

**CURIOUS RELATIONSHIPS:  
THE MATER, THE GOVERNMENT, THE CHURCH  
AND SOCIETY ϕ**

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Mother Patrick Potter would have been amazed, if she had been alive in 2006, to hear the announcement that the Queensland Government will build its new tertiary services children's hospital on the Mater site. Mother Patrick died in 1927, seventy years ago this year, at the time when the effort to build the first children's hospital on the Mater site – without any government subsidy – was causing her considerable anguish. Mother Patrick would have been even more amazed that the current proposal was such a star in the policy firmament, that a government seeking re-election announced it. Such an event would have seemed impossible even as recently as the 1970s, when a government of an entirely different flavour was in power. Queensland governments' attitudes to the Mater have generally been bipartisan. This paper looks at the relationships between the Church, the Government and the Mater in the context of the society that they all serve.

The Queensland Government's current Statewide Health Services Plan 2007-2012 states that this basic statement of policy is for all health service providers across Queensland, not just Queensland Health. A key focus, the plan states, 'will be to improve linkages between the public sector, private sector, non-government organisations, other key agencies

and departments and the broader community'.<sup>1</sup> When the Sisters of Mercy arrived in 1861, it was their great wish to be included in exactly those types of linkages. However, the Church priority at that stage was education: shortage of resources, both people and financial, restricted the Sisters to visiting patients at the Ipswich and Brisbane hospitals and private nursing in people's homes.

In the nineteenth century, public hospitals in Queensland – indeed, in most places – were private hospitals in the sense that they were owned by subscribers and subsidised by governments. Patients who could afford private nursing at home when they were ill would never dream of entering public hospitals which were seen as death houses where only the indigent sought treatment. The development of nurse training in the second half of the nineteenth century, including at the Brisbane General Hospital in 1888, began to improve the image of hospital care. Surgery and other treatments were also improving; a number of private hospitals developed in Brisbane, including St Helen's at South Brisbane. Some private hospitals became church institutions: St Helen's, for instance, before being acquired by the Methodist Church, was opened by the well-known doctor, Sandford Jackson,

The Sisters of Mercy had not given up their dream of opening a hospital for the poor. Their resources were still stretched by the demands for schools for an ever-growing population, so they devised a strategy that would make their public hospital possible: a private hospital, that would generate some monetary surpluses to subsidise public hospital care.

Despite benefactions that enabled the purchase of land at South Brisbane and the rental of premises to open the first private hospital, it was still necessary to raise funds. This is where the Mater's relationship with both the government and society becomes important.

The government had no intention of helping to fund any new public hospital on Brisbane's rapidly developing south side; it was stretched by the needs of the Brisbane General Hospital, which teetered on the verge of insolvency for decades. Society came to the Sisters' rescue with support from all sections of the community – the rich and prominent, the poor and inconspicuous, Catholics and Protestants – with staunch support from the newspapers. The engagement of the community at large and the press are significant factors in this story of relationships. The press had the power not only to encourage support of institutions, but also to influence governments and voters. Some of the people who worked for fundraisers during the Mater's first century were Church people; all were voters.

The Church is important in this series of relationships, but it was the Church as the people, rather than the Church as the Archdiocese. Although Archbishop Dunne supported the Sisters and their hospital, and was very complimentary about it, he had seemed reluctant to provide anything more tangible than moral support. Mother Patrick wrote in 1908 that 'the Archbishop wishes to have his name out of the deed of land where the hospital is to be built, as in the case of a mortgage, he wishes to be quite out of it'.<sup>2</sup>

Church people were becoming steadily more significant in Queensland society. Before World War I there were Catholics in the judiciary, at the top of the professions, prominent in business and in leading public service positions. Apart from that, the opposition in Parliament was led by the young lawyer, T. J. Ryan.

Whatever their religious or political stance, the people of South Brisbane appeared to like the Mater from the time the Mater Private Hospital opened in 1910 and the Mater Adult Public Hospital in 1911. The opening of the Mater Adult Public Hospital had another relevance to the development of Queensland health policy. It was Queensland's first example of co-location. In current terms, the benefits of co-locating hospitals are assessed in terms of sharing expensive services, particularly accident and emergency services, intensive care, pathology and radiology. In 1911 the benefits were largely shared personnel: the Sisters of Mercy who dashed up and down the stairs which linked the public hospital to the private hospital and the doctors who worked as honorary medical officers in the public hospital but charged fees for the care of patients in the private hospital.

In a rather backhanded manner, the government signalled that it approved of the Mater's services. In December 1911, only nine months after the adult public hospital opened, the government closed its South Brisbane 'outdoor relief' depot where needy people found medical aid and daily sustenance.

