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

Our Ref: 4-111244

The Hon Greg Hunt MP
Minister for Health
Parliament House
CANBERRA ACT 2600

Via email: s47E(d) [redacted]@health.gov.au

Dear Minister Greg,

COMMONWEALTH COMMUNITY HEALTH AND HOSPITALS PROGRAM – EXPENDITURE REVIEW COMMITTEE CONSIDERATION

Thank you for the letter from the Secretary of the Commonwealth Department of Health dated 24 December 2018 inviting expressions of interest for Community Health and Hospital Program (CHHP) funding.

I am pleased to provide the attached expressions of interest for CHHP funding on behalf of the Western Australian Government. I look forward to the Commonwealth's response regarding successful projects in due course

Yours sincerely

s47F [redacted]

HON ROGER COOK MLA
DEPUTY PREMIER
MINISTER FOR HEALTH; MENTAL HEALTH

Att:

cc: Hon Mark McGowan MLA, Premier
Hon Ben Wyatt MLA, Treasurer

13th Floor, Dumas House, 2 Havelock Street, WEST PERTH WA 6005
Telephone: +61 8 6552 6500 Facsimile: +61 8 6552 6501 Email:Minister.Cook@dpc.wa.gov.au

Australian Government
Department of Health

Secretary

Dr David Russell-Weisz
Director General
WA Department of Health
PO Box 8172
PERTH BUSINESS CENTRE WA 6849

Dear Dr Russell-Weisz / Russ,

I am writing to you about the Community Health and Hospital Program the Prime Minister announced on 12 December 2018.

The $1.25 billion program over 4 years will fund projects and services to support patient care while reducing pressure on community and hospital services.

Under the program, the Government will work with communities, states and territories, health and hospital services and research institutions across four key areas:

- Specialist hospital services such as cancer treatment, rural health and hospital infrastructure
- Drug and alcohol treatment
- Preventive, primary and chronic disease management
- Mental health

We are therefore seeking expressions of interest from state and territory governments of potential projects and services within the areas mentioned above. Your proposals for projects should be submitted to the Department by close of business 1 February 2019 so they can be considered in the initial allocation.

In submitting proposals, please be aware that the Government has required the Community Health and Hospital Program to deliver projects that service every state and territory and that funding is generally available for projects of up to 4 years' duration commencing in the current financial year. However, the Government will consider on a case by case basis proposals which may have a longer time period.

Phone: (02) 6289 s22 Email: Glenys.Beauchamp@health.gov.au
Scarborough House, Level 14, Atlantic Street, Woden ACT 2606 - GPO Box 9848 Canberra ACT 2601 - www.health.gov.au

In providing your views, we would recommend you consider projects that support activities or programs which are new or expanding projects already under way as part of the Co-ordinated Care Bilateral Agreement or which progress the development of one or more long-term reforms outlined at clause 7c in the Heads of Agreement on public hospital funding and health reform.

Please include documentation that:

- describes the proposed projects including rationale, target populations (if applicable), scheduled stages, timing, and anticipated outcomes;
- provides the estimated cost of each project to enable the Commonwealth to assess whether the value of projects; and,
- includes an evaluation of the benefits and learnings from the projects, including supporting data, where available.

Expressions of interest should be forwarded by 1 February 2019 to the Community Health and Hospital Program at the following email address s47E(d) [redacted]@health.gov.au.

We look forward to working with the Western Australian Government on this important program.

Yours sincerely

s47F [redacted]

Glenys Beauchamp

24 December 2018

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COMMUNITY HEALTH AND HOSPITALS PROGRAM
EXPRESSIONS OF INTEREST

Project title
Advancing the integration and improving the patient journey for better health outcome - Eating Disorders Project: Establishing a Day Program

State/territory and contact details
Department of Health Western Australia
Sarah Walsh
A/Director
Policy and Intergovernmental Relations Unit
Tel: (08) 9222 4117
Email: IGR@health.wa.gov.au

Key program areas

- ☒ **Specialist hospital services such as cancer treatment, rural health and hospital infrastructure**
- ☐ Drug and alcohol treatment
- ☒ **Preventive, primary and chronic disease management**
- ☒ **Mental health**

Project description
The Eating Disorders Project has been established to develop a refined, state-wide model of care for eating disorders to enable the submission of a costed model to the Department of Health (WA). Through this Project the NMHS will look to implement a full suite of subacute and outpatient services, so care is available for patients at all points of their care pathway and is flexible to meet individual patient needs.

This proposal is for one component of the broader suite of subacute and outpatient services. The proposal is to support the establishment of a WA Eating Disorder Day Program (Day Program). The Day Program is intended to help meet currently unmet clinical needs of patients with eating disorders by maintaining patient flow and minimising access block between inpatient and outpatient settings. It will enable both a 'step-up' approach from existing community-based services, providing an alternative to inpatient admission, as well as a 'step-down' approach from inpatient treatment as an early discharge pathway to facilitate transition back to community-based services.

There is a growing evidence base that shows day programs are effective in the treatment of eating disorders[1]. Day programs have been found to improve a range of eating disorders symptoms, such as body mass index and quality of life. They are less restrictive and more cost-effective than inpatient programs for patients with body mass index greater than or equal to 16 and have been shown to result in significant remission rates (maintained for up to 18 months), reduced inpatient bed days, and an overall reduction in the cost of treatment [2] [3]. Day programs are well established in a majority of states. Establishing a Day Program in WA will enable the WA health system to provide best practice care and treatment to patients with eating disorders.

[1] McDermott, B., Gullick, K., Forbes, D., *The Financial and provision implications of a new eating disorders service in a paediatric hospital.* Australasian Psychiatry. Vol 9 (2). June 2001.
[2] Birchall, H., Palmer, R. L., Waine, J., Gadsby, K., & Gatward, N. (2002). *Intensive day programme treatment for severe anorexia nervosa—the Leicester experience.* Psychiatric Bulletin, 26, 334–336.
[3] Fittig, E., Jacobi, C., Backmund, H., Gerlinghoff, M., & Wittchen, H. (2008). *Effectiveness of day hospital treatment for anorexia nervosa and bulimia nervosa.* European Eating Disorders Review, 16(5), 341–351

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Target population

The target groups of the Day Program service are as follows:

- Vulnerable patients newly discharged from hospital that lack sufficient insight and/or family support to engage effectively with community-based treatment.
- Patients on Community Treatment Orders and/or those who struggle to engage consistently with community-based treatment.
- Patients requiring follow-up due to concerns regarding monitoring of the stability of their nutrition.
- Patients with good insight and motivation who are newly discharged from hospital and require more intensive treatment, monitoring and support than can be provided by community-based treatment.
- Insightful and motivated patients requiring extra support to consolidate treatment gains or avoid a hospital admission at a level not provided by existing community-based treatment
- Patients with severe and enduring eating disorder at high risk of relapse.

Rationale

The Federal Government recently announced additional funding for patients with eating disorders. From November 2019, patients with serious psychiatric conditions including anorexia and bulimia will be able to access up to 40 subsidised psychological services and 20 dietetic services (currently patients can only access 10 and five sessions, respectively). Provision of a Day Program by an expert multidisciplinary team will help to ensure these additional services are available to eating disorder patients.

This proposal delivers on the intent of the Co-ordinated Care Bilateral Agreement as it is aimed at supporting patients with chronic and complex conditions, improving service coordination and integration (integration of primary health care, acute care, specialist and allied health services). Implementing a Day Program for patients with Eating Disorders will improve patient health outcomes as well as support patient empowerment, knowledge, skills and goals to manage their health, with the support of a multidisciplinary team.

Establishing a Day Program also aligns to the WA Government's review and recommendations of the Sustainable Health Review (SHR) which was undertaken to guide the strategic direction of the WA health system to deliver patient centred, integrated, high quality and financially sustainable healthcare across the state. In particular, the SHR was to make recommendations regarding:

- leveraging existing investment in primary, secondary and tertiary healthcare, as well as new initiatives to improve patient centred service delivery, pathways and transition; and
- the mix of services provided across the system, including gaps in service provision, sub-acute, step-down, community and other out-of-hospital services across WA to deliver care in the most appropriate setting and to maximise health outcomes and value to the public.

