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HOSPITAL MANAGEMENT — STATE GOVERNMENT

Matter of Public Interest

THE SPEAKER (Mr G.A. Woodhams): Members, today I received within the prescribed time a letter from the Leader of the Opposition in the following terms —

This house condemns the Barnett government for its mismanagement of the new children's hospital, Royal Perth Hospital and the Midland health campus.

If sufficient members agree to this motion, I will allow it.

[At least five members rose in their places.]

MR E.S. RIPPER (Belmont — Leader of the Opposition) [2.54 pm]: I move —

This house condemns the Barnett government for its mismanagement of the new children's hospital, Royal Perth Hospital and the Midland Health Campus.

The new children's hospital was very much a part of the then Liberal opposition's election campaign. I remember it well because the then Liberal opposition had two key points it wanted to make about the new children's hospital. One was that it had a special way of delivering the new children's hospital, called a public-private partnership. The second point it wanted to make is that it would deliver it a year earlier than had been proposed by the then Labor government. The Liberals might regard dates from the vantage point of being in government as somehow trivial, minor and irrelevant.

Just before the Premier leaves the chamber, I say to him that I have tabled the legal advice that we have received on the question of the legality of the declaration of the extended boundaries for Perth and Fremantle trading precincts. Will he commit to table the legal advice that he has from the State Solicitor's Office so that all members of Parliament, and indeed the public, can judge the validity of the arguments on this case?

Mr C.J. Barnett: No, I will not. As you well know, it is not normal practice to make public State Solicitor's advice. Indeed, should an interest in the retail industry take legal action against the state, if it tried to pursue that, we would want to protect the privilege of our advice. Opposition members are being given a briefing on the advice.

Mr E.S. RIPPER: The difficulty of that is that members of the public are in receipt of government criticism of the Labor Party for seeking to support a disallowance motion on the basis of unlawful government action and the government will not produce the legal advice to justify that.

Mr C.J. Barnett: And you won't say who funded your advice.

Mr E.S. RIPPER: I have tabled the advice. It can stand on its merits. Does the Premier doubt the credentials of Dr Peter Johnson?

I will move back to the question of the government's promises on the new children's hospital. In a way I enjoyed re-reading the "Liberal Plan for Better Health Services". It quoted me to such a large extent that I was surprised that I had so much respect in Liberal Party circles. I turn to the promises. The plan states —

A Liberal Government will support the relocation and rebuilding of PMH at the QEII site as a Public Private Partnership ...

It went on to state —

The goal will be a completed new PMH, operational in 2014, with the cost of building a relocated PMH being borne by the private sector.

The Carpenter Government's budget allocation of \$207 million will be held in trust towards project management and lease-back costs, with the final lease-back costs determined in the operating agreement.

On the evidence of the Liberal Party's own document, it will be a PPP, it will be built by 2014 and \$207 million was allocated by the previous government. It has backflipped twice on this issue. Firstly, it said it would not build the hospital with a PPP; it was going to use the traditional model. I accepted that. I thought that that was probably an acknowledgement of the reality that there was no cheap way to do it and get it off the books through a PPP. That was a mistaken assumption of the former Treasurer when he was the shadow Treasurer that that was something that could be done. Then the government changed its mind again and said it will do a PPP. Now the government has changed its mind yet again and it is saying that it will build it under a traditional arrangement. It is now saying that it will not be built until 2015, and probably late 2015 at that. As I was saying before I questioned the Premier, the government might regard these dates as trivial but in the election campaign the

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Liberals used these dates as a symbol of their preparedness to get on with governing the state. They used these dates as a symbol of what they said was lack of action by the previous government. Now in government they find that they cannot meet the very dates that they made so much of in the election campaign.

I now want to refer to a document called “Project Status Report — 30 April 2010” from the Office of Strategic Projects. That is a very interesting document because it outlines the status of the strategic project. It shows that the new children’s hospital had an original budget of \$206.8 million. It has a current approved budget of only \$116.8 million. The government took nearly \$100 million out of what had been allocated by the previous government. Sitting in the official budget papers is a budget amount of only \$116.8 million for this new children’s hospital. What do members think the cost of the new children’s hospital will be? It is \$928 million. We have an official budget of \$116.8 million for a \$928 million project. Members will note that the Premier has said \$350 million from the royalty deal will go to the children’s hospital. That still leaves a budget of \$466 million for a project that the government says will cost \$928 million. If the government is to meet its promise to have this project built by 2014, all the money should be right there, already budgeted, in the forward estimates. Even if it is not built until 2015, most of the money should be in the forward estimates. It is completely false budgeting. It is a huge budget black hole to have only \$466 million allocated—some of that only allocated by announcement—for a project that will cost \$928 million. This is just indicative of the government’s mismanagement of the entire hospital building program.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [3.01 pm]: The government’s hospital construction program is a con. It has been a con from day one. From day one, the Labor opposition has asked time and again: where is the money in the budget for these crucial hospital projects? Where in the forward estimates is the money for the new Princess Margaret Hospital for Children? Where in the forward estimates is the money for the new Midland hospital? Where in the forward estimates is the money for the infrastructure that the new children’s hospital will need? Time and again we have been waved away by the government saying, “You don’t need to worry about that. The private sector is taking care of it. You don’t need to worry about that because the private sector is going to come in and build all these facilities for you and everything is above board.” That is despite the fact that solid principles of accounting suggest if we are creating debt, it should occur in the forward estimates. We were told, “No; it doesn’t need to be there because the private sector is taking care of it.” We now know that this was part of a shambolic exercise to hoodwink the WA public into thinking that this government had any plans whatsoever to develop public hospital infrastructure in a manner that people can have any confidence in.

