

LEGISLATIVE COUNCIL

Question On Notice

Wednesday, 13 September 2023

1612. Hon Martin Aldridge to the Leader of the House representing the Minister for Health

I refer to the status of the Geraldton Radiation Oncology Unit, and I ask:

- (a) since the Federal Election in May 2022, have you written to the Federal Minister for Health regarding additional funding to deliver this much-needed facility for Mid West residents;
- (b) please table any correspondence between you and the the Federal Government in relation to this issue;
- (c) what is the total value of outstanding funding required to deliver this project;
- (d) will a Radiation Oncology unit be incorporated into the Geraldton Health Campus redevelopment as stated during WA Health budget estimates;
- (e) please table the business case for the Geraldton Radiation Oncology unit which was referred to during WA Health budget estimates;
- (f) noting the Cook Labor Government's significant budget surplus and your commitment to ensure all Western Australians have access to top quality healthcare no matter where they live, will you commit to funding the budget shortfall for this project;
- (g) if no to (f), why not;
- (h) for each of the financial years, 2020-21, 2021-22, and 2022-23 to date, please provide a breakdown of:
 - (i) the number of Mid West patients who have received the Patient Assisted Travel Scheme (PATS) to access speciality radiation oncology services each year;
 - (ii) the total number of PATS trips made by Mid West residents to access specialty radiation oncology services each year; and
 - (iii) the total cost in PATS subsidies for Mid West residents to access speciality radiation oncology services each year; and
- (i) please table the Community Health and Hospitals Program Project Agreement in relation to the \$9 million in Federal funding for this project.?

Answer

(a-b) Yes. See Tabled Paper No. #####. The State Government is continuing to work with the Commonwealth to progress this project.

It was clear from the outset that the \$9 million election commitment made by the previous Liberal-National Commonwealth Government in 2019 would not be sufficient to establish a service of this kind. The previous State Health Minister also wrote to his then Commonwealth counterpart requesting the commitment be honoured in full.

(c-g) A radiation oncology service remains under consideration for the redevelopment of Geraldton Health Campus. The full cost of this project, and therefore the quantum of additional funding required, is yet to be determined due to change in market conditions. The Business Case is Cabinet in Confidence.

(h) (i)

Financial year	Number of patients
20/21	88
21/22	87
22/23	93

Please note: PATS supports access to public and private services, and both inpatient and outpatient care not available locally.

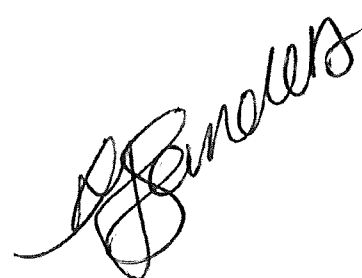
(ii)

Financial year	Number of trips
20/21	450
21/22	411
22/23	460

(iii)

Financial year	PATS subsidies
20/21	\$308,041
21/22	\$410,313
22/23	\$437,061

(i) Federal-State Agreements are publicly available through the Commonwealth's Federal Financial Relations website. See Tabled Paper No. #####.

A handwritten signature in black ink, appearing to read "Bennett", is located in the bottom right corner of the page.



Hon Amber-Jade Sanderson MLA
Minister for Health; Mental Health

Our Ref: 76-17671

The Hon Mark Butler MP
Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600

Dear Minister *Mark,*

The WA Country Health Service (WACHS) received \$9 million through Community Health and Hospitals Program (CHHP) funding in 2019 to establish a radiation therapy facility in the City of Geraldton. The proposed new facility is to be developed on the existing Geraldton Health Campus.

Currently patients in need of radiotherapy treatment must travel to Perth for this vital treatment. The financial cost and personal disruption faced by these patients having to be so far from home is understandably a significant burden on them, their carers, families and support networks.

Based upon a similar infrastructure build in the City of Albany it was patently clear from the outset that the former Commonwealth Government's election commitment of \$9 million would be insufficient to build a fit for purpose facility with the sophisticated high-end medical equipment to deliver radiotherapy services in a fit for purpose and safe environment.

To that end the WACHS undertook relevant infrastructure planning that gave rise to a fully costed Business Case that was completed in late 2020.