Providing a comprehensive, publicly funded specialist eating disorders service for youths and adults aligns to several strategic priorities. In October 2018 the Federal Health Minister

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announced eating disorders were one of three priorities of the Federal government's $125 million first round of funding under its Million Minds Research Mission[4]. The Mission supports priorities under the Fifth Mental Health and Suicide Prevention Plan and is consistent with the Australian Medical Research and Innovation Strategy 2016 – 2021 and Priorities 2016 – 2018.

Further, implementation of the broader Eating Disorders Project, including establishing a Day Program is consistent with 'WA Mental Health 2020: Making it personal and everybody's business'. The objectives of the Project also form part of the Western Australian Mental Health and Alcohol and Other Drug Services Plan 2015 – 2025.

There is a growing evidence base that shows day programs are effective in the treatment of eating disorders[5]. Day Programs have been found to improve a range of eating disorders symptoms, such as body mass index and quality of life. Such programs are less restrictive and more cost-effective than inpatient programs for patients with Body Mass Index greater than or equal to 16, and have been shown to result in significant remission rates (maintained for up to 18 months), reduced inpatient bed days, and an overall reduction in the cost of treatment[6] [7].

Key activities

How the Day Program will be delivered

The Day Program would co-locate with and work in a seamlessly integrated way with the WA Eating Disorder Outreach Consultation Service to support the development of a comprehensive and integrated suite of specialised state-wide services for youth and adults with eating disorders.

NMHS has explored implementation options for a Day Program. The preferred option involves the implementation of two service streams in the first year of operation (Streams A and B) followed by expansion to the full service model (Stream A, B and C) in subsequent years.

- Stream A: Day Hospital/Rehabilitation (patients attend 4 – 5 days per week, plus individual consults)
- Stream B: Intensive Outpatient Service (patients attend 2 – 4 days per week, plus individual consults)
- Stream C: Service for Severe and Enduring Eating Disorder Support/Recovery (patients attend 2 hrs per week, plus individual consults)

This implementation method provides a good balance between capacity to respond to clinical need and cost, and enables the multidisciplinary team to spend the first year establishing effective day-to-day clinical operational protocols and clinical pathways prior to

[4] Minister for Health, The Hon Greg Hunt MP "Million Minds to focus on eating disorders, Indigenous and youth mental health" 10 October 2018 <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/health-mediarel-yr2018-hunt136.htm>

[5] McDermott, B., Gullick, K., Forbes, D., *The Financial and provision implications of a new eating disorders service in a paediatric hospital.* Australasian Psychiatry. Vol 9 (2). June 2001.

[6] Birchall, H., Palmer, R. L., Waine, J., Gadsby, K., & Gatward, N. (2002). *Intensive day programme treatment for severe anorexia nervosa—the Leicester experience.* Psychiatric Bulletin, 26, 334–336.

[7] Fittig, E., Jacobi, C., Backmund, H., Gerlinghoff, M., & Wittchen, H. (2008). *Effectiveness of day hospital treatment for anorexia nervosa and bulimia nervosa.* European Eating Disorders Review, 16(5), 341–351

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expanding to include patients with severe and enduring eating disorder who tend to present with chronically high clinical risk and the greatest complexity.

Day Program treatment will consist of multidisciplinary group and individual treatment. All staff will participate in regular clinical review, training and supervision. While admitted to the Day Program, primary case management responsibility will be held by the Day Program multidisciplinary team.

Key features of group service delivery:

- The Day Program will offer treatment in six week blocks and will accommodate up to 10 patients per group.
- Groups will be open ended, with a weekly intake. This provides a balance between flexibility and timeliness of intake and stability in group membership.
- All treatment groups will be co-facilitated. This enables multidisciplinary input and individualised attention within group sessions for patients as needed (particularly during supervised meals).
- As meal times form a core focus of intervention, staff will eat with patients to model appropriate eating. Staff and participants are provided with personal breaks throughout the schedule. During this time, patients will remain on site and engage in self-directed activity or attend individual consults.
- Weekly family and carer education sessions will be provided, and these will include the opportunity to participate in a meal with patients to enable modelling of meal support strategies.

Initially, the NMHS will establish and operate the Day Program as a state-wide service with linkages to existing expertise within NMHS. There may be the potential, with a phased approach, to establish a second full suite of day and outpatient services at the South Metropolitan Health Service.

Measures

Despite the very serious nature of eating disorders, there has never been a comprehensive publicly-funded specialist eating disorders service for youths and adults in Western Australia that has integrated outpatient, day program, inpatient and consultation/liaison services necessary for best practice management of these conditions. The implementation of a Day Program service will have many benefits for patients with eating disorders and the WA health system, these are listed in Table 1 below.

Table 1: Benefits Planning

Benefit	How will the benefit be achieved?	How will the benefit be evaluated?	How will the benefit be monitored?
Reduced hospital admissions of patients with eating disorders	The Day Program will help to reduce the number of patients with eating disorders that require admission to hospital because they have become so physically unwell.	The numbers of patients admitted to hospital for eating disorders before and after the Day Program is established can be compared to evaluate whether the Day Program is reducing hospital admissions.	The number of patients admitted to hospital for eating disorders will be monitored.
Shorter admission times of patients with eating	The establishment of a Day Program will mean patients are able to spend less time	The length of stay in hospital of patients with eating disorders before and	The length of stay in hospital for patients with eating disorders can be

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disorders	in hospital because when they are discharged – there will be strong support and further treatment by way of the Day Program.	after the Day Program is established can be compared to evaluate whether the Day Program is reducing length of stay.	monitored.
Shorter recovery times – less burden on the WA health system	Generally, the earlier a patient is treated for an eating disorder the shorter their recovery time will be. A Day Program will provide a 'step up' treatment option for patients diagnosed with an eating disorder, so they may never need to be admitted to hospital.	The number of admissions and length of stay in hospital of patients with eating disorders before and after the Day Program is established can be compared to evaluate whether the Day Program is reducing the burden of patients with eating disorders on the WA health system.	The number of patients admitted to hospital for eating disorders, the number of times a patient is admitted to hospital for their eating disorder and their length of stay in hospital can be monitored.
Optimal utilisation of the specialist outpatient service (Centre for Clinical Intervention (CCI))	By increasing funding and making more specialist services available to patients with eating disorders (such as the Day Program), the number of patients requiring the services of CCI will reduce.	Currently, CCI has an extremely long waitlist (up to six months). The utilisation of CCI will be optimised through the introduction of the Day Program. The number of patients waiting to receive treatment at CCI for their eating disorder will reduce.	The waitlist of CCI can be monitored.

Timeline

Refer to Budget section below.

Budget

The Day Program will be staffed by an experienced multidisciplinary team with specialist competencies and of sufficient size to manage the anticipated activity demand. The resources required are provided in Table 2 below.

Table 2: Resources required to establish a Day Program

Position	Level	FTE
Two streams (A & B)		
Clinical Nurse Specialist (Mental Health)	SRN 3	1.00
Clinical Nurse	ANF 2	0.50
Psychiatric Consultant	AMA L16-24	0.40
Medical Officer / Registrar	AMA L13	0.50
Director Consultant Clinical Psychologist Grade 4	HSU Grade 4	0.40
Clinical Psychologist Grade 2	HSU Grade 2	2.00
Senior Dietitian	HSU P2	0.80
Peer Support	HSU G4	0.60

Position	Level	FTE
Three streams (A, B & C) - Full service model		
Clinical Nurse Specialist (Mental Health)	SRN 3	1.00
Clinical Nurse	ANF 2	0.50
Peer Support Worker	HSU G2	0.40
Psychiatric Consultant	AMA L16-24	0.50
Medical Officer / Registrar	AMA L13	0.60
Director Consultant Clinical Psychologist Grade 4	HSU Grade 4	0.40
Clinical Psychologist Grade 2	HSU Grade 2	2.00
Senior Dietitian	HSU P2	1.00

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Coordinator		
Administrative Assistant	HSU G3	1.00
TOTAL		**7.20**

Peer Support Coordinator	HSU G4	0.40
Administrative Assistant	HSU G3	1.00
TOTAL		**7.80**

The establishment of a Day program that advances the integration and improves the patient journey for better health outcome has both capital and operational cost elements.