The situation with Princess Margaret Hospital provides a great example of the meandering, pathetic nature of the way this government has gone about planning hospital infrastructure. First of all, as the Leader of the Opposition has highlighted, we had the exercise around the budget where the government said, “We will come forward with a new hospital by 2014, built by the private sector—not a problem, she’ll be right.” By October 2008, two months after the new government was elected, the wheels were already starting to fall off. The government at this point is saying, “The public–private partnership is no longer very likely so we’re going to go to the federal government. We’re going to beg the federal government to see if they will build the hospital for us.” At this stage there is still no plan about how the government will build this hospital and match Labor’s time line; indeed overtake Labor’s time line. This government went to the feds and got no joy.

In 2009 the government went back to the PPP model. It said, “We’re going to try that. Yes; the private sector will take care of it.” In February 2010 we now have the admission—as the whole exercise in fraud perpetuated in the electorates starts to show and starts to unravel—that no longer is the government going to build the hospital by 2014. It will be late 2015, possibly 2016, at the rate we are going! It is already starting to unravel.

This week we had the final unravelling of the government’s “non-plans” in public health; that is, the \$350 million that the government managed to get out of the mining companies. We now know how to make a deal in this town when it comes to doing a deal with the government—one simply bails it out or part bails it out of a political problem. This week it is \$350 million into the kitty to try to pay for the Princess Margaret Hospital that the government suggests it now has money for. As the Leader of the Opposition pointed out, this is only part of the government’s budget for Princess Margaret Hospital. We come back to the original question: where is the money? Where is the money in the forward estimates to demonstrate that this government has made any provision whatsoever to provide a new children’s hospital for the people of Western Australia? They might ask, member for Nollamara, “What are you talking about, Willis?” because, quite frankly, there is nothing that the government has demonstrated to show it is making provision and can pay for this hospital. Now more than ever the government has to provide the answers. Originally the Princess Margaret Hospital project was called a BOOT—build, own, operate and transfer. It was to be the next marvel of the private sector. Now the government is calling it a design, construct, operate model of a PPP which, in any other language, is simply getting the private sector to build a hospital for the government. But of course it is now a DCO, and I am not quite sure what

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that would mean in another scheme. Perhaps it means, “We don’t care how we organise it; we’ve got to somehow keep talking about a new children’s hospital.”

We will now look at the redevelopment promise for Royal Perth Hospital. The government was to save Royal Perth Hospital from “that Labor government” and redevelop it as a new tertiary hospital in the CBD. What a squib! There is not one member of the electorate who did not think that this government’s highest priority was to get on and redevelop the Royal Perth Hospital. Now we have the Minister for Health running away from it, saying, “No; we never promised it in this term. Don’t come to me for the redevelopment of Royal Perth Hospital. That’s some time into the future.” There is not one member of the community who did not think the government regarded this as a priority. This Minister for Health has betrayed them and demonstrated that he is not up to the job of developing hospital infrastructure.

Let us move on to Midland hospital. Midland hospital was to be the next jewel in the crown of the network of general hospitals in our community dotted around the metropolitan area; a ring around the two major tertiary hospitals providing quality, general hospital care for people living in that area.

Mrs M.H. Roberts: All we have seen is delays.

Mr R.H. COOK: All we have seen is delay after delay as this government says, “We’re going to do it through the private sector. Oh, no we’re not. Oh, hang on, Nicola Roxon has found some money for us so we are going to pay for it now.” In the meantime the clock ticks. While this government dillydallies and dances around the dance floor with private sector models, which it clearly knows are not and never were going to work, we see this government delaying important hospital infrastructure projects. All we have for a commitment to Midland hospital is that Midland hospital will be run in a similar way to the Peel model.

Mrs M.H. Roberts: It got \$181 million over a year ago from the Rudd federal government.

Mr R.H. COOK: The Rudd federal government has come forward with a commitment to the people of Perth for hospital infrastructure; more so than the Howard government ever did, I might say, and more so than any federal government in the past. Still we have no movement at all. The government is going to build the infrastructure and plonk a private sector operator in there. I am not sure how staff at Swan District Hospital are dealing with the uncertainty that hangs over their futures. Once again the government is riding roughshod right through our health system, pursuing models of operation which, as the Peel Health Campus has demonstrated, clearly do not work.

We received a report today from the Auditor General on the Fiona Stanley Hospital. The Auditor General makes some very clear comments on the cost blow-outs for Fiona Stanley Hospital. The other comments that the Auditor General made are very interesting. He does not regard the cost blow-out at Fiona Stanley Hospital as the biggest unfolding challenge in relation to that hospital. I think he regards those days as way behind us as he acknowledges that the scope, size and cost dimension of that hospital project are better understood. What the Auditor General does not understand is how the government is planning to put a workforce into the hospital and how the government is planning to equip the hospital, because this government has not demonstrated any capacity or willingness to provide that information. The Auditor General provided a very important piece of advice; that is, the government should be relying upon the strategic asset management framework and on business case scenarios to manage the rollout of future hospital projects.

My call today is for the government to make public the business cases for its current range of hospital projects. We want to know what the business cases are for the Albany Regional Hospital, Busselton Hospital, Nickol Bay Hospital and Carnarvon Regional Hospital redevelopments. We want to know what advice the government has received on these hospitals, what cost dimensions it is looking at, the scope of services that these hospitals will deliver for the forward estimates and how the government will make provision to fund these important hospital projects. Princess Margaret Hospital for Children is an unfolding tragedy. This was a great opportunity to renew hospital infrastructure in this state, and the government has botched it. It botched it from day one when it came to office, and it still has not demonstrated any capacity to manage the project into the future.

