

## Hospitals crisis in Tasmania

# State Labor government seeks to balance budget at the expense of public health

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Public health care in the Australian island state of Tasmania is to be the major casualty in plans by the recently-elected state Labor government to produce a surplus budget by May.

Following the announcement of a \$70 million budget blowout in the Department of Health and Human Services, the government led by Premier Jim Bacon proposes to slash funding to health and community services by \$35 million before the end of the financial year on June 30.

Bacon is a longtime "left"--a former Maoist student leader, building union official and Trades and Labor Council secretary. In order to meet the requirements of the money markets and big business, his government has adopted a budget strategy of eliminating 80 percent of the state's \$2.7 billion net debt to the banks by 2003-04.

Public hospitals statewide have been issued a directive to implement savings of close to \$4 million in acute services by June 30. Announcing the measure, Treasurer David Crean claimed it only meant a "temporary" slowing of acute services. Yet his words were vague. "When health funding is back on a sustainable basis, hospital service areas will have the first call on funding," he said.

The balance of the \$35 million will be made up by cuts to other areas of the department, which also has responsibility for services to the disabled, the aged and the mentally ill, as well as drug and alcohol rehabilitation services and emergency housing.

Medical professionals have come forward to publicly denounce the cuts and have criticised the government's determination to achieve a balanced budget through such measures. They have participated in public protest

rallies throughout the state.

Scott Parkes, chairman of the Launceston General Hospital's Medical Staff Association, spoke to the media about the effect on surgery waiting lists. "All but the most urgent cases will have to go, because lack of beds. And we're not talking about people getting bunions or varicose veins removed here. We're talking about people with serious ailments like gallstones, or children with middle ear infections who have already been waiting a year for surgery."

The Launceston General Hospital was instructed to save up to \$2.5 million by June 30. Its measures will include:

- \* cutting bed numbers
- \* reducing the number of category 3 patients--those awaiting procedures for prostate problems, bladder surgery and middle ear operations
- \* restricting outpatient services

The hospital already has two of its four operating theatres and a medical ward closed. Doctors have been told that these facilities will not be reopened before June 30 and are now deeply concerned that they may not reopen at all. Two surgeons at the hospital, Alan Scott and Berni Einoder, commented that the hospital would have to close its doors to come anywhere near the cuts of \$2.5 million.

In response to these criticisms and public anger, Health Minister Judy Jackson revised the figure to be cut from Launceston this financial year from \$2.5 million to \$900,000. But speakers at a public rally in the city said this reduction would still have a serious impact. Barbara Daly, a stroke victim, told the 200 people in attendance: "People's lives are being severely affected mentally and physically, and pensioners are

suffering in silence."

Scott Parkes told the rally: "We have had to postpone cancer surgery because of a lack of facilities, and that is happening more frequently. In the last two years we have cut 30 to 40 beds off our hospital and we have closed wards. To cut \$900,000 out of the system in Launceston we have to cut our services."

Retired senior doctor George Vidor said: "We have had a wonderful health system that is falling apart. I have become active because the rights of the underprivileged are being eroded. Health care should be equally available to the poor and the rich."

Commenting further in the Launceston *Examiner*, Vidor said he regarded this year's financial crisis as the worst he has seen during his time in Tasmania. "That is because the demands from the state government to fix a \$70 million blowout this financial year come on top of years of health funding cuts."

In the state's capital, Hobart, all elective surgery at its major public hospital has been frozen until June 30. The Tasmanian chairperson of the Australian Association of Surgeons, Dr Michael Werthmeir, said in a statement: "We have to stop kidding ourselves that we have a public hospital system in Tasmania." He said the Royal Hobart Hospital had been virtually closed for surgical services since November and "today it is nothing more than a shell of its former self".

According to media reports, patients requiring heart surgery at the Royal Hobart Hospital have had to wait for up to three weeks.

Alongside the cuts to health services, the proposed savings will mean the destruction of hundreds of jobs in administrative and allied health areas. Figures of 800-900 have been suggested.

Already, since 1989-90 more than 4,500 jobs have been destroyed in the Community and Health services areas. Health budgets have seen drastic reductions throughout this period. For example in the four years from 1989, the Launceston General Hospital budget was cut by \$5.2 million (1989-90); \$7.8 million (1990-91); \$5.6 million (1991-92) and \$8.5 million (1992- 93). The 1996-97 health budget saw statewide cuts of \$25.8 million.

Tasmania has the nation's highest unemployment rates. Since 1989-90, according to government figures, job losses in the manufacturing sector have totalled 7,300, in finance and insurance--2,400, mining--1,200,

electricity, gas and water--2,100, agriculture, forestry and fishing--1,100, and the public sector, both state and federal--8,300.

Rising unemployment has created a situation where many working class and middle class families are no longer able to afford private health cover. This has led to an extra burden being placed on the public health system. Far from governments increasing funding to cope with this demand, the opposite has taken place.

Further exacerbating the crisis in Tasmania has been the federal Liberal government's delay in granting \$15 million in federal funds promised to the state for signing the Medicare Agreement

In his budget speech, Treasurer Crean described the budget as a catalyst to "break the shackles of the past and launch a new era for Tasmania". One of the highlights of his speech was the Bacon government's commitment to offer financial incentives for export and import-replacement industries. Thus, health and other essential social services are being slashed to help turn Tasmania into a haven for corporate profit.



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