This government action put the Mater in a difficult situation. Leaving people without help was not the Mercy way so, at a time when the debt on the hospital was still high, the Sisters opened their outpatient department in July 1912. This department, housed in its own specially built brick building, treated 1440 people in its first six months.<sup>3</sup>

During these first few years of public hospital care at South Brisbane, Mother Patrick tried repeatedly to win government financial support. However, Queensland governments, still holding at arm's length any obligation to provide a health service for its citizens, provided paltry subsidies for patients at the Brisbane General Hospital.<sup>4</sup> Despite the fact that more than 3,000 inpatients – presumably people who would otherwise have added to the pressures at the Brisbane Hospital – were treated in the Mater Public in its first three years, the government did not provide any funding for public patients until the 1913-14 years.<sup>5</sup> The lack of government subsidy was not for want of trying.

Mother Patrick's correspondence with government authorities revealed her skill in developing winning arguments. The illustrated booklet, *The history of the movement for the establishment of the Mater Misericordiae Hospital Brisbane from 1 January 1906 to 31 October 1911*, was published to support appeals to both the public and government. The booklet included impressive statistics demonstrating that the Sisters had raised almost £30,000 including a bank loan of £12,000.<sup>6</sup> This ammunition supported Mother Patrick's salvo:

I, of myself, and under considerable pressure from the Citizens in general, request you to consider whether this Public Hospital is not entitled to the generous recognition of the State, taking the form of an endowment, as in the other Public Hospitals, of forty shillings to the pound subscribed by the Public.<sup>7</sup>

The argument that the Mater Public deserved the same support as secular public hospitals was logical. However, if it chose to reject the submission, the government had legislative authority on its side. The Mater Public did not fit the definition of a public hospital in the *Hospitals Act 1862*, still the only hospital legislation on the statute books. The Mater was owned by the Sisters of Mercy: its land and buildings were not vested in trustees for hospital purposes; it was managed by the Sisters, rather than by a committee elected by hospital subscribers to which a government representative was appointed.<sup>8</sup>

The press helped to soften the government heart. In March 1913, the *Darling Downs Gazette* wrote:

It is almost needless to remark that the Premier of Queensland will meet with universal approval if he is able to include the Mater Misericordiae Hospital in Brisbane within the list of the institutions that receive an annual subsidy.<sup>9</sup>

Mother Patrick produced a crunching argument, using the Premier's praise of the Mater Public at its first annual meeting as a sign that he recognised that it deserved government endowment'.<sup>10</sup> Mother Patrick's gracious, cleverly expressed gratitude left no room for government retreat:

The manner in which you have given this grant to the Hospital enhances its value, as it shows your confidence in us, and you may be assured that this confidence is much appreciated.<sup>11</sup>

After such a hard battle for a subsidy for public patients, it might seem that a change of government would come as a welcome relief. Not so. The Ryan Government won office in 1915 espousing a belief that it was government's role to provide essential services and further, that administration should be centralised as much as possible. Its policy of bringing all the old voluntary hospitals under State control was likely to have given Mother Patrick some cause for disquiet because, strictly interpreted, the nationalisation policy would mean the end of any hope of funding for the Mater Public while it remained in private ownership. Nevertheless, Mother Patrick kept up the pressure. In August 1919, supported by her usual array of carefully compiled statistics and costings, she wrote:

We fully realise the great strain that war conditions and their effects have brought upon the Government's financial resources, but we believe that whatever the claims may be for help to other objects, the Government will recognise that none are more urgent than that of the sick poor which the Hospital is designed to assist.

Her case proved irresistible. The Home Secretary, John Huxham, Member of Parliament for the Mater's electorate, took her plea to Cabinet and noted 'Provided £2000 instead of £1000 on estimates'.<sup>12</sup>

In the event, the government's decision to 'de-privatise' the Brisbane General Hospital was prompted not so much by philosophy as by a desperate financial situation. The government took over all the old secular public hospitals through the *Hospitals Act 1923*, but hospitals were not free: patients were still expected to pay to the extent of their means. The state covered deficits in its hospitals, but the Mater was on its own, apart from grants towards the daily care of public patients. The new regime under the *Hospitals Act* introduced the concept of centralised base hospitals and, in addition, bureaucratic control of the system. No longer were medical boards in each hospital the sources of administrative power in the secular public hospitals.

While the Act's provision that state and local government would finance state hospitals was an undoubted relief, not one doctor was appointed to the board that administered state hospitals in Brisbane and, even worse, its chairman was Charles Edward Chuter, the public servant in charge of health. The General Medical Superintendent, Dr J B McLean, was highly respected by his peers but he was responsible to the Board, not to the honorary medical staff. This new government arrangement enacted the government policy: state hospitals should be controlled and managed by representatives of its owners – the taxpayers of Queensland. The doctors feared that this form of control would imperil their right to choose the most appropriate forms of treatment for their patients. The Mater's structure had clear parallels with the state system. Its administration was controlled entirely by its owners, the Sisters of Mercy, and three separate hospitals – the Mater Public, the Mater Private and, by 1931, the Mater Children's – came under a single administrative structure.



