the Medibank review committee. In its report of this meeting the *AMA Gazette* also indicated that a 'Health Department spokesman' had said that the inquiry was empowered to look at other forms of health insurance in addition to the universal coverage then financed from general revenue. The spokesman was quoted as saying: 'Any detailed examination of the Health Insurance Programme would be incomplete without consideration of other forms of health insurance.'¹⁴

The inquiry was held in private and its report was not published. The submissions made by a number of organizations were reported in the press.¹⁵ In their submission the AMA argued for:

1. Abolition of bulk billing.¹⁶
2. A greater role for voluntary health insurance funds.
3. A review of State-Commonwealth hospital agreements to allow States to run their own hospitals and negotiate freely with doctors on terms of supplying services to standard ward patients.¹⁷
4. Repeal of Section 18 of the Health Insurance Act which prevented private and intermediate ward hospital patients from receiving medical benefits for pathology and radiology services.
5. Speeding of proposals for accreditation of pathology laboratories.
6. The application of the due processes of law against those who defraud Medibank.¹⁸

Despite obvious opposition from the medical profession, an opinion poll held immediately after the announcement of the establishment of the review committee showed general support for Medibank as it then was. (See Table 1.)¹⁹

TABLE 1
PUBLIC OPINION ON CHANGES TO MEDIBANK JANUARY 1976

Q.1 Which do you prefer—Medibank or the previous system of Hospital and Medical Benefits Funds?	
	Total %
Medibank	45.7
Funds	35.0
Undecided	19.4
Total	100.1
Q.2 Which would you prefer—the cost of Medibank to be met out of general taxation or by a special levy—or doesn't it matter?	
	Total %
General Taxation	44.4
Special Levy	21.6
Doesn't Matter	24.0
Can't Say	9.9
	99.9

Source: Morgan Gallup Poll No. 194 17-24 January 1976, p. 8.

THE NEW SCHEME

On 20 May 1976 the government announced details of the proposed revisions to the scheme and, as first announced, they were as follows:

(i) A levy of 2.5% of taxable income was to be payable by all taxpayers having income above certain exemption limits.

(ii) Exemption from the levy might be obtained by acquiring private health insurance to cover medical and hospital benefits as an intermediate or private patient. Exemption from the levy was also to be available by paying a 'premium' of \$150 per annum for single persons or \$300 per annum for family income earners to Medibank. Premium payers would receive the same benefits as levy payers.

(iii) Private health insurance would not be subsidized except for hospital expenses of the chronically ill for whom a government subsidized re-insurance pool would be created to ensure parity of risks. Benefits to all persons who had more than 60 days hospitalization in any one year would be paid from the re-insurance pool. The extent of the

subsidy in the first year was set at \$50m. The contributions to private insurance were no longer to be tax deductible.

(iv) Private and intermediate hospital charges were to be increased to \$60 and \$40 per day respectively.

(v) Free standard ward accommodation without means test, and the Commonwealth subsidy of the States in respect of public hospital expenditure, was to be retained. The subsidy of \$16 per patient day would continue to be paid to private hospitals.

(vi) Direct billing was to be retained but doctors might charge their patients the difference between the scheduled fee and the amount they recover from Medibank.

(vii) Private health insurance organizations to be required to produce a certificate of membership to all contributors at the end of the financial year. The certificate was to be attached to a person's tax return used to claim exemption from the levy.

(viii) The funds to be required to submit to the Department of Health details of all claims paid. This information was to be used by the Department to ensure that the monitoring capabilities of Medibank were not lost.²⁰

The government's proposals were attacked from many sources including the opposition, state governments of both political persuasions, and academic commentators.²¹

From the first announcement of the form of Medibank Mark II, the revised scheme was subject to a number of amendments by the government.

When the final proposals were introduced into parliament on 8 September 1976 (less than one month before the scheme was due to come into effect), a total of seven significant amendments were made to the various acts which together define the scheme. Compounding the confusion, over a dozen technical and/or consequential amendments were moved providing for changes in the definition of 'contributor', minor changes in ministerial discretion etc. The proposals also contained legislative provision for new policy in related areas such as revision to pathology benefits and eligibility for nursing home benefits.

In a mildly approving editorial on 24 May, the conservative *Sydney Morning Herald* alluded to some of the complexities of the new scheme and likened it to 'taking a step into the unknown'. The debate over the scheme in the next six months continually returned to the issue of complexity and confusion and, indeed, some eight months after the new scheme's introduction there was still confusion concerning completion of taxation returns.

