

REPORT TO PARLIAMENT
on a review of the operation and effectiveness of
the *Queen Elizabeth II Medical Centre Act 1966*
submitted by the
MINISTER FOR HEALTH
JANUARY 2006

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INTRODUCTION

The Queen Elizabeth II Medical Centre ("the QEII Medical Centre") is situated on a 28.4749-hectare Class A Reserve, Number 33244, Swan Location 9075 ("the Reserve") and is located in Nedlands approximately 4 kilometres from the Perth Central Business District. The reserve is set aside under the *Queen Elizabeth II Medical Centre Act 1966* ("the QEII Act") for the purpose of establishing and maintaining a medical centre.

The Reserve is generally bounded by Aberdare Road to the North, Winthrop Avenue and Kings Park to the East, Monash Avenue to the South, and Hollywood Private Hospital and residential areas to the West.

The QEII Medical Centre accommodates 34 organisations with the major ones being Sir Charles Gairdner Hospital, the University of Western Australia (Faculty of Medicine and Dentistry), the Western Australian Centre for Pathology and Medical Research (PathWest), the Lions Eye Institute, the Western Australian Institute for Medical Research and the Niche.

ENABLING LEGISLATION AND REQUIREMENT TO REVIEW THE ACT

The Queen Elizabeth II Medical Centre Trust ("the QEII Trust") is a statutory body, established under the QEII Act to undertake the development, control and management of the Reserve created under the QEII Act.

The establishment of the QEII Trust (previously known as the Perth Medical Centre Trust) arose out of the need for an independent body to monitor and control the usage of the land which was previously owned by the University of Western Australia and upon which the Government of the day wished to establish a medical centre.

Section 21 of the QEII Act provides:

- "(1) The Minister shall carry out a review of the operation and effectiveness of this Act as soon as practicable after 1 January 1991 and after the end of each successive period of five years calculated from that date, and in the course of that review the Minister shall consider and have regard to -
- (a) the attainment of the object of this Act;
 - (b) the administration of the Act;
 - (c) the effectiveness of the operations of the Trust and of each committee referred to in section 12, each delegate under section 13, each managing body referred to in section 16 and each Appointments Committee referred to in section 16;
 - (d) the need for the continuation of the Trust and each committee, delegate, managing body and Appointments Committee referred to in paragraph(c); and
 - (e) such matters, other than those referred to in paragraphs (a) to (d), as appear to the Minister to be relevant.
- "(2) The Minister shall prepare a report based on the review referred to in sub-section (1) and shall, as soon as is practicable after its preparation, cause that report to be laid before each House of Parliament."

The requirement to submit a report under section 21 of the QEII Act

has not been met to date.

Each of the matters referred to in paragraphs (a) to (e) inclusive of section 21(1) of the QEII Act will be addressed in turn:

(a) The attainment of the object of the QEII Act

The object of the QEII Act was to enable a medical centre to be established on the Reserve and to constitute a body corporate, namely the QEII Trust, for the development, management and control of the Reserve.

The object of the QEII Act has been attained in that:

- The Reserve was reserved pursuant to section 6 of the QEII Act for the purpose of establishing and maintaining thereon a medical centre.
- The QEII Medical Centre established on the Reserve has been developed, managed and controlled by the QEII Trust as a medical centre of national and international repute within the existing geographic, environmental and functional constraints in a planned and methodical way.
- The development of the site has been achieved through a co-operative approach between the QEII Trust, tenants, and the relevant academic and professional schools of learning providing teaching and research resources to the QEII Medical Centre and the State.
- The QEII Trust has also ensured the provision of appropriate on-site facilities for the clinical teaching of undergraduates and graduates in medicine, nursing and allied health professions.

(b) Administration of the QEII Act

The administration of the QEII Act has been placed under the control of the Minister for Health.

The QEII Trust generally plays no active part in the management of the respective facilities on the site or the operations of site users unless any activity is detrimental to the reserve or adversely affects the facilities and/or operations of other site users.

Whilst the QEII Trust is responsible for the development, control and management of the QEII Medical Centre, it is not directly involved in the day-to-day management of the site.

Day to day management of the site is undertaken by the Board of the Sir Charles Gairdner Hospital, as the delegate of the QEII Trust.

Each year the QEII Trust has submitted an audited annual report to the Minister for Health which is tabled in Parliament.

- (c) The effectiveness of the operations of the Trust and of each committee referred to in section 12, each delegate under section 13, each managing body referred to in section 16 and each appointments committee referred to in section 16.

The QEII Trust

The QEII Trust is a body corporate constituted under section 7 of the QEII Act. The QEII Trust consists of 5 members, three of whom are Ministerial appointments and two of whom are representatives of the Senate of the University of Western Australia. The current members are Her Honour Judge VJ French, Mr A Chuk, Mr RHC Turner AM, Professor Puddey and Ms G McMath.

Committees

Section 12 of the QEII Act gives the QEII Trust the power to delegate to a committee of members or a committee of members and other persons, any of its powers under the QEII Act except the power of delegation.