The story of the first Mater Children's Hospital illustrates the difficulties. Brisbane's only paediatric hospital, the Brisbane Children's Hospital, was groaning under the strain. In 1923, it treated 3,542 inpatients, and a further 6,000 outpatients.<sup>13</sup> There was little chance that the workload would decrease. Peace had revived the city. The population was growing in new suburbs spreading out from the old urban cores of North Brisbane and South Brisbane. A gift and a bequest from the Sisters' old friend, George Wilkie Gray, provided the solution.<sup>14</sup> The Gray legacy and further success in public fundraising reduced the debt and planning for the Mater Children's Hospital could begin in earnest.

Mrs E. G. Theodore, the Premier's wife, put her shoulder to the wheel and raised £1500 for the Children's Hospital in 1927, the year the excavators began work on the new hospital's site in Annerley Road. Unfortunately, the prosperity of the 1920s was short-lived and, by 1930, when the building was almost complete, the Great Depression was well and truly making its presence felt. The government reduced its annual grant, and most of the people who usually gave so generously were hard pressed to keep their own financial heads above water. There was no hope of building the large hospital Mother Patrick had planned.

When the Mater Children's Hospital was officially opened on 6 July 1931, every one of its eighty beds was occupied immediately. In its first eleven months the hospital admitted 1266 patients, drawn from a wide area of southern Queensland, and coped with 7,375 outpatient attendances. Throughout the Depression, the new Children's Hospital was full to the rafters and the daily average of patients treated

in the Mater Public approached 138. Debts on big Mater projects – the Children’s Hospital and extensions to the Public Hospital and the Nurses’ Home – remained. Clearly, the government’s maintenance grants were insufficient to stem the downward financial slide. Worse was to come. In 1932, the government slashed the maintenance grant.<sup>15</sup>

On top of that, the medical profession was unhappy in both the government and the Mater hospitals. The upheaval arose partly from the proposal to eliminate the honorary staff system at the Brisbane General Hospital. The whole honorary staff issue became more acute in 1936, when the long-dreaded new *Hospitals Act* was passed. The Minister, E M Hanlon, had very definite views about the deficiencies of the honorary staff system. He castigated honoraries for inability to cope with the patient load and inefficiency in tying up valuable facilities. Some honoraries spent only four hours each week at the hospital; operating theatres often lay idle. Hanlon seemed little impressed by the willingness of specialists to give their time free of charge. Instead, he thought that the experience doctors gained enabled them to charge large fees to private patients. His remark that there ‘is no profession or calling in the world that owes so much to the poor as the medical profession’ was particularly wounding.<sup>16</sup>

Hanlon made it clear that he wanted a paid part-time staff so doctors could be ‘sacked if they did not turn up for work on time’. Any thought that the government would exert even more power in the hospital world than existing administrative control was anathema to the doctors. They were well aware that the Minister was supported by his new Director-General,

Sir Raphael Cilento, a man of formidable intellect who was a strong advocate of centralist control and convinced that there was no room for unpaid staff in a modern hospital.<sup>17</sup> At that time, the medical profession in Brisbane was not large. Most doctors, wherever they worked, knew one another, and their networking was further facilitated by the British Medical Association.

At the Mater, Mother Alban Salmon stepped into this highly charged atmosphere with a proposal for a form of health insurance which initially provided that insured patients would receive priority. For the doctors, the only priority was medical need. Although this dispute was resolved, it left medical nerves on a hair trigger. The doctors rebelled when Mother Alban decided to appoint a small board to advise her directly and to act as a conduit between the Sisters' administration and the honorary staff. This small group would replace both the older, larger Medical Board and the separate board established when the Children's Hospital opened in 1931. The doctors were appalled that, at the Mater, as well as at the Brisbane General Hospital, their influence on hospital management was further curtailed. It was the doctors' first experience of 'content-free' management. They did not like it and many resigned.

Medical advances played a part in Mother Alban's determination that the Sisters, not the doctors, would be in charge of appointments. Otherwise, she said, someone 'quite unsuitable might be elected'. She was convinced that Board members should be 'practical Catholics' so that the hospitals could be 'Catholic in atmosphere'.<sup>18</sup> Her major concern was the developing specialty of gynaecology. The development

of birth control methods, and the view among some doctors that pregnancies could be terminated in exceptional circumstances, brought medical science into conflict with church law. Non-Catholic doctors could be exempt from church law; a Catholic hospital could not. This was one of many issues that grew in number in the second half of the twentieth century, where the junction between medicine and the church could be difficult to navigate.