The first significant amendment was announced on 27 May, less than one week after the scheme was made public. It was that the agreements with the states for the provision of hospital Medibank would be revised. The existing hospital agreements were declared invalid on the basis of a legal technicality and a new system for providing grants was developed. The prestigious *Australian Financial Review*, in an editorial entitled 'Mr. Fraser's Shabby Renege' described the action:

The Prime Minister, Mr. Fraser, has made what might best be described as an extraordinary and reprehensible attack on the very basis of the Medibank scheme, a scheme, it should be remembered, he pledged his Government during the election campaign last December to maintain . . .

To introduce a drafting obscurity into the issue as an excuse for renegeing upon such an agreement is not the kind of square dealing which we are entitled to expect between Governments in this country . . .

It is disingenuous in the extreme of Mr. Fraser to pretend to be adhering to his election promises on Medibank if this is the result he hopes to achieve. If he simply has in mind more window dressing by way of phony Budget cuts then it can at the best be described as a contemptible device.²²

The opposition to the Medibank changes continued to grow with most parts of the media highlighting the complexity of the changes and the costs associated with providing private health insurance.

The confusion was not diminished when the government announced that the Health Insurance Commission (Medibank) would be allowed to establish a separate organization, Medibank (Private), to compete with the existing health insurance organizations for 'private' cover.²³

THE TRADE UNION RESPONSE

In the midst of the confusion the Australian Council of Trade Unions (ACTU) proposed an alternative levy arrangement of 1.6% on all taxable incomes, with no ceiling. The Labor Council of New South Wales, in a submission²⁴ which formed the basis of the ACTU proposals, attacked the government scheme for its 'perverse anti-working class bias' and argued that the '2½% levy with a \$12,000 income ceiling places a harsh and inequitable burden on the average wage earner and on those least able to pay'.

However, the submission pointed out that:

The Trade Union Movement supports the concept of a levy which places the burden for financing the scheme on those most able to

pay. Under the proposed levy of 2.5% on taxable income up to \$12,000, a worker on \$6,000 p.a. will pay 2.5% of his income while a person on \$30,000 p.a. will pay only 1% of his income.

It is estimated that a levy of between 1.6 and 1.8% on taxable income across the board would net the \$4,000 million estimated to be raised by the levy of 2.5% with an income ceiling of \$12,000.

This would relieve considerably the burden on the average wage earner in the community without placing an undue burden on those most able to pay.²⁵

These proposals formed the basis of talks between the president of the ACTU and the government. The proposals were, however, rejected by the government and as a result industrial action was threatened.

Australian unions, however, are ranged along a lengthy spectrum in terms of both militancy and political orientation. One of the issues which has perennially divided the militants and moderates in the ACTU has been the use of industrial action to oppose government policy.²⁶

It was therefore relatively surprising for the executive of the ACTU to unanimously recommend a nationwide general strike over the 'destruction' of Medibank. A special conference of affiliated unions was held in July 1976 and the executive recommendation was submitted to union delegates. The proposal was opposed by only one speaker and was carried overwhelmingly (estimated at about 200 to 10).

Importantly, the single opponent of the resolution specifically raised the issue of the use of industrial action to influence government policy. He noted that previous congresses of the ACTU had rejected industrial action in such cases even when the government had been involved in attempting to enforce penalties in the courts against unionists' right to strike. Although labour movements in other countries have recognized that social services (including health services) are part of a social wage that needs to be defended in the same way that money wages are, Australian unions had not previously adopted this concept. It was important, therefore, that the president of the ACTU (a moderate) linked the executive's resolution on Medibank to the disposable income of union members and that another delegate recognized that Medibank was 'as much an industrial issue as if we were striking for higher pay'.

The Medibank strike took place on Monday, 12 July 1976: the first nationwide general strike in Australia's history. Employers and the press estimated that 2m of Australia's workforce of 5.7m went on strike.²⁷ The official estimate was 1.6m,²⁸ the difference probably reflecting differences in the definition of a strike.

As union membership in Australia stands at about 2.8m²⁹ and a number of unions were exempted from the strike because they supplied so called 'essential' services, this represents a significant endorsement of the strike.