MS J.M. FREEMAN (Nollamara) [3.11 pm]: I, too, want to speak to this motion. I think the case for the mismanagement of these projects has been well made by the Leader of the Opposition and the Deputy Leader of the Opposition. Certainly, we witnessed in estimates the lack of budget management in this area. I want to speak about the effects on the community and on the staff due to the mismanagement and the other issues that have been presented today. The minister has just left the chamber, so I will probably repeat this. The minister knows how important the upgrade of Princess Margaret Hospital for Children is. In 2007 the current minister indicated that Princess Margaret Hospital was suffering from severe infrastructure problems. He brought that to this place and questioned the then minister at the time.

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Mrs M.H. Roberts: There isn't a single minister in the chamber. This is a disgrace!

Ms J.M. FREEMAN: Yes, it is an issue that there is not a single minister in this place.

The continual changing and backflipping by this government on how it is going to do this important infrastructure development, not to mention the government's inability to assure staff that they will have ongoing job security and employment with the government, have an enormous impact. We have seen staff shortages, particularly nursing staff at many hospitals, in the past due to the boom and we will see them again with the upcoming boom. We have also seen uncertainty in how hospitals operate and how staff are employed. People are working in substandard facilities because the government is not pursuing with efficiency and effectiveness the building of Princess Margaret Hospital. That has a critical impact on staff attraction and retention. This government is certainly lacking in this area. The lack of confidence because of the continual changes to how Princess Margaret Hospital and King Edward Memorial Hospital will operate and how staff will be employed must have an impact on the community. Parents like me and other members in this chamber know how important it is to be able to access Princess Margaret Hospital and have confidence that the facilities are up to scratch. At the moment, the government is just doing a patch-up job on an ongoing basis because it cannot deliver what it promised to deliver. It is all promises and no delivery. An amount of \$28.4 million has been spent since the announcement was made just to keep Princess Margaret Hospital operating. It is not good enough. It undermines the confidence in our health system. It does not give certainty to our staff. It affects the retention of staff in the public hospital system. The government should be condemned for that.

Amendment to Motion

DR K.D. HAMES (Dawesville — Minister for Health) [3.15 pm]: I move —

To delete the word "Barnett" and substitute —
former Labor

The motion would then read —

This house condemns the former Labor government for its mismanagement of the new children's hospital, Royal Perth Hospital and the Midland health campus.

Point of Order

Mr M. McGOWAN: The motion moved by the opposition is a direct condemnation of the government. The amendment moved by the Minister for Health seeks to change the motion to a direct condemnation of the opposition. I suggest that that is a direct negative of the original motion and therefore it is out of order. The Deputy Leader of the Opposition cannot move an amendment to that effect.

Dr K.D. HAMES: Further to the point of order, I sought advice before moving the amendment from the senior Clerk of the Assembly, who advised me that it is not in fact a contradiction.

The ACTING SPEAKER (Ms L.L. Baker): The advice that we have been given is that it is not a direct contradiction. The question is that the amendment be agreed to.

Debate Resumed

Dr K.D. HAMES: Thank you, Madam Acting Speaker.

Point of Order

Mrs M.H. ROBERTS: There is only one minister in the house—the minister who was on his feet. In all my time in this Parliament, which is a considerable amount of time, I have never seen a government treat a matter of public interest debate with such contempt. I have never seen a situation in which the only minister in the house is the minister on his feet.

Dr K.D. HAMES: I have a point of order, Madam Acting Speaker. This is not a point of order.

Mr M. McGowan: You can't take a point of order on a point of order.

Dr K.D. HAMES: No, but I can try.

The ACTING SPEAKER (Ms L.L. Baker): I understand, minister. There is no point of order, member for Midland. I would like to return to the debate. The question is that the amendment be agreed to.

Debate Resumed

Dr K.D. HAMES: That was a point of view, not a point of order, and there is nothing in the standing orders that relates to that matter. The member has been in this place long enough to know that.

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Mrs M.H. Roberts: It says something about how your government treats this Parliament. It says something about accountability.

Dr K.D. HAMES: The reason that I have moved to change those words is that that truly reflects what this Parliament needs to do in relation to the former government's management of those three hospitals. Members need look only at the report by the Attorney General —

Mrs M.H. Roberts: It wasn't the Attorney General.

Dr K.D. HAMES: I meant to say the Auditor General. I have to say that I wondered why the opposition brought forward such a silly motion. I think it has been done deliberately to try to deflect attention and to put a positive spin on what is in the Auditor General's report. I will go through a couple of the key components of what the Auditor General found in his report. I do not have time to go through all of the key findings; I will just go through the ones that are relevant. The first dot point states —

Between 2004 and 2007, the capital budget for FSH grew from \$420 million to \$1.76 billion ...

It is recognised and it was always understood that the \$400 million that was allocated was not a true estimation of the cost of the hospital. We all knew that. We based the cost of PMH on the Labor government's costs for Fiona Stanley Hospital. The costs of the day for building a tertiary hospital —

Several members interjected.

Dr K.D. HAMES: I think I heard the opposition in fair silence; I think it could do the same for me since I do not have that long.

The costs of construction of the day were about \$1 million a bed. For a construction that was going to be, initially, in the order of 680 beds, which was the first estimate, to be completed in, I think, 2006—although the Leader of the Opposition kept going on about 2004 versus 2005 for the construction of Princess Margaret Hospital for Children—the former government estimated 2010 for the construction of Fiona Stanley Hospital, which has now blown out to 2013–14. The former government's blow-out was enormously greater, and it was in government; we made our estimate from opposition without having the full facts, as I have explained in this house before. The scope did not change—the number of beds decreased. Finally, the cost was estimated at \$800 million, and then it grew and it grew, and then the Minister for Health went overseas and saw things that he wanted to incorporate, and suddenly the cost was \$1.76 billion. I understand the reason for it going up, although the delays that continuously occurred at a time of rampant development within the state significantly escalated the cost of providing that infrastructure to the hospital. Hospitals are still being built in some of the other states at not much more than \$1 million a bed. That is the first point. There was an enormous cost blow-out even though, obviously, I do not regard that first figure as being a true cost.