The appointment of J P Kelly in 1938 to chair the Advisory Board settled the atmosphere at the Mater and Mother Alban could move to her next project involving the government. In her view, there was no reason why a privately owned public hospital in Queensland could not be a clinical school, in the same way as church hospitals in southern states.<sup>19</sup> Teaching needs could be easily accommodated. In addition to a splendid new operating theatre, pathology facilities were available to conduct post mortem examinations, and lecture rooms were being modified to accommodate seventy students.<sup>20</sup>

Despite these preparations, clinical teaching was confined to state hospitals until 1949, when the Mater achieved its goal and began clinical teaching because the Brisbane General Hospital could not cope with larger numbers of students in the post-war boom. To be a 'university' hospital would, of course, further entrench the Mater as a necessary part of Queensland's hospital network.

These medical students would step into a hospital world rapidly becoming more complex and specialised. The Queensland Government had been preoccupied with building its new women's hospital at the same time as it was jousting

with the doctors over who should have the final say in hospital administration. A maternity hospital was also on the Mater agenda. As early as 1935, in the middle of the ructions with the doctors, Mother Alban wrote to the Queensland Government, pointing out the need for a maternity hospital on Brisbane's growing south side. The new hospital would, she said, also provide obstetric training for the Mater's resident medical officers and support the case for a Mater clinical school. In this, Mother Alban anticipated the requirements of the 1943 amendments to the *Hospitals Act 1936* which required all graduating doctors to spend their year as resident medical officers in public hospitals with obstetric beds.<sup>21</sup>

Maternity care had been one of the government's priorities since 1922. Maternity wings at district hospitals, and maternity wards in smaller hospitals, were built all over Queensland. The Brisbane Women's Hospital, which opened in 1938 to replace the old Lady Bowen Hospital on Wickham Terrace, was the ninety-fifth. The new Brisbane Women's Hospital had no hope of coping with the baby boom which began as soon as the War was over. By 1945, the daily average of patients at the Women's Hospital was 216, in a hospital with a bed capacity of 160.<sup>22</sup> Commonwealth policy designed to help patients added to the pressure.

The Commonwealth Government acquired the power to tax income during the War to finance the war effort. In peacetime, income taxation gave the Commonwealth the ability to intrude in fields reserved for the States under the Australian Federal Constitution. The Chifley Labor Government acted on its platform to extend Commonwealth control. New Commonwealth medical benefits legislation

effectively ensured that treatment in public hospitals would be free of charge. There would be no more means tests.<sup>23</sup> The Queensland government paid a small maintenance grant, one shilling per public patient per day, for public patients at the Mater; remaining costs were met from Sisters of Mercy funds. The Commonwealth benefit for public hospital patients was much larger – six shillings per day. Free public hospital care rapidly became a sacred cow in Queensland.

In its negotiations with the Commonwealth over the new arrangements, the Queensland Government did not acknowledge the Mater's status as Queensland's second largest public hospital. Indeed, the Health Minister informed the Commonwealth that all public hospitals in Queensland were owned and managed by the government. To the Queensland Government's chagrin, Chifley stepped in on 27 January 1946 and instructed the Queensland Government to recognise the Mater public hospitals and ensure that the Commonwealth benefit scheme applied to them.<sup>24</sup>

Nevertheless, government control of health services at both federal and state level alarmed the Mater. 'Socialisation' appeared to indicate that private enterprise would be reduced or eliminated in a variety of areas, and raised more fundamental ideological issues. The Sisters saw themselves as having a role in demonstrating that private organisations could be players in public health care. It was also a means of keeping Christian, specifically Catholic, values to the forefront. The idea of a Mater maternity hospital was a key to success in this area

Archbishop Duhig was concerned that Brisbane was the only Australian capital city without a Catholic maternity hospital and was well aware that the Mater's ambition to be a clinical training school was in jeopardy if it could not provide obstetric training. The Archbishop dismissed Mother Alban's concern that the projected cost of the hospital, thought to be well over £100,000, was beyond the Sisters of Mercy. He commanded: 'This obstacle must not be allowed to stand in the way of a work so urgently needed'<sup>25</sup> and, further:

... our Catholic people will be prepared to stand by you in any financial obligations you incur to give Brisbane a first class maternity hospital. All that is needed is to establish and put into action an organisation for the collecting of funds for so worthy a purpose.<sup>26</sup>

Collecting funds for the Mater Mothers' Hospital became a very important way of consolidating the relationship with the community. The organisation for raising funds was one of the most innovative aspects of the Mater Mothers' project. The fundraising plan achieved several important goals, in addition to its obvious aim of making the new hospital possible. The Mater Mothers Appeal made the Mater more widely known in the general community and consolidated esprit de corps among Mater people, particularly the various voluntary auxiliary committees.

