



LCM took whole commercial risk in hospital process

Calvary Hospital is, and always has been, the property of the Little Company of Mary.

In common with scores of religious and non-religious charities and community groups, the LCM sisters received a direct grant of land from the Commonwealth at a time when the land was not worth much (it was a sheep paddock) and the Commonwealth sought to encourage the development of Canberra. The LCM proceeded to build Calvary Hospital, Calvary Clinic and Hyson Green psychiatric hospital on the land.

It did so using funds sourced from governments, donations, trading surpluses through the private hospital, borrowings and their own resources. The sisters contributed countless hours of their own highly skilled time to making Calvary Hospital – public and private – the widely loved institution that it is today. The LCM took the whole of the commercial risk.

Now, as the Government starts to consult on a proposal to buy part of the land, Peter Collignon asserts (“Grim diagnosis over hospital sale”, October 1, p1) that the LCM’s contributed nothing towards the hospital. He is wrong. No one could ever undo the commercial transactions of the past 40 years and no two accountants could ever agree on the value of that contri-

bution. However, there is no doubt the LCM’s contribution was substantial.

LCM Health Care and the Government have agreed to proceed on the basis that the audited book value of the assets to be acquired is a fair value for the acquisition.

The ACT Treasury accepts that the contributions made by government in the past are “sunk costs” – the price paid for 30 years of exemplary service to the people of Canberra.

So too Paul Monagle (Letters, October 10) is wrong when he says that the Canberra Archdiocese has an interest in Calvary Hospital through dealings between prime minister Harold Holt and Archbishop O’Brien. The LCM sisters first started discussions with the Commonwealth in the 1930s about opening a hospital in Canberra. They maintained very close relationships with prime ministers Sir Robert Menzies and Holt whose electorates were very close to the LCM’s Bethlehem Hospital throughout their parliamentary careers. They worked closely with successive Canberra archbishops in securing the agreement ultimately executed in 1971 for the establishment of Calvary Hospital. The archdiocese was never a party to that agreement.

Readers can find much information and original historical documents on the Calvary Hospital website at

www.calvary-act.com.au – which has been available there since April.

That has been a small part of LCM Health Care’s extensive engagement with the Canberra community and the Church in Canberra and nationally on the Government’s proposal.

Tom Brennan, chair, Little Company of Mary Health Care

I believe Chief Minister Jon Stanhope owes the electorate some explanations about the proposed purchase of Calvary Hospital. In the first place, who owns Calvary now? If it is LCM, then how and when did it get ownership? And what does ownership consist of? Which buildings or parts thereof?

When was ownership transferred? Who valued the hospital, and what was the (hopefully independent) valuation, given its generally run-down condition? Why does Canberra need to be saddled with a hopelessly inadequate health-care facility that requires a huge investment to bring it up to standard?

Where and what is the local policy for private hospitals, if the LCM plans to build a new one is real? Does it need to fit in with some sort of health-care plan? If yes, which one? Has it been made public? Why is the public consultation process seemingly the last item on the agenda, not the first?

Paul Blair, Holder