



## THE CASE **AGAINST**

Opposition health  
 spokesman  
 Jeremy Hanson

**T**he Canberra Liberals will oppose the purchase of Calvary Hospital, and will oppose the sale of Clare Holland House. We have maintained an open mind about the proposal while we have sought to separate fact from fiction, scrutinise details of the deal, and discuss the proposal with all of affected stakeholders. Our most important consideration has been whether the proposed deal will result in improved health services in the ACT.

It is vitally important to remember that Calvary is already a public hospital that delivers health services to the ACT, and will continue to do so regardless of ownership arrangements. Owning the hospital will not improve that health service one iota.

If there is any evidence that health outcomes would improve, why has that evidence not been presented? The Treasury analysis and the Government's consultation papers fail to provide any evidence that this would be the case.

The simplistic argument that our hospital system would be less complicated and more effective if Calvary was owned by ACT Health is flawed. This point was well made in *The Canberra Times* editorial of October 5, which said, "More likely than not, however, Calvary will continue best if managed separately. All too often amalgamation leads to more, not less bureaucracy, stifles rather than allows innovation, and restricts rather than increases opportunity. If that is a consequence of the takeover, it will have been a bad thing."

Calvary Hospital's culture results in a very high quality of care, and we risk this being lost.

No matter how the accountants treat the purchase, \$77 million of cash will be borrowed or taken from government savings in order to own an asset that is already providing a public health service.

That \$77 million could be used to significantly

increase the capacity of our health system. The 600-plus people who have been waiting over a year for elective surgery might ask why we are not using \$77 million to reduce elective surgery waiting lists that are the longest in the country. Nurses who are under great pressure might ask why some of the \$77 million could not be used to recruit more staff. People who can't access a GP might wonder whether the money could be used to roll out some of the 30 recommendations from the Government's GP Task Force.

The ACT Government's accounting argument that they must move the Calvary hospital assets to their balance sheet before making any additional investment in the hospital is flawed, and in my view is a poor public policy decision. This view is supported by respected RMIT economist Sinclair Davidson, who has described the Government's budgetary arguments as "simply nonsense" and the ACT Treasury analysis as "the snow-job the ACT Government is pulling over the numbers". His assessment is that rather than supporting the Government's case, "the ACT Treasury analysis shows that cost-effective manner to be the maintenance of the status quo".

Terence Dwyer, who has a PhD in economics from Harvard, makes the case that, "The accounting 'analysis' has nothing to do with the real economic cost to the community – which is the cash cost. It does not matter who owns the assets so long as they are used for health care in the ACT . . . the Treasury analysis shows that, far from saving money, the proposed Government takeover of Calvary Hospital means the people of the ACT are to be made to pay extra tax to the tune of \$160 million extra in cold hard cash".

Regardless of the argument about who should own and operate Calvary, I am yet to meet anyone who does not agree that \$77 million is too much public money to pay for a hospital that the public has already paid for. The Government's



plan to sell Clare Holland House as part of the deal to acquire Calvary clearly exposes the utterly flawed nature of the entire proposal. Clare Holland House is being used as a bargaining chip by the Government to get LCMHC over the line on the Calvary deal.

The Government has not even bothered to present a business case or any justification for the sale. The use of Clare Holland House as a pawn by the Government has upset those close to the facility such as the Palliative Care Society and the Health Care Consumers Association, who both oppose the sale.

It is clear that the desire to reclaim Calvary has been part of the Government's agenda for years and they have applied pressure on LCMHC to sell previously. The Government's previous attempts to take ownership of the hospital when Simon Corbell was health minister and the unwillingness of the Government to commit additional funding to Calvary hospital in the future have left LCMHC with little choice but to sell.

Archbishop Mark Coleridge, the head of the Catholic Church locally, has provided a comprehensive summation of his concerns with the Government's proposal that is available on the Archdiocese of Canberra and Goulburn website. Clearly he is dissatisfied with not only the proposal but also the process when he says, "this whole episode has been puzzling to me and left me with the sense after [12] months that

something fundamental has gone wrong in the process, at least at the level of communication".

Before the last ACT election the Government and LCMHC were engaged in private discussions. Katy Gallagher wrote to the chairman of LCMHC on August 20, 2008, outlining a deal and requesting that a heads of agreement be signed before the election caretaker period. So when she said on the eve of the 2008 ACT election, "all of our plans are on the table", this was not true.

Ultimately, the deal only came to light in April this year, six months after the election, when details were leaked to *The Canberra Times*. The Government's agenda was hidden from the electorate, and no matter how much consultation they attempt at the 11th hour, it is seen for what it is, a done deal.

The period of consultation from October 1 to November 12 has been viewed by many who have participated, including me, as a sham.

Our analysis has found no health benefits or sound economic arguments for the proposal. A key priority for a future Seselja Liberal government would be to deliver the most effective health services possible, and this would include expansion of public hospital facilities and services in the north of Canberra. We believe that this could be achieved without the need to spend \$77 million on a public hospital that is already there or by selling Clare Holland House.



**More questions:** A public consultation meeting on the Calvary hospital sale. Photo: KARLEEN WILLIAMS.