

**CONFIDENTIAL**  
**CABINET DECISION**

No. 3829

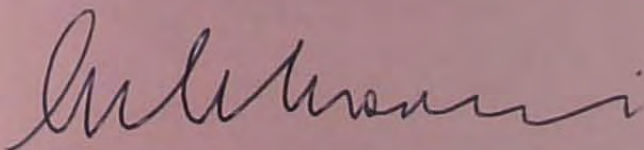
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Submission No.: 3282

Title: DEVELOPMENT OF A PRIVATE HOSPITAL WITHIN  
THE ROYAL DARWIN HOSPITAL RESERVE

Cabinet -

- (a) approved the negotiation for the development of a Private Hospital by Lowton Pty Ltd within the Royal Darwin Hospital reserve; and
- (b) indicated its expectation that the Private Hospital would be operating by July 1986.



A. G. MORRIS  
Secretary to Cabinet.

13 November 1984

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FOR CABINET

SUBMISSION No: ..... 3282 .....

Title:	Development of a private hospital within the Royal Darwin Hospital reserve.
Minister	Hon. Nick Dondas
Purpose:	To seek approval to negotiate the development of a private hospital within the Royal Darwin Hospital reserve.
Relation to existing policy:	In accordance with Government policy to provide patients with the alternative of private or public hospital treatment and accommodation.
Timing/ legislative priority:	N/A
Announcement of decision, tabling, etc:	NIL
Acting required before announcement:	NIL
Staffing implications, numbers and costs, etc:	A further 60 to 100 employment opportunities could be provided by the private hospital.
Total cost:	NIL

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DEPARTMENT OF THE TREASURY

Department/Authority.....

COMMENT ON CABINET SUBMISSION No.

TITLE: ..... DEVELOPMENT OF A PRIVATE HOSPITAL WITHIN THE  
..... ROYAL DARWIN HOSPITAL RESERVE.....

COMMENTS:

Treasury supports the proposal on the basis that:

- 1) No Territory subsidy or equivalent (such as guaranteed purchase of bed days in the private hospital) be involved.
- 2) Any services provided to the private hospital by the Royal Darwin Hospital to be charged for on a full cost recoupment basis.
- 3) The land be paid for as proposed by the Valuer-General.

Proceeding will depend on Commonwealth approval of the private hospital beds for subsidy purposes.



SIGNED:

R.C. MADDEN

DESIGNATION:

Under Treasurer

DATE:

22/10/84

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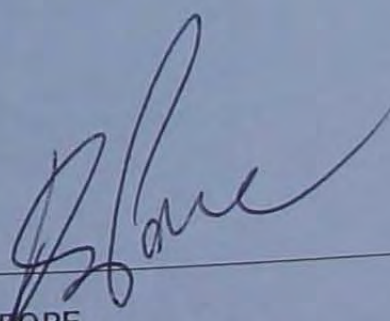
Department/Authority ..... PUBLIC SERVICE COMMISSIONER

COMMENT ON CABINET SUBMISSION No.

TITLE: ..... DEVELOPMENT OF A PRIVATE HOSPITAL WITHIN THE ROYAL  
..... DARWIN HOSPITAL RESERVE  
.....  
.....

COMMENTS:

It is noted that there are significant employment implications particularly in the short term when it is expected that there will be staff reductions at Royal Darwin Hospital. It is strongly recommended that the appropriate Staff Associations be consulted early in the planning stages. It is also essential that this Office be kept informed if redundancies are likely to occur.



SIGNED:

K S POPE

DESIGNATION:

Public Service Commissioner

DATE:

23 October 1984

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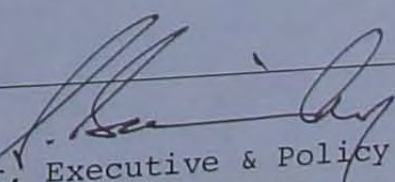
Department/Authority ..... LAW

COMMENT ON CABINET SUBMISSION No.

TITLE: ..... DEVELOPMENT OF A PRIVATE HOSPITAL WITHIN THE  
..... ROYAL DARWIN HOSPITAL RESERVE

COMMENTS:

There are no constitutional or legal barriers to the proposal.

