

QUEEN ELIZABETH II MEDICAL CENTRE — CAR PARK

91. Mrs L.M. O'MALLEY to the Minister for Health:

I refer to the Queen Elizabeth II Medical Centre car park contract, which continues to cost taxpayers hundreds of thousands of dollars a month in compensation, and which the special inquirer said could end up being a “costly deal” for the state. Can the minister advise the house how much compensation has been paid to date, and what action will be taken to determine whether the deal is actually value for money for taxpayers?

Mr R.H. COOK replied:

I thank the member for the question. This is a very important question, because this was supposed to be the hospital project that would not cost us any money. This is the one that the Leader of the Opposition said on 24 August 2016, “It has saved the state a substantial amount of money.” It is probably of some surprise to the members assembled to hear that this particular hospital car park project is costing the WA taxpayer \$700 000 a month. It has cost this state over \$20 million since —

Several members interjected.

The DEPUTY SPEAKER: Leader of the Opposition, and member for Churchlands, can you just let the minister get an answer out.

Mr R.H. COOK: I am not surprised the Leader of the Opposition is interjecting on this particular issue, because he was one of the seven Treasurers who, as managers of strategic projects, oversaw this, the most diabolical of contracts. The special inquirer observed —

The Project Agreement effectively creates parking management monopoly rights for Capella across the precinct. These rights include Capella having first right of refusal to operate any new car parking facilities on the Queen Elizabeth II Medical Centre site until November 2037. The agreement also granted Capella the exclusive right to pursue other specified commercial opportunities at designated locations within the site. The specified opportunities include a child care facility, convenience retail facilities, essential daily services retail facilities, automated vending machines and a restaurant or café. Under the Project Agreement, the State has restrictions around opening a competing childcare centre at the site at non-commercial or subsidised rates.

That means that if we wanted to put a childcare centre at Perth Children’s Hospital and it was not operated on a commercial basis, we would have to stick money into Capella’s pocket. If we want to provide a subsidy—which we do—for the mums and dads of long-term-stay sick kids to provide them with a concession rate in the car park, we would have to take money out of the taxpayers’ pockets and transfer it directly into the pocket of the private operator. If we want to continue with concession rates for night shift staff in particular—as was arranged by the previous government under this project—we would have to transfer a bucket of money from the taxpayers’ pockets and stick it directly into the pocket of Capella Parkcharge. Such is the appalling nature of this particular contract that we now have a situation in which—because of delays at Perth Children’s Hospital, the fault of the previous government—we do not have those beds operating at the hospital so we have to provide a subsidy to Capella Parkcharge from the WA taxpayers; the same WA taxpayers who are sitting there, scratching their heads, asking, “How did you stuff up the children’s hospital so badly?”

This is a spectacular failure by the previous government and we will make moves, consistent with the special inquiry’s recommendations, to undertake a value-for-money audit of this contract. This value-for-money audit will work out how Strategic Projects so manifestly failed the WA taxpayer, work out what the ongoing liability for the WA taxpayer will be, and seek to understand exactly what the future cost will be for the state. We will also carry out a review of the contractual framework with the private operator, consistent with the recommendations of the special inquiry. This inquiry will be undertaken by the Department of Health in collaboration with the Department of Treasury and the Department of Finance. We want to get a line of sight and an understanding of how the previous government so badly transferred the risks associated with this project. It thought that it had transferred the risks to the private operator, yet the WA taxpayers are the ones who will have to bear these risks on a day-to-day basis.

Let us understand the numbers: it is more than \$20 million so far—\$700 000 a month, more than \$24 000 a day. That is what we pay to Capella Parkcharge because of the dodgy contract put together by those opposite. It is a dud, and we will add it to the list of all the problems, stuff-ups and failures at the Perth Children’s Hospital site. We are here to fix the previous government’s mess.