

FIRST PRINT

HOSPITAL DEVELOPMENT PROJECTS REVIEW BILL 1994

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to ensure that any proposed project for the development and operation of a private hospital for the purpose of providing health services by the private sector to public patients is reviewed by the Public Accounts Committee before the project is proceeded with. Under the Bill, the Minister is required to refer any such proposed project to the Public Accounts Committee which is to review the proposed project and report to the Legislative Assembly. The project cannot proceed unless it is authorised by both Houses of Parliament.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent.

Clause 3 sets out the object of the proposed Act which is stated above.

Clause 4 defines "health services" and other terms used in the proposed Act. A "public patient" within the meaning of relevant Commonwealth legislation is an in-patient in respect of whom a hospital provides comprehensive care, including all necessary medical, nursing and diagnostic services.

Clause 5 describes the kind of projects (called "hospital development projects") to which the proposed Act applies. Such a project involves a proposal that a private person or persons will, under an agreement or agreements with the Government or a public hospital authority, develop and operate a private hospital for the purpose of providing health services to public patients at the private hospital.

Clause 6 requires the Minister, before expressions of interest are invited from the private sector in relation to a hospital development project, to cause a document containing sufficient detail of the project to be referred to the Public Accounts Committee.

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Clause 7 provides that the Public Accounts Committee is to review any hospital development project referred to it and present a report to the Legislative Assembly on the project.

Clause 8 provides that any agreement in relation to a hospital development project is not to be entered into unless the project has been reviewed by the Public Accounts Committee within 60 days and until after the Legislative Assembly has considered the Committee's report (or 14 sitting days have elapsed). The Minister is then required to report back to the Committee on the progress of the project before entering into any such agreement. This final report is to address any recommendations made by the Committee in relation to the project and the financial feasibility of the project.

It is intended that any Member of the Assembly may give notice of a substantive motion that the Assembly consider the Committee's report within 14 sitting days after presentation of the report.

Clause 9 prevents a hospital development project from proceeding unless it has been authorised by both Houses of Parliament.

Clause 10 declares that the proposed Act has effect regardless of the terms of any agreement entered into after the Act commences.

Clause 11 provides that the proposed Act will bind the Crown (which, under the Interpretation Act 1987, means the Crown in right of New South Wales).

Clause 12 enables the Governor to make regulations for the purposes of the proposed Act.

Clause 13 requires the Minister to carry out a review of the proposed Act after 5 years.

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HOSPITAL DEVELOPMENT PROJECTS REVIEW BILL 1994

NEW SOUTH WALES



No. , 1994

A BILL FOR

An Act to provide for the review by the Public Accounts Committee of proposed private sector hospital development projects, and for the authorisation of such projects by Parliament.

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The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Hospital Development Projects Review Act 1994.

5 **Commencement**

2. This Act commences on the date of assent.

Object of Act

3. The object of this Act is to ensure:

10 (a) that any proposed project for the development and operation of a private hospital for the purpose of providing health services by the private sector to public patients is reviewed by the Public Accounts Committee; and

(b) that any such project is authorised by both Houses of Parliament, before the project is proceeded with.

15 **Definitions**

4. In this Act:

“**Government**” includes the State, the Crown and a Minister of the Crown;

20 “**health services**” means any medical, nursing, diagnostic, dental or paramedical services and includes any preventative health services;

“**hospital development project**” means a project to which this Act applies;

“**private hospital**” has the same meaning as in the Private Hospitals and Day Procedure Centres Act 1988;

25 “**private person**” means any person other than:

(a) the Government; or

(b) a public hospital authority; or

(c) a public or local authority; or

30 (d) a public servant or other person or body acting in an official capacity on behalf of the Government, a public hospital authority or a public or local authority;

“**Public Accounts Committee**” means the Public Accounts Committee for the time being constituted under Part 4 of the Public Finance and Audit Act 1983;

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“public hospital authority” means an area health service constituted under the Area Health Services Act 1986 or an incorporated hospital or separate institution within the meaning of the Public Hospitals Act 1929 or, in relation to a hospital mentioned in the Fifth Schedule to that Act, the Minister for Health;

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“public patient” has the same meaning as in the Health Insurance Act 1973 of the Commonwealth.

Projects to which Act applies

5. (1) This Act applies to any project under which it is proposed that a private person or persons will, under an agreement or agreements to be entered into with the Government or a public hospital authority, develop and operate a private hospital identified in the project for the purpose of providing health services to public patients at the private hospital.

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(2) This Act does not apply to any project (being any project involving the development and operation of a private hospital for the purpose of providing health services by a private person to public patients at the hospital) that has been reviewed by the Public Accounts Committee before the commencement of this Act.

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(3) In this section, **“develop”** a private hospital includes the purchase, erection or extension of buildings at the hospital.

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Minister required to refer projects to Public Accounts Committee

6. Before any expressions of interest are invited from private persons in relation to a hospital development project, the Minister is required to cause a document containing sufficient detail so as to enable the Public Accounts Committee to conduct a proper review of the project to be referred to the Committee.

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Public Accounts Committee to review project and report to Parliament

7. (1) The Public Accounts Committee is to review any hospital development project referred to it under section 6 and present a report to the Legislative Assembly on the project within 60 days after receiving the document referred to the Committee in accordance with section 6.

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(2) The Committee is to present the report to the Clerk of the Legislative Assembly if the Legislative Assembly is not sitting when the Public Accounts Committee is required to present its report. If presented

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to the Clerk of the Legislative Assembly, the report is to be dealt with in accordance with section 63C of the Public Finance and Audit Act 1983 as if it were a document presented to the Clerk in accordance with a provision of that Act.

5 Project not to proceed unless reviewed etc.

8. (1) Any agreement in relation to a hospital development project is not to be entered into:

- 10 (a) unless the document containing sufficient detail of the project has been referred to the Public Accounts Committee in accordance with section 6; and
- (b) until whichever of the following occurs first, provided the Committee has made its report on the project to the Legislative Assembly within 60 days after receiving the document referred to it in accordance with section 6:
 - 15 • the Legislative Assembly has considered the Committee's report on the project
 - 14 sitting days of the Legislative Assembly have elapsed since presentation of the report and during which time the Assembly has been given the opportunity to consider the report.

20 (2) After the Committee's report has been considered by the Legislative Assembly (or after the 14 sitting days have elapsed) and before any agreement in relation to the hospital development project is entered into, the Minister is required to make a detailed final report on the progress of the project to the Public Accounts Committee.

(3) In making the detailed final report on the project, the Minister must address:

- 30 (a) any recommendations made by the Committee in relation to the project; and
- (b) the financial feasibility of the project.

Project not to proceed unless authorised by both Houses of Parliament

35 **9.** Despite any other provision of this Act, any agreement in relation to a hospital development project is not to be entered into unless both Houses of Parliament have, following presentation of the Public Accounts Committee's report on the project to the Legislative Assembly, passed resolutions authorising the project to proceed.

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Act applies regardless of terms of agreement

10. This Act applies regardless of the terms of any agreement entered into after the commencement of this Act.

Act binds the Crown

11. This Act binds the Crown.

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Regulations

12. The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.

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Review of Act

13. (1) The Minister is to review this Act to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives.

(2) A review is to be undertaken as soon as possible after the period of 5 years from the date of assent to this Act.

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(3) A report of the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the period of 5 years.

