

# Cuts to healthcare system responsible for Victoria's coronavirus resurgence

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The Australian state of Victoria has provided a case study of a health system stripped down at the behest of big business, with governments both Labor and Liberal, federal and state, enforcing funding cuts for decades.

The ensuing damage to public health has been dramatically revealed by the resurgence of the coronavirus pandemic in the state capital, Melbourne, and the shocking rate of infection among healthcare workers. Some 3,481 have contracted the virus this year, with at least 70-80 percent of infection occurring at work.

After a cluster of over 50 positive staff and 600 more quarantined at Frankston Hospital last month, the latest figures for hospital outbreaks, revealed in a secret document published in the *Saturday Paper*, are an indictment of the authorities.

Outbreaks have been reported at Western Health in Footscray, Eastern Health in Box Hill, Northern Health in Epping, St Vincent's Private Hospital in East Melbourne, Knox Private Hospital in Wantirna, Royal Children's Hospital and Melbourne Private Hospital in Parkville, and Dandenong Hospital, as well as in a number of allied health and other primary health services.

The paper reported that staff at some of the hospitals have not been told about the transmissions happening in their workplaces and are not being offered extra protection.

The Department of Health and Human Services (DHHS) has now retrospectively revealed that in recent months the Royal Melbourne Hospital had 139 COVID-19 infections of staff, St Vincent's Hospital 115, Northern Hospital 95 cases, Sunshine Hospital 88, Royal Melbourne Royal Park 81 and Footscray Hospital 66.

The Victorian hospital system entered the 21st century having undergone a battering during the 1990s. Seventeen hospitals were closed down, 10,000 hospital workers' jobs destroyed, including 3,500 nurses, and 1,400 hospital beds lost under the Kennett Liberal government. This was

done with the collaboration of the health unions and based on plans laid by the former state Labor government. The onslaught was funded by the federal government, which was Labor until 1996 and then Liberal-National.

The replacement systems included the outsourcing of cleaning, laundry and security services, with a resulting loss of control over standards. The business model of outsourcing was to prove its inherent dangers in the Victorian hotel quarantine scandal in June this year, which has left the state Labor government scrambling to defend its actions.

The last 20 years have seen a continuation of policies of the 1990s in a more disguised form. Replacement hospitals have been built, but they have been Public-Private Partnerships (PPPs). This is a model that is privatisation by stealth and enables the looting of the public purse.

The latest of these signature projects is the \$1.5 billion New Footscray Hospital, which Partnerships Victoria has announced is being competed for by three consortia. Tetris Capital, Capella Capital and the Plenary Group are each vying for the prize.

There is possibly another Victorian hospital project in the offing, around which the PPP infrastructure industry is circling. That is the \$562 million Frankston Hospital Redevelopment.

The mantra from the industry that governments are using PPPs to offload financial "risk" is belied by the record. When the 2008 financial crisis hit, the Victorian Labor government threw money at the various PPP projects in the pipeline, to offset the difficulties the private companies would have in borrowing money.

The sway of this industry over the Victorian public health system has been dire. An indication was the recent demand from Sir Rod Eddington, the chairman of Infrastructure Partnerships Australia, a body set up by the state Labor governments of Victoria and NSW in 2005,

that the Melbourne lockdown under Stage 4 restrictions be shelved.

Eddington stated in early September: “Total lockdown across Melbourne is a blunt instrument. We have to find a way to protect lives and livelihoods and to do that we are going to need to be much more targeted about where the clusters occur and that can only happen with an enhanced testing and tracing regime.

Pointing to the real motive for this demand, to enable companies to continue to extract maximum profits, regardless of the health dangers to workers, Eddington added, “The construction industry has worked very hard to deliver safe workplaces and should be operating at full throttle.”

The other public health initiative that remains in place is case-mix funding, which was used as a battering ram against hospitals from the time it was introduced in 1993–94.

Through the application of the case-mix funding formula, based on length of stay and weighting of different medical procedures, hospitals were forced to speedup their throughput of patients, compared with the previous year. It was particularly harsh on hospitals specialising in complex and often intractable conditions, which were adversely compared with more common procedures carried out speedily and in large numbers elsewhere.

The ensuing budget cuts to hospitals meant further job destruction. This had a huge flow on effect.

In October 2007, nurses imposed industrial bans in opposition to the Brumby state Labor government’s attempt to get rid of nurse-patient ratios and undermine other conditions through the use of the conservative federal Howard government’s Work Choices industrial laws.

Brumby’s then health minister Daniel Andrews personally denounced the nurses for imposing “unnecessary” and “unlawful” bans and accused them of “compromising the care of hundreds and thousands of patients right across our state.”

Andrews, the Labor premier of Victoria since December 2014, has been able to hide this anti-working-class track record, thanks to the health unions. In particular the then Australian Nursing and Midwifery Federation (ANMF) promoted Andrews at a mass meeting of nurses during the 2011 nurses’ strike where he was able to cynically declare that he stood “shoulder to shoulder” with them in their struggle to defend nurse-patient ratios, this time against the Baillieu Liberal government.

In 2017, the Andrews government backed the private provider Dorevitch against 600 pathology workers taking industrial action, appealing to Fair Work Australia for the strike to be terminated. The then-Health Services Union (HSU) applauded this measure and shut down the stoppage, before imposing the regressive demands of the company.

Despite warnings from the DHHS in May 2019 that Victoria’s public health team responsible for contact tracing communicable diseases was dangerously understaffed compared to other states, by March this year the division was pared down to only 14 members. Victoria, a state with 6.4 million people, had only six physicians in its health protection branch, compared to 24 in New South Wales and 17 in Queensland.

The deliberate under-resourcing and under-staffing of the public health care system is a bipartisan policy, supported by the health unions. Its outcome has been the havoc wreaked by the coronavirus pandemic in 2020 in Melbourne’s hospitals.

In August, state secretary of the ANMF Lisa Fitzpatrick supported the extension of the Andrews’ government’s state of Emergency and sweeping government powers, saying: “Instead of calling them heroes and angels we want our politicians to let nurses, midwives and aged care personal care workers know that you have their back by passing a law to provide a framework for a COVID-safe normal once this outbreak is under control and to quickly respond if there are further outbreaks after this wave.”

Politicians of both stripes do not “have the back” of nurses, midwives and aged care personal care workers. Rather they have the back of the financial moguls. That is why throughout the crisis, they have done nothing to improve the chronically-underfunded hospital system. Instead, their response to the pandemic has focused on the provision of hundreds of billions of dollars in bailouts to the banks and corporations, while nurses and doctors have been denied such basic protection as adequate masks and protective equipment.



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