

# Australia: State Labor government slashes funding to small hospitals in rural Victoria

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Two thousand residents rallied in the country town of Mansfield in Victoria on June 15 to oppose threats to their local hospital after the state health department told 20 small health services their funding would be cut by up to 30 percent.

The substantial turnout, in a town with a population of only around 4,000, reflects growing hostility to the slashing of health, education and other social spending by Labor governments at the state and federal level. This is part of a broader austerity agenda, including cuts to jobs and real wages throughout the public sector.

The latest round of cuts will exacerbate an already dire shortage of staff and resources throughout the health system, but especially acute in rural and regional areas. This is a direct result of decades of funding cuts and privatisation, in which Labor governments and the health unions have played the central role.

A similar event was held on Saturday in Yea, with a future protest planned in Alexandra. Some rural health services had their funding slashed by millions of dollars.

One health service CEO told the *Standard*, a Warrnambool newspaper, that the level of cuts depended on how much cash the service had in reserve. “Basically, if you had money put away, you had your funding slashed.”

Mary-Anne Thomas, the state Labor government’s health minister, disingenuously denied that any hospitals would close, but flagged mergers.

“We have more health services than the rest of Australia combined. NSW [New South Wales] has 16 or 17. Queensland is similar. One of the issues associated with that is... variations in care that can compromise safety,” she declared.

In fact, a NSW parliamentary inquiry into rural, regional and remote healthcare in August 2021 pinpointed the disastrous health outcomes in that state’s health networks. These included patients facing significant problems in

accessing care, and critical staff shortages, including some emergency departments having no doctors.

In Victoria, an advisory board led by Bob Cameron, who is chair of statutory government body WorkSafe, has been “considering options”—i.e., amalgamations of the hospitals. This includes reducing the number of health services from 76 down to 12, six in Melbourne and six in rural areas. A foregone conclusion has undoubtedly been reached, with all that remains a public announcement of the decision.

Several austerity measures had already been announced before the latest plan to claw back the meagre cash reserves these facilities had not been forced to spend.

Administrative cuts were imposed in early February, with some hospitals told to cut back-of-house costs by up to 50 percent. Some health services were also ordered early this month to create budget action plans by the end of June without any funding guidance or targets.

Many small health services are heavily dependent on community fundraising to build up funds for necessary life-saving equipment. This money, however, makes up the cash reserves that they are now being told by the health department to use for day-to-day operations.

As one rural nurse explained to the *World Socialist Web Site*: “A poster at the front of the town says, ‘We’re raising money for a life-saving ventilator at the hospital.’ This means we all need to get out and volunteer to raise money for an essential life-saving piece of equipment in a rural town. Are you kidding me?”

“Our medical centre hasn’t enough money, which means that if I go and ask for an upgrade of our blood pressure machines—proper ones that take three measurements and average them out—then the hospital goes to the op shop [charity store] to get it to raise money for the hospital. It is so outrageous.

“I’m so over this business of spending my weekends volunteering. It’s a fantastic initiative by our wonderful

community to raise money for the hospital, but what a sad state of affairs it is when our taxes can't cover essential medical equipment for a rural town.

"[The government] will make it so your health services can't function because it restricts where you can put your funding. And then suddenly, you can't fund certain things. You'll lose your doctor and once that happens you can't run a hospital. It'll be just [closures] by stealth.

"There used to be a saying when I was growing up that it would be a good day when the defence department has to go out to have a cake stall to raise money for their fighter jets, rather than the kindergarten or the school having to do it," she said.

The *World Socialist Web Site* also spoke to a general practitioner in one of the regional cities where some smaller hospitals would be amalgamated. She explained that this would exacerbate existing problems.

"We already need more funding. We have a very small emergency department; people wait six to eight hours and still are not seen. It's a terrible situation.

"When I send patients for an orthopaedic appointment it's a two-year waiting list, and with nose and throat issues there's no way they can see anybody. We don't have an eye surgeon, a dermatologist or a neurologist in the hospital, so patients need to go to Melbourne. The wait time to see a psychiatrist is nine months and twelve months for a paediatrician. Everything has a waiting list.

"It's worse in Victoria than in Queensland so a lot of my elderly patients go to Queensland for the three months of winter. They get their knee surgeries and hip replacements done there because the waiting list isn't as long.

"The situation in the rural and regional areas is very grim. We don't have a vascular surgeon—one comes from Melbourne once a month—or a plastic surgeon, and we need urology. The government needs to increase the incentive for those doctors to come to rural areas but instead they cut, which is not right."

The doctor said rural and regional hospitals already had difficulties finding beds for patients, "I had a patient with a pulmonary embolism and they had to keep him in emergency until they found him a bed, and then they put him in the COVID area. One patient had a miscarriage but they had to put her in the paediatric ward because they couldn't find a bed.

"On what basis are they [the health department] making all these assessments and decisions?" she asked.

The opposition to health funding cuts demonstrated by the rallies in rural Victoria is significant. But to go

forward, this must be linked with a political and industrial struggle by health workers, across the state and more broadly, against Labor's deepening attacks on their jobs, wages and conditions, and on the public health system itself.

This is impossible within the framework of the trade union bureaucracy. The announcement of the hospital budget cuts has been met with a deafening silence from the state leadership of the health unions, even though the threatened amalgamations would slash jobs.

The Victorian Labor government, which is cutting rural hospital budgets, is also seeking to further slash the real wages of public-sector nurses throughout the state. The Australian Nursing and Midwifery Federation is collaborating closely with Labor to impose these cuts, and has done nothing to mobilise workers against the government's attack on rural health funding and jobs.

This underscores the need for health workers to build new organisations, rank-and-file committees, in hospitals and other health facilities. These are the only mechanism through which health workers, along with affected local residents, can fight to reverse decades of attacks on public health by capitalist governments that subordinate the health and lives of the working class to the profit interests of the corporate elite.

Above all, what is posed is a fight for a political alternative, socialism, under which society's vast resources can be used to provide free health care of the highest quality, along with secure, well-paid full-time jobs for all workers.



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