The second dot point states that —

The \$1.76 billion capital budget covers the cost of construction and some fit-out, but not everything needed to open a working hospital.

The criticism that the opposition is throwing at us now about additional costs for things like fit-outs were apparent to the Auditor General as part of the component of the lack of funding by the former government. The former government did not fund, in that budget, all of those things. I have explained that there was, in fact, in the order of \$160 million for equipment for that hospital—a point I clarified in a recent debate—but that still does not cover all the costs, and that is known.

The fourth dot point states —

The opening date for the hospital is between three and a half and four years later than originally planned. Inadequacies in planning the project delayed the start of construction, and the increases in scope extended the construction timeframes.

A member interjected.

Dr K.D. HAMES: Yes, but do not forget the first bit—"Inadequacies in planning the project". The second half of the sentence cannot be disregarded and the first forgotten. The former government was responsible for planning the project, nobody else, and the Auditor General's report states that it was inadequate, which is a severe condemnation of the former government's management of this project.

The next dot point states —

WA Health's parallel planning process did not achieve its objective —

The opposition has not read this report, so it does not know what it states —

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did not achieve its objective of fast tracking approvals:

- WA Health's original business case was behind schedule and had information gaps; it took eight months to fix it.
- FSH Steering Committee oversight was hampered by a lack of timely and accurate information; and this delayed approvals.

What about a couple of the Auditor General's dot points after that about what it is like now? Those dot points state —

- The FSH project has lacked robust financial and project management systems since it started, but these are now being put in place.
- Project governance and management arrangements are now clearly defined ahead of awarding the major construction contract.

We have put those things in place. If members go and see the massive development at that hospital, they will see that it is progressing extremely well. It is on time and it is, despite some of the comments expressed, on budget, and we are very confident that we will achieve the completion and opening of it at the correct time, and do it within the budget that has been allocated. That is progressing extremely well.

I am sorry, Madam Acting Speaker, I have done it in reverse; I have talked about Fiona Stanley Hospital, and I am glad Madam Acting Speaker did not pull me up, because now I will talk about the new children's hospital. As the member stated, we said 2004 from opposition, and I have admitted in the house that we got that wrong.

Mr B.S. Wyatt: It was 2014!

Dr K.D. HAMES: Yes, 2014. I have admitted that we got that wrong. The reason we got it wrong is because the former government had not made public that it had to demolish the L, M and N buildings.

Several members interjected.

Dr K.D. HAMES: I am not suggesting that the former government did anything wrong in not doing that; I am just saying that we did not know about it. Based on the former government's construction program of Fiona Stanley Hospital we made an estimate of time, but we were going to get on with it. The former government was dilly-dallying around, nothing was happening, and it was not committing the funds. Even when it said it was going to build it by 2015, where was the money in the forward estimates in the budget? Where was it? The former government was not going to do a public-private partnership.

Several members interjected.

Dr K.D. HAMES: Where was the money in the former government's budget for the construction of the hospital?

THE ACTING SPEAKER (Ms L.L. Baker): I would just like to perhaps ask the Minister for Health if he would address his comments to the Chair, because I think you will find that if you interact with the other side of the house and ask them for opinions you will get them, and that will bring the reputation of the house down. I would prefer it if you took a slightly more conciliatory line.

Dr K.D. HAMES: Very fair! I am sure it is all my fault, Madam Acting Speaker. I think I am going to self-flagellate over this! It must be my fault.

The ACTING SPEAKER: Can you not do it in the chamber, thank you, minister.

Dr K.D. HAMES: I am pleased that Madam Acting Speaker is paying close attention to this, because she will know now, from my comments, that we admitted, when we came to government, that not only was the plan there for those buildings to be moved that I was not aware of, but also it would have taken that time anyway because sufficient space had not been allocated to build the hospital. It could not go on the site the former government had planned for it because not enough space had been allocated. When the former government calculated the size Princess Margaret Hospital needed to be, it did not take into account all the open spaces needed in a hospital, particularly a children's hospital. It could never go there and we had to find an alternate spot for it. When we did that, we found we had to move the plant as well. Despite our best efforts, there was no way to get that beyond 2015. Yes; we did support a public-private partnership as a way of funding it, but we have explained that the \$350 million will have to be added to in the out years. Sure, that is not in the forward estimates, because the decision has only just been made. Not only that, what is also not in the forward estimates is the \$1.17 billion in additional funds that will come to the state in additional royalties, on top of the \$350 million that is coming. This government has until the completion of construction by 2015 to make sure that all those funding elements are in place for the state government to fully fund the hospital. That will happen, and this government, unlike the

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previous government that dilly-dallied around, is getting on with it. We will have it substantially under construction at the beginning of 2012. By the time we will be judged by the public, it will be substantially under construction, unlike the former Labor government, which went to the site of the Fiona Stanley Hospital, cleared a little patch of land, and said, “Look at us; we’re starting Fiona Stanley Hospital”, when it was miles away from any sign that this hospital was going to be constructed.

