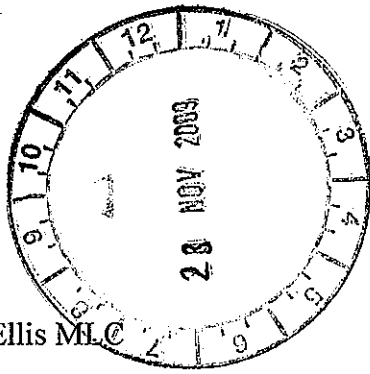


# PUBLIC



Gary Norden  
Busselton Hospital Community Action Group

Hon Brian Ellis MLC  
Chair  
Standing Committee on Environment and Public Affairs  
Parliament House  
Perth  
WA 6000

19 November 2009

## **Re Petition No 39 – Busselton Hospital – Immediate Construction of a new hospital**

Dear Mr Ellis and Committee Members,

Please find enclosed further information that the Busselton Hospital Community Action Group respectfully requests the Committee consider with regard to this matter.

The Document 'Page No. 11 Financial Evaluation' is taken from the Summary of Busselton Hospital and Health Care Site Selection Studies that was released under the previous Government. There is no date on the document but we believe it dates to 2006/7.

I wish to draw the Committee's attention to the fact that it clearly states that there would not be sufficient demand for a viable private hospital and so it was decided by the previous Minister that the hospital needed to be totally public.

This is important because the new proposal that has now been put forward by the current Minister is specifically for a joint public/private hospital – without a private partner the project will not proceed. However, thus far there is only an Expression of Interest from a potential private provider with no firm undertaking. I understand that the potential private provider is currently investigating the viability of the proposal but given the figures stated in this Document we believe there is a very real risk that the private provider does not commit. The Document states that demand for a minimum of 60 private beds is needed but only 13 were assessed to be demanded at the hospital. So, we believe the Minister's decision to only consider a public/private hospital incorporates great risk.

So our community faces a delay to the much needed new hospital but the project is not even guaranteed to go ahead. This risk is outside of the Minister's control and in our FOI searches we have found no evidence that it was considered by the Minister.

It should also be noted that under the previous Government's plan, the aged care provider St Ives had committed and had Federal Government approval for a facility at the Vasse site. While St Ives have expressed an interest in building a facility at the current Mill

Road site, again their participation is far from certain and we believe they will need to go back to the Federal Government for approval at this site. So a firm commitment for an aged care facility has now been replaced by an expression of interest – we do not believe this is an improvement for our community.

The second Document that I have enclosed is an article from the Busselton Dunsborough Times regarding risks from flooding and coastal erosion. The current hospital site where the Government has decided the new hospital will be built is only 300 metres or so from the coast. Whether or not one believes in climate change and sea level rises, it is clear that Governments of all levels are looking to change planning laws in relation to construction near the coast.

The Shire of Busselton is currently working on a policy regarding coastal construction and I also draw the Committee's attention to the recent report titled, 'Climate Change Risks to Australia's Coast' published by the Federal Government. The Report is too long to enclose but the following is a website link

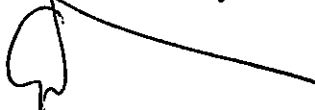
<http://www.climatechange.gov.au/en/publications/coastline/climate-change-risks-to-australias-coasts.aspx>

The report clearly states that Busselton faces serious concerns and in addition the report states that going forward, critical public infrastructure should not be built near the coast.

We therefore believe that is also a great risk that during the next two years' planning for this hospital, the planning laws might be changed (either by the local Shire and/or by the Federal Government) preventing the hospital from being built at this site. Again we have seen no evidence that the Minister has considered this risk.

It seems increasingly clear to us that the Minister's proposal and site change has placed many new risks on the project and we respectfully request that the Committee consider all this evidence when deciding whether a full inquiry is needed.

Yours Sincerely

A handwritten signature in black ink, appearing to be 'Gary Norden', with a long horizontal line extending to the right towards the text 'Yours Sincerely'.

Gary Norden

## **FINANCIAL EVALUATION**

### **Potential for private hospital operator involvement**

The potential for private hospital operator involvement is a critical factor in determining how much public sector investment will be necessary to provide the required services to the local community.