The Mater Appeal hit on a winning formula: Art Unions that would offer as first prize a fully furnished home, equipped with everything from a brand new washing machine to a packet of porridge. Even better, those who purchased an entire book of tickets would be eligible for the ticket seller's

prize, usually a car to put in the new home's beautiful new garage. In the 1950s decade of domestic fantasy, these would be dreams come true. The Mater Prize Home Art Union was Queensland's first real estate art union. Even with the Art Unions and scores of other fundraising efforts, financing the Mater Mothers' was a very painful process. The shell of the building was completed first, with each storey fitted out as funds became available.

When the Mater Mothers' was at last complete, the overcrowded Mater Children's Hospital and the ageing Mater adult Public Hospital were crying out for attention. Comparison with southern hospitals highlighted the Mater's anomalous position in Queensland. Perhaps because of the prominence of large privately owned hospitals such as the St Vincent's hospitals in Sydney and Melbourne, the Commonwealth was not in the least afraid of accepting Catholic public hospitals as just as worthy of funding as public hospitals owned by state governments and, further, agreed to allow the Catholic public hospitals to maintain independent admission, treatment and administration policies.

A completely unforeseeable event turned the tide of the Mater's anguish at not being able to extend the children's and adult public hospitals into constructive and far-sighted plans for the future. The fire at the Mater Children's Hospital on 12 May 1971 could have been an appalling disaster. Instead, it concentrated public attention on the needs of Brisbane's only southside children's hospital and the community's dependence on it. It was a perfect time to present a major submission to the government on the precarious situation and urgent needs of both the Adult and Children's Hospitals.



Sister Angela Mary Doyle, by then the Sister Administrator at the Mater, was very direct. She upped the stakes by stating that the 'hospital was at a crossroads as to its future' with real consideration being given to reducing its adult public hospital services, or vacating the field altogether.<sup>27</sup> This was a shock.

The government decided to review its policy on capital assistance to church and charitable institutions providing public hospital services. In future, capital subsidy at the rate of \$2 for each \$3 of approved expenditure would include the whole range of accommodation and services associated with the conduct of public hospital and outpatient services. Nevertheless, Cabinet balked at the request for \$14,000,000 towards completely rebuilding the adult hospital, offering as its reason a reluctance to bind future governments. A staged programme was preferable, with Stage 1 to cost no more than \$5,000,000.

New public hospitals were being planned in Queensland in areas of rapid population growth. The government's investigation of the suburbs of Mt Gravatt and Sunnybank as possible locations for a new public hospital was only in its preliminary stages in 1971 when the Mater crisis was at its height. As the Health Minister told Cabinet, if the Mater ceased to provide adult public hospital care, the new hospital would have to be brought on stream immediately at a cost of \$30,000,000.<sup>28</sup> The Mater's submission for \$14,000,000 should have been considered a very good deal, particularly if the Mater fulfilled its undertaking to integrate its services with other metropolitan public hospitals.

Much as the Queensland Government of Joh Bjelke-Petersen resisted cooperation with a federal government of any political complexion, it was quite prepared to take advantage of new Commonwealth policies for financing public hospitals. The Whitlam Government, which had won the 1972 federal election, intended to shift resources into the public sector to redistribute hospital services more equally. Geographic distribution was an important consideration. The Federal Government was well aware that many of the nation's public hospitals were located in the centre of cities, rather than in outlying suburbs where the great post-war suburban sprawl had placed most of the younger sections of the population.

Mt Gravatt in Brisbane, previously considered by the state as an area needing a new hospital, had been identified as a site for a new Commonwealth hospital to address inequality in the geographic distribution of health services. The State Health Minister explained to Parliament that the Commonwealth's suggestion that it should start to build a new Commonwealth hospital on the outer southside of Brisbane early in 1975 was a decision made in 'indecent haste' which would interfere with the State Government's forward planning. This would have been news to the Mater, which had been considerably frustrated at the apparent lack of any centralised health planning in Queensland.<sup>29</sup> Nevertheless, the Mater welcomed the proposal that Commonwealth money be diverted to the Mater. The Queensland Government suggested to the Commonwealth that \$20 000 000 be diverted from the Mt Gravatt project to the Mater.<sup>30</sup> The capital cost of the new Mater Adult Public Hospital – \$18 000 000 – was funded entirely by the government.

This was a complete reversal of the situation only a year earlier. The new hospital would increase bed numbers to 275 and take four years to complete. The Health Minister confirmed the new relationship between Mater and government:

In view of the fact that the Mater Public hospitals will be providing over 450 public beds when completed and that the entire services of the hospital and all the facilities provided therein are made available to the public free of charge...it cannot be denied that the Mater Public Hospitals are part of the Public Hospital system in this state.<sup>31</sup>

The Mater had prepared the ground by ensuring that its consultant medical staff would come into line with their colleagues in state hospitals. The old 'honorary' system had gone forever, despite the fact that many doctors, irritated by slow progress in improving the Mater public hospitals, had also been sensitised for decades to any possible erosion of their authority over their patients. This authority, they believed, relied very strongly on the principle that their responsibility was always primarily to the patient, not to hospital administrations, nor to governments.

