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1 Why hospital has to go

Former Minister of Health
MICHAEL MOORE says the
Stanhope Government is
right to acquire Calvary...



IT is time for Calvary Hospital to come into public ownership. Chief Minister Jon Stanhope and his Treasurer and Health Minister Katy Gallagher are right to have negotiated a new arrangement with the Little Company of Mary. This Government has taken a long-term view to deliver better hospital care for the people of Canberra well beyond the next decade.

The sale means a better result for Calvary: Unless the hospital comes into public ownership its infrastructure will simply deteriorate and it will be impossible to expand the hospital to meet growing demand for north-side residents as Gungahlin grows. Not only will the Little Company of Mary be in an impossible position, but also public healthcare on the north side of Canberra will slowly decline.

Sydney barrister Tom Brennan, who is chairman of the Little Company of Mary, pointed out in April that one of the problems for Calvary was that it has been starved of infrastructure funding for the last 20 years. A plaque next to the emergency section of the hospital with my own name on it indicates that this is not entirely true. However, like the current Government, as a health minister I was always reluctant to provide additional funding except where it was urgently needed. Since that time, the population forecasts on the north side of Canberra have forced the Government to consider the options.

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Providing long-term infrastructure funding to the Calvary can be likened to tenants putting large sums of money into a rental home. The capital gain goes to the landlord and the money will effectively be lost. The same is true for Calvary. An investment in infrastructure will be yet another government "gift". Alternatively, when the ACT Government is owner, the expenditure in capital works infrastructure becomes an investment. As owner when the government funds improvements, it holds on to the capital gain that is reflected in the Budget without creating a deficit.

The other option for the ACT Government is to allow Calvary Hospital to continue into the long term without extra funding and commission another hospital – perhaps in Gungahlin. Although this may seem attractive at first glance, it would invariably mean overlapping delivery of services, competition for public medical specialists and a significant increase to both recurrent and capital expenditure for the government. It will also mean that Calvary will deteriorate without the necessary additional infrastructure funding. Government would also have to consider cutting all recurrent funding to Calvary on the commissioning of a new hospital. This approach would leave Calvary almost worthless.

There is no doubt that the Little Company of Mary has done a great job in providing hospital services since they were entrusted with a public hospital years ago. And there is a good argument that taxpayers should not have to pay to repurchase this gift. However, the reality is that the Little Company of Mary does own the hospital and that alternative options will be much, much more expensive.

The Stanhope Government has appropriately focused on the most effective thing it can do to ensure better hospital care for Canberrans into the future. Such a focus leaves no doubt that the Calvary hospital should be purchased by the ACT Government.

Michael Moore is a former member of the ACT Legislative Assembly and an independent minister for health in the Carnell government.