The QEII Trust has not delegated its powers in accordance with section 12 of the QEII Act.

Delegates

Section 13 of the QEII Act enables the QEII Trust to set aside the whole or any part of the Reserve ("called the site") for such purposes incidental to the medical centre as it thinks fit and, to delegate in respect of the site to any person specified in all or any of its powers under the QEII Act other than those specified in section 13(2a) of the QEII Act.

By an instrument of setting aside and delegation published in the Government Gazette on 24 October 1986 the whole of the Reserve was set aside and the powers of the Trust were delegated to the Board of the Sir Charles Gairdner Hospital established under the *Hospitals and Health Services Act 1927* ("the Hospitals Act").

The Board of the Sir Charles Gairdner Hospital upon delegation made the Queen Elizabeth II Medical Centre (Delegated Site) By-laws 1986 ("the By-laws") which were published in the Government Gazette on 24 October 1986 and amended in 2001. The By-laws regulate behaviour and control traffic, including parking, on the site.

Under the instrument of delegation, the Board of the Sir Charles Gairdner Hospital is responsible for the day-to-day management of the Reserve, including general administration, management and other statutory requirements in relation to the Reserve. The principal day-to-day operations undertaken by the Board of the Sir Charles Gairdner Hospital on the Trust's behalf are:

- maintenance of the Reserve (gardens, grounds, roads and paths);
- provision of parking facilities and control of traffic movement on site;

- management of tenancy agreements; and
- security.

The Sir Charles Gairdner Hospital is required to manage the revenue and expenditure for Trust related activities in a separate account. This ensures that the income derived from QEII Trust activities, principally parking fees and lease rents, is applied to the development and maintenance of the medical centre (gardens, grounds, roads, paths, lighting, security etc).

Managing body and Appointments Committee of teaching hospital

Each teaching hospital on the reserve was originally required to have a managing body and an Appointments Committee to nominate persons for appointment by the managing body of the hospital to the medical staff: see section 16(1) and (3) of the QEII Act. However, these provisions were not able to be complied with since individual hospital boards were abolished and the hospitals brought in under the Metropolitan Health Services Board. Accordingly, the QEII Act was amended by the *Health Legislation Amendment Act 2004* to resolve any legal uncertainty arising from non-compliance with section 16 of the QEII Act since the establishment of the Metropolitan Health Service Board and to remove the requirement to have a managing body and an Appointments Committee where the Minister is the managing body of the hospital: see section 16(7a) of the QE II Act.

The managing body of the Sir Charles Gairdner Hospital is currently the Minister in his incorporated capacity as the board of the hospitals formerly comprised in the Metropolitan Health Service Board pursuant to section 7 of the Hospitals Act. Therefore, no managing body or Appointments Committee is required.

From 1997-2002 the then Chairman of the Trust, the Hon Geoffrey Kennedy OA QC attempted to initiate a legislative review of the QEII Act. The planned review of the QEII Act was superseded by a separate review process following the establishment of the Machinery of Government Task Force. The Machinery of Government Task Force recommended that all statutory authorities and Government bodies, established under specific legislation, be reviewed to determine if their continued existence was warranted or whether the function could be as effectively carried out by an existing Government Department. In May 2002 the QEII Trust provided information to the Department of Health as part of this process.

- (d) The need for the continuation of the Trust and each Committee, Delegate, Managing Body and Appointments Committee referred to in paragraph (c)

The Report of the Health Reform Committee "A Healthy Future for Western Australians" published in March 2004 ("the Reid Report") made a number of recommendations pertaining to the site of the QEII Medical Centre. In particular, it was recommended that there should be a tertiary hospital in the Northern Area Health Service to be located on either the Royal Perth Hospital site or the QEII Medical Centre site. The QEII Medical Centre Site has since been endorsed as the appropriate site.

The QEII Trust is currently closely involved with the site structure planning, access planning and master planning associated with the recommendations of the Reid Report. The Site Structure Plan is due for completion in June 2006. Site Master Planning is scheduled to commence in March 2006. These two plans will support the preparation of a Capital Development Plan for the site.

As the major redevelopment phase of the site approaches completion in 5 years time, the QEII Trust needs to ensure that it is positioned to respond to the emerging needs and expectations of key stakeholders.

The QEII ensures that the interests of the QEII Trust and other site user groups are factored into the \$550m redevelopment of Sir Charles Gairdner Hospital, through participation in the Sir Charles Gairdner Hospital Project Control Group and Redevelopment Committee. The QEII Trust has employed a Finance and Business Officer to assist in this process.

The QEII Trust will also need to ensure that its limited resources and income streams are commensurate with the increasing complexity and costs of managing the massive increase in infrastructure and activity on the site.

At the time of the next 5 yearly review of the QEII Act in 2011, the QEII Trust's role and membership may require review due to the impact of the current health reforms and the significant redevelopment of the site.

The QEII Trust and the Sir Charles Gairdner Hospital, as the delegate of the QEII Trust, are required to continue the work initiated when the QEII Act commenced and to assist in the further control, management and development of the Reserve as a result of the recommendations contained in the Reid Report.