The fee-for-service tradition reinforced this principle by ensuring that the 'contract' for the service was exclusively between patient and doctor. Specialists preserved this concept of responsibility, and their independence, in the public hospital system by offering their services free of charge, becoming highly valued 'honoraries' rather than employees accountable to hospital managements. In Queensland state hospitals, the government had paid visiting specialists for decades; the Mater was the last bastion of the old honorary

system in Queensland, even though it continued to prevail in public hospitals in most other states.

In the perfect world of the mid-twentieth century medical specialist, the direct employment model would be restricted to resident medical officers and slightly more senior doctors in training for the various specialties. After the Second World War, medical lobby groups, particularly the Australian Medical Association, gathered strength in resisting any attempt to replace the fee-for-service principle, which had delivered autonomy for the doctors and increased their power in the health system.<sup>32</sup> This power grew during the twentieth century with the growth of advances in science and medical technology. The doctor achieved a new kind of omnipotence as a master of the scientific and technological universe, thought to be impenetrable to patients, politicians and hospital administrators.

Paying visiting specialists would, however, put pressure on the Mater's cost structure, an implication in tight financial times as serious as the need to employ more nurses to accommodate changes in nurse education. Nevertheless, the die was cast. Visiting specialists at the Mater would be paid after 3 March 1974.<sup>33</sup> The government had kept up the pressure during the tense negotiations over the new Adult Hospital, and urged that some retrenchments be made from the Mater's large visiting staff to bring it more in line with the state system. The Mater, recognising that many existing honoraries had given years of service to the hospital, took a gentler approach and decided that it would be preferable to phase the system out, rather than bring it to an abrupt end.<sup>34</sup>

The new relationship with the Commonwealth with its increased influence in the health system had worked in the Mater's favour as far as public hospitals were concerned. But there were also the private hospitals. In the mid 1980s, private hospitals comprised 21% of Australia's health market. The Commonwealth's bed subsidy had risen from its original \$16 to \$40 in 1984-5, some 22% of patient accommodation fees at the Mater Private. However, both the Commonwealth and State Governments scrutinised private hospitals very closely. Value for the taxpayer dollar was the keynote. The State Government regulated private hospitals through the issue of licences and approving building works, and private hospital earnings were controlled through a Commonwealth accreditation process.

Accreditation of the Mater Private Hospital came just in time for the commencement of the new national insurance scheme, Medicare, on 1 February 1984. It continued free hospital care, but aimed to shift a greater proportion of health resources from the private to the public sector. Private insurance membership started to fall during 1983 and 1984. Nationally, the number of people with private hospital cover fell by 14.3% between June 1983 and December 1986 and the proportion of private bed days fell by 13.4%.<sup>35</sup> The Mater Private was placed in the highly sought-after Category 1, which received the highest subsidy. In return, the hospital was expected to maintain at least four intensive care beds, and to ensure a doctor was in the hospital twenty-four hours a day. However, it needed to provide new services to remain in this category.

1987 was a difficult year to contemplate building a new private hospital. Australia's health insurance system was still in a state of flux. The Commonwealth Government withdrew its bed day subsidy paid to private patients from 1 October 1986. The focus was again on the private insurers.<sup>36</sup> Retaining Category 1 status was clearly very important. For the Sisters, the decision to build a new hospital involved much more than planning its services and raising sufficient finance. These were the easy issues. Reconciling the provision of a splendid new hospital for the affluent with the Sisters of Mercy mission to the poor and needy was far more difficult. The position in 1987 was entirely different from the situation faced by the Sisters at the beginning of the century – in the 1980s, operating costs, and most of the capital costs for the Public Adult, Children's and Mothers' Hospitals were supplied by the government. A private hospital to support a public hospital was no longer needed. The decision to build the new Mater Private Hospital was influenced by a philosophy of care: wealthier people also needed care and compassion when they were ill.

As far as the Mater public hospitals were concerned, the early 1990s reflected further changes in government hospital policy. After more than thirty years, government had passed from the conservative coalition to a Labor government with very firm ideas about the development of health services. New legislation, the *Health Services Act 1991*, introduced hospital regions to replace the 1920s concept of hospital districts. The Mater was placed in Brisbane South, one of thirteen health regions in Queensland. On the surface, things seemed little different. The government agreed that Mater staff would continue to be employed by the Sisters

of Mercy and that the Mater's own standards and values could continue to be applied. Further, the Mater was the only public hospital in Queensland to retain its own board. However, the line of accountability changed. The Mater was to be accountable to its Regional Director for planning and finance, making direct access to senior levels in Queensland Health more difficult.