Public opinion on the ACTU proposals was tested in an opinion poll in July 1976. Respondents were asked whether they preferred a scheme based on 2.5% levy on taxable income with a ceiling and an opting-out provision, or a scheme based on a 1.6% levy; 49.1% of the population preferred the latter, 31.1% preferred a 2.5% levy and 19.4% were unsure.³⁰

One of the architects of the Medibank scheme, Dr R. B. Scotton criticized both the ACTU and the government's scheme. He proposed a scheme based on a 2% levy with a ceiling which would, according to his estimation, have resulted in 80% of the population staying in Medibank whilst the government's proposals would only result in 50% in Medibank.³¹ His proposal, characterized as representing the 'middle ground' and as a 'very reasonable compromise', was supported editorially by several newspapers.

A further opinion poll taken in July 1976 showed a majority satisfied with Medibank as it then was and a plurality who believed that the changes would make Medibank worse (see Table 2).³²

TABLE 2
PUBLIC OPINION ON CHANGES TO MEDIBANK JULY 1976

Q.1 Are you satisfied or dissatisfied with the way in which Medibank is working now?		Total %
	Satisfied	56
	Dissatisfied	32
	Unsure	12
	Total	100
Q.2 Do you think the new health insurance proposals will make Medibank a better system or a worse system than it was last year?		Total %
	Better System	21
	Worse System	46
	No Difference	10
	Unsure	23
	Total	100

Source: *National Times*, 26 July 1976, p. 7.

MORE CHANGES

In what was described as the final series of changes, the government announced on 22 July 1976:

1. The premium mechanism established to provide an exemption for high income earners would be abolished but a formal ceiling to the levy would be introduced at the same levels.
2. The qualifying period for entry into the reinsurance pool would be reduced to 35 days. [This was necessary to ensure that the government's subsidy to the pool would actually be used!]
3. A subsidy of \$15m per annum would be introduced to lower the cost to Medibank levy payers of additional insurance to cover charges for private hospital treatment.
4. Private health insurance organisations would not be required to prepare levy exemption certificates.³³

In addition, the government announced that the amount to be paid for the Medibank levy would be subject to a rapid shading in so that taxpayers on very low incomes would not have to pay the full 2.5% levy.

The private health insurance organizations began the process of announcing their new rates from early August. Despite the closure of a number of funds as a result of the introduction of the first revision of Medibank in 1975, over 80 funds were still in operation in 1976. The press had a field day as each announced its rates with price competition, based both on differences in management expenses, in claims experience, and on differences in the nature of services provided, yielding differing rates for different benefits from the various funds. On 13 August 1976, the *Sydney Morning Herald* editorialized:

As new health insurance contribution rates continue to be announced by the private funds . . . Australians can only feel more and more confused. The contents of the competing 'packages' differ; the rates vary from State to State . . . the hapless public will soon be immersed in a series of high-powered marketing campaigns designed to attract contributors' hard earned dollars.

In a latter-day tower of Babel, this will be what the Federal Government regards as freedom of choice . . . It may be wondered, among the pandemonium, how many people will look at all possible alternatives, and if, in fact, they can keep their heads while all about them are losing theirs . . .³⁴

A number of newspapers produced guides to assist in choosing a fund³⁵ as did also the Australian Consumers Association.³⁶

Public opinion was again tested on the changes in September with results remarkably similar to previous findings: the changes were opposed by 55% and supported by only 35%.³⁷

AN ASSESSMENT OF THE NEW POLICY

The first assessment of Medibank Mark II was provided by the *Sydney Morning Herald*, shortly before it came into effect:

Medibank Mark II which will come into operation on Friday, must be considered the most notable political and administrative ineptitude of the present Federal Government's first year in office. Its complexity replaces the simplicity of Medibank Mark I, and that alone is a step backward, not forward. It has caused massive confusion, and that will not be quickly forgotten or easily forgiven. The easiest way to deal with the resultant political fallout is, of course, to deny that any confusion exists. That is what Mr. Fraser has done, and his example has been partly followed by the responsible minister, Mr. Hunt, who feels that the confusion (which he does not deny) is overrated and over-publicised. These remarkable assertions invite, and deserve, hollow laughter.³⁸

That editorial also raised a number of questions about Medibank Mark II:

Will the new scheme be less costly to the Commonwealth? Will it offer greater control over costs? Will competition between the funds keep costs down? The Government would like to think so, but there can be no certainty of an affirmative answer to any of these questions. If, after a reasonable period such an answer is not forthcoming the scheme will have to be adjudged a failure.³⁹