Capital costs:

The NMHS proposes to identify suitably located premises (at least 283m^2 in size) to lease for the Day Program. Leasing premises in the community increases the linkages and access patients have to services. It is important that the premises are close to public transport and can operate different hours of service. It is likely any premises would require a fit-out to become fit-for-purpose.

Approximate costs are as follows:

- Fit-out costs (approximately $1,200m^2), total of **$346,800**.
- Base lease **$113,200** per annum.
- Outgoings (power, water, gas, rates etc.) **$10,000** per annum.

Operational costs:

The operational costs for the Day Program service are shown in Table 3. Please note:

- Employment costs include salary, leave relief and superannuation.
- OG&S and corporate overhead costs are shown as a single line item.
- Meals are a core part of the clinical intervention for the Day Program. A separate line item for indicative catering costs has been included as these are not usual OG&S expenses for non-admitted services. Meal costs have been calculated for 48 weeks per year. Stream A and B costs are calculated at $25 per person per day for 10 patients plus two staff plus dinner – $10 – for four carers/family members once per week. Stream C costs are calculated at $5 per person for morning tea once per week for 10 patients plus two staff. Staff are expected to model eating behaviour as part of the intervention.

Table 3: Operational Costs

		2019/20 $ M	2020/21 $ M	2021/22 $ M
Two streams (A & B)	Employment costs	$1,435,303		
	OG&S and overheads	$198,167		
	Catering costs	$137, 483		
	TOTAL	**$1,770,952**		
Three streams (A, B & C) - full service model	Employment costs		$1,571,313	$1,585,351
	OG&S and overheads		$209,533	$211,628
	Catering costs		$141,855	$143,274
	TOTAL		**$1,922,701**	**$1,940,253**

The annual cost for this proposal, including the capital and operational costs, is listed in Table 4 below.

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Table 4: Total funding required over four years (2018/19 – 2021/22)

	2018/19	2019/20	2020/21	2021/22
Capital	$384,533 (fitout & 4 months lease)	$123,200 (lease & outgoings)	$123,200	$123,200
Operational	$0	$1,770,952	$1,922,701	$1,940,253
Annual Amount	$384,533	$1,894,152	$2,045,901	$2,063,453
TOTAL	**$6,388,039 M**			

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The Hon Greg Hunt MP
Minister for Health
Minister Assisting the Prime Minister for the Public Service and Cabinet

Ref No: MS20-000339

The Hon Roger Cook MLA
Deputy Premier of Western Australia
Minister for Health
Minister for Mental Health
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

20 APR 2020

Dear Deputy Premier Roger

I am writing to formalise the arrangements regarding the Commonwealth's commitment to Western Australia regarding funding of $118.734 million (GST exclusive) through the Community Health and Hospitals Program towards the establishment of a range of initiatives.

I have enclosed a Project Agreement that outlines the roles and responsibilities of our respective governments and the associated payments. To enable the Commonwealth to make these payments under the *Federal Financial Relations Act 2009*, please sign and return both of the agreements to me indicating your acceptance of these terms and conditions before 30 April 2020 to allow payment of the funds that are allocated to this financial year.

To promote transparency and our commitment to the Intergovernmental Agreement on Federal Financial Relations, I intend to make the Project Agreement publicly available on the Council on Federal Financial Relations' website.

I would like to take this opportunity to remind you of the requirements under Clause 12 of the Project Agreement that states and territories reach prior agreement with the Commonwealth on the nature and content of any events, announcements, promotional material or publicity relating to activities in the Agreement, and that the roles of both the Commonwealth and states and territories will be acknowledged and recognised appropriately.

I look forward to working with you to progress these projects.

Yours sincerely

s47F [redacted]

Greg Hunt

Encl (1)

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.

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[1]	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

[1] A separate Project Agreement for the Community Health and Hospitals Program - Western Australian's 2018-19 initiatives provided $3.2 million towards the construction of a new Women and Newborn service at the King Edward Memorial Hospital.

	WA to provide a report on building process and completion timeframe.	1 July 2023	$7.0 m
Ellenbrook Mental Health facility - provision of mental health and support services at the St John of God Midland Hospital	WA to provide a report on planning the delivery of mental health and support services at the St John of God Midland Hospital.	1 July 2020	$1.5 m
	WA to provide a progress report.	1 July 2021	$1.5 m
	WA to provide a progress report.	1 July 2022	$2.0 m
	WA to provide a progress report.	1 July 2023	$1.0 m
Comprehensive genomic testing	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.

Table 2: Estimated financial contributions

($ 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

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 _____

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 _____

Schedule A

Project Status Report:

Report Month:

Submission Date:

Current Forecast Completion Date:

Current Project Stage:

Key Activity Undertaken Since Last Report:

Significant Achievements In Next 6 Months:

Project Status

Schedule: Green, Amber, Red (need to put some meaningful targets in here>

Cost: Green, Amber, Red

Compliance: Green, Amber, Red

Scope: Green, Amber, Red

Slippage Comments:

Corrective Action Taken:

Risk: Green, Amber, Red

Milestones (as per table 1) [EXAMPLE ONLY]

Name	(%) Completion	Completion Date			
		Original	Current	Forecast	Actual
Project Plan developed and agreed by senior Commonwealth and State officials, including details of the site and building/s to be redeveloped or constructed.					
Commence Construction					
Practical completion of the project and Final Project Report					

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

Our Ref: 60-26296

The Hon Greg Hunt MP
Commonwealth Minister for Health
Parliament House
CANBERRA ACT 2601

Dear Minister Greg,

Thank you for your letter of 20 April 2020 offering a *Project Agreement for the Community Health and Hospitals Program* (CHHP) *Western Australian Initiatives* to the State Government.

I note that this Agreement provides funding to projects and services that support patient care while reducing pressure on community and hospital services.

I also note that the State is due to receive a total of $122 million over seven years for seven Western Australian projects.

I am pleased to advise that I endorse the Project Agreement for the CHHP and a signed copy is attached.

Yours sincerely

s47F [redacted]

HON ROGER COOK MLA
DEPUTY PREMIER
MINISTER FOR HEALTH; MENTAL HEALTH

13 MAY 2020

Att:

13th Floor, Dumas House, 2 Havelock Street, WEST PERTH WA 6005
Telephone: +61 8 6552 6500 Facsimile: +61 8 6552 6501 Email:Minister.Cook@dpc.wa.gov.au

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.

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[1]	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
	WA to provide a progress report.	1 July 2023	$1.0 m
Comprehensive genomic testing	WA to provide a plan to deliver comprehensive genomic testing	1 July 2022	$9.5 m
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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

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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.

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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 _____

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

s47F [redacted]

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

Date 12/5/20.

Schedule A

Project Status Report:

Report Month:

Submission Date:

Current Forecast Completion Date:

Current Project Stage:

Key Activity Undertaken Since Last Report:

Significant Achievements In Next 6 Months:

Project Status

Schedule: Green, Amber, Red (need to put some meaningful targets in here>

Cost: Green, Amber, Red

Compliance: Green, Amber, Red

Scope: Green, Amber, Red

Slippage Comments:

Corrective Action Taken:

Risk: Green, Amber, Red

The Hon Greg Hunt MP
Minister for Health
Minister Assisting the Prime Minister for the Public Service and Cabinet

Ref No: MS20-000532

The Hon Roger Cook MLA
Deputy Premier of Western Australia
Minister for Health
Minister for Mental Health
13th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

25 MAY 2020

Dear Deputy Premier

I refer to your correspondence dated 13 May 2020 regarding the Commonwealth's contribution to Western Australia of $118.734 million (GST exclusive) through the Community Health and Hospitals Program (CHHP) towards the establishment of a range of initiatives. This brings the total contribution from the Commonwealth through the CHHP to $121.934 million over seven years.