Then in 1992 came one of the biggest of all bombshells. Sister Angela Mary Doyle had secured a place on the board of the Brisbane South Region which then horrified her by strongly recommending that the Mater consider moving the Mater Children's Hospital to the Queen Elizabeth II Hospital seven kilometres away at Mt. Gravatt, which had been under-used since the government opened a new public hospital slightly further south in Logan City. The Logan hospital was expected to develop into a major teaching hospital with 450 beds by 1993, incidentally putting pressure on the Mater Adult Hospital to clarify its role and the specialties it proposed to develop. If the Mater Children's were to move to the Queen Elizabeth II hospital, the government could move the dental teaching hospital from the central city to the Mater.

The Mater public hospitals benefited from the Queensland Government's announcement in 1991 of a \$1.5 billion capital investment plan for health over ten years, including funding for master planning for every metropolitan public hospital as part of a three part programme of asset review, functional assessment, and master planning. The Mater grasped this opportunity with relish and, having decided not to move the Children's Hospital in the 1990s, believed that an entirely new Children's Hospital should be built closer to the Adult

and Mothers' hospitals.<sup>37</sup> Integration was to be expressed in the Mater's physical fabric, as well as in outpatient-inpatient services, and the research-clinical-teaching relationship, a factor that influenced the placement of the new Mater Mothers' Hospital where it, too, can share these facilities when it opens in 2008.

The new tertiary level Children's Hospital planned for the Mater site demonstrates some coming-together of public hospitals whether publicly or privately owned. All public hospitals have been affected by the decreasing proportion of the health budget spent on them: 46% in 1975-6, in the early days of national health insurance, had fallen to 35% by 2001-2.<sup>38</sup> Health expenditure, at about 9.3% of the national gross domestic product in the early 1990s, had not greatly increased its share of national resources for decades, despite the higher costs of scientific and technological services. The shift away from inpatient care to services that could be provided to outpatients was a challenge to the most adaptable clinician. The strain on costly services when inpatient care is necessary, and the necessity to accommodate financial pressures have become a nightmare for hospital administrators.<sup>39</sup>

There is another angle to the government-community-relationship in the development of the Mater model of the private provision of public hospital care. This is the enormous contribution of social capital to the government and people of Queensland. The Mater's contribution includes the enormous contribution of the Sisters of Mercy in providing land, buildings, equipment, research funding and countless grants of one kind or another, profits from the Mater's



businesses from the laundry to the car parks, surpluses when possible from the private hospitals, the income from the art unions and the work of armies of volunteer fundraisers. By the turn of the twenty-first century, the net current value of ‘donations’, apart from land and buildings, amounted to a vast sum – almost half a billion dollars.<sup>40</sup>

However, the base of social capital developed since 1906 was just as formidable a resource: a rich stock of active connections among people both inside and outside the Mater, a wide network based on trust, mutual understanding, shared values and dedication to a common goal.<sup>41</sup> This network was more than a large ‘support group’ for the Mater, it also amounted to a substantial electorate in political terms.

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*Her most recent book is 'Expression of Mercy. Brisbane's Mater Hospitals 1906-2006'.*

## ENDNOTES:

1. Queensland Statewide Health Services Plan, 2007-2012, [www.health.qld.gov.au/publications/corporate](http://www.health.qld.gov.au/publications/corporate).
2. Mother Patrick to Mother Bridget Conlan, 13 October 1908, Box 139, Mater Private Hospital, early days, Sisters of Mercy Congregational Archives, Bardonia (SOMCA).
3. Mater Public Hospital, Annual report for year ending 31 December 1912, Mater History and Heritage Centre (MHHC).
4. *A pilgrim's progress*, Brisbane, 1993, 175-9.
5. Patient statistics compiled from Mater Public Hospital annual reports, 1911-1915.
6. This was composed of £7500 from Sisters of Mercy funds, the proceeds of the Brisbane and Warwick bazaars which had raised £7725.6.0 and £1125.16.0 respectively, donations from the public amounting to £10880.13.0, 'entertainments' which had raised £1303.2.11, art unions at Sandgate and Toowoomba which between them raised £508.18.0, and bequests totalling £3560.1.5.
7. Mother Patrick to the Home Secretary, 11 November 1912, Correspondence, Records and Reports re Hospitals and Hospital Boards', Brisbane, 1 January 1885-31 December 1926, PRV8699, Queensland State Archives (QSA).
8. Crown Solicitor's memos, 22 August 1912, 7 Jan 1913, PRV8699, QSA; J G Appel's note, dated 10 December 1912, on Mother Patrick's letter, £2 subsidy for every £.
9. *Darling Downs Gazette* 21 March 1913; cutting included in file PRV8699, QSA.
10. Mother Patrick to J G Appel, Home Secretary, 13 June 1913, Box 146, Mater Public Hospital, SOMCA.
11. Mother Patrick to Home Secretary, 28 August 1913, PRV8699, QSA.