Briefly, the Business Case scope consisted of a new build of just over one thousand square metres comprising the functional areas of:

- Main entry/reception/waiting;
- Consultation space;
- Simulation and Planning Room with Computed Tomography;
- Linear Accelerator bunker and treatment spaces;
- Patient holding and recovery areas; and
- Staff and support areas.

The 2020 Business Case outlined an estimated total capital cost of \$19.03 million resulting in a shortfall in CHHP funding of \$10.03 million.

My predecessor, Hon Roger Cook MLA wrote to The Hon Greg Hunt MP, former Federal Minister for Health and Aged Care, on several occasions calling on the former Commonwealth Government to honour this commitment and fully fund this project, so that residents of the Midwest could undertake radiotherapy treatment and care closer to home. Unfortunately, Minister Hunt declined to commit any additional funding above the previously announced \$9 million, noting that \$7 million was for capital and \$2 million for operating costs.

Cabinet-in-Confidence

The State Government is investing in health services in the Midwest and recently announced an additional \$49.4 million towards major redevelopment works at Geraldton Health Campus, bringing the total project to \$122.7 million.

I would welcome to opportunity to discuss co-funding the Geraldton Radiation Oncology Service to complement the redevelopment of the Health Campus and ensure regional patients can access vital cancer care closer to home.

I look forward to your response.

Kind regards



HON AMBER-JADE SANDERSON MLA
MINISTER FOR HEALTH; MENTAL HEALTH

5 SEP 2022





The Hon Mark Butler MP
Minister for Health and Aged Care

RECEIVED
06 FEB 2023

BY: Email.....

Ref No: MS22-001301

The Hon Amber-Jane Sanderson MLA
Minister for Health; Mental Health
Level 5, Dumas House, 2 Havelock Street
WEST PERTH WA 6005
Minister.Sanderson@dpc.wa.gov.au

Dear Minister

Amber-Jane Sanderson

Thank you for your correspondence regarding the Radiation Oncology Facility at the Geraldton Health Campus. I apologise for the delay in responding.

I note that the Commonwealth is currently partnering with Western Australia (WA) to improve health infrastructure and services, providing over \$310 million over eight years through three partnership agreements (ten projects, including the Radiation Oncology Facility at the Geraldton Health Campus)¹.

In regard to the Radiation Oncology Facility at the Geraldton Health Campus I note that the *Project Agreement for the Community Health and Hospital Program Western Australia Initiatives* Federation Funding Agreement – Health Schedule (the Schedule) agreed by the WA Government in May 2020 provides a total of \$25.1 million for a combined 'WA Country Health Service (WACHS) Cancer Strategy (including Radiation Oncology at the Geraldton Health Campus)' output. On the basis that the WACHS Cancer Strategy referred to in the Schedule was for the period 2017-22², I propose that the Schedule be varied to separate the WACHS Cancer Strategy and Radiation Oncology projects, so that the:

- WACHS Cancer Strategy output can be finalised and closed on the basis of progress to date (and the 2022-23 payment of \$6.278 million made); and
- the remaining deliverables for 2023-24 (\$6.278 million) and 2024-25 (\$6.3 million) for Radiation Oncology at the Geraldton Health Campus can be redrafted to describe appropriate deliverables for the project in those years.

This would enable our Departments to continue to work together with a focus on ensuring that the Commonwealth's funding commitment supports the establishment of a Radiation Oncology service for the people of Geraldton. Should you agree in principle our officials will work together to draft the necessary variation for our consideration.

¹ The three partnership agreements include the *Project Agreement for the Western Australian Hospital Infrastructure Package* (\$188.9 million); the *Project Agreement for the Community Health and Hospital Program Western Australia's 2018-19 Initiatives* (\$3.2 million); and the *Project Agreement for the Community Health and Hospital Program Western Australia Initiatives* (\$118.9 million).

² The WACHS Cancer Strategy 2017-22 is published to the WA Country Health Service website (www.wacountry.health.wa.gov.au), accessible through the 'About Us', 'Publications' and then 'Strategic Plans' tabs.