I have countersigned the Project Agreement and enclosed the original for your records.

Officials from my Department will be in touch with your departmental officers regarding the projects funded under the CHHP.

I look forward to working with you to progress these important projects.

Yours sincerely

s47F [redacted]

Greg Hunt

Encl (1)

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.

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:

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      i. construction of an expanded Peel Health Campus Emergency Department;
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Role of the Commonwealth

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Shared roles

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PART 6 – GOVERNANCE ARRANGEMENTS

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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

s47F [redacted]

The Honourable Greg Hunt MP
Minister for Health

Date 25/5/2020

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

s47F [redacted]

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

Date 12/5/20.

Deputy Premier
Minister for Health; Medical Research;
State Development, Jobs and Trade; Science

Our Ref: 4-200380

The Hon Greg Hunt MP
Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600

Dear ~~Minister~~ Greg,

I am writing to seek your support to commence discussions with the Commonwealth to vary the Community Health and Hospital Package (CHHP) Project Agreement for the project outputs of the Peel Health Campus (PHC) Redevelopment Project (Attachment 1).

The project outputs specified in the CHHP Project Agreement are still anticipated to be met; however, to align with evidence-based practice and the broader PHC Redevelopment, it is proposed that WA Health:

- Establish a new Community Mental Health facility in a Peel community-based location rather than on the PHC Redevelopment site to align with the strong evidence supporting the deinstitutionalisation of mental health services and the devolution of therapy and treatment into community settings;
- Establish the residential eating disorders treatment centre in a Peel community based location rather than on the PHC Redevelopment site to align with evidence-based literature and the model of care supported by the Butterfly Foundation; and
- Delay the refurbishment of the Medical Imaging Department to ensure planning, design and delivery is completed in the context of the broader PHC Redevelopment Project.

The rationale to provide community mental health and an eating disorder treatment centre at a Peel community-based location is based on contemporary care and best-practice evidence aligning to the Australian Government's 'Draft Guidance to inform the establishment of Community-based Residential Eating Disorder Treatment Centres' document which states that "centres should not be located on hospital grounds" in Table 2 (Attachment 2). Additionally, the proposal also aligns and supports implementing the Western Australian Government endorsed *Sustainable Health Review Final Report*, including providing care 'closer to home' and improving mental health outcomes.

Level 13, Dumas House, 2 Havelock Street, West Perth, Western Australia, 6005.
Telephone +61 8 6552 6500 Email: Minister.Cook@dpc.wa.gov.au

The above-mentioned proposals will require variations to the CHHP Project Agreement outputs and will require negotiation and formalisation through a Deed of Variation. I am therefore seeking your in-principle support of the above-mentioned proposals and the commencement of officer-level negotiations to vary the CHHP Agreement.

I look forward to working together to deliver these critical infrastructure projects that greatly benefit the Western Australian community.

Yours sincerely

s47F [redacted]

HON ROGER COOK MLA
DEPUTY PREMIER;
MINISTER FOR HEALTH

- 3 AUG 2021

Attachment:
Att 1: CHHP Project Agreement
Att 2: Australian Government's 'Draft Guidance to inform the establishment of Community-based Residential Eating Disorder Treatment Centre's

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[1]	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
	WA to provide a progress report.	1 July 2023	$1.0 m
Comprehensive genomic testing	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

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

S47F [redacted]

The Honourable Greg Hunt MP
Minister for Health
Date 25/5/2020

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

S47F [redacted]

The Honourable Roger Cook MLA
Deputy Premier; Minister for Health; Minister for Mental Health
Date 13/5/20.

Schedule A

Project Status Report:

Report Month:

Submission Date:

Current Forecast Completion Date:

Current Project Stage:

Key Activity Undertaken Since Last Report:

Significant Achievements In Next 6 Months:

Project Status

Schedule: Green, Amber, Red (need to put some meaningful targets in here>

Cost: Green, Amber, Red

Compliance: Green, Amber, Red

Scope: Green, Amber, Red

Slippage Comments:

Corrective Action Taken:

Risk: Green, Amber, Red

Australian Government

Department of Health

Guidance to inform the establishment of Community-based Residential Eating Disorder Treatment Centres

AUSTRALIAN GOVERNMENT GUIDANCE TO STATE AND TERRITORY GOVERNMENTS

MAY 2020

Contents

Purpose

The purpose of this document is to outline to states and territories the expectations of the Australian Government with regard to the community-based residential eating disorder treatment centres (centres), and to provide guidance on key principles and other issues to be considered as implementation planning progresses.

This document provides further detail about the policy objectives of the centres. It is supplementary to the Project Agreement (PA) between the Australian Government and each State and Territory Government in New South Wales (NSW), South Australia (SA), Tasmania (TAS), Victoria (VIC), Western Australia (WA), and the Australian Capital Territory (ACT).

Background

On 2 April 2019, the Minister for Health, the Hon. Greg Hunt MP, announced $63 million (2018-19 to 2024-25) to establish six new community-based residential eating disorder treatment centres (in NSW, SA, TAS, VIC, WA and the ACT), including additional funding for the centre currently being constructed in Queensland (endED Butterfly House).

The centres will provide wrap-around support and specialist care through delivery of evidence-based treatment programs. They are intended to fill a critical gap between inpatient hospitalisation which is optimally restricted to medical stabilisation, and day programs (provided in a number of states and territories). The centres will provide 24/7 intensive care to allow for nutritional stabilisation and normalisation coupled with intensive psychotherapy, focusing on rehabilitation and improving quality of life. The other components of care in the continuum provide for community based sessional interventions (psychotherapeutic, dietetic and medical), recovery support, and relapse prevention.

The Australian Government's funding contribution towards the centres is part of the Community Health and Hospital Program (CHHP).[i]

The Adult Mental Health Centre to be established in Darwin, Northern Territory, is to include eating disorder treatment options.[ii]

Table 1 – Location and funding allocation for each centre

State/Territory	Location	Funding Allocation ($m)
New South Wales	Yet to be announced	13.0
South Australia	Repatriation Health Precinct, Adelaide	5.0
Tasmania	Hobart	10.0
Victoria	Region of the South Eastern Melbourne Primary Health Network	13.0
Western Australia	Peel Health Campus, Mandurah	4.0
Australian Capital Territory	Canberra	13.5
Queensland	Mooloolah Valley, Sunshine Coast	4.5*
Total		63.0

*Total of $6 million to support endED Butterfly House in Queensland. $1.5 million from existing mental health funding in 2018-19 and $4.5 million from the Community Health and Hospital Program announced in April 2019.

Funding for the six new centres is being provided through PAs between the Australian Government and relevant state and territory governments. Funding for the Queensland centre (endED Butterfly House) is provided direct to the Butterfly Foundation and endED Butterfly Residential Ltd through contractual arrangements.

The Australian Government's funding allocation is recognised as a contribution to the total cost of the centres (including planning, development/capital, establishment, and delivery/operations costs). It does not recognise any other funding sources for the centres, including any funding which may be provided by state and territory governments.

The Australian Government is not prescribing how the funds should be used to achieve the policy objectives of the centres, or what the best service model may be to ensure each centre complements the existing service landscape of each jurisdiction and meets jurisdictional needs. However, the Australian Government does require each jurisdiction to participate in national governance arrangements, and to work with: the Butterfly Foundation; the National Mental Health Commission; Primary Health Networks; people with a lived experience, including carers and supportive others; and other relevant stakeholders in determining implementation arrangements.

The Australian Government has also funded the Butterfly Foundation $3.6 million over three years (2019-20 to 2021-22) to undertake a number of national activities, including providing guidance on establishing the new centres.

Governance

Governance arrangements have been established by the Australian Government Department of Health (the department) to advise on, drive, and contribute to ensuring successful implementation of the centres. These arrangements include:

Technical Advisory Committee

- The Eating Disorders Technical Advisory Group (TAG) provides a mechanism for the department to seek advice, as required, on the planning, implementation, delivery and evaluation of Commonwealth activities aiming to support those impacted by an eating disorder. This includes advice on the design and parameters of the community-based residential eating disorder treatment centres.
- Membership includes individuals who are researchers, academics, service providers, people with a lived experience of eating disorders including carers, and the Butterfly Foundation. Membership is included at Appendix C.