12. Mother Patrick to Home Secretary, 27 August 1919, PRV8699, QSA; Notes on Mother Patrick to Home Secretary, 27 August 1919, PRV 8699, QSA.
13. P. Hall, *Royal Children's Hospital Brisbane, 1878-1978. A Century of Care*, (Brisbane) 1978, 49-50.
14. In 1916, Gray had appointed the Sisters as beneficiaries of his life insurances and transferred valuable properties to them.
15. The grant was reduced to £500. Mater Public Hospitals, Annual reports, 1931, 1932, MHHC.
16. Queensland Parliament, Legislative Assembly, Debates, vol. CCLXX, 1936, 1813.
17. P. R. Patrick, *Health and Medicine in Queensland*, Brisbane, UQP, 1987, 22, 82.
18. Minutes of Meeting of the Administration of the Mater Misericordiae Hospitals and the Public Hospitals' Advisory Board, 11 August 1936, Box 150 Mater Public Hospitals Advisory Board, SOMCA.
19. Mother Superior to Registrar, University of Queensland, 18 Feb 1936, Box 147, Mater Public Hospitals Advisory Board, SOMCA
20. Minutes of Meeting of the Administration of the Mater Misericordiae Hospitals and the Public Hospitals' Advisory Board, 11 August 1936, Box 150 Mater Public Hospitals Advisory Board, SOMCA.
21. The 1943 amendments created a power to declare certain hospitals as medical schools. Mother Alban had a location for the new hospital in mind – the area where an additional wing for the Mater Children's had always been planned, but not constructed because of tight finances during the Depression. Minutes of Advisory Board, 12 July 1937, Box 150, SOMCA; Mother Alban to Hanlon, 29 October 1935, Box 147, SOMCA

22. R. Patrick, *The Royal Women's Hospital, Brisbane*, Brisbane, 1988, 31.
23. The Hospital Benefits Act (Cwth) 1945.
24. J.P. Kelly later recalled his emergency dash to the Brisbane General Post Office on 31 December 1945 to telegraph the Prime Minister, Ben Chifley, and all members of the Federal Cabinet, to set the record straight. T A Foley, Minister Health and Home Affairs to Mother Alban, 27 Feb 1946, Box 146 – Mater Public Hospital, SOMCA; J P Kelly, 'Notes on speeches'.
25. Archbishop Duhig to Mother Alban, 9 October 1946, Box 147, SOMCA.
26. Archbishop Duhig to Mother Alban, 9 October 1946, Box 147, Mater Mothers' Trust, Nurses Quarters, Public Hospital SOMCA.
27. Submission 14254, 'Mater Public Hospitals', Cabinet meeting, 13 July 1971, Z6866, QSA.
28. Submission 14254, 'Mater Public Hospitals', Cabinet meeting, 13 July 1971, Z6866, QSA.
29. Queensland Parliament, Legislative Assembly, Debates, vol 266, 1974, pp.1104; Medical Advisory Board minutes, 1 July, 6 Sept 1974.
30. Mater Advisory Board minutes, 3 Feb 1975, MHHC.
31. Press release 29 Oct 1975, Sister Angela Mary collection, MHHC.
32. M. Dickenson and C. Mason, *Hospitals and Politics. The Australian Hospital Association 1946-86*, Canberra, 1986, 9-11.
33. Medical Advisory Board minutes, 6 Sept 1974. MHHC.
34. Mater Public Hospital, Annual Report, 1969-7035.

35. J.S.Deeble, 'Health care under universal insurance: the first three years of Medicare' in R.G. Butler and D.P. Doessel, *Health economics: Australian readings*, Sydney, Australian Professional Publications, 1989, 189, 202, 203.  
(The Commonwealth compensated the states substantially for patients who moved from private hospital care to public hospitals.)
36. Medical Benefits Fund to Sister Bernard Mary, Sept 1986, MHHC. The private health insurance funds increased benefits under the 'basic table' to \$184 for patients in a Category 1 hospital, \$154 for a Category 2 hospital and \$124 for a Category 3 hospital.
37. Minutes of Board, 18 May 1995, 20 Sept 1995.
38. S. J. Duckett, *The Australian health care system*, Melb, OUP, 2nd ed, 1994, 31,36.
39. S. Leeder, 'Achieving equity in the Australian healthcare system', *Medical Journal of Australia*, 179, no.9, (2003): 475-8.
40. Estimated from the 2004 figure in 'A New Healthier Partnership', Appendix 1: The value of the Mater Public Hospitals, 8.
41. S. Wilde, Report on unfunded/under-funded services provided by Mater Misericordiae Health Services Brisbane, 2004; D Cohen and L Prusak, 'In good company. How social capital makes organizations work', Boston, 2001, p.4; R. Putnam, ed, *Democracies in flux: the evolution of social capital in contemporary society*, New York, 2002.