SIGNED: S. R. Bailey   
DESIGNATION: Director, Executive & Policy Unit  
DATE: 17 October 1984

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NORTHERN TERRITORY OF AUSTRALIA

**DEPARTMENT OF THE CHIEF MINISTER**

OFFICE OF THE CO-ORDINATOR GENERAL

P.O. BOX 4396  
DARWIN, N.T. 5794



18 October 1984

Secretary,  
Department of Health,  
G.P.O. Box 1701,  
DARWIN N.T. 5794

Attention : Michael South

Draft Cabinet Submission: Development of a Private  
Hospital Within The Royal Darwin Hospital Reserve

I refer to your letter of 15 October, 1984 concerning negotiations for the development of a private hospital and your request for comments on the draft Submission.

The involvement of the Department of Lands in preliminary aspects to date is noted. There are no suggestions for consideration by further departments. This Office has no specific comments to offer beyond noting that the proposed location will lead to some savings in the cost of establishing the hospital which might be relevant to the position on negotiations to be adopted.

A handwritten signature in blue ink, appearing to read 'John F. Dillon'.

JOHN F. DILLON  
for Co-ordinator General

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Department/Authority.....COMMUNITY DEVELOPMENT

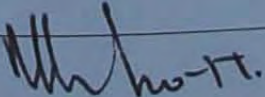
COMMENT ON CABINET SUBMISSION No.

TITLE: .....DEVELOPMENT OF A PRIVATE HOSPITAL WITHIN  
.....THE ROYAL DARWIN HOSPITAL RESERVE

COMMENTS:

This Department has no comment to make.

SIGNED:



DESIGNATION: Secretary

DATE:

18 October 1984

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SECRETARY  
DEPARTMENT OF TRANSPORT AND WORKS  
DARWIN

Secretary  
Department of Health  
GPO Box 1701  
DARWIN NT 5794

CABINET SUBMISSION DEVELOPMENT OF A PRIVATE HOSPITAL  
WITHIN THE ROYAL DARWIN HOSPITAL RESERVE

Thank you for the opportunity to comment on this submission.

This department has no comment on the submission other than to draw attention to the fact that the proposed site for the private hospital is that which was originally intended for the second ward block when required. The private development will cut off the options for extensions to Royal Darwin Hospital when it reaches full capacity expected by 1995.

C J FULLER

24<sup>th</sup> October 1984





NORTHERN TERRITORY OF AUSTRALIA

SECRETARY

DEPARTMENT OF LANDS

P.O. BOX 1680  
DARWIN, N.T. 5794

Telephone: 89 7722

Reference: 84/475

The Secretary  
Department of Health  
M.L.C. Building, 81 Smith Street,  
DARWIN NT 5790

ATTENTION: Assistant Director, Secretariat

CABINET SUBMISSION: DEVELOPMENT OF A PRIVATE HOSPITAL WITHIN  
ROYAL DARWIN HOSPITAL GROUNDS

I refer to your letter dated 15 October 1984 in which you sought comments on this Cabinet Submission.

The Submission refers to the "Royal Darwin Hospital Reserve". The land on which the Royal Darwin Hospital is located is not formally reserved under the Crown Lands Act. It is Crown Land set aside for the Department of Health.

Tenure options for a private hospital within this area are:

- freehold title to the Territory through a holding body such as N.T.D.L.C. over Darwin Hospital with lease to Lowton over the private hospital site under provisions of the Real Property Act.

Comment: Unless the Territory wishes to retain title to the land at all times, this option is not worth pursuing.

- Crown Lease direct to Lowton for a specific term e.g. 20 years.

Comment: Not recommended unless the Territory wanted to regain control of land and improvements after a specified time. This tenure would probably not be acceptable to a commercial operator, unless compensation provisions were adequately defined.

- Crown Lease Perpetual

Comment: Not much point unless there are compelling reasons to retain continuing control through lease conditions.

. Crown Lease Term for the development period, convertible to fee simple on compliance.

Comment: This is the usual tenure for a commercial development and requires payment for the site at market value. In the absence of any advice to the contrary, this is the recommended tenure.

The Cabinet Submission should briefly outline the options and indicate support for the preferred option.

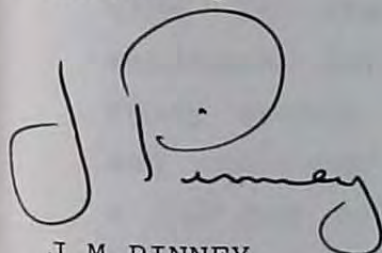
Since the allocation of Crown Land is involved, a representative of the Land Allocations Branch of this Department should be included in any future negotiations on this aspect of the proposal.