Commonwealth, State and Territory Senior Officials Mental Health Implementation Steering Group

- At the meeting of the Council of Australian Governments Health Council on 31 October and 1 November 2019, all governments committed to work together on improving mental health outcomes and preventing suicide.
- The department has established the Commonwealth, State and Territory Senior Officials Mental Health Implementation Steering Group (Steering Group) to support the development and implementation of three new national mental health initiatives (adult mental health centres; community-based residential eating disorder treatment centres; and a new perinatal mental health and wellbeing program).
- These new initiatives require close engagement between jurisdictions to achieve the best mental health outcomes for individuals. Joint planning is essential to ensure implementation is complementary to jurisdictional arrangements, rather than duplicative.
- The Steering Group will facilitate information sharing between jurisdictions, and provide a mechanism for common issues and challenges to be identified and solutions jointly discussed. It will also provide a formal opportunity for states and territories to inform development and implementation planning.
- Representatives of all jurisdictions have been invited to participate in the Steering Group, which will be chaired by the department. Meetings will be held monthly via teleconference until June 2020, at which time the ongoing need and role of the Steering Group will be reviewed. Membership is included at Appendix C.

Bi-monthly bilateral teleconferences with states and territories

- The department is holding bi-monthly bilateral discussions with each jurisdiction as a regular engagement mechanism to exchange updates and share progress on planning and implementation arrangements.
- An officer-level network of Australian Government and State and Territory Government officials involved in the bilateral discussions will also be established to facilitate information sharing and collaboration on shared issues.

Context

Improving access to mental health services is a key pillar of the Australian Government's long term national health plan, with $5.2 billion projected to be spent on mental health in the 2019-20 financial year.

Supporting people affected by eating disorders to have access to appropriate supports and services is an issue of national importance and priority.

Eating disorders are serious mental illnesses that manifest in highly disordered eating and exercise behaviours. These are extremely complex conditions with the highest mortality rate of any psychiatric illness.[iii]

Eating disorders can be substantively categorised in three subtypes:

1. severe restriction of food intake relative to energy requirements frequently coupled with excessive exercise (Anorexia Nervosa);
2. binge eating coupled with purging behaviours (Bulimia Nervosa); and
3. binge eating with no purging (Binge Eating Disorder – frequently misdiagnosed as 'obesity').

Eating disorders are characterised by a similar psychopathology centralising around an intense fear of gaining weight or becoming fat, a disturbance in the way one perceives their body weight or shape, and an inappropriate association of weight and shape with self-image and self-worth[iv]. Many people experiencing an eating disorder also experience other comorbidities, including depression and/or anxiety. Suicide rates for anorexia are 32 times higher than the general population[v].

According to the socio economic report 'Paying the Price' commissioned by the Butterfly Foundation[vi], one million Australians are estimated to have an eating disorder.

In addition to the community-based residential eating disorder treatment centres, the Australian Government is funding a number of initiatives to improve support and services for people affected by eating disorders, including:

- $3.6 million for the Butterfly Foundation to undertake national activities including helping to guide the establishment of the community-based residential eating disorder treatment centres. In addition, the Butterfly Foundation undertakes national work in the areas of prevention, clinical services, management of the national support line ED

HOPE, community based support services, and represents the voice of the lived experience including carers.

- *Eating Disorder MBS Items* - $110.7 million to support the introduction of the first dedicated Medicare services for patients with eating disorders from 1 November 2019. This will enable patients with anorexia nervosa and patients with other eating disorders with complex needs to access up to 40 psychological and 20 dietetic services per year, depending on their needs.
- *National Eating Disorders Collaboration (NEDC)* - $13.6 million (from 2009-10 to 2021-22) to the Butterfly Foundation to support the NEDC to bring together stakeholders and experts across a broad range of fields to develop and disseminate a nationally consistent approach to the prevention and management of eating disorders. This includes, to date, national frameworks, standards, service implementation guidelines including a specific stepped care model for eating disorders, core competencies for workforce development together with a national blueprint, integrated promotions with obesity, and a website.

Most states and territories also provide funding to support the delivery of evidence based care options for people affected by eating disorders, including families and carers. Services span prevention, treatment, recovery, and relapse prevention.

Principles and guidance to inform state and territory implementation planning

The Australian Government's expectations and key principles for states and territories in their planning and implementation of the centres are outlined at Table 2.

The Australian Government is not mandating a single national model of care for the centres. Consistent with the key principles, states and territories will have the flexibility to design and deliver the model of care delivered by the centres to meet the needs of the local region in which they are established. This approach will contribute to the evidence base for effective community-based residential care of people with eating disorders.

Table 2 – principles and guidance

Principles	Guidance
Physical environment: Create a safe home-like environment in a community setting	• Centres should be designed to feel like a home rather than a hospital or clinical facility. • Centres should not be located on hospital grounds. • Design needs to be flexible and able to accommodate different genders and age groups. • Privacy needs to be respected recognising consumers should not feel isolated. • Kitchen and dining room designed to enable consumers, carers, peer support workers, and health professionals to prepare and eat meals together – replicating everyday meal times when residents are in their usual environments. Consideration will need to be given to relevant Council building requirements and relevant food and health safety standards. • Need for break out areas, meeting rooms and outdoor areas for group therapy and relaxation activities.
Treatment program: Provide a comprehensive program of evidence-based treatment options that addresses all aspects of illness and is responsive to the changing needs of the person	• Each centre needs to identify and define its target population/who is eligible to access the centre. The importance of clinical stability was noted, reflecting the intent of the centres is to focus on the psychological therapy emphasis of treatments, rather than physical/medical treatments. • Appropriate and sustainable staff to patient ratios should be considered, noting this may be influenced by the service model and available budgets. • Ensure treatments delivered in the centres are evidence based recognising consumers may have comorbidities including substance use and dependencies, and personality disorders for instance. • Centres should operate in culturally sensitive ways, and encourage communication connections replicating everyday situations patients will experience when residing in their own homes (e.g. dining at restaurants, grocery shopping).
Workforce mix: Provide a transdisciplinary team approach integrating physical psychological, nutritional and functional care	• There is strong evidence to support the effectiveness of a multidisciplinary team (including emerging evidence for the inclusion of peer workers and people with a lived experience as part of these teams) in the treatment of eating disorders.
Recovery approach: Deliver treatment within a framework of recovery-oriented practice principles, compassion and trauma informed care	• The model of care needs to be recovery focused. • Individual treatment plans should include families and supportive others, and be culturally sensitive.
Supportive others: Educate and support families and other supporters as vital members of the treatment team	• Lived experience engagement should be critical to the model of care; and the support and training needs of families and carers also needs to be part of the model. • Consideration should also be given to the provision of logistical and emotional support for families and carers - to encourage visits while their loved ones are residents of the centre, and to

	help families and carers in their caring role when their loved ones leave the centre. • Management and oversight of the centres should include carers and supportive others.
Workforce competency: Recruit, train and supervise staff to meet national competency standards	• Ensure staff working at each centre are appropriately skilled and supervised. • States and territories should note the National Eating Disorder Collaboration is funded to identify a range of options for the development and implementation of a credentialing system for health professionals delivering eating disorder treatments.
Service continuity and integration: Situate the service within a connected continuum of care with pathways including access to hospital inpatient care and to recovery support post discharge	• Coordination of step down care should be established at time of admission. This will require centres to establish relationships and negotiate with relevant services within the area in which the individual resides. • Centres should plan for a phased approach to discharge with clear pathways connecting individuals to support services within their usual environment outside of the residential centre with documented points for escalation. • This could include promotion of supports outside the residential centre such as use of MBS items including telehealth (for those eligible).
Evaluation: Evaluate and generate new evidence to guide the future development of residential care (Further guidance is in the evaluation and monitoring section below)	• Centres should collect common information at regular data collection points (e.g. on admission, pre and post discharge, regularly during residence), and from multiple sources (e.g. supportive others including carers, patients, staff). • Comparisons should be able to be made across treatment modalities. • Centres should ensure data collection methods and storage protect patient confidentiality and accessibility. • Evaluation should include clinical, quality, and economic health outcomes.