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I am aware that the CEO of the Icon Group wrote to you on 20 December 2022 advising of its intention to apply for Commonwealth funded Radiation Oncology Hospital Program Grants (ROHPG) funding to provide radiation oncology services at the Geraldton Hospital. I note the Icon Group are proposing a \$9 million capital investment in radiation oncology services across Geraldton and Narrogin Hospitals. I will be interested to hear how this private investment can be leveraged with the funding contributions of our governments to establish these important services in Geraldton.

Other Projects

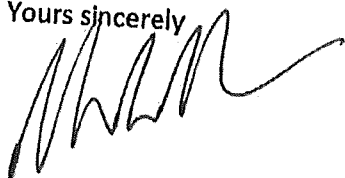
I am advised that your office has separately confirmed that the WA Government remains committed to the delivery of the remaining projects agreed through the three partnership agreements.

I note that the Federation Funding Agreements (FFA) Framework and the sectoral FFA – Health, under which these partnerships are agreed, establish arrangements for circumstances where projects exceed agreed costs and the responsibilities of each government. I am eager to ensure that our governments deliver on the responsibilities and commitments made at the time the agreements were signed by our predecessors.

I nevertheless appreciate that significant infrastructure projects can experience challenges and delays. I am advised that there may be a need to revise the delivery dates for some deliverables. I welcome any proposals for such variations that the WA Government may wish to make, where they are necessary and within the existing funding. I suggest any variation proposals be negotiated through our Departments in the first instance.

I look forward to working together to deliver these important projects to improve health system capacity and access for the people of WA.

Yours sincerely



Mark Butler

01 / 02 / 2022





**Hon Amber-Jade Sanderson MLA
Minister for Health; Mental Health**

Our Ref: 76-17671

Your Ref: MS22-001301

The Hon Mark Butler MP
Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600

Dear Minister *Mark,*

Thank you for your letter of 1 February 2023 regarding the Commonwealth's commitment for new radiation oncology treatment services in Geraldton as part its investment in Western Australian cancer strategies. I do apologise for the time taken to reply.

I agree in principle to your proposal to vary the Project Agreement¹ Schedule to separate the implementation of the WACHS Cancer Strategy and the radiation oncology project funding. This will enable the WACHS Cancer Strategy implementation project to be closed out as of 30 June 2023 and for the proposed radiation oncology service project in Geraldton to remain an ongoing project.

Amongst other projects, the Project Agreement provided \$25.1 million in funding for implementation of the WACHS Cancer Strategy (including funding announced by the Commonwealth in April 2019 for a radiation oncology service based in Geraldton). The WACHS funding allocation is detailed below.

	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	Total \$'000
Cancer Strategy	6,278	6,278	3,644	-	16,200
Radiation Oncology	-	-	2,634	6,278	8,934
CHHP1 Funding	6,278	6,278	6,278	6,278	25,134

¹ Project Agreement for the Community Health and Hospitals Program (CHHP) Western Australian Initiatives. An agreement between the Commonwealth of Australia; and the State of Western Australia (May 2020)

Further due diligence on the capital cost estimate to build an appropriate fit-for-purpose radiation oncology facility at the WACHS Geraldton Health Campus (GHC) in November 2020 indicated a capital cost estimate of \$19.03 million would be required to deliver an appropriate fit-for-purpose facility. In current market conditions, [REDACTED] Cabinet-in-Confidence [REDACTED].

WACHS intends to include the proposed radiation oncology service within the scope of the Stage Two major redevelopment of the GHC to ensure that the facility, along with the necessary supporting infrastructure, equipment and staffing, is fully costed to provide safe and sustainable radiotherapy services for Midwest residents, into the future.

On 20 December 2022, Mr Mark Middleton, CEO Icon Group wrote to me expressing his intention to apply for Commonwealth funded Radiation Oncology Hospital Program Grants (ROHPG) for the Midwest (Geraldton) and Wheatbelt (Northam).

To date, there is no record of an approach to WACHS from the Icon Group regarding their intention to apply for a Commonwealth grant. WACHS welcomes the opportunity to consult with stakeholders during the application processes.

If you require further information in relation to this matter, I encourage you to contact Mr Sean Conlan, Executive Director Major Projects, WACHS, on 0448 620 507 or email: sean.conlan@health.wa.gov.au

Thank you for bringing this matter to my attention and I trust this information will be of assistance. I look forward to your response.

