



Australian Government
Department of Health and Ageing

SECRETARY

Ms Fran Thorn
Secretary
Department of Human Services
GPO Box 4057
MELBOURNE VIC 3001

Dear Ms Thorn 

HEALTH AND HOSPITALS FUND

I refer to the proposal, Parkville Comprehensive Cancer Centre, submitted by the Victorian Minister for Health, the Hon. Daniel Andrews, MLA for funding through the Health and Hospitals Fund (HHF).

The Minister for Health and Ageing, the Hon Nicola Roxon MP, referred the proposal to the HHF Advisory Board for consideration. As required under the *Nation-building Funds Act 2008*, the Advisory Board assessed the proposal against the HHF evaluation criteria. The Advisory Board determined that the proposal satisfied the HHF evaluation criteria.

The Commonwealth has approved funding for this joint venture with the State of Victoria to build the Parkville Comprehensive Cancer Centre (PCCC) as a component of the 2009 Federal Budget measure titled "*Health and Hospitals Fund – national cancer statement*".

The objective of this Budget measure is to establish world-class, integrated cancer treatment and research centres that will improve treatment outcomes for cancer patients, and become part of a national resource for research, diagnosis, treatment and wellness for people with cancer in Australia.

The Commonwealth will provide a contribution of funds towards the establishment of PCCC as a new, world-class integrated cancer treatment and research facility that will, by its expected operational commencement in December 2015, function as a national resource to improve cancer control for all Australians, and include the minimum following features:

- (i) provide, through state-of-the-art facilities, multidisciplinary clinical care encompassing diagnostic services, surgery, radiotherapy, chemotherapy, wellness facilities and support services (including post-treatment support);

- (ii) successful innovative and comprehensive peer-reviewed research at a basic, clinical and population level, with rapid translation directed to enhance clinical academic practice and routine cancer care;
- (iii) demonstrated full range of multi-disciplinary clinical services with training, education and mentoring support of cancer health professionals and research staff across a broad range of cancer services;
- (iv) collaborative linkages with other cancer services and Regional Cancer Centres with agreed role delineation, referral and care protocols, outreach education and support, and collaborative clinical research;
- (v) a high level of cancer subspecialization including multi-disciplinary best practice management of newly emerging techniques and practices applied to complex, uncommon and selected cancers; and
- (vi) effective governance structures with strong institutional and funding support, accompanied by sufficient capacity to achieve significant and sustainable improved health outcomes in cancer care.

In recognition of the considerable body of work already undertaken to progress the PCCC (including negotiations for contributions from other organisations, detailed master plan and feasibility study, development of a business case as well as significant internal and independent external review of the project) the Commonwealth is prepared to make an initial contribution of \$9.2 million (GST exclusive) to the State of Victoria to further progress the PCCC in line with the objectives set out above and the proposal.

Upon acceptance of this offer, the Commonwealth will develop with the State of Victoria a funding agreement within the new streamlined federal financial relations arrangements to provide a further \$416.9 million (GST exclusive) over four years from 2009-10 to 2012-13 towards the PCCC. Payment of this additional amount will be subject to the signing of documentation under the new arrangements acceptable to the Commonwealth and the State of Victoria.

The Commonwealth envisages this will provide the time necessary to enter into a co-operative arrangement with the State of Victoria given the size and complexity of this project, including teasing out the provisions of the Public Private Partnership procurement model proposed for this project.

During the development of the agreement both parties acknowledge that there are likely to be significant commercial sensitivities and agree to not disclose confidential information of the other party to any third party without prior approval in writing from the other party. In giving written approval, a party may impose such terms and conditions as it thinks fit.

Should appropriate documentation, under the new streamlined federal financial relations arrangements, not be signed by the State of Victoria and the Commonwealth by 31 December 2009 for the provision of the further funding, the State agrees that on request it will repay the funding of \$9.2 million to the Commonwealth within thirty (30) calendar days of such request.

If the State of Victoria is willing to accept this arrangement, please indicate this by signing a copy of this letter where indicated and returning a signed copy by Express Post to:

Director
Health & Hospitals Fund
Department of Health & Ageing
MDP 51
GPO Box 9848
CANBERRA ACT 2601

enclosing a correctly rendered invoice that:

- is presented as an invoice;
- identifies the Health and Hospitals Fund;
- is made out to the Department of Health and Ageing;
- contains the amount of \$9.2 million (GST exclusive).

If you have any queries on this matter please contact Mr Paul McGlew, Director, Health and Hospitals Fund on (02) 6289 1741, or email paul.mcglew@health.gov.au.

Yours sincerely



Jane Halton PSM
Secretary

14 June 2009

SIGNED for and on behalf of the **STATE OF VICTORIA** as represented by the Department of Human Services ABN 93 785 850 801 by:

FRAN THORN

Printed Name



Signature)

The signatory warrants that he/she has authority to bind the *Department of Human Services*

24/06/09

Date

SECRETARY, DHS.

Position