The land is appropriately zoned S1, a hospital being permitted in this zoning.

The Submission does not specify the exact location of the proposed private hospital, although the attached newspaper article states that it "will be built on land between Rocklands Drive and the Red Cross kiosk". Should this be so, then all vehicle access should be from the existing road and bridge leading from Rocklands Drive.

The Submission states, at paragraph 12, "parking facilities are already provided", the inference being that no further parking would be needed. I am not familiar with usage rates of the present carpark, although I understand there may be some spare capacity. However, the new facility would be likely to generate additional visitors, as the Submission acknowledges that it will extend the capacity of the Royal Darwin Hospital for a further five (5) years.

The developer will have to demonstrate that additional parking is not required to obtain a waiver from the Planning Authority.



J M PINNEY  
DEPUTY SECRETARY

25 October 1984

THE ISSUE

1. This Submission seeks approval to negotiate the development of a private hospital within the Royal Darwin Hospital reserve.

BACKGROUND

2. During May, 1982, Lowton Pty Ltd, a joint development partner in the Chan Park Private Nursing Home, sought approval to construct a 2 stage 60 bed private hospital within the Darwin Hospital reserve. Lowton Pty Ltd were advised that a private hospital could be licenced immediately prior to commissioning and Commonwealth approval would be necessary to attract bed day subsidy payments.
3. In September 1983, land tenure options were sought from the Department of Lands by the Department of Health for a proposed site within the Darwin Hospital Reserve.
4. On 19 January, 1984, approval-in-principle for 12 months, was granted to Lowton Pty Ltd for the construction of a 60 bed private hospital in Darwin.
5. Lowton Pty Ltd applied on 8 March 1984 for land allocation in the Royal Darwin Hospital Reserve. Their rationale for this request was the economic savings and ready access to diagnostic facilities such as pathology and radiology. Development plans were modified to cover a 100 bed private hospital in 3 stages from 1985/86 to 1988/89 at a total estimated cost of \$10 million.
6. The Valuer-General placed an estimated value of \$180,000 on a 9000 square metre site of vacant land within the hospital reserve. This valuation was at 15 March, 1984.

7. On 27 June, 1984, approval-in-principle was given to Lowton Pty Ltd to establish a 100 bed private hospital on the Royal Darwin Hospital reserve.

#### CONSIDERATION OF THE ISSUE

8. There has been community pressure for a private hospital facility in Darwin for several years. Many private medical practitioners have expressed the wish to have such a facility for their patients. People with private health insurance often express the wish for private hospital facilities not provided by present Northern Territory hospitals.
9. Provision of private patient accommodation is consistent with Government policy to allow patients to choose between private and public services.
10. Establishment of a private hospital will take some pressure off the demands to Government for more facilities in its present role as sole provider of hospital services.
11. If the intended facility is included in the Royal Darwin Hospital reserve, there will be reduced need for the developer to duplicate existing diagnostic services. In addition, such a location would be more convenient for medical practitioners visiting public and private patients. There would also be a reduction in transport requirements when patients at the private hospital need to use paramedical services at the Royal Darwin Hospital. A convenient "overflow" facility for patients at the Royal Darwin Hospital would also be provided.
12. Parking facilities are already provided and, in case of need, ancilliary emergency services would be in close

proximity. In any event, a study will need to be made of possible additional parking requirements to comply with the requirements of the Planning Authority.

13. A private hospital within the present hospital reserve may cause some space problems, however these are seen to be minimal.
14. Current projections show the Royal Darwin Hospital as reaching full capacity between 1989 and 1991. This allows for the effect of the proposed Children's Hospital. The addition of a private hospital will mean that the Royal Darwin Hospital should not reach full capacity until 1995.
15. The most recent communication from Lowton Pty Ltd, is at Attachment A. This lays out the proposed development timetable.

#### OPTIONS

16. The options are:
  - (a) to allow Lowton Pty Ltd to construct a private hospital within the Royal Darwin Hospital reserve, or
  - (b) not to allow Lowton Pty Ltd to construct a private hospital within the Royal Darwin Hospital reserve.

Option (a) is the preferred option.