- (e) Such Matters, other than those referred to in paragraphs (a) to (e), as appear to the Minister to be relevant.

Landlord-Tenant Relationships

In a report by the Auditor General for Western Australia entitled "Under the Microscope: Support for Health and Medical Research in Western Australia" (Report 8 October 2004) it was stated:

"The QEII Medical Centre Trust and Sir Charles Gairdner Hospital support seven independent research institutes at the Nedlands QEII Medical Centre through the respective provision of accommodation and infrastructure services. This support is generally not underpinned by rental or service agreements, leaving uncertainty regarding tenancy arrangements and respective financial and other obligations.

The QEII Medical Centre Trust provides accommodation support, which it currently valued at \$911 998 per year, to these seven research institutes. The Trust has lease agreements with only two of the seven research institutes, which provides for a peppercorn rental of \$1 per year. The remaining five tenancies do not have lease agreements.

Of the two institutes with agreements, a breach in relation to allowed activities was identified under one agreement. This underscores the importance of having

documented arrangements in place, not only to establish tenancy entitlements, but more importantly to effectively manage tenancies.

Sir Charles Gairdner Hospital, as the principal tenant on the QEII Medical Centre site, provides infrastructure services to the seven institutes and recoups in the order of \$1.5million per year from the institutes. Again, there are only two documented agreements in place. The services provided include administration and clerical support, technical medical support, and drug supplies. The extent to which the \$1.5million recovers these services is not known because rates of recoupment have been established on an ad-hoc and case-by-case basis. It appears a reliable quantification of those costs has not been undertaken.

The QEII Medical Centre Trust has advised that identification of all tenancy and service provision arrangements and their costs and benefits is now in progress." (at 19-20)

Additional Administrative Support

The QEII Trust has appointed a full-time Finance and Business Officer due to the increasing complexity of managing the QEII Trust's affairs. Mr D Sinclair was appointed to the position in December 2004.

Parking and access issues at the site

As activity increases at the site, staff, visitors and patients are finding it increasingly difficult to access the site. The QEII Trust has taken action over recent years to improve the situation pending the finalisation of the Structure Plan and associated Parking Management and Access Plan.

A total of 7 TransPerth bus routes traverse the QEII Medical Centre including the Circle Route (routes 98 and 99) and the Subiaco Shuttle (route 97). The Subiaco Shuttle is subsidised by the QEII Trust.

The QEII Trust has encouraged the use of alternative transport options, such as the Subiaco Shuttle Bus Service, the Circle Route, and using bicycles to ride to work, where possible. The QEII Trust has confirmed its ongoing contribution of 10% towards the cost of operating the Subiaco Shuttle Bus Service.

A number of short-term measures have been completed by the QEII Trust, including converting grassed areas to parking areas and reconfiguring car parks to improve the efficiency of the layout. Over 300 additional temporary and permanent car-parking bays have been provided over the past three years.

The QEII Medical Centre draft Structure Plan identifies two possible areas where multi-storey car parks could be constructed to more effectively address car-parking pressure on the site.

The QEII Trust is currently participating in a Travel Smart Workplace Programme to develop a Green Transport Plan for the site. A Green Transport Plan assists employers to reduce car trips to workplaces and seek other transport alternatives.

In 2005 the QEII Trust appointed a part-time Travel Smart co-ordinator to help raise awareness and to promote alternative means of accessing the site.

Each fortnight at the Sir Charles Gairdner Hospital orientation day, the Finance and Business Officer presents alternative travel information to new employees to the site.

Community and site user liaison

Each year, a site survey of all site user groups is undertaken to obtain feedback on satisfaction levels with parking, lighting, landscaping and access to the site issues. This information is used to prepare audited key performance indicators (KPI's) for the Trust's annual reporting process.

The QEII Trust has continued to publish a quarterly Campus Bulletin. This bulletin, which is distributed internally and externally, provides readers with an update of issues of interest on the QEII Medical Centre site.

The QEII Trust also arranges bi-monthly Site User Liaison Meetings to discuss site and hospital-related issues.

The QEII Trust also created the QEII Medical Centre Intranet Website and this can be accessed by www.qeii.health.wa.gov.au.

Information about the QEII Trust's activities, links to other site users and site maps are also available through this website.

The QEII Trust regularly liaises with the City of Nedlands, City of Subiaco, University of WA and the local community.

Financial viability of the QEII Trust

Whilst the QEII Trust is responsible for the control, management and development of the Reserve, it does not own the Reserve.

The QEII Trust receives limited income from parking fees, commercial leases and the issuing of infringement notices on the site. The QEII Trust has responsibility for the site's assets.

The QEII Trust essentially has responsibility for all underground and external assets including services, paths and car parks. Site users are generally only responsible for assets within their respective buildings with no responsibilities to maintaining external assets. The Sir Charles Gairdner Hospital is responsible for site service such as central plant, engineering workshops and the communicate centre.

The QEII Trust is considering developing a ten-year business plan that will outline assets, replacement, and maintenance and revenue streams.