The next issue is Royal Perth Hospital. The commitment this government gave—the thing that the former government just cannot seem to get through its head yet—is that we would retain Royal Perth as a tertiary hospital; something the former government was not going to do. When our members went out and campaigned on this issue, they got an enormous response from the community—particularly in the eastern corridor—from people who were incensed by the fact that the former government was going to close it as a tertiary hospital. We got a huge amount of support—particularly the members for Mount Lawley and Swan Hills—because people wanted Royal Perth to be retained as a tertiary hospital. That is what we will do. There is no point doing anything there until Fiona Stanley opens, and that hospital, instead of having the number of beds it has at present—about 680—will come down to 400, which will then give us the space and capacity to get on with the redevelopment project we talked about; building a new west wing and building a new emergency department. I do not have an allocation for the construction of the new west wing and new emergency department in the budget because construction does not have to start until the next term of government. Members opposite have said that I did not say that. I have been criticised by a member of the Liberal Party—he is not a member of Parliament—who asked why those things are not being done this term and why I have committed to doing them next term. I had to explain to him why we made that statement. He got that information from the media, not directly from me. The media had obviously said that that was when we were going to commence the construction process or the redevelopment process—whatever we come up with. I have a team of people working on that now. A preliminary report is due. Before the end of the year, cabinet will make a decision about the composition of the redevelopment. We will ensure, as we have committed, that at the start of the next term of government—if we are successful in being re-elected—we will start that construction. What the people of Mt Lawley should be concerned about is the constant and severe opposition towards this project by members opposite. They will be able to make a judgement about whether they want the Liberal–National government to remain in office, commence that construction and retain that hospital as a tertiary hospital at the next election. Alternatively, they could elect the Labor Party to office, even though it continually criticises its retention and obviously has every intention of closing it.

The last point I want to make relates to the Midland health campus. I will outline some of the commitments made by the previous Labor government. In 2005 the Labor government committed to redevelop Swan District Hospital so that by 2010 it would have an extra 120 beds. The Liberal Party in opposition then released the document that the Leader of the Opposition was reading from earlier. We said that we would build a new hospital in the heart of Midland. We thought that it needed to be located on a greenfields site. Two months after that, the then Minister for Health released a document stating that the Labor government had changed its mind and that it would build a new hospital in the heart of Midland. During the 2006 estimates we were told that it would be completed by 2011. By November 2007 the government had allocated \$193 million to the project and said that the new hospital would open in 2012 with more than 300 beds. Suddenly the proposal was for a 300-bed hospital and a two-stage development. Members should look at the figures again; would \$193 million build a 300-bed hospital? Absolutely no way! The Labor Party did what it is now accusing the Liberal–National government of doing; that is, it had a totally underfunded project. It said that it would cost \$193 million to build a 300-bed hospital. This is what the Labor government did. A December 2007 statement by the former Minister for Health said that the hospital would open in 2012. On 17 March, with the same amount of money in the budget, the government said that the new \$193 million hospital was due to start at the end of 2009. It was no longer giving completion dates; rather, it was giving a start date of 2009.

Mrs M.H. Roberts interjected.

Dr K.D. HAMES: Is Madam Acting Speaker (Ms L.L. Baker) going to do something about the interjections?

Members can imagine my surprise to learn when we came to government at the end of 2008 that construction of the hospital was supposed to start 14 months later, even though no plans had been drawn up and no contracts awarded. There was absolutely nothing. There was not even a pen on the piece of paper.

Mr C.J. Barnett: Be fair; there was a sign.

Dr K.D. HAMES: There was probably another sign. The cost of constructing a 300-bed hospital is in the order of \$360 million, not the \$193 million that had been allocated. Construction was supposed to start 14 months after we came to government even though the design of the hospital had not been put on a piece of paper. There was absolutely no way that the former government—despite protests from local members who have said that we have

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delayed it—was going to start construction when it said it would. It was another empty promise. I am sure some members opposite know about empty hospital promises. I am sure the members for Albany and Kalgoorlie well know about the former government's empty promises about hospitals. Hospitals that the former government said would be built never happened. They were put off again and again. I well remember the Minister for Health saying at the time that the reason he put off constructing the Kalgoorlie hospital was that the market was overloaded and there was no-one around to build it. What a lot of nonsense!

The ACTING SPEAKER (Ms L.L. Baker): Order, members! Please cut out the background talk. I am very interested to hear what the Minister for Health has to say; indeed, I am hanging on his words.

Dr K.D. HAMES: Thank you very much, Madam Acting Speaker. You always pay close attention when I am speaking and I appreciate that.

The matter of public interest motion has been modified to reflect the true state of affairs and to be a reflection of the management of the former government. It mismanaged the new children's hospital. It never reached the stage at which it could have built it on time because it did not allocate funds. It criticised the public-private partnership, but it never put up the money for the construction of that hospital. It mismanaged the Midland hospital and it did not put up funds for the construction of that hospital. It was going to close Royal Perth Hospital as a tertiary hospital. Our commitment to keep Royal Perth Hospital as a tertiary hospital helped us win government.

MR M.W. SUTHERLAND (Mount Lawley — Deputy Speaker) [3.37 pm]: I rise in support of the Minister for Health's comments. I have been involved with the Royal Perth Hospital saga since 2004 when I was on the Perth City Council. Since those early days, and more particularly when things hotted up in 2007, the council was vehemently opposed to the closing of the hospital. The reason that the council opposed the closing of the hospital—that reason remains valid today—is that the hospital employs approximately 7 000 staff, of whom 4 007 are full-time equivalents. We are familiar with the Royal Perth Hospital precinct and the number of services in that precinct, including the Australian Red Cross blood donor service, the Aboriginal Alcohol and Drug Services on Royal Street, the East Metropolitan Drug and Alcohol Centre on Moore Street and the main Department of Health offices on Royal Street. It was with great trepidation that the council thought about the closing of that hospital. Each year the hospital treats approximately 73 000 inpatients and approximately 225 000 outpatients from across the metropolitan area. Thirty per cent of patients come from the south metropolitan area, 20 per cent from the rural areas and 50 per cent from the north metropolitan area, which, of course, encompasses Mt Lawley, Perth and the inner-city suburbs. We know what happened in the lead-up to the 2008 election when the Labor Party was intent on severely reducing the size of Royal Perth Hospital. We must always consider the great difficulty of moving people around the city. It is very difficult to get transport from the northern suburbs to Sir Charles Gairdner Hospital, whereas it is quite easy to gain access to Royal Perth Hospital via the Perth railway station. Most of us who have been to major cities know that most if not all major cities have a big government hospital within walking distance or within a short distance of the city's main railway station. I think that we would have great transport difficulties were we to try to funnel all these people from Royal Perth Hospital, if it was to close, to Sir Charles Gairdner Hospital, because we know about the difficulties experienced at the Sir Charles Gairdner Hospital site. Another thing we should always keep in mind is that the population of the metro area is increasing at a rate of approximately 30 000 a year. It has always been my contention that irrespective of the mechanics of this, Royal Perth Hospital would not close because population pressure would be such that it would necessitate keeping the hospital open.