#### PUBLIC IMPACT

17. The reaction of the public to a private hospital facility in Darwin is expected to be extremely favourable.

FINANCIAL CONSIDERATIONS

18. The site would be allocated to Lowton Pty Ltd at market value, to be determined by the Valuer-General. The Department of Lands has suggested that that land arrangement be on Crown Lease Term for the development period convertible to fee simple on compliance, this being the usual arrangement for a commercial development.
19. There would be some reduction in revenue at the Royal Darwin Hospital.
20. As a matter of principle, the Royal Darwin Hospital would recover in full the cost of any services provided to the private hospital.
21. It is not envisaged that any subsidy or other arrangement such as guaranteed purchase of bed days be introduced.

EMPLOYMENT CONSIDERATIONS

22. A private hospital can be expected to provide between 60 and 100 additional employment opportunities. There may be some reduction in staff requirements at the Royal Darwin Hospital due to the lessening of patient demands in the short term. However, any reductions should be minimized by recruitment by the private hospital.

CO-ORDINATION AND CONSULTATION

23. The Department of Lands have been involved regarding preliminary matters.
24. Comments by the Department of Transport and Works and Lands and the Office of the Co-ordinator General are attached for information.

PUBLICITY

- 25. Some publicity has already been given to this project. Copies of a press release in April 1984 and an article which appeared in the "NT News" are at Attachments B and C.
- 26. No further press release is suggested at this stage.

RECOMMENDATION

- 27. It is recommended that Cabinet agrees to the negotiation of the development of a private hospital by Lowton Pty Ltd within the Royal Darwin Hospital reserve.

*Mark Dondas*  
1/11

82/902

*Lowton Pty. Ltd.*

~~SIX BANDSTONE ROAD, CALUPARK, 3163~~  
~~TELEPHONE 588288X~~  
194 Koornang Road, Carnegie, 3163  
Phone: (03) 5680446



October 2, 1984

Secretary of Health,  
P.O. Box 1701,  
DARWIN N.T. 5794

Dear Keith,

To assist with Cabinet submission, we include the following sitrep to bring you up to date.

a. Scope of Proposal

1. 100 Bed Medical, Surgical, Maternity Hospital.
2. Two storey construction.
3. General breakup of facilities proposed (refer attached).

b. Schematic Plans

Meeting with project management groups planned on or about October 11, 1984. After which the plans requested should be available.

c. Revised Target Date

We are still planning an opening date for July 1986 and unless unforeseen problems arise, we believe this is still achievable.

d. Liaison

Liaison with Opposition Health Minister, A.M.A., local medical practitioners and other interested groups will occur over the next two to three months. In addition a closer liaison will occur with your office during this time.

e. N.T. Department of Health Support

We have had preliminary discussions with Officers of your Department regarding benefits to be gained from maximising use of existing facilities rather than duplication and this will continue.

f. Commonwealth Department of Health

On advice from your office we will now deal with Dr. F. Stewart as Director of Health Commonwealth rather than through the South Australian Office. A letter confirming our progress will be sent to his office in the near future.



Local Details

We have been liaising with Mrs. J. Prince in this area and we have a letter currently being sent to Jennifer asking for assistance in providing badly needed information. You will be aware that the final decision on the best mix of wards and facilities cannot be made until all details are compiled.

Please accept our recent lack of communications not as a sign of faltering but merely trying to tie up the incredible number of loose ends inherent with a private development of this magnitude. There are probably ten million reasons why each stage should be adequately investigated prior to proceeding further.

I anticipate being in Darwin in the later part of October and can discuss these matters in more detail at that time.

Regards,



D. POWIS

- encs. 1. Preliminary list of services.  
2. Copy of letter to Mrs. J. Prince.

DARWIN PRIVATE HOSPITAL

SCHEDULE

GENERAL BUILDING SPECIFICATIONS

- Two tiered building.
- 76 single beds.
- 24 double beds.
- 3 operating theatres.
- 3 labour wards.
- 1 radiology suite (4 rooms).
- 1 pathology laboratory.
- 1 dispensary.
- Kiosk.
- 10 medical consultation suites.
- 12 day patient wards.
- Administration block.
- Kitchens.
- Reception (5).
- Laundry.
- Staff Rest Area.



CHIEF MINISTER

DARWIN

13 APRIL 1984

PRESS RELEASE BY THE MINISTER FOR HEALTH, NICK DONDAS

THE TERRITORY CAN NOW LOOK FORWARD TO THE ESTABLISHMENT OF A PRIVATE HOSPITAL ON THE ROYAL DARWIN HOSPITAL CAMPUS.

