

# 25<sup>th</sup> Anniversary of the Doctor's Dispute

*“My reading of most governments – including our own – is that they like to be stood up to. Crawl, and they despise you”*

Sir Roden Cutler, VC (Diplomat), 1959

*“I’ve discovered politicians only respond to force, and that’s very sad. That’s why we’ve had to do what we have”*

BD Shepherd (Orthopaedic surgeon), October 27, 1984

*“But it is my contention that the condition of the British professions is an index of the state of liberty in this country, and that what they do, and what happens to them, has a great deal to do with whether Britain remains a model of a free society for the rest”*

Ralf Dahrendorf KBE FBA

Director, London School of Economics and Political Science, March 1984

Looking back after 25 years on what is called the “1984 Doctor’s Dispute”, it is not difficult to recognise that this was one of the exceptional events in a sometimes volatile history of dealings between doctors and various state and federal governments

The background tone may have been set as far back as 1818 when Australia’s first private doctor, William Bland<sup>1</sup> was gaoled by Governor Macquarie for defamation. This did not stop him refusing a post in the government’s medical service<sup>2</sup> and becoming the first president of the Australian Medical Society following its foundation in 1859.

The detail of events leading up to the 1984 Doctor’s Dispute have been well documented<sup>3</sup>.

The nationalisation of the Australian medical profession has always been the ultimate aim of those who would have us believe that the British National Health Service is the nirvana of health care utopias. This dream is not shared by many Australian doctors who were exposed to the NHS during their training years.

Sir Robert Menzies was also opposed to a nationalised medical and dental service believing that the doctor/patient relationship (and the relationship between solicitors and their clients) should not be owned or controlled by government. *“The basic principle was that the individual doctor/patient relationship should be preserved and the disadvantages of a fully nationalised and Government-conducted scheme averted.”*<sup>4</sup>

When the Chifley Labor Government moved in 1946 to extend its Constitutional powers into areas of social security and health, Menzies moved a Constitutional Referendum Amendment which would prevent the civil conscription of doctors and dentists.

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<sup>1</sup> Arrived in 1814, sentenced to 7 years service as a medical orderly at the Castle Hill Lunatic Asylum for killing a ship’s purser in a duel

<sup>2</sup> Because he believed that he was more qualified than the government medical examiners.

<sup>3</sup> Prof Ann Daniel, *Medicine and the State – Professional autonomy and Public Accountability*, Allen & Unwin, 1990; Dr Nils Korner, *Witness to 20<sup>th</sup>-Century Medicine. The National Association of Medical Specialists: A Failed Horatius?*, p.130, [www.aams.org.au](http://www.aams.org.au)

<sup>4</sup> Sir Robert Menzies, *The Measure of the Years*, p.121

Menzies argued that since Australian workers were protected from civil conscription in legislation which extended Commonwealth powers into industry employment, no lesser rights should be granted to doctors and dentists in an extension of Commonwealth powers into health. Ben Chifley agreed and the anti-conscription provisions were voted into the Australian Constitution by referendum.

In 1983 Dr Neal Blewett<sup>5</sup>, the Federal Health Minister in the newly elected Hawke Labor Government unveiled “Medicare”, a resurrected variant of the former Medibank with government rather than health funds being the central player in healthcare financing.

Blewett’s plans involved circumventing the Constitution and its anti-conscription provisions by getting the state governments to control the medical profession through broad public hospital contracts which granted state health ministers unprecedented power over doctor’s transactions with public and private patients. NSW, under Labor Premier Neville Wran would lead the way.

Concern over the ability of the AMA to represent the interests of specialist doctors had been growing for some time. In 1978, Sydney orthopaedic surgeon, Dr Bruce Shepherd became convener of the Orthopaedic Forum which changed its name in 1983 to Australian Society of Orthopaedic Surgeons. Other groups were also formed.

The flashpoint soon emerged.