We have moved on from there. The Labor Party continually says that we should go back to the original plan of considerably reducing the size of the hospital and removing its tertiary status. As the minister has explained, why would we start rebuilding at Royal Perth Hospital until such time as Fiona Stanley Hospital was finished? We would be able to take up slack at Fiona Stanley Hospital when redoing Royal Perth Hospital. Those members familiar with the site will know that there is a lot of wasted land there. The land that is next door to St Mary's Cathedral will be in great demand. The cathedral has been tidied up; it is a magnificent building and precinct. Smart apartment buildings have been built on Adelaide Terrace and Mercedes College is in the area. It would be a great location for the total redevelopment of the south side of the Royal Perth Hospital precinct. There could be apartment buildings, medical suites and business premises, and I believe that there would be great demand from people wanting to live in that location. The block on the northern side is only about 20 years old and there is no reason why it should not remain in existence. There are a number of heritage buildings on the south side of the footprint, and no doubt when the surrounding buildings have been built, it will also improve the ambience of the area.

There has been nothing muted or equivocal about the comments made by the Liberal Party in reference to the redevelopment of Royal Perth Hospital. It will continue to operate as a tertiary hospital and it will be redeveloped once Fiona Stanley Hospital is underway. I believe that a committee of which the member for

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Ocean Reef is a member will be reporting at the end of July on the possibility of redeveloping that site. As I have pointed out, I believe there is great potential to free up a lot of land for housing and business development. It makes sense to redevelop Royal Perth Hospital during the second term of this government. I must say that my constituents are very happy about the stance that the Liberal Party has taken. I certainly do not get any complaints from my constituents or from the people of Perth and surrounding suburbs about the stance the Liberal Party has taken on Royal Perth Hospital.

MR B.S. WYATT (Victoria Park) [3.43 pm]: I rise to speak to this matter of public interest, although in opposition to the amendment moved by the Deputy Premier. Herein lies the problem; two years into the government, the Minister for Health and the government are still obsessing over the former government. The minister is now on a big wage, making a quarter of a million each year; it is time he started taking responsibility for what he is delivering. He should stop obsessing about the former government and start taking responsibility for his commitments. For some reason the government does not like it when the opposition points out its broken election commitments on timing and costs. We all heard the Premier's comment about the delay of the construction of Princess Margaret Hospital for Children to 2015. He said that somebody, somewhere may have mentioned 2014. I remind him that he was the person who mentioned 2014, during the election campaign. He stood before the people of Western Australia and told them that if they elected him, the Liberal Party would deliver the new Princess Margaret Hospital for Children before the Labor Party would. That is why we hold these mirrors up to the government.

The member for Mount Lawley has sold out his electorate; now he is saying that it was never a first-term commitment and that it was not a core promise to complete Royal Perth Hospital in the first term. It is now the second term; the member has been sitting next to the member for Swan Hills for too long! The member for Swan Hills sold out his electorate on the Ellenbrook rail line. The member for Mount Lawley may not be getting a quarter of a million, but he has a tea set and he is abandoning everything he stood for when he sat on the city council. Shame on the member for Mount Lawley!

The Minister for Health might have mentioned during the election campaign that he would maintain RPH as a tertiary hospital. He did not go on to say that all the people in the eastern and southern suburbs would have to get ready to have their own community-based hospitals wound back and for services to be withdrawn, because he knows as well as we do that he cannot commit to RPH as a tertiary facility without making an impact on broader health services. Bentley Hospital in my electorate is a fine example. It specialises in mental health and obstetric services and has a day surgery. It has been there a long time, servicing an area of Perth that has a low socioeconomic base. Former governments have built cluster homes there around the mental health facilities to service people living in the community who are struggling with mental health problems. The government knows that it will have to find money in the future to pay for this unsustainable commitment. It is withdrawing services from the community as a result and dispersing them amongst the rest of the community. We have seen in the clinical frameworks report that by the end of 2014 there will be not one bed allocated to Bentley Hospital. That is the reality of this commitment.

Last year the Under Treasurer, Tim Marney, pulled the pants down on the Minister for Health, the Premier and the former Treasurer. During a hearing of the Legislative Council's Standing Committee on Estimates and Financial Operations, he made it clear that the government does not have the financial capacity to maintain Royal Perth Hospital at full service while operating Sir Charles Gairdner Hospital and the new Fiona Stanley Hospital. More disturbingly, the point was made in last year's budget that the financial consequences of maintaining RPH alongside Fiona Stanley Hospital were yet to be determined or considered by the government. The point was made then that the allocations would appear in the forward estimates of the next budget—the one we have just finished debating. Never—never land! It had to come in, but have we seen it? No. We now know—thanks to a document that was tabled with the Public Accounts Committee last year by Mr Richard Mann, from the Office of Strategic Projects—that the original budget for the new Royal Perth Hospital was \$10 million and the current approved budget is \$10 million; however, when we look at the arrows, all we see is “to be determined”. All that has been allocated to Royal Perth Hospital is \$10 million. Perhaps the most significant financial iceberg of all still entered the forward estimates. What impact will that have on debt, fees and charges and the broader health system? We are already seeing hospitals like Bentley Hospital being wound back to fund the unsustainable commitments being made by this mob on the government side of the house.