The Australian Health Services Group (AHSG) identified the total inpatient and “day only” bed needs for the area in 2016 to be 88 beds. Of these, only 13 beds were assessed to be generated by private patient demand. AHSG has advised that the bed base required for a viable private hospital is a minimum of 60.

This view is supported by the fact that no real interest has been shown in a private hospital development by the key private hospital operators. The most likely private sector involvement would be in the provision of a medical centre with consulting rooms for specialists and diagnostic services, and for residential aged care services (the latter has been pursued actively by one private sector aged care provider).

However, in the longer term, participation of the private sector in providing acute hospital services cannot be ruled out. In the meantime it is expected that inpatients electing to be treated in a private hospital would, in the main, have their procedures undertaken in St John of God, Bunbury or at private facilities in Perth, as occurs at the moment.

For aged care services, the situation is quite different. A proposal has been received from a private operator (St Ives Group) with an approved license to provide 95 residential aged care beds in the Busselton area. This operator has indicated that, to date, the only acceptable site for this service is Vasse Newtown, desirably co-located with the public hospital.

The St Ives Group also has offered to build 20 intermediate care beds at no cost to WA Health which could be used “by State Health” as flexible care beds and, in effect, add to the public hospital base. An assessment of this element of the offer has been undertaken by AHSG and this has demonstrated that the 20 intermediate care beds could reduce the need for public hospital beds by 10, to 65 beds.

As a consequence of the above factors, building options covering the provision of both 65 and 75 public beds on the Vasse Newtown sites have been included in the capital and operating cost analyses. The full range of building options for the four short-listed sites identified are:

#### **Vasse Newtown (Site A1)**

Four multi-storey options identified as:

- Option A1-1 - a 75-bed new build without kitchen/laundry (these facilities/services to be provided by the co-located aged care operator)
- Option A1-2 - a 75-bed new build with kitchen/laundry
- Option A1-3 - a 65-bed new build with kitchen/laundry (with aged care operator providing 20 intermediate care beds)
- Option A1-4 - a 65-bed new build without kitchen/laundry

#### **Vasse Newtown (Site A2)**

Four single level options identified as:

- Option A2-1 - a 75-bed new build without kitchen/laundry
- Option A2-2 - a 75-bed new build with kitchen/laundry
- Option A2-3 - a 65-bed new build with kitchen/laundry
- Option A2-4 - a 65-bed new build without kitchen/laundry

# Flooding risk on the agenda

NATALIE BROWN

BUSSELTON Shire councillors will decide whether to protect beachfront homes and foreshore land threatened by flooding and beach erosion as the State Government last week announced climate change could impact coastline areas.

Lifestyle development director Nigel Bancroft told the *Times*, councillors would be asked to decide whether it was their responsibility to protect residential dwellings and land with high community value when council reports were released at the end of this year.

He said the rising sea level and increased severity of storms threatened the Busselton coastline and the properties situated there and the local planning strategy would address the issue.

However, the decision about which areas to protect he said would fall on Busselton Shire Council, which he predicted would be discussed early next year.

"Cyclone Alby has demonstrated Busselton is susceptible to the impacts of storm surge," he said.

"Council will be asked to identify areas it sees as a high community value which might include the Busselton town foreshore."

Mr Bancroft said the Department of Planning had told council staff

they would propose \$100,000 be made available in next year's budget to conduct coastal risk studies in Busselton as well as in Bunbury. He said it was expected the results of these studies would also be made available to councillors.

Mr Bancroft declined to comment on how the threat of flooding and beach erosion was expected to impact new developments close to the foreshore, such as the Busselton Hospital, as he had not viewed plans for the development. He said the hospital could be set back far enough from the ocean to avoid being affected.

In an announcement last week WA Planning Minister John Day agreed the impacts of climate change would increase the vulnerability of South West areas including Busselton. He said a model would be developed to enable state and local governments to look at mitigation options for hydrodynamic hazards such as flooding.

"This enables governments to ensure we are prepared to predict and manage these hazards, particularly in areas of high urban development such as Busselton and Bunbury," he said.

The impact of climate change on coastlines was also be addressed in a Federal Senate committee hearing on Tuesday.

BD Times Oct 30 '09