

# Australia: Victorian Labor government's bogus healthcare promises

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25 February 2019

The state Labor government in Victoria was re-elected last November with an increased parliamentary majority after promising large increases in public healthcare spending. Premier Daniel Andrews declared: "Only Labor believes in fast, free, and first-class healthcare."

Labor's claims were bogus. The Andrews administration is preparing to further degrade the public health system through ongoing funding shortfalls and greater privatisation.

All Labor's spending promises fell far short of what is needed to overcome previous cuts to the health sector and provide for population growth.

The state capital Melbourne has grown from four million to five million people in just eight years, with dozens of new working-class suburbs growing on the outskirts of the city. This has led to a serious lag in provision of health services.

Labor's healthcare promises included hiring 1,100 nurses and midwives, building or expanding 10 community hospitals, hiring 90 more paramedics and purchasing 23 new ambulances. These promises, even if implemented, would not keep pace with the population increases.

Typically, the suburb of Melton has expanded from 50,000 people to 150,000 in the past 17 years. A baby is born there every four hours and 7,000 new residents are added every year, but Melton has no hospital. The Labor Party announced last October it would spend just \$2.3 million to develop a "business case" for constructing a hospital in the area. Residents responded with derision and hostility.

Future community hospitals promised by Labor were not based on a rational plan to serve the healthcare needs of the population but immediate electoral concerns. Whereas Melton, regarded as a "safe Labor

electorate," was denied a new hospital, three of the four new planned community hospitals were in "marginal" Labor-held seats (Whittlesea, Eltham and Fisherman's Bend). Of the six medical services to be upgraded to hospitals, five were in marginal seats.

In the last week before the election, Andrews promised 250 dental vans would be made available to visit public schools across the state, supposedly saving families up to \$400 per child each year. This amount is completely inadequate, given the scandalous lack of public dental care and the serious impacts of tooth decay, which causes preventable chronic disease in both children and adults.

Andrews also said his government would conduct a \$16 million royal commission to inquire into mental health, hypocritically proclaiming "only by laying bare our failings can we fix them."

Victoria spends less per capita on community-based mental health care and inpatient beds than any other Australian state and has fewer mental health beds than any other state except Tasmania.

The Royal Australian and New Zealand College of Psychiatrists has insisted that at least 477 beds are needed to lift Victoria up to the Australian average. Although the number of beds has increased by 7 percent over the past eight years, population growth has meant a 9 percent reduction in per capita terms over the same period.

The Andrews government's 2018 budget committed only \$705 million over four years to mental health and drug and alcohol treatment. This pittance represents one-third of the amount pledged by the neighbouring state of New South Wales.

The public healthcare system is confronting multiple crises caused by chronic under funding and under staffing. During the past decade, mental health

presentations at public emergency departments in Victoria have grown by over 60 percent. The increase over the past four years alone has been 19 percent.

At Melbourne's Eastern Health, presentations to emergency department psychiatric triages doubled in two years, from 4,035 to 8,500. The Australasian College for Emergency Medicine says those patients are waiting longer to be assessed and treated, and are twice as likely to leave emergency departments before finishing treatment.

Like their state and federal counterparts, successive Victorian Labor and Liberal governments have created a two-tier health system. Those wealthy enough to afford private insurance and user-pays services have access to premium care, while working people depend on over-stretched public healthcare services.

The public hospital and healthcare system in Victoria was subjected to a wrecking operation in the 1990s. Between 1992 and 1999, 17 hospitals were closed, 1,400 hospital beds cut and 10,000 hospital staff jobs axed, including 3,500 nurses.

During that period, the Liberal government of Jeff Kennett introduced a "casemix" system that tied hospital funding to formulas that involved the length of stay of each patient, driving quicker "throughput" and cost-reduction. These seemingly objective pricing formulas can be fine-tuned constantly to force hospitals to lower their spending.

Subsequent state Labor governments, under Steve Bracks (1999–2007) and John Brumby (2007–2010) continued the imposition of casemix. They also promoted public-private partnerships (PPPs), which saw the looting of public assets. The Victorian model, Partnerships Victoria, became a national trailblazer in satisfying the demands of big business.

Recent hospital PPPs under Labor include redevelopments of the New Children's Hospital Project, the Royal Women's Hospital Project and the Victorian Comprehensive Cancer Centre. Each one has seen hundreds of millions flow to major property developers and the banks. The \$630 million Bendigo Hospital, for example, saw a bonanza for global property developer Lendlease, and Lendlease partners Capella Capital.

The Andrews government is preparing to further accelerate the privatisation of the health system. During the 2018 state election campaign, Andrews announced

the semi-privatised redevelopment of two large hospitals—at Frankston, in Melbourne's outer southeast, and Footscray, in Melbourne's west. A \$562 million development is proposed in Frankston and \$1.5 billion in Footscray.

Financial analysts Mondaq considered the Footscray development an opportunity "for the Victorian government to 'road test' its newly released Partnerships Victoria PPP project documents."

The Footscray plan is based on a proposal authored by the West of Melbourne Economic Development Alliance (WoMEDA), whose chairman is former Premier Steve Bracks. The WoMEDA proposal for a Health Cluster in Footscray, alongside Victoria University, opted for co-location with a private hospital, claiming it would "create a unique (within Australia) university/hospital campus comprising a university, a public hospital and private hospital and promoting the synergies between them."

Another privatisation measure initiated under Kennett, the "co-location" of seven private hospitals within public hospitals, continues under Labor. This allows "cream-skimming"—that is, private hospitals can access the high technology facilities at the public hospitals, without having to invest in them separately.



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