Such a conclusion, however, rests on a number of implicit assumptions about the policy making process. It assumes that the stated objectives are indeed the criteria upon which the new policy should be judged. More fundamentally, it assumes that policy making in Australia is characterized by an 'experimental approach' rather than reacting to crises or implementing policy based on ideology.⁴⁰ The overwhelming evidence is that this is not the way policy is made in Australia.⁴¹

However, if one does accept the 'rational' or 'experimental' approach and attempts to evaluate the 1976 changes, one is faced with almost insurmountable difficulties. Only twelve months after the 1976 changes, the government introduced a further set of major changes by requiring health insurance funds to provide insurance against the cost of nursing home accommodation. 1978 saw a series of changes which resulted in a

change in the normal level of rebate, the abolition of the levy and the abolition of bulk billing for most people.

Despite the difficulties thus associated with evaluating the 1976 changes, it is reasonably well accepted that Medibank Mark II fails on each of the criteria set down in the *Sydney Morning Herald* editorial.⁴²

CONCLUSION

The introduction of Medibank Mark II provides an interesting case study of a Government implementing a new policy.

Part II of this article will draw on this case study to analyse the policy making process.

Acknowledgment

Acknowledgment is given to John Deeble, John Dewdney, Judy Ellen, Tim Philips and Terri Jackson for their comments and encouragement. Needless to say, the views expressed herein are my own responsibility.

REFERENCES

1. Palmer, G. R., Health, in Forward, R. (ed.), *Public Policy in Australia*, Melbourne: Cheshire, 1974.
2. Deeble, J. S., The Costs and Sources of Finance of Australia's Health Service, *Economic Record* 43 (104): 518-543, 1967; Deeble, J. S. and Scotton, R. B., *Health Care under Voluntary Insurance: Report of a Survey*, (Technical Paper No. 1) Melbourne: University of Melbourne Institute of Applied Economic and Social Research, 1968; Scotton, R. B., Voluntary Insurance and the Incidence of Hospital Costs, *Australian Economic Papers* 6 (9): 171-191, 1967; Scotton, R. B., Voluntary Health Insurance in Australia, *Australian Economic Review* 2: 37-44, 1968; Scotton, R. B., Membership of Voluntary Health Insurance, *Economic Record* 45 (109): 69-83, 1969; Scotton, R. B. and Deeble, J. S., Compulsory Health Insurance for Australia, *Australian Economic Review* 4 (4): 9-16, 1968.
3. Whitlam, E. G., The Alternative National Health Programme, *Australian Journal of Social Issues* 3 (4): 33-50, 1968.
4. Kewley, T. H., *Social Security in Australia: 1900-1972*, Sydney: Sydney University Press, 1973, p. 385; Graycar, A. F. and Junor, C. W., The Anatomy of a Health Scheme, *Australian Quarterly* 42 (3): 48-64, 1970; Scotton, R. B., The Nimmo Report: A New Deal for Patients?, *Australian Journal of Social Issues* 4 (2): 85-87, 1969; Scotton, R. B. and Deeble, J. S., The Nimmo Report, *Economic Record* 45 (110): 258-275, 1969.
5. Roemer, R. and Roemer, M. I., *Health Manpower in the Changing Australian Health Services Scene*, Washington DC: US Department of Health, Education and Welfare (HRA 76-58) 1976; also Springfield, Virginia: NTIS (PB251 693), 1976, p. 75. The AMA's role in the debate is described in Australian Medical Association, *Annual Report, 1974*, published as a Supplement to *Medical Journal of Australia*, 28 June 1975.
6. Speech by the Prime Minister, Mr E. G. Whitlam *House of Representatives Debates*, Canberra: Australian Government Publishing Service, 13 December 1973, p. 4732.
7. Evans, G. (ed.), *Labor and the Constitution; 1972-75*, Melbourne: Heinemann, 1977.
8. *Sydney Morning Herald*, 28 November 1976, p. 8.
9. *Australian Financial Review*, 10 December 1975; *Sydney Morning Herald*, 10 December 1975.