Even more interesting is the new children's hospital. I refer to a document dated 30 April 2010, in which reference is made to the original budget of \$207 million. The Minister for Health then said that it was all our fault and that the government had got it wrong because it had copied us. He is still harking back to two years ago, with his ministerial wage tucked away in his back pocket—“It's not my problem; it's a problem created by the previous government.” When we looked at the anticipated final costs, well before the Premier announced his windfall from BHP and Rio Tinto, we saw that it is \$928 million. That is before a sod has been turned and the

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plans have been finalised. We now have a blow-out. There is a hole in this budget of \$500 million for Princess Margaret Hospital for Children. There is also a potential \$700 million to \$1 billion hole in the budget for Royal Perth Hospital. As the member for Nollamara has mentioned, there is as a result great uncertainty in the medical and health sector, because we do not know what else has to be cut to pay for these plans that are yet to be allocated any money in the budget or the forward estimates. As a result, we will see those debt figures—the never-never land debt figures—rise. The extra \$1.3 billion over the next four years in the BHP Billiton–Rio Tinto deal will not have any impact on debt at all.

Mr C.J. Barnett: What? It already has.

Mr B.S. WYATT: It will have no impact on debt at all and we will see debt continue to rise. When the Labor Party was in government, we had the Reid report. We had a plan to deliver a sustainable health system over the forward years. That was the purpose of the Reid report: to stop health services consuming more and more of the state budget. If Liberal members go to an election, as is their right, with a commitment to Royal Perth Hospital and Princess Margaret Hospital for Children with time lines and budgets, then they must meet them. They must be honest to the people of Western Australia about why funding for Bentley Hospital is being withdrawn; why the services there are being cut; why the people with mental illnesses in my electorate must now go to Armadale for services that were formerly supplied by Bentley Hospital; and why by 2014 not one bed will be allocated to Bentley Hospital. This is the reality of unsustainable election commitments.

The minister can come into this place and claim all he wants that this is the fault of the former government. This government is two years in. It is time for the member and the Premier to understand that with two years in, the government is theirs. These are their commitments. Yes, they matched the former government, because that seemed to be the whole strategy of their election commitments: “We want to do what Labor is doing.” The members for Mount Lawley and Swan Hills bottled those two commitments. They sold out their own constituencies within the blink of an eye in respect of the train line and RPH in their first term—gone; gone! Let me make it clear that their constituents will continue to hold them to account for those issues because the Minister for Health got to his feet and moved the amendment to focus on the former Labor government. The Minister for Health has been drawing his ministerial wage for two years and it is time the people of Western Australia started to reflect on what this government is delivering and when it is going to be delivered. I can guarantee that by the time the next election rolls around not one project planned, started and paid for by this government will have been delivered. This government will have cut the ribbons on projects of the former Labor government while complaining at the same time that the former Labor government caused the current government all these problems. The member for Mount Lawley should remember that when he is drinking his tea from his gift from the City of Perth.

Mr M.W. Sutherland interjected.

Mr B.S. WYATT: He should remember that, because he has sold out his constituents, as has the member for Swan Hills. It is time for the Minister for Health to take responsibility for the mismanagement in the health sector that is starting to unravel under his watch.

Several members interjected.

The ACTING SPEAKER (Ms L.L. Baker): Members! Before I give the call to the member for Swan Hills, I remind members that they need to tie their speech into the amendment moved, which is the deletion of the word “Barnett” and the substitution of the words “former Labor”.

MR F.A. ALBAN (Swan Hills) [3.52 pm]: I will talk all about the former Labor government. It is interesting to note that when I first became a member of Parliament I actually came face-to-face with the former Labor government. I was prepared to be, I might say, Christian and understanding because I am not really malicious. I bear no malice towards the opposition.

Several members interjected.

The ACTING SPEAKER: Members!

Mr F.A. ALBAN: I lived in the Midland electorate and, as members probably know, I spent a bit of time as a councillor with the City of Swan. Perhaps I will share a few memories with them.

Mrs M.H. Roberts interjected.

Mr F.A. ALBAN: It may not be a good idea for the member for Midland to interject. She has been the member for 18 years, and it is possibly the worst electorate in the whole of Western Australia for funding.

Several members interjected.

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The ACTING SPEAKER: Members! Once again I remind members when they are on their feet to direct their comments to the Speaker or the Acting Speaker and they will not have to deal with interjections.

Mr F.A. ALBAN: I will; thank you, Madam Acting Speaker. Before I became a member of Parliament, I had been a councillor at the City of Swan since 2003. What did I see and what did I hear there?

Mr P. Papalia interjected.

The ACTING SPEAKER: Member for Warnbro!

Mr F.A. ALBAN: I saw promise after promise, more talk and no action. But why? This is Labor heartland. Labor has held the seat of Midland for 18 years. It also holds the seat of Bassendean. It had previously held the seat of Swan Hills. Members would imagine that there would have been so very much progress and so very much activity. So what did we get?

Several members interjected.

Mr F.A. ALBAN: I do not have much time but I will mention one item. I sat on the council of the City of Swan year after year. What did we talk about?

Several members interjected.

Mr F.A. ALBAN: We talked about all these projects, but the most memorable one —

Several members interjected.

