Australian hospital funding cuts cause bed closures

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24 January 2013

Health care job cuts and hospital bed closures are being unveiled in Australia, as state governments implement the funding cuts announced by the federal Labor government last year.

Prime Minister Julia Gillard last October said her government had "revised" its previous assessment of state health funding requirements, based on new population and costing data. As a result, $403 million of previously allocated funding would not be delivered to the states for the 2012-2013 financial year. In the case of Victoria, this meant a loss of $107 million.

While being presented as accounting corrections, these cutbacks are entirely in line with the Labor government's so-called healthcare reform program. When the "reform" plan was launched in 2008, Labor claimed that it would lead to better services, greater resources and more beds. In reality, the strategy was aimed at satisfying the demands of the financial elite by driving down public health spending and pushing more people to private providers.

Rather than receiving block grants, hospitals now have their funding determined by the number of procedures they perform, measured against nationally-determined "efficient prices." Federal grants to the states are also fixed according to "efficient price growth."

Federal Health Minister Tania Plibersek said the main reason for the recent "revision" was the lowering of the price of health care, as determined by the Australian Institute of Health and Welfare. The Gillard government has refused to publish the figures it used to calculate the reduced funding.

The federal cutbacks are being compounded by the Labor government's austerity program, which is winding back funding to the states, and by a sharp decline in state government tax revenues. The New South Wales government last year slashed $3 billion from its health budget over four years, the Queensland government $1.6 billion and Victoria $616 million.

Up to 750 jobs are now expected to be eliminated in Victorian hospitals before June, and at least 440 beds are likely to close—with about 350 gone already. Elective surgery waiting times are predicted to double. Hospital staff are already stretched to breaking point, with more than 45,000 people on Victoria's waiting lists.

The Royal Children's Hospital in Melbourne laid off 12 people on January 21, and announced that a further 38 positions would be destroyed, to cover a $3.6 million shortfall in federal funding. According to the *Age*, the staff at risk include doctors and other health professionals. The Royal Melbourne Hospital is shutting a 25-bed ward, while the Peter MacCallum Cancer Centre is expected to close up to 28 beds.

In Melbourne's suburbs, 52 beds will be closed at the Northern Hospital, as well as at Bundoora and Broadmeadows. At least 50 beds will be shut down in the Eastern Health district. Southern Health has closed a 20-bed general medicine and rehabilitation ward in Clayton, along with four operating theatres and 20 beds in the Casey and Moorabbin Hospitals. Western Health will close at least 70 beds and cancel 1,300 elective surgeries, with 60 jobs threatened.

Across regional Victoria, Barwon Health in Geelong has shut 24 beds, while Colac hospital's after-hours emergency department will be closed, forcing patients to travel two hours to the nearest emergency service.

Similar processes are taking place in other states. In Queensland, a further 400 healthcare jobs are to be eliminated in Brisbane's northern suburbs, on top of 600 that went in the same area last year. State Health Minister Lawrence Springborg blamed the federal

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government for cutting $103 million out of the state's health budget last year.

Also in Brisbane, 25 full-time nursing positions were destroyed at the Prince Charles Hospital this month. The Metro South Hospital and Health Service sacked 46 maintenance staff and shut the Moreton Bay Nursing Care Unit. In central Queensland, "voluntary redundancies" are being sought at the Rockhampton and Gladstone hospitals. Both the Moura and Eidsvold hospitals are under threat of closure.

In addition, hospital directors are pressuring staff to take annual and other leave entitlements. Managements have stood down or reduced hours for casual employees and refused to fill vacancies or graduate positions.

While making token criticisms of job cuts, the trade unions have made clear they will do nothing against this assault. Queensland Nurses Union assistant secretary Des Elder said the union had no opposition to cost-cutting. "We're happy to work with the board by trying to look at efficiencies," he told the *Courier-Mail*. "But reducing the size of the workforce in such a critical area is not the way to go about managing Queensland Health."

The Victorian branch of the Australian Nursing Federation (ANF) announced a token "community rally" on February 3 in Melbourne. It is demanding that the state and federal ministers meet to determine the veracity of the figures used by the Gillard government to reduce its funding. This is a diversion aimed at distracting attention from the bipartisan state and federal agenda to slash social spending.

Throughout the 2011-2012 Victorian nurses' industrial dispute, the ANF sought to prevent any confrontation with the Gillard government. Once Labor's Fair Work Australia industrial tribunal declared any industrial action by nurses illegal, the ANF shut down the campaign, diverting it into isolated protests. The union called in federal Workplace Relations Minister Bill Shorten to help impose a wage-cutting sellout. (See: "Australian nurses' union imposes real wage cut").

Victorian health workers spoke to the *World Socialist Web Site* about the Labor government's funding cuts. Lou, an assistant radiographer in a Melbourne hospital, said: "I'm paid just $20 per hour, and now they're banning all overtime. I have two children. I have to support them, but my qualifications are not recognised. I'm treated like a slave. Working class people have problems just getting by—like paying for electricity. I can't ask my wife to work because we would have to pay for childcare."

He continued: "What can I do about the Labor government? During the Liberals' time in office, it was the same thing. What they're both doing is pushing down the lowest people in the system. Everywhere overseas it is the same thing—the politicians promise all very good things, then after the election, you have to fix up your own problem."

Lou added: "We're working hard, and they're getting richer and richer. Take the likes of [iron ore magnate] Gina Reinhardt. But how many millions of people here are suffering? It's very bad; it's capitalism. It's a form of modern slavery—that's how I look at it."

A Royal Melbourne Hospital nurse spoke about the ANF's role in the Victorian nurses' dispute: "The nurses were betrayed by the union leadership. It was clear to me that they knew we were not getting a 5.5 percent increase, as they claimed we were. It was only 2.5 percent. They fudged the figures with the introduction of a professional development allowance."

He added: "All around the globe, the ordinary bloke bankrolled the huge financial institutions. And we paid the price. We're not going to get our money back. They're still making obscene profits. But there's no talk about giving it back to the public purse."

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