10. *Australian Financial Review*, 10 December 1975.
11. *Age*, 9 December 1975, p. 14.
12. *Australian Financial Review*, 14 January 1976, pp. 1 and 8.
13. *AMA Gazette*, No. 142, 5 February 1976, p. 1.
14. This statement caused some hollow laughter. The major inquiry into health insurance during the previous Liberal government (the Nimmo inquiry of 1968-69) was forced by its terms of reference to only consider recommendations relating to voluntary health insurance—it was not allowed to undertake a complete examination lest it recommend compulsory health insurance.
15. *Sydney Morning Herald*, 11 March 1976; *Sydney Morning Herald*, 13 March 1976; *AMA Gazette* No. 144, 4 March 1976, p. 1.
16. Bulk (or direct) billing was a system whereby medical practitioners were able to send their bill for medical services rendered direct to Medibank rather than being required to bill the patient who in turn would claim from Medibank.
17. This had been a major bone of contention and partly explains the differential implementation dates of hospital Medibank. The original State-Commonwealth agreements had specified that certain hospitals would be required to employ doctors on sessional or salaried arrangements to treat standard ward patients. This was opposed by the AMA and the Liberal state governments.
18. Australian Medical Association, Annual Report, 1976, Supplement to *Medical Journal of Australia*, 7 May 1977.
19. *Morgan Gallup Poll*, No. 194, 17-24 January, 1976, p. 8.
20. Minister for Health, R. J. D. Hunt, *House of Representatives Debates*, 20 May 1976, pp. 2349-56.
21. *Sydney Morning Herald*, 26 May 1976; *Sydney Morning Herald*, 24 May 1976; *Sydney Morning Herald*, 22 May 1976.
22. *Australian Financial Review*, 28 May 1976.
23. *Australian Financial Review*, 9 June 1976.
24. Labor Council of New South Wales, *Medibank*, typescript, 9 June 1976.
25. *Ibid.*, p. 2.
26. Donn, C. B., The Australian Council of Trade Unions Special Conference of Affiliated Unions, *Australian Quarterly* 48 (3) : 44-45, 1976.
27. *Sydney Morning Herald*, 13 July 1976, p. 1.
28. *Industrial Disputes* 6.6, Canberra: Australian Bureau of Statistics, 1976.
29. *Trade Union Statistics: Australia* 6-24, Canberra: Australian Bureau of Statistics, 1975.
30. *Morgan Gallup Poll* No. 128, 17-24 July 1976, pp. 1-63.
31. *Sydney Morning Herald*, 14 July 1976.
32. *National Times*, 26 July 1976, p. 7.
33. Press Release by the Hon. Ralph Hunt, Minister for Health, 22 July 1976, *Commonwealth Record* 1 (3) : 105-109.
34. *Sydney Morning Herald*, 13 August 1976.
35. *Sydney Morning Herald*, 14 September 1976.
36. *Choice* 17 (10), 1976.
37. *Sydney Morning Herald*, 29 September 1976, p. 6.
38. *Ibid.*
39. *Newsletter of University of Sydney Sample Survey Centre*, 1(1), 1977, quoting *Melbourne Herald*, 27 September 1976.
40. The characterization is based on Cameron, J. M., Ideology and Policy Termination: Restructuring California's Mental Health System, *Public Policy* 26 (4), 1978, pp. 533-570.
41. See, for instance, the essays in Graycar, A. (ed.), *Perspectives in Australian Social Policy: A Book of Readings*, Melbourne: Macmillan, 1978; and in Roe, J. (ed.), *Social Policy in Australia. Some Perspectives 1901-1975*, Sydney, Cassell, 1976. See also Hawker, G., Smith, R. F. I. and Weller, P., *Politics and Policy in Australia*, St Lucia: University of Queensland, 1979.
42. Palmer, G. R., Health Insurance in Australia: The New Model, *New Doctor* 1 (2), 11-16, 1976; Scotton, R. B., Medibank 1976, *Australian Economic Review* 1 : 23-35, 1977, and also Scotton, R. B., Health Insurance: Medibank and After, in Scotton, R. B. and Ferber, H. (eds.), *Public Expenditure and Social Policy in Australia. Volume II: The Fraser Years*, Melbourne: Longman Cheshire for the Institute of Applied Economic and Social Research, 1979.

Copyright of Full Text rests with the original copyright owner and, except as permitted under the Copyright Act 1968, copying this copyright material is prohibited without the permission of the owner or its exclusive licensee or agent or by way of a license from Copyright Agency Limited. For information about such licences contact Copyright Agency Limited on (02) 93947600 (ph) or (02) 93947601 (fax)