*“This time, hidden in the legal verbiage of the new amendments to Section 17 of the Health Insurance Act was the ultimate control mechanism which evoked a storm of real outrage amongst hospital specialists.*

*The Federal Health Minister [Dr Neal Blewett] had given himself unfettered power to dictate the contracts which the visiting specialists had in the past negotiated with their State Health Departments; the guidelines could control not only fees but also conditions of service.*

*In NSW the Public Hospitals Amendment Act also gave the State Health Minister [Mr Ron Mulock] draconian powers”<sup>6</sup>.*

On 26/5/1984, 68 frustrated but determined orthopaedic surgeons resigned their public hospital appointments led by Dr Bruce Shepherd. Other specialists followed the orthopods lead. According to Prof Ann Daniel, *“by the end of March [1985] as the Federal Government was settling the terms and agreement acceptable in Cabinet, 1500 Visiting medical officers positions had been vacated”<sup>7</sup>.*

Sir Roden Cutler was proved right. Meetings, negotiations, good will gestures had meant nothing to both State and Federal Governments. In the end it was direct action that mattered and that action was led by Dr Bruce Shepherd with the support of his colleagues.

As Dr Nils Korner later observed,

*“When the conflict over the dictatorial Federal and NSW health legislation became a crisis in 1984 and 1985 only the withdrawal of services and mass resignation from the public hospitals,*

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<sup>5</sup> Dr Neal Blewett has a PhD in political science, he is not a medical practitioner

<sup>6</sup> Dr Nils Korner, Witness to 20<sup>th</sup>-Century Medicine. The National Association of Medical Specialists: A Failed Horatius?, p.130

<sup>7</sup> Prof Ann Daniel, Medicine and the State – Professional autonomy and Public Accountability, Allen & Unwin, 1990, p148

*notably by the surgeons and orthopaedic surgeons, was sufficiently compelling to make the Commonwealth and NSW governments repeal the most odious sections of the relevant statutes.”<sup>8</sup>*

### **Consequences**

The 1984 Doctor’s Dispute left an indelible mark on Australian society and in particular on the psyche of health care decision makers at all levels.

Unlike elsewhere, Australian doctors had demonstrated that they were not prepared to be walked over and lose their ability to treat patients to the highest standards of medical care. The social contract was worth something and it was worth fighting for.

As the then Director of the London School of Economics and Political Science, Ralph Dahrendorf wrote in March 1984, what happens to professions is a litmus test of a free society. Many of those who participated in the dispute shared this conviction<sup>9</sup>.

Since then the private healthcare sector has grown substantially while the public sector has in many cases succumbed to the blights of over-promising but often under-delivering particularly to the chronically ill, the mentally ill and the electively ill. Sadly many doctors are being discouraged and marginalised in a system that no longer values them.

Younger doctors not affected by the battles fought in 1984 could possibly be forgiven for believing that their ability to practise fee for service medicine is a birthright, or that the Medical Services Committee in NSW, which reviews all health legislation was the brainchild of government rather than a hard-won outcome of the dispute.

Patients who carefully select their GP and specialist may also believe that their ability to choose a doctor who is contracted to them only is a universal freedom. Yet both of these principles were on the line in 1984. They may still be lost. As Dr Bruce Shepherd warned recently, *“On 26<sup>th</sup> May 1984, 70 orthopaedic surgeons resigned from what they held near and dear. As a result of these resignations and ensuing events each one of us in our beloved profession has kept our independence. Now is not the time to give it away”*.

Perhaps the ultimate warning to us all, comes from one of the greatest freedom fighters of all time, Alexandr Solzhenitsyn, who when addressing Harvard University students in 1978 said, *“Should one point out that from ancient times declining courage has been considered the beginning of the end?”<sup>10</sup>*

Happy 25<sup>th</sup> Anniversary to the Immortals of 1984.

Stephen Milgate  
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17/7/09

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<sup>8</sup> Nils Korner, Witness to 20<sup>th</sup>-Century Medicine. The National Association of Medical Specialists: A Failed Horatius?, p.137

<sup>9</sup> Ralf Dahrendorf KBE FBA, In defence of the English professions, Director, London School of Economics and Political Science, March 1984

<sup>10</sup> Alexandr Solzhenitsyn, A World Split Apart, Harvard University, 8/6/1978