



Written by [Michael Tennant](#) on April 3, 2013

Carbon Tax Bad for Australian Hospitals' Health

Australia's recently imposed \$23-per-ton carbon tax is wreaking havoc across the continent. The tax went into effect only last July, but already it is [contributing to record business failures](#), including major losses in the manufacturing and tourism industries, and increasing family electric bills by 10 percent. It is also, according to the government of the state of Victoria, driving up healthcare costs.



A Victorian Health Ministry review of billing data from 30 of the state's 91 hospitals revealed that in just the first six months of the carbon tax, hospitals and other health services were hit with over \$6.7 million in additional energy costs. With total energy costs of \$45.6 million over that same period, that means that 15 percent of their costs were directly attributable to the tax, the Melbourne [Herald Sun](#) reports.

The tax did not affect all hospitals equally. Some hospitals experienced increases of just eight percent — still a significant hike — while others saw their energy costs shoot up by a whopping 22 percent.

Victoria is the smallest mainland state in Australia but also the most densely populated state. Its capital, Melbourne, is the country's second-largest city.

In a press release, Victorian Health Minister David Davis called the carbon tax "iniquitous" and said it "was having a very real impact on the budgets of all Victorian hospitals, resulting in a slower growth in services than would otherwise be possible."

"This is an additional cost that is slugged on top for hospitals and health services," he told the *Herald Sun*.

While the federal government does provide funding for hospitals, the current funding arrangement was agreed upon in December 2011, over six months before the carbon tax went into effect. As a result, Davis told the paper, it does "not adequately cover the new costs."

"This is [Prime Minister] Julia Gillard putting a tax on hospitals," he said. "We are looking for our hospitals to be compensated."

To that end, Davis wrote to the federal government to request additional funding to cover the carbon tax.

"The Victorian Coalition Government wants our hospitals to spend their money on treating extra patients rather than on an energy price hike," Davis said in the press release. "The Government has a range of initiatives underway to improve energy efficiency and reduce the carbon intensity of the public healthcare system."

"Despite these efficiency measures, a level of energy will still be required to operate our hospitals safely and this is subject to the carbon price — in effect a tax on health care."

A spokesman for federal Health Minister Tanya Plibersek, the counterpart of Davis in Canberra, told the *Herald Sun* that "Commonwealth funding to hospitals would rise by \$20 billion over this decade and



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would cover the carbon costs to hospitals many times over.”

“Indexation ... will see federal hospital funding increase by 6.5 per cent this financial year, going up each year to more than 10 per cent indexation in 2015-16,” he stated.

On the one hand, then, the federal government will tax hospitals for their carbon emissions; but on the other, it will return tax dollars to them to cover those costs, though Davis says they will need more. Surely it would be simpler and more efficient just to repeal the carbon tax.

Unfortunately, Australia’s government is so invested in the climate-change tale that it feels compelled to appear to be doing something to save the planet from certain destruction; and right now that something is the carbon tax. Under such circumstances, repeal is unlikely, and indications that the tax is damaging the economy — not to mention mounting [evidence](#) that global warming is a hoax — will simply be dismissed by the true believers in Canberra (and [Washington, D.C.](#)). Ordinary citizens, meanwhile, will pay the price for their leaders’ faith-based policies.



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