Kind regards



HON AMBER-JADE SANDERSON MLA

MINISTER FOR HEALTH; MENTAL HEALTH

22 JUN 2023

PROJECT AGREEMENT FOR THE COMMUNITY HEALTH AND HOSPITALS PROGRAM WESTERN AUSTRALIAN INITIATIVES

An agreement between;

- the Commonwealth of Australia; and
- the State of Western Australia

The output of this project will support the delivery of the Western Australia's Initiatives under the Community Health and Hospitals Program.

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Project Agreement for the Community Health and Hospitals Program Western Australian Initiatives

OVERVIEW

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

Purpose

2. This Agreement will support the delivery of the Western Australian Initiatives under the Community Health and Hospitals Program.

Reporting Arrangements

3. Western Australia will report on a six-monthly basis in a standard format on performance against project outputs and agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments

Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to Western Australia of \$118.734 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

5. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) represented by the Minister for Health and Western Australia represented by the Minister with the portfolio for health.
7. Officials are the nominated delegates of both Parties, each Party will provide advice of the nominated officials within 30 days of agreement signature.

Term of the Agreement

8. This Agreement will commence upon signing by the Parties to the Agreement and will expire on 30 June 2025 or on completion of the final projects, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUT(S)

Output(s)

9. The outputs of this Agreement will be:
- (a) Expansion of the Peel Health Campus. This includes:
 - i. construction of an expanded Peel Health Campus Emergency Department;
 - ii. construction of a new Community Mental Health facility on the Peel Health Campus;
 - iii. refurbishment of the Peel Health Campus Medical Imaging Department; and
 - iv. construction of a residential eating disorder treatment centre at the Peel Health Campus.
 - (b) Construction of a new hospital at Laverton, to provide emergency, population health, and ambulatory care services.
 - (c) Construction of a new Radiation Oncology facility for the Midwest region and implementation of the WACHS Cancer Strategy.
 - (d) Upgrade of critical infrastructure at the King Edward Memorial Hospital.
 - (e) Youth Forensic Inpatient Service - establishment of a 10 bed youth forensic mental health ward.
 - (f) Construction of a Mental Health Emergency Centre at the St John of God Midland Public Hospital.
 - (g) Comprehensive genomic testing to expedite excellence in treatment of WA Cancer patients.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

10. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against milestones in the delivery of the Western Australian initiatives under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to Western Australia to support the implementation of this Agreement;
 - (c) in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 are only made where a builder or builders accredited under the Australian Government Building and Construction Work Health and Safety (WHS) Accreditation Scheme is contracted; and
 - (d) ensuring that compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of Australian Government funding.

Role of the Western Australia

11. Western Australia will be responsible for:
 - (a) all aspects of delivering on the project outputs set out in this Agreement;
 - (b) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (c) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Work Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
 - (d) ensuring that compliance with the Building Code 2016 is a condition of tender for performance of building work by all contractors and subcontractors, and providing the necessary assurances to the Commonwealth.
12. Western Australia will also be responsible for ensuring that, for the purposes of practical completion, construction projects will:
 - (a) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that Western Australia cannot reasonably fix, or by fixing, will significantly inconvenience users of the works;
 - (b) not cause any legal or physical impediment to the use and occupation of the property and the works for the designated use; and
 - (c) be fit for the designated use.

Shared roles

13. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

14. Table 1 summarises the milestones for the projects, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the annual performance report demonstrating the relevant milestone has been met.