The ACTING SPEAKER: Members, this debate needs to be heard! I ask members to please let the member for Swan Hills get out the points that he wants to without the constant screaming across the chamber.

Mr F.A. ALBAN: Thank you, Madam Acting Speaker.

Mr D.A. Templeman interjected.

The ACTING SPEAKER: Member for Mandurah, I call you for the first time!

Mr F.A. ALBAN: The most memorable —

Mr P. Papalia interjected.

The ACTING SPEAKER: Member for Warnbro!

Mrs M.H. Roberts interjected.

The ACTING SPEAKER: And member for Midland!

Mr F.A. ALBAN: The most memorable project in the whole time I was a councillor on the City of Swan was the Lloyd Street extension. Every month and every year there would be —

Mrs M.H. Roberts interjected.

The ACTING SPEAKER: I am sorry, members!

Point of Order

Mr M. McGOWAN: Madam Acting Speaker, you have asked a number of times that the member in his comments address the amendment moved by the Deputy Premier. At no point has he done that.

Mr F.A. Alban: A bit of a worry, isn't it?

Mr M. McGOWAN: He is now talking about some road out in the eastern suburbs of Perth.

The ACTING SPEAKER: Thank you, member. Again, I ask that members speak to the amendment moved, which is to delete the word "Barnett" and substitute the words "former Labor".

Debate Resumed

Mr F.A. ALBAN: Thank you, Madam Acting Speaker. I will mention Barnett as well. He is the Premier and he is on our side! He is a lovely man; probably the best Premier we have ever had!

Several members interjected.

Mr F.A. ALBAN: I will finish on the Lloyd Street extension because the opposition sold the land below it. A two-year-old child would not have resorted to that action; it would have had more brains than to sell land over which a project was going. Thank you, Madam Acting Speaker.

Several members interjected.

Extract from *Hansard*
[ASSEMBLY - Wednesday, 23 June 2010]
p4481c-4493a

Speaker; Mr Eric Ripper; Mr Roger Cook; Ms Janine Freeman; Dr Kim Hames; Acting Speaker; Mr Michael Sutherland; Mr Ben Wyatt; Mr Frank Alban

Amendment (deletion of words) put and a division taken with the following result —

Ayes (27)

Mr P. Abetz	Mr V.A. Catania	Dr G.G. Jacobs	Mr C.C. Porter
Mr F.A. Alban	Mr J.H.D. Day	Mr R.F. Johnson	Mr D.T. Redman
Mr C.J. Barnett	Mr J.M. Francis	Mr A. Krsticevic	Mr A.J. Simpson
Mr I.C. Blayney	Mr B.J. Grylls	Mr W.R. Marmion	Mr M.W. Sutherland
Mr J.J.M. Bowler	Dr K.D. Hames	Mr P.T. Miles	Mr T.K. Waldron
Mr T.R. Buswell	Mrs L.M. Harvey	Ms A.R. Mitchell	Mr J.E. McGrath (<i>Teller</i>)
Mr G.M. Castrilli	Mr A.P. Jacob	Dr M.D. Nahan	

Noes (23)

Ms L.L. Baker	Mr J.C. Kobelke	Mr P. Papalia	Mr C.J. Tallentire
Ms A.S. Carles	Mr F.M. Logan	Mr J.R. Quigley	Mr A.J. Waddell
Mr R.H. Cook	Ms A.J.G. MacTiernan	Ms M.M. Quirk	Mr M.P. Whitely
Ms J.M. Freeman	Mr M. McGowan	Mr E.S. Ripper	Mr B.S. Wyatt
Mr J.N. Hyde	Mr M.P. Murray	Mrs M.H. Roberts	Mr D.A. Templeman (<i>Teller</i>)
Mr W.J. Johnston	Mr A.P. O’Gorman	Ms R. Saffioti	

Pairs

Mr I.M. Britza	Mr P.B. Watson
Dr E. Constable	Mrs C.A. Martin

Amendment thus passed.

Amendment (insertion of words) put and passed.

Matter of Public Interest, as Amended

Question put and a division taken with the following result —

Ayes (28)

Mr P. Abetz	Mr V.A. Catania	Mr A.P. Jacob	Dr M.D. Nahan
Mr F.A. Alban	Mr M.J. Cowper	Dr G.G. Jacobs	Mr C.C. Porter
Mr C.J. Barnett	Mr J.H.D. Day	Mr R.F. Johnson	Mr D.T. Redman
Mr I.C. Blayney	Mr J.M. Francis	Mr A. Krsticevic	Mr A.J. Simpson
Mr J.J.M. Bowler	Mr B.J. Grylls	Mr W.R. Marmion	Mr M.W. Sutherland
Mr T.R. Buswell	Dr K.D. Hames	Mr P.T. Miles	Mr T.K. Waldron
Mr G.M. Castrilli	Mrs L.M. Harvey	Ms A.R. Mitchell	Mr J.E. McGrath (<i>Teller</i>)

Noes (23)

Ms L.L. Baker	Mr J.C. Kobelke	Mr P. Papalia	Mr C.J. Tallentire
Ms A.S. Carles	Mr F.M. Logan	Mr J.R. Quigley	Mr A.J. Waddell
Mr R.H. Cook	Ms A.J.G. MacTiernan	Ms M.M. Quirk	Mr M.P. Whitely
Ms J.M. Freeman	Mr M. McGowan	Mr E.S. Ripper	Mr B.S. Wyatt
Mr J.N. Hyde	Mr M.P. Murray	Mrs M.H. Roberts	Mr D.A. Templeman (<i>Teller</i>)
Mr W.J. Johnston	Mr A.P. O’Gorman	Ms R. Saffioti	

Pairs

Mr I.M. Britza	Mr P.B. Watson
Dr E. Constable	Mrs C.A. Martin

Question thus passed.