

ST JOHN OF GOD MIDLAND PUBLIC HOSPITAL — PUBLIC-PRIVATE PARTNERSHIP

**920. Mr F.A. ALBAN to the Minister for Health:**

I understand that next week marks one year since the opening of St John of God Midland Public Hospital. Can the minister please update the house on how this successful public-private partnership is assisting the government to deliver more efficient and effective healthcare services for the community?

**Mr J.H.D. DAY replied:**

I thank the member for Swan Hills for the question. I am very happy to talk about the effectiveness and the role of St John of God Midland Public Hospital in providing health care for residents in the east metropolitan region. It obviously provides for residents in the Swan Hills electorate and residents in my electorate of Kalamunda as well as Midland, Bassendean, West Swan, Forrestfield and the surrounding areas, so it is a very important hospital. Indeed, it is an outstanding example of a public-private partnership that is delivering health benefits and value for money for the community. Compared with its predecessor Swan District Hospital, it is a much larger capacity hospital with 307 public beds and an expanded emergency department. Additional services include cancer treatment, and cardiology and orthopaedic surgery. It has increased anaesthetic cover and expanded maternity, rehabilitation and mental health services. It opened on 24 November last year, and I was very pleased to be there to witness the opening of the hospital by the Premier and my predecessor as Minister for Health with quite a number of other members of Parliament and members of the community. Since then it has cared for more than 142 000 patients through over 55 000 emergency presentations, 26 000 inpatient separations and 74 000 outpatient visits. As well as providing very high quality care in an outstanding new facility, it also provides significant value for money for taxpayers. In particular, over the 20-year life of the agreement, the public sector comparator shows that there will be savings of \$1.3 billion, or about 21 per cent in today's dollars compared with what would —

**Mr D.J. Kelly:** Release the figures!

**Mr J.H.D. Day:** It is \$1.3 billion dollars out of a \$5 billion contract —

**Mr D.J. Kelly** interjected.

**The SPEAKER:** Member for Bassendean.

**Mr J.H.D. DAY:** It is estimated that it would have otherwise been a \$6.3 billion cost over that 20-year period. Take \$1.3 billion off \$6.3 billion, and it is about a 21 per cent saving, which is something that the member for Bassendean and the union movement in Western Australia do not really like to acknowledge. This substantial saving, although still providing very high quality services, has been brought about by competitive construction costs, the sharing of infrastructure with St John of God Health Care and also discounts on the state cost of delivering services of between 3.3 per cent and 15 per cent. I know that the union movement and the Labor Party like to run a scare campaign—we have seen some of that today—in relation to conditions for employees and security of employment and so on. But, in fact —

**Mr D.J. Kelly:** If people were given the choice, what would they choose, minister?

**The SPEAKER:** Member for Bassendean, I call you to order for the first time. Minister, a quick answer.

**Mr J.H.D. DAY:** I am happy to respond to the member for Bassendean's interjection, because all those who were previously at Swan District Hospital were given the opportunity to apply for positions at the new hospital. The majority of them did transfer across—slightly more than 50 per cent—and they received a transition payment for doing so. Those who did not transfer across were provided the opportunity to take up positions elsewhere within WA Health or given the opportunity to apply for a voluntary severance. They have been very well looked after—union members, non-union members and former staff at Swan District Hospital. It is the case that public-private partnerships have facilitated significant private sector investment in our health system. We have also seen that at Joondalup Health Campus, going back to the original contract put in place when the coalition government was in office in 1996. Joondalup Health Campus and the Peel Health Campus have grown substantially in recent years with the partnership between the state and the private sector. Since we came into government in 2008, it is estimated that public-private partnerships have delivered sector-wide savings of around \$2 billion to taxpayers across all areas. The member for Bassendean does not like to hear this, but I suspect that the member for Victoria Park, the shadow Treasurer, is very nervous about some of these issues.

Several members interjected.

**The SPEAKER:** Thank you! Wind it up, please.

**Mr J.H.D. DAY:** In particular, the Labor Party's platform states at point 76 —

WA Labor will not extend any contracts for privatised hospitals or services.

Point 77 states —

WA Labor will negotiate early termination of these contracts and return these hospitals and services to public ownership as soon as possible.

**Mr B.S. Wyatt:** Whip us, John; make us feel cheap!

**Mr J.H.D. DAY:** That is the Labor Party's policy. Members opposite need to explain how they will fund it and how they will provide health care at Midland, Joondalup, Peel and other locations in Western Australia.

**The SPEAKER:** Thank you. Member for Victoria Park, I do not really like this familiarity.

*Distinguished Visitors — Association of Southeast Asian Nations Delegation*

**The SPEAKER:** Members, I would like to welcome the delegation of politicians from the Association of Southeast Asian Nations who have come from our various neighbouring countries. We welcome you today.

[Applause.]