National evaluation and monitoring

The department is developing a national evaluation and monitoring framework for the centres and will provide further advice to jurisdictions on this as it progresses. Additional funding will be required for an independent national evaluation of the centres in line with the framework.

In the interim, states and territories are encouraged to establish appropriate processes and systems to ensure the regular monitoring and evaluation of the development, establishment, and service delivery of the centres, as well as an evaluation of the clinical, quality and economic health outcomes of patients. Routine data collection to support this, and to assess the impact centres have on client outcomes should also be established.

Early advice from the department's Technical Advisory Group has suggested the below strategy of patient assessment. The Technical Advisory Group will continue to explore this further, and it will be reflected in the national evaluation and monitoring framework. Consideration could also be given to seeking agreement to implement a similar data collection strategy across other eating disorder services to allow for consistency, comparison, and potential data linkage.

Name (authors) - N items	*Construct measured*	*When it should be assessed for evaluation purposes*
	Body mass index (BMI)	Weekly
Eating Disorder 15 (ED15; Tatham et al., 2015) – 15 items	Body concerns and frequency of disordered eating	Weekly – allows for examining progress clinically and examining rate of change as a predictor of overall outcomes
Eating Disorder Examination – Questionnaire (EDE-Q; Fairburn & Beglin, 2008) – 22 items[1]	Global eating disorder psychopathology	Start of treatment, then every 4-weeks over treatment,[2] and then every 3-months after discharge over a 12-month period
Clinical Impairment Assessment (CIA; Bohn & Fairburn, 2008) – 16 items[1]	Psychosocial impairment caused by eating disorder psychopathology	
Body Image Acceptance and Action Questionnaire (BI-AAQ; Sandoz et al., 2013) – 12 items	Ability to limit the degree to which weight and appearance influences life: mood, self-evaluation, control over life, use of time, and relationships	
Patient Health Questionnaire (PHQ-9; Löwe, Kroenke, Herzog, & Gräfe, 2004) - 9 items	Depression	
Generalized Anxiety Disorder (GAD-7; Dear et al., 2011) – 7 items	Anxiety and worry	
EQ-5D-3L Health Questionnaire - 6 items[3]	A multi-attribute utility measure to estimate quality adjusted life years.	Start of treatment, follow-up period
TBA	Satisfaction with the treatment received	end of treatment

[1] We could add "NA" to each scale if some items are not applicable given force of circumstance of treatment

[2] Residential weighted mean length of stay=52 days for AN and 47 days for BN, so this would be an average of three occasions of measurement: admission, 4-weeks and discharge.

[3] Plus three additional questions: In the last 3 months, ROUGHLY how many days were you TOTALLY UNABLE to work, study or manage your day to day activities because of feelings of distress? (number of days); 12. Aside from those days, In the last 3 months, ROUGHLY how many days were you able to work or study or manage your day to day activities, but had to CUT DOWN on what you did because of feelings of distress? (number of days); 13. In the last 3 months, ROUGHLY how many times have you seen a doctor or any other health professional about these feelings of distress (not counting group programmes)? (number of times).

We also suggest:

Clinician evaluation of client progress - TBA

Significant other assessment

1. satisfaction for services to self and services for their relative
2. EQ-5D-3L Health Questionnaire at admission and final follow-up

Also requiring discussion is not only what to assess but HOW to ensure this occurs:

1. Electronic data collection
2. Evaluation champion on site
3. Central research assistant who collates and supports local evaluation champion
4. Please see the attached CORC document which addresses this process

CORC document is available at https://www.england.nhs.uk/wp-content/uploads/2019/12/Implementing-routine-outcome-monitoring-in-specialist-mental-health-services.pdf.

Project plans and reporting

Submission of a project plan on the establishment of the centres is a deliverable under most of the PAs. Where the PA does not specify this requirement, agreement to provide the department with a project plan has been secured through bilateral discussions the department has held with states and territories.

The template embedded at Appendix B can be used to outline the key aspects of implementation. The department will use this template as a basis for regular updates and information sharing with the states and territories every three months. This information will be used to provide regular program updates to the Minister for Health, and will contribute to the development of the national evaluation and monitoring framework.

Risk Management

States and territories, at individual jurisdictional levels, are expected to develop and manage comprehensive risk management strategies as part of implementation planning to identify and mitigate foreseeable risks.

Appendix A: Example of a residential centre: draft model of care© for Butterfly endED House, Sunshine Coast, Queensland (*to be updated once the model has been finalised)

Eating disorders are mental illnesses which can result in medical complications. They are not medical illnesses which can result in mental complications. Therefore only treating them in a hospital setting through a medical lens can potentially lead to only partial healing and a fundamental dismissal or neglect of the psychological nuances of these disorders.

Treatment will be strongly evidence based, and will include: CBT, DBT, Motivational Enhancement, Family Therapy, and Complimentary Modalities.

The Butterfly Residential Model of Care© provides a stepped structure for the treatment to **address not only the symptoms and behaviours but also the underlying issues.** It is based on the concept that each person comes in with both a healthy self and an eating disorder self. The goal is to strengthen each client's healthy self and to reintegrate the eating disorder self by acknowledging the functions that the disorder has served.

This is accomplished within the framework of a stepped progression through treatment. Each step includes concrete goals with clients moving through each step on an individual basis. The beginning steps include goals tailored to meet the client where they are at with a less developed healthy self.

As the client demonstrates readiness and appropriateness, they will move to the next step with challenges appropriate for a stronger healthy self. This process allows for complete healing and ultimately for an individual to become fully recovered.

With hands on experience in the kitchen and individualized treatment plans, clients are given the necessary tools to recover. These tools, in combination with the appropriate amount of time in treatment, can prevent recidivism and perpetual relapse.

Model of Care – Key Elements

1. **Clinical Model of Medical Components** - Unlike a hospital setting where the focus is on the medical issues/symptoms/complications, this model puts the priority on the psychiatric components of the illness. This is a mental disorder with medical side effects, not the other way around.

2. **High level of supervision** - There is a high client to staff ratio (approx. 1:2.8) at all times to ensure that clients always have therapeutic, medical and nutritional support. Clinical staff are available from breakfast until bedtime. There will be elements of a multi-disciplinary team on-site 7 days a week.

3. **The importance of the milieu** - This model believes that the dynamic of the milieu is a powerful agent for change. Therefore, group therapy is a main component of the treatment program. The group allows for peer feedback and reflection as well accountability and support. This also helps client feel less alone and provides validation for their struggles.

4. **Increasing autonomy -** The phased system allows for an objective measurement of progress and a way to titrate clients down to less and less supervision while giving them increasing autonomy and freedom to make recovery-oriented choices. Inherent in each phase are appropriate challenges and privileges that meet each client's individual needs as well as meeting them where they are at in their recovery process.

5. **Home like environment -** The goal is to model a home-like environment so that clients can envision recovery when they are back in their own homes. This environment allows them an opportunity for hands-on experiences such as portioning food and preparing meals as well as sitting at a family table.

6. **Focus on food and feeding -** This model of care aims to bring clients back in to a healthy relationship with food. There are no NG tubes used even for clients with Anorexia Nervosa who are at a low weight. The goal is to help clients re-establish normal eating patterns and practice eating and keeping their food. There is a focus on the idea of choice in eating disorder recovery. Clients get to choose to eat, to keep their food and what kinds of foods they want to nourish themselves with.

7. **Lived experience -** It has long been known that lived experience is critical in the chemical dependency world. We now know that in the eating disorder space it is also incredibly helpful and powerful for clients to see, know and work with individuals who have recovered from eating disorders. The use of lived experience professionals provides hope and allows from modelling of normal eating and body sizes post disorder.

Appendix B: Draft project plan template for states and territories

An example of the project plan is copied into the document below. A version of this document that is formatted to print in A3 is included at the following link.