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Milestone Completion Date	Payment
Expansion of the Peel Hospital Campus	WA to provide a report on planning of the expansion of the Peel Hospital Campus.	1 July 2020	\$7.5 m
	WA to provide a report on the expansion of the Peel Hospital Campus.	1 July 2021	\$7.5 m
	WA to provide a report on progress and completion timeframe for the expansion of the Peel Hospital Campus.	1 July 2022	\$10 m
Construction of a new Laverton Health Service	WA to provide project plan for delivery of the construction.	1 July 2022	\$6.2 m
	WA to provide a copy of approved design development report together with tender Award details.	1 July 2023	\$9.6 m
	WA to supply Certificate of Practical Completion.	1 July 2024	\$1.0 m
WACHS Cancer Strategy (including Radiation Oncology at the Geraldton Health Campus)	WA to provide its implementation plan to deliver its cancer strategy.	1 July 2021	\$6.278 m
	WA to provide WACHS Annual Report for 2021-22 financial year.	1 July 2022	\$6.278 m
	Geraldton Health Campus Radiation Oncology - WA to provide approved Project Definition Plan	1 July 2023	\$6.278 m
	Geraldton Health Campus Radiation Oncology - WA to provide approved Design Development Report and Tender Award details	1 July 2024	\$6.3 m
Construction of a new Women and Newborn service at the King Edward Memorial Hospital	WA to provide a report on the tender process for lifts works and mechanical services	1 May 2020	\$3.5 m
	WA to provide a report on the tender process for mechanical services.	1 August 2020	\$3.5 m
	WA to provide a report on award tender for building structure.	1 August 2021	\$5.0 m
Youth Forensic Inpatient Service	WA to provide a report on the tender process for the building for the Youth Forensic Inpatient Service	1 July 2022	\$7.8 m
	WA to provide a report on building process and completion timeframe.	1 July 2023	\$7.0 m
Ellenbrook Mental Health facility -	WA to provide a report on planning the delivery of mental health and support	1 July 2020	\$1.5 m

provision of mental health and support services at the St John of God Midland Hospital	services at the St John of God Midland Hospital.		
	WA to provide a progress report.	1 July 2021	\$1.5 m
	WA to provide a progress report.	1 July 2022	\$2.0 m
Comprehensive genomic testing	WA to provide a progress report.	1 July 2023	\$1.0 m
	WA to provide a plan to deliver comprehensive genomic testing	1 July 2022	\$9.5 m
	WA to report on the implementation of comprehensive genomic testing	1 July 2023	\$9.5 m

15. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

16. Western Australia will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain a description and photographs (for capital projects) of actual performance in the period to date against the project milestones.
17. Western Australia will also provide bi-annual project status reports with photographs in May and November each year via the Commonwealth Department of Health's Capital Works Portal system in accordance with the templates provided in the Capital Works Portal, until the completion of the projects.
18. Western Australia will provide a final report including a brief description of the project and official opening dates, and a Certificate of Practical Completion for each capital project which can be used for public information and dissemination purposes. This will include a final report outlining the translation of cancer services into clinical practice plus ongoing processes for governance management and service development in alignment with the completion of the WACHS Cancer Strategy.

PART 5 — FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide an estimated total financial contribution to Western Australia of \$118.734 million in respect of this Agreement. All payments are GST exclusive.
20. The Commonwealth's funding contribution will not be reduced where: (a) Western Australia secures funding from other activity partners and/or (b) redirects State funding to support the early commencement of the project(s) and delivery of associated milestones outlined in part 4 of this agreement.
21. The Commonwealth's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to Western Australia is paid in accordance with *Schedule D — Payment Arrangements* of the IGA FFR, are shown in Table 2.

(\$ million)	19-20	20-21	21-22	22-23	23-24	24-25	Total
Estimated total budget	3.5	12.5	20.278	41.778	33.378	7.3	118.734

Less estimated National Partnership Payments	3.5	12.5	20.278	41.778	33.378	7.3	118.734
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Table 2: Estimated financial contributions

22. Having regard to the agreed estimated costs of projects specified in this Agreement, Western Australia will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, Western Australia bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Western Australia to deliver projects cost effectively and efficiently.

PART 6 — GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

23. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

Variation of the Agreement

24. The Agreement may be amended at any time by agreement in writing by both Parties.
25. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

26. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

27. Either Party may give notice of a dispute under this Agreement.
28. Officials of both Parties will attempt to resolve any dispute in the first instance.
29. Where a dispute cannot be resolved by Officials, it may be escalated to the relevant Ministers.

The Parties have confirmed their commitment to this Agreement as follows:


Signed for and on behalf of the Commonwealth of Australia by


The Honourable Greg Hunt MP
Minister for Health

Date

25.5.2020

Signed for and on behalf of the State of Western Australia by


The Honourable Roger Cook MLA
Deputy Premier; Minister for Health; Minister for Mental Health

Date

12/5/20