

Australia: Victorian Labor government demands public hospitals slash budgets

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5 July 2024

The state Labor government of Victoria has unleashed a brutal attack on the state's public health system, ordering hospital administrations to cut hundreds of millions of dollars from their annual operating budgets.

Media reports over the past fortnight reveal that the government has told public hospitals to slash spending by at least 10 percent. Hospitals were due to formally submit their "cost savings" on June 28.

Everything is on the table to achieve Labor's demands, including job cuts, bed and ward closures, and the dismantling of a range of essential preventative health services. In addition, special grants that allow hospitals to meet over-budget expenses will no longer be available. Without these grants, hospitals could be left without day-to-day operating finance.

One hospital administrator was reported by the *Melbourne Age* as saying, "The whole system is going to tank."

While the government has not released an overall dollar figure for its cost-cutting demands, information leaked to the press by anonymous sources indicate the devastating impact the cuts will have on public hospital services and patients, as well as health workers' jobs and conditions.

The state's largest health network, Monash Health, which covers south-eastern metropolitan Melbourne, will have to reduce spending by \$350 million. The Alfred Hospital group has been told to cut \$180 million, the Royal Melbourne Hospital \$230 million and Bendigo Health and Grampians Health, in regional areas, \$120 million and \$50 million respectively. Collectively, these hospitals employ more than 50,000 staff.

An audio recording of a meeting of hospital executives leaked to the *Melbourne Age* on June 28 revealed the devastating consequences of the choices that hospital managers will have to make. This includes the cutting of one-in-ten allied health staff in areas such as pathology and pharmacy and the scrapping of COVID-19 testing for

all patients on admission. Data from 2022 and 2023 show that one in ten patients who acquired a COVID infection in hospital in Victoria died.

There could be a freeze on new intensive care beds as well as cuts to epilepsy monitoring beds and concussion clinics ended. One hospital official reported that a satellite dialysis unit was being taken out of service at their hospital, despite demand for the service outstretching supply.

Cancer patients may have to pay for their own life-saving drugs while in hospital, while areas such as psychology, physiotherapy and disability liaison could become unavailable and preventative diagnostic services, such as BreastScreen, could be eliminated.

Even the internationally acclaimed Royal Children's Hospital, which is relatively better off than most state hospitals because of annual community fundraising over decades, has started cutting jobs and vital programs. According to Wednesday's *Age* newspaper, 15 staff will be made redundant in the hospital's mental health area and six vital programs eliminated. This includes the axing of a team involved in early intervention for children and adolescents with behavioural problems.

"It has happened very quickly," one Royal Children's Hospital worker told the *World Socialist Web Site* this week. "We got an email saying there's a freeze for employment, and they've come up with a committee to review any positions that are being recruited for, including maternity leave replacement," she said.

"Even though the job may have been there, now it's all got to go through this committee to approve whether they can rehire. It feels like a *fait accompli*, with the government saying, 'If you guys can't come up with suitable cuts, we're going to send out administrators.'

"Our brand [the Royal Children's Hospital] is fiercely protected, and we've been told not to discuss this with anybody, which is why it has been so secret. I know for a

fact the emails went out on Friday booking appointments for people and they're given two weeks to either accept a redundancy package or transfer to where they can be redeployed.

“The cuts are going to have a real impact in critical medicine, [and] it does mean people are going to die. I think the government has an acceptable amount of death that they absorb in these kinds of situation—like they did with COVID—and this is another one,” she said.

Labor's demand that hospitals drastically slash their operating costs follow its announcements last month that 20 small health services in areas across the state will have their funding reduced by up to 30 percent. Labor plans to cut the overall number of public health networks across the state from 76 down to 12, via amalgamations.

Premier Jacinta Allan and Health Minister Thomas have attempted to brush aside rising popular anger over the cuts. They deny that anything has been decided and claim that news of the cuts to major hospitals is only “speculation and fear mongering.”

Thomas attempted to divert attention from the catastrophic consequences of the government assault on public health, asserting that all that was involved was the curbing of overstaffing among executives and hospital spending on overseas travel.

The *Age* also reported on June 28 that an anonymous Victorian government minister said, “The squeeze on hospital budgets was not a major cause of concern around the cabinet table... Hospitals should be financially responsible... not just spend more money than they are allocated.”

This arrogant response is based on Labor's certainty that the health unions—led by the largest, the Australian Nursing and Midwifery Federation (ANMF)—will impose these savage cuts on public health, blocking any attempt by their members to mobilise against them.

This was demonstrated in the ANMF's determination to shut down limited industrial action over the nurses' ongoing enterprise agreement dispute and attempt to persuade its members to vote for a sell-out wage deal with the Labor government.

The union fears that a majority “no” vote and calls from workers for genuine state-wide industrial action would raise the possibility of unified action against hospital cuts, closures and amalgamations.

As ANMF state secretary Lisa Fitzpatrick told nurses at the union's June 26 mass meeting, “I can prove to you that this [wage agreement] is not coming from the budgets that will employ people and the hospital budget. We are

not bankrupting the hospital system.”

In other words, the health unions, just as they have done in the past, will do all they can to impose the government attacks on the public hospitals and the destruction of jobs, working conditions and vital services.

Victorian public hospitals took a battering in the 1990s, starting with the Kirner Labor government and completed by the Kennett Liberal Party administration. These attacks saw the closure of 17 public hospitals, the axing of 10,000 health jobs, including 3,500 nurses, and the elimination of 1,400 hospital beds.

The evisceration of public health, including through privatisation and outsourcing, has continued under all state governments that have followed. None of this would have been possible without the complete collaboration of the unions, which have repeatedly shut down strikes and prevented health workers from fighting the assault on their jobs, wages and conditions.

Although the Victorian government is the most indebted of all Australian states and has the lowest credit rating, the attack on public health is in line with a generalised assault on vital social services by state and federal Labor governments. Public hospitals are being systematically starved of funds, threatened with cuts to desperately needed services and outright closures, while billions of dollars are made available federally for nuclear submarines and other military weapons and massive tax cuts for the rich.

As the historical record demonstrates, the defence of public health and the provision of high-quality, properly equipped and staffed hospitals poses the necessity for unified action by the working class against state and federal governments, Labor and Liberal-National Coalition alike, and the unions that prop them up.

This requires health workers forming independent rank-and-file committees and, in alliance with communities, fighting the closure of hospitals and other vital health services based on a socialist program in which human need takes priority over private profit. This is only way to fight the escalating assault on all aspects of public health and other vital social services now underway.



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