Project Plan Template - Residenti

RESIDENTIAL EATING DISORDER CENTRE – PROJECT PLAN TEMPLATE

Australian Government
Department of Health

PROJECT DETAILS	
PROJECT	Residential Eating Disorder Centre
JURISDICTION	
SENIOR RESPONSIBLE OFFICER	
PROJECT OFFICER/S	

OVERVIEW				
COMMONWEALTH FUNDING PROFILE	COMMONWEALTH TO INSERT			
OBJECTIVES				
SCOPE	IN SCOPE		OUT OF SCOPE	

KEY STAKEHOLDERS	
The Butterfly Foundation	Role: Member of the TAG and engage with States and Territories to guide the establishment of the Centres.
National Mental Health Commission	Role: Engage with States and Territories to guide the establishment of the Centres and undertake regular engagement with the Department.
Primary Health Networks	Role: Engage with States and Territories to guide the establishment of the Centres.

GOVERNANCE CONSULTATIONS		
GROUP	DESCRIPTION	FREQUENCY
The Butterfly Foundation		
The National Eating Disorder Collaboration (NEDC)		
The Commonwealth		
Local Advisory Group (including clinical experts, consumers and carers)		

PROJECT MILESTONES			
LOCATION NB – The following milestone readings are for example purposes only.	OBJECTIVE		On track/Not on Track
	IDENTIFIED RISKS/ MITIGATION		
	STATUS		
	EXPECTED COMPLETION DATE		
MODEL OF CARE	OBJECTIVE		On track/Not on Track
	IDENTIFIED RISKS/ MITIGATION		
	STATUS		
	EXPECTED COMPLETION DATE		
WORKFORCE	OBJECTIVE		On track/Not on Track
	IDENTIFIED RISKS/ MITIGATION		
	STATUS		
	EXPECTED COMPLETION DATE		

PROJECT MILESTONES (CONTINUED)			
SERVICE INTEGRATION	OBJECTIVE		On track/Not on Track
	IDENTIFIED RISKS/ MITIGATION		
	STATUS		
	EXPECTED COMPLETION DATE		
OPERATIONS OPEN	OBJECTIVE		On track/Not on Track
	IDENTIFIED RISKS/ MITIGATION		
	STATUS		
	EXPECTED COMPLETION DATE		

ISSUES			
ISSUE 1	DESCRIPTION		STATUS (Open/Close)
	IMPACT		
	ACTION TAKEN		
ISSUE 2	DESCRIPTION		STATUS (Open/Close)
	IMPACT		
	ACTION TAKEN		

OVERALL STATUS (as at DD/MM/YY)		
LAST QUARTER	THIS QUARTER	COMMENTS
RED/AMBER/GREEN	RED/AMBER/GREEN	

PROJECT TIMELINE
Please insert

Appendix C: Membership of the Governance Groups

Technical Advisory Group

Name	Position and Organisation
Mr Mark Roddam (Chair)	First Assistant Secretary, Mental Health Division Australian Government Department of Health
s47F	[redacted]

Commonwealth, State and Territory Senior Officials Mental Health Implementation Steering Group

Name	Position and Organisation
Mark Roddam (Chair)	First Assistant Secretary, Mental Health Division, Australian Government Department of Health
s47F	[redacted]

s47F [redacted]

[i] www.pm.gov.au/media/improving-health-and-care-australian-patients and www.health.gov.au/ministers/the-hon-greg-hunt-mp/media/community-health-and-hospitals-program-funding-underway

[ii] The Australian Government is funding a trial of eight Adult Mental Health Centres, one in each jurisdiction, to provide adults with a range of mental health support services over extended operating hours

[iii] Arcelus, J., Mitchell, A J., Wales, J., Nielsen, S. (2011). Mortality Rates in Patients with Anorexia Nervosa and Other Eating Disorders: A Meta-analysis of 36 Studies Archives of General Psychiatry. 68 (7): 724-731

[iv] Medicare Benefits Schedule Review Taskforce: Report from the Eating Disorders Working Group, 2018

[v] https://thebutterflyfoundation.org.au/understand-eating-disorders/

[vi] Deloitte Access Economics Pty Ltd, *'Paying the Price: The economic and social impact of eating disorders in Australia'* report for The Butterfly Foundation, 2012

The Hon Greg Hunt MP
Minister for Health and Aged Care

Ref No: MS21-001552

The Hon Roger Cook MLA
Deputy Premier
Minister for Health
Level 13, Dumas House
2 Havelock St
WEST PERTH WA 6005

5 January 2022

Dear Minister

Thank you for your letter of 3 August 2021, regarding proposed changes to initiatives under the Community Health and Hospitals Program Project Agreement with Western Australia, as a result of the Peel Health Campus redevelopment.

The Community Health and Hospitals Program funds projects and services in every state and territory that support patient care, while reducing pressure on community and hospital services. This program furthers our Governments' commitments to ensure access to health care in Australian communities when and where people need it.

I agree in-principle to your proposal to establish both the Community Mental Health Facility and the Residential Eating Disorder Treatment Centre to locations within the Peel Regional community.

I am unable to agree to varying the Project Agreement at this point without clarification of the construction timeframes for these projects and the refurbishment of the Peel Health Campus Medical Imaging Department. I would appreciate it if you could provide my Department with construction timeframes and any further updates you may have on these commitments, the contact officer is Jessica Pratt, A/g Assistant Secretary on 02 6289 s22 or Jessica.Pratt@health.gov.au.

I am keen to ensure that our collective commitments to the people of the Peel region of Western Australia are fulfilled and they have access to these essential health services as soon as possible.

Yours sincerely

s47F [redacted]

Greg Hunt

The Hon Greg Hunt MP
Minister for Health and Aged Care

Ref No: MS21-001647

1 December 2021

The Hon Roger Cook MLA
Deputy Premier
Minister for Health
Western Australia
Minister.Cook@dpc.wa.gov.au

Dear Deputy Premier

I am writing to you concerning the Australian Government's provision of $121.934 million to the Western Australian government under the Community Health and Hospitals Program and other Budget measures. This funding is for the delivery of projects that will benefit the people of Western Australia

The Community Health and Hospitals Program and other Budget measures fund projects and services in every state and territory that support patient care, while reducing pressure on community and hospital services. This funding furthers our Governments' commitments to ensure access to health care in Australian communities, when and where people need it.

I am keen to ensure that our collective commitments to the people of Western Australia are fulfilled, for our communities to have access to these essential health services and benefit from the projects funded under the Community Health and Hospitals Program and other Budget measures, as soon as possible.

With this in mind, I am seeking an update on the projects awarded to Western Australia. In particular, I would like to confirm our joint understanding of the agreed or projected dates for the benefits of the projects to be realised and the key tangible impacts to patients and communities for those projects underway, including achievements and milestones that will be reached in the first half of 2022.

I am also interested to understand if there is anything the Australian Government can do within the current funding envelope, to support the timely delivery of the projects under the Community Health and Hospital and Other Budget Measures Program. I am particularly interested in your advice of any opportunities for acceleration of milestones.

I would appreciate it if you could please complete the table at Attachment A and respond to this letter by 14 January 2022. With your advice my Department will be in touch to work with you on delivery and next steps. Please contact A/g Assistant Secretary Ms Jessica Pratt on (02) 6289 s22 or s47E(d) @health.gov.au for further information.

I thank you for your ongoing commitment to improving health outcomes for Australian communities.

Yours sincerely

s47F [redacted]

Greg Hunt

Encl (1)

Attachment A

Community Health and Hospitals Program and other Budget measures

Projects awarded to Western Australia

Project update table, please complete by 14 January 2022.

