



# The Canberra Times

TO SERVE THE NATIONAL CITY AND THROUGH IT THE NATION

## Calvary may now wither on vine

The withdrawal of the Little Company of Mary from discussions about the sale of Calvary Hospital resolves immediate questions about the ownership of Calvary but leaves entirely up in the air the future of a second public hospital in the ACT. Or perhaps a third one.

The ACT Government wanted to take back the hospital for \$87 million because it planned to spend about \$200 million in new public health facilities in north Canberra over the next few years. With capital spending of this order, it thought, reasonably enough, that it was inappropriate that the money be simply given to a private sector organisation, albeit a Catholic religious order.

In the public discussion about the sale, the Government made it clear that it had other options including taking over Calvary by resumption and compensation (as it were without negotiation), or, simply, building a new hospital instead, leaving Calvary to ultimately wither on the vine. Another option, presumably, is to build a third hospital, and to use Calvary strictly for contracted-in services, on a financial basis which required Calvary to spend its own money, and take its own risks, on capital expenditure.

One sticking point for some secular opponents of the sale was that neither the LCM nor the Catholic Church had ever contributed anything to the bricks and mortar, or the equipment, of Calvary public hospital. All the capital costs, and all the running costs, came directly from ACT taxpayers, who, in buying back the hospital, were in effect being asked to pay for it twice. Such objections would be redoubled were it to be simply assumed that a major further public investment will be made in the existing hospital, the value of which would go to the order rather than public ownership.

As it happened, the order, through its board, saw the logic of a government takeover at least as soon as Government had made it clear that existing arrangements could not continue if there were to be a major further investment in facilities. The order was happy enough running the hospital, alongside its private facilities, both at Bruce and at Deakin, but the arrangement had marked limitations from the point of view of the order's sense of religious mission.

Though separately managed from the other public hospital at Garran, Calvary ran on exactly the same funding lines, with very little local discretion about how facilities and services were arranged. Its staff were ACT public servants. There was nothing specifically Catholic about anything that it did, nor could there be. Although Calvary

eschewed certain legal procedures of which the Catholic Church disapproved, such as abortion and fertility work, its decision not to do them had no impact whatever on the availability of such services, since there are other public facilities offering such services and the ACT is a small area.

The order believed that it could reinvest the proceeds of the sale of the public hospital in services where, it felt, the order and its Catholic mission could add especial value – as with services to the children, to mothers, to the aged and the dying, and in mental health care. Any extension of services in these areas will now presumably be limited, even as there is a grave risk that the nature and quality of the work will wither.

The ACT Government's approach was also affected by an accounting requirement which was by no means the trifle some claimed. When government owns something, it can divide its expenditure according to whether it is capital or recurrent expenditure, and the proper treatment of this is important on its balance sheet. When, however, government contracts in services, as it was doing with the LCM at Calvary, payments count only as recurrent expenditure. The effect, on the ACT's credit rating, and its surplus or deficit, is quite significant; the problem is fundamental and cannot, as some seem to think, be imagined or legislated away.

The collapse of the sale is essentially due to the resolute opposition of the Catholic Archbishop, Mark Coleridge, assisted, as his campaign had seemed to falter, by the Archbishop of Sydney, George Pell.

Cardinal Pell publicly alleged that the ACT Government was anti-Catholic, and, with Archbishop Coleridge, that the move was a part of an organised campaign to drive Catholic institutions "out of the public sphere". No evidence was ever advanced and it is doubtful whether any exists. Certainly the formal and public argument in favour of a public takeover had no sectarian overtones, and was to many people, including many Catholics (including the LCM), convincing.

Archbishop Coleridge's unease seemed to stem from being unconvinced that there was any need to disturb the status quo. His opposition has persuaded the nuns that a sale will be frustrated for at least several years. So be it. But the Government's instinct – that it should not spend further public money on facilities which pass into other ownership – has been confirmed. The status quo can continue, but not with reinvestment.