

Australia:

Newcastle hospital closure will further undermine public health

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The planned restructuring of the health system in the industrial city of Newcastle, north of Sydney, will result in the downgrading of services and treatment to patients in a system that is already struggling to cope with demands.

Patients in Newcastle and the surrounding Hunter region are forced to wait for extended periods to receive treatment, even for life-threatening illnesses, because of insufficient beds and facilities. Equipment is not replaced after it has worn out, positions are left unfilled and staff are dangerously overworked.

This situation is set to deteriorate further if the Hunter Area Health Service's "preferred option package," is implemented. The HAHS, the state Labor Party government's regional health authority, plans to close down the Royal Newcastle Hospital (RNH) in the centre of Newcastle and replace it with a polyclinic in the city's west end. The RNH currently provides world-class elective surgery, rehabilitation and specialist clinics.

According to the HAHS, the upgrading of facilities at two other local hospitals, Belmont and John Hunter, and the redevelopment of the Mater hospital at Waratah will more than adequately compensate for the loss of services at the Royal. The real result will be longer waiting lists and poorer treatment for patients.

The proposed upgrading of other hospitals is badly needed, but the HAHS is using these improvements as an excuse to close a major metropolitan hospital. Much of the funding for the redevelopment of Belmont and John Hunter has been tied to the sale of the Royal. According to the Health and Research Employees Association, the plan will lead to the loss of 100 beds.

The HAHS has refused to provide an estimate of how

many beds will be left, saying only that there will be no significant alteration in bed numbers. This is no comfort for a region that has lost 264 beds in the past 12 months alone, and that is expected to see a 75,000 population increase in the next six years.

While the public health system will suffer as a result of the closure, the state government is set to make millions from the sale of RNH, which occupies a prime piece of real estate opposite Newcastle beach. A hospital has stood on this site, which is easily accessible by both bus and train, since 1817. Under the preferred option package, the hospital will be sold to a private developer and converted into luxury tourist accommodation.

The authorities have claimed overwhelming support from the public and health workers. According to the HAHS, 90 percent of hospital staff who responded to a mail-in survey agreed with the plan. What the Health Service failed to mention is that only four percent of staff returned the survey, or 396 out of 9,536. There was also no mention of the 3,000 people who signed petitions opposing the plan.

In fact, there is a great deal of opposition to all health cuts, but the health unions have refused to mount any overall defence of the public health system. This was shown most vividly in 1992 when the fight to save Wallsend hospital was isolated and betrayed by the unions, and again earlier this year in the dispute over the future of the Mater Hospital.

The Mater, a major ("Schedule 3") public hospital owned by the Sisters of Mercy, receives only \$50 million in government funding annually. It is run down and in need of extensive modification. The HAHS proposed that the Sisters seek a private partner to build

a new, possibly smaller, hospital on the present site and upgrade clinical departments.

Rather than demand unambiguous and adequate public funding for a new hospital, the unions suggested that the Mater board find a non-profit partner. At a rally attended by some 1,500 people at the Newcastle Workers Club in February, union speakers, including Sandra Moaitt from the NSW Nurses Association and Peter Barrack from the Newcastle Trades and Labor Council, refused to assign blame for the deteriorating state of the health system, instead claiming it was “time to go to the table and negotiate”.

Following the rally, the HAHS agreed to look for a non-profit partner, and is currently considering expressions of interest from organisations, including the Sisters of Charity, which runs St Vincent's Hospital in Sydney. A picket established outside the Mater was quietly dismantled in May.

There are indications that the HAHS is still pushing for a private partner. Moreover, a recent HAHS blueprint for the hospital's redevelopment did not stipulate that the Mater remain a Schedule 3 hospital.

Whether the Mater takes on a non-profit partner, or resumes its search for a private partner, the successful candidate will have to raise \$80 million in order to fund the redevelopment. This outlay can only be recouped by charging for selected services.

This could lead to a similar deal to that which Catholic Health Care (CHC) has made with the government over the construction and running of the new Hawkesbury District Hospital. CHC is allowed to retain 15 percent of the hospital's beds for private patients.

In other words, the outcome will almost certainly be the same in the long run—the privatisation of selected services.

The dispute over a funding partner helps to obscure the real issue, which is the systematic running down of the public health system in New South Wales over the past 20 years. One state government after another has closed public hospitals and wards, slashed staff and rationalised services to such an extent that lives are constantly at risk. There have been at least 1,010 bed closures and 40 ward closures in NSW in the past two years.

Assurances from state Health Minister Craig Knowles that a \$14 million cash injection to the region would

solve the problems at the Mater have already proven false. The Mater has provisionally been assigned \$2 million out of the extra \$14 million. The emergency department has received a pittance—\$250,000 a year on a pro-rata basis since March. Such amounts cannot even begin to address the problems. During the recent busy winter period, staff at the hospital reported that they were working in “third world conditions”.

In addition, there is little chance that the hospital will receive the entire amount it has been promised. The extra funding is part of a \$2.1 billion statewide increase over three years, but a report commissioned by the Australian Medical Association (AMA) found that the state total would equal only \$105 million. According to Access Economics senior economist Roger Kilham, the government has misrepresented the amount through forward estimates and double counting.



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