Project	Funding awarded	Date for completion	Key achievements to date (including tangible impacts to patients and communities, if any)	Key achievements expected to 30 June 2022 (insert dates)	Opportunities for acceleration (including revised timing) and comments
Expansion of the Peel Hospital Campus Including: Emergency Department, New Community Mental Health Facility, Medical Imaging Department upgrade and the Residential Eating Disorder Treatment Centre.	$25m				
Construction of a New Laverton Health Service	$16.8m				
WACHS Cancer Strategy Including Radiation Oncology at the Geraldton Health Campus	$25.134m				

Project	Funding awarded	Date for completion	Key achievements to date (including tangible impacts to patients and communities, if any)	Key achievements expected to 30 June 2022 (insert dates)	Opportunities for acceleration (including revised timing) and comments
Construction of a New Women and Newborn Service at the King Edward Memorial Hospital	$15.2m				
Youth Forensic Inpatient Service	$14.8m				
Ellenbrook Mental Health Facility – Provision of Mental Health and Support Services at the St John of God Midland Hospital	$6m				
Comprehensive Genomic Testing	$19m				

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

Our Ref: 76-11691

The Hon Greg Hunt MP
Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600

Dear Minister Greg

Thank you for your letter of 1 December 2021 seeking an update on the Community Health and Hospitals Program (CHHP) projects awarded to Western Australia.

As requested, please refer to the attached table outlining key achievements to date and achievements expected to June 2022 for those projects funded under the CHHP.

WA Health will endeavour to fast track delivery wherever possible, however given the current unfavourable market conditions and the ongoing preparations for living with COVID-19 in WA, it is expected that there will be little opportunity for acceleration at this stage.

The progress of the CHHP will continue to be reported through the Commonwealth Department of Health's Capital Works Biannual Status Reports, as outlined in the CHHP Project Agreement.

Kind regards

s47F [redacted]

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

Att:

24 FEB 2022

Level 5, Dumas House, 2 Havelock Street WEST PERTH WA 6005 Telephone: +61 8 6552 5900
Email: Minister.Sanderson@dpc.wa.gov.au

COMMUNITY HEALTH AND HOSPITALS PROGRAM (CHHP) – Project Update Table

Project	Funding Awarded	Date for Completion	Key Achievements to date	Key achievements expected to 30 June 2022	Opportunities for acceleration
Expansion of the Peel Hospital Campus Including: 1. Expanded Emergency Department (completed) 2. Community Mental Health Facility 3. Medical Imaging Department Upgrade and 4. Residential Eating Disorder Treatment Centre.	$25M	TBA (project is in early planning and scoping) **Emergency Department** component ($4.9M) – practical completion achieved in February 2021.	*For remaining components (excluding emergency department project):* Project initiation activities, stakeholder briefings, scope refinement and detailed planning is underway.	The remainder of the 2021/22 financial year will be dedicated to: **Community Mental Health Facility in the Peel Region** • Establishing the enduring program governance and documentation, including endorsement the Project Working Group Terms of Reference; • Options Analysis for site selection and procurement of the Community Mental Health Facility; • Validation of the proposed schedule of accommodation and finalisation of the Functional Brief; and • Commencement of a Project Definition Plan and detailed planning. **Residential Eating Disorder Facility in the Peel Region** • Confirmation of clinical service delivery model to enable any further infrastructure planning works. **Expansion of the Medical Imaging Department at the Peel Health Campus** • Planning works and strategy to be incorporated in the main Business Case for the Peel Health Campus Public Hospital Redevelopment.	Nil at this stage

s22 [redacted]

s22

s22

s22

s22

s22

The Hon Mark Butler MP
Minister for Health and Aged Care

Ref No: MC23-001954

The Hon Amber-Jade Sanderson MP
Minister for Health: Mental Health
5th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005
Minister.Sanderson@dpc.wa.gov.au

Dear Minister Amber-Jade

I write regarding the provision of residential eating disorder treatment services in Western Australia.

The Commonwealth is providing $25 million over 3 years from 2020-21 through a partnership agreement with the Western Australian Government for the expansion of the Peel Health Campus, including the construction of a residential eating disorder treatment centre[6].

The increase in new and relapsing eating disorder presentations and diagnosis over the last two years heightens the need for the Western Australian centre to be operational as soon as possible. With eating disorders being so complex, with biological, psychological, socio-cultural risk factors, and physical sequelae, appropriate care is paramount. It is essential that all jurisdictions offer treatment services that provide a continuum of care for people with an eating disorder.

I am aware that in August 2021, Western Australia requested the Commonwealth's approval to relocate the new eating disorders centre to a community setting outside of the Peel Health Campus. I understand at that time the Commonwealth agreed in principle to the request but advised that the necessary variation to the partnership agreement would not be able to be agreed without confirmation of delivery timeframes, and that this information remains outstanding.

I seek your urgent advice as to Western Australia's progress towards the centre's delivery and expected delivery timeframes. I am eager to ensure that the centre is operational as soon as possible. My expectation is that a clear and tangible delivery timeframe will be defined through a variation to the partnership agreement that is ultimately signed by us as the responsible Ministers.

[6] The partnership agreement, the *Project Agreement for the Community Health and Hospitals Program Western Australian Initiatives Schedule*, is published to the Federal Financial Relations website (www.federalfinancialrelations.gov.au).

The Hon Mark Butler MP
Minister for Health and Aged Care

I look forward to your urgent reply and your support to assure rapid delivery of the eating disorder treatment centre in Western Australia.

Yours sincerely

s47F [redacted]

Mark Butler

31 / 01 /2023

The Hon Mark Butler MP
Minister for Health and Aged Care

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

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 2017-22[2], 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.

I am aware that s47F [redacted] 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

s47F [redacted]

Mark Butler

01 /02/2022

The Hon Mark Butler MP
Minister for Health and Aged Care

Ref No: MS23-000820

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

Dear Minister Amber-Jade

I write regarding health infrastructure partnership agreements between the Commonwealth and Western Australia (WA). On 5 June 2023 the Australian National Audit Office (ANAO) tabled its performance audit report of the Administration of the Community Health and Hospitals Program (CHHP)[1], which includes commentary about the CHHP national partnership agreements between the Commonwealth and all states and territories that I consider requires our attention.

The Commonwealth is currently partnering with WA to improve health infrastructure and services, providing over $310.8 million over eight years through three partnership agreements (ten projects)[2], two of which are within the scope of the ANAO audit and the third to which the audit outcomes remain relevant. The Australian Government remains committed to partnering with the WA Government to deliver projects to improve health system capacity and access for the people of WA.

The ANAO has observed that the CHHP partnership agreements contain limited detail of the projects to be delivered and that performance milestones do not effectively support assurance of project progress. The ANAO also observed that the agreements are not fully aligned with the contemporary expectations of the Federation Funding Agreements (FFA) Framework, including the FFA – Health, to which the Commonwealth and all states and territories have agreed.

On 31 January 2023 I wrote to you about the delivery of the residential eating disorder treatment centre component of the Peel Health Campus project (which is used as a case study in the ANAO report), seeking advice on progress and a delivery timeframe.

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[1] The ANAO report can be accessed from the ANAO website (www.anao.gov.au).

[2] The three partnership agreements include 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* ($118.73 million); and the *Project Agreement for the Western Australian Hospital Infrastructure Package* ($188.9 million).

On 1 February 2023 I wrote to you about the Geraldton Radiation oncology component of the WA Country Health Service (WACHS) Cancer Strategy project proposing that the partnership agreement be varied to separate the WACHS Cancer Strategy and radiation oncology projects project. I have not yet received a response to these letters and I remain open to considering variations that WA may wish to propose.

I am advised that several other projects included in the partnership agreements with WA are also currently experiencing delays and budgetary challenges. The FFA – Health outlines the responsibilities of each government and establishes agreed arrangements for circumstances where projects exceed agreed costs. I seek your confirmation that the WA Government remains committed to the delivery of all of the projects agreed through the three partnership agreements.

In light of the ANAO's observations I have asked the Department of Health and Aged Care to initiate discussions with WA officials towards making variations to all three agreements, where required, to clarify the agreed deliverables and expected timeframes consistent with contemporary FFA Framework arrangements. I seek your support for this important work and to making variations to the agreements, where required.

Within this process I am open to considering any proposals WA wishes to make to vary the agreements to ensure benefits are delivered for the people of WA.

I look forward to your response.

Yours sincerely

s47F [redacted]

Mark Butler

15 / 06 / 2023