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TO SERVE THE NATIONAL CITY AND THROUGH IT THE NATION

Calvary takeover the public's loss

The purchase of Calvary public hospital by the ACT Government from the Little Company of Mary, which has managed it since inception, was inevitable once the ACT Government determined its, not unreasonable, position. LCM has managed the hospital well, and in the broad public interest, and had been prepared to continue doing so. It was doing so in a manner broadly negotiated by the Commonwealth in pre-self-government days. Funding for its services was based on set rates for types of cases, giving no great scope for individualised styles of care. Calvary public's staff were ACT public servants; all of the facilities were built with taxpayer dollars. The ACT Government insists that its problem is not with the fact that Calvary is Catholic but with the fact that it is *other*, which is to say not government owned. That means that money provided to Calvary, whether for hospital care rendered to patients, or for hospital facilities and capital investment, cannot be separated, in government accounts, as between recurrent and capital expenditure. That affects the ACT's notional deficit, its credit rating and borrowing capacity. It means that any capital investment becomes property owned by someone else. With private health-care facilities also on site, there is a risk that money intended for some purposes might go to other purposes – something about which the ACT Auditor-General had already expressed concerns.

The ACT Government told LCM it was not prepared to make major investments in ACT public health through Calvary. Once that was clear, it seemed obvious that Calvary public, to the extent it could continue in operation, would be ever in decline, unable to keep up with the call for modern technology and access to the best facilities. Not only would it inevitably become second rate, but so, probably, would services to about a third of Canberra's population, even if the ACT Government invested elsewhere.

Religious orders and other non-government groups have run many public (and private) hospitals around Australia. Nowhere else has one hospital, or even non-government hospitals collectively, taken up as much of the area as in the ACT. Calvary public consumes about 30 per cent of the ACT public hospital dollar. That relative size is clearly a factor for the ACT Government, because of the effect that the subcontracting out of public services involves not merely payment for service but appropriation of property. The LCM has seemed to recognise, as it should, that it holds its land and facilities in public trust and says that, once recompensed for them, it will continue to spend the proceeds in health care, and for the people of the ACT and surrounding regions. As a part of the transfer it will take over and manage a good deal of Canberra hospice services, including care in the community for the dying. It has also spoken of further developing maternity and paediatric services. Other areas in which it is to be hoped, by all citizens, that it develops services for people with acute and chronic mental health problems, where the ACT seems to have especial difficulties, but could be providing model services others would want to imitate.

There are some critics who will see the LCM shift as being either a switch from public to private health care, (and thus, implicitly to providing services to the privately insured rather than the indigent) or as a part of a process by which religious bodies are, it is said, being driven out of the public sphere. Both arguments are simplistic. The private-public divide no longer turns much on either insurance or socio-economic status. A measure of this is that many private facilities, including religious ones, are serving a greater proportion of the most needy citizens than the public care system does. Moreover, the trend is for government to buy in services, whether from public or private providers, with cost, not earmark, as the criteria. Likewise, governments have shown themselves willing to subcontract out many services beyond health care to the private sector and to not-for-profit organisations, including church ones. Organisations compete for contracts. But the services provided must be for all, and stripped of religious or other trappings. All of this is a far cry from when churches established hospitals because no one – certainly not the state – was looking after the poor.

But if there are public benefits to having Calvary brought under a public roof, it must be said that it is highly doubtful that there will be many benefits, or any savings, by bringing it under one management with Canberra Hospital. There are, obviously, economies of scale with purchasing and staff. More likely than not, however, Calvary will continue best if managed separately – indeed in some competition with – Canberra. It should be allowed to have specialties, foibles and different styles of management, as well as local management of clinical lists. 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.

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