HEALTH MINISTER NICK DONDAS IN MELBOURNE TODAY HELD DISCUSSIONS WITH THE OPERATORS OF THE CHAN PARK NURSING HOME. THE OUTCOME IS A \$10 MILLION 100-BED COMPLEX TO COMPLEMENT THE EXISTING PUBLIC HOSPITAL FACILITIES.

MR DONDAS SAID HE HAD BEEN LOOKING FORWARD TO THE SUCCESSFUL NEGOTIATION OF THIS PROJECT FOR SOME TIME.

"HOSPITAL USERS IN THE TERRITORY WILL SOON BE ABLE TO CHOOSE BETWEEN PRIVATE AND PUBLIC FACILITIES. THE ESTABLISHMENT OF THIS PRIVATE HOSPITAL FURTHERS GOVERNMENT POLICY TO PROVIDE THE BEST POSSIBLE HEALTH CARE FACILITIES FOR TERRITORIANS," MR DONDAS SAID.

CONSTRUCTION WILL COMMENCE IN THE 84/85 FINANCIAL YEAR WITH COMPLETION SCHEDULED FOR 1986.

DETAILED DISCUSSIONS BETWEEN THE PROPRIETORS AND THE DEPARTMENT OF HEALTH WILL CONTINUE.

ENDS

# Green light to build \$10 million hospital



Marilyn... down in the dumps after the bashing incident.

SYDNEY. — Touring British pop star Marilyn, was bashed and thrown to the floor as he danced with a girl at a crowded Sydney nightclub disco early today.

The visiting English singer — a close friend of outrageous singer-actor Boy George — was singing a "quiet last night" in the club before returning to Paris later today.

Marilyn was dancing at the Royal Exchange hotel in Oxford Street with his friend Stevie Hughes, of the band, and Sydney girl Vicki Scallan, who is winding up a promotional tour of Australia.

Hands said the incident was provoked and Marilyn was caught by a "style kick" to the face the night repeatedly as he lay on the floor.

His left kick caught him square in the left cheek and left a large welt. The hotel — a haunt for Sydney's punks — was crammed with hundreds of late-night drinkers. Marilyn was interviewed by police before being taken to St Vincent's hospital for X-rays to his cheek.

## Marilyn flattened at disco

assaulted today and interviewed witnesses.

They told police the British rock star was "minding his own business" and that a well-known local tough had set out to get him.

Marilyn said he was "disgusted". He said he was trying to get the feel of the local night-club scene and chose last night to go out because he was returning to Europe today.

He said: "Everywhere I go, every city in the world, I go out where the real people are just like any other person because I like to enjoy myself.

"This is the first time anything like this has happened — I doubt I'll be

A \$10 million private hospital will go ahead in Darwin.

Building will start in the next financial year and the project is expected to be completed for 1986.

Health Minister Mr Nick Dondos announced this today from Melbourne where he is attending the Health Minister's Conference.

His announcement followed final negotiations in the city this morning with Mr David Poole, managing director of Lowton Pty Ltd and Associates who will build and operate the facility.

The same Melbourne-based company runs the Chan Park Nursing Home for the aged at Palmerston.

Mr Dondos said the planned 100-bed private hospital would be built on the grounds of the Royal Darwin Hospital at Casuarina.

The new facility would complement the existing modern public hospital

facilities at Casuarina, Mr Dondos said.

He said he had been looking forward for some time to the successful negotiation of the private hospital project.

"Hospital users in the Territory will soon be able to choose between private and public facilities," Mr Dondos said.

### Proposed

"The establishment of this private hospital further government policy to provide the best possible health care facilities for Territorians."

It is proposed the hospital will be built on land between Stocklands Drive and the Red Cross kiosk.

In a brief statement today Lowton Pty Ltd and Associates officials said final details of the project were not yet available.

"But we anticipate significant progress in building by mid-1985," they said.

## Unions group to oust BLF

SYDNEY. — Employers were confident today they would succeed in getting the Builders Laborers Federation deregistered.

And their spokesmen said they believed once this happened other unions would take over the industrial cover of the union's membership.

This would mean the end of the 80-year-old turbulent union.

Observers say the BLF would almost certainly create a tremendous upheaval in the building and construction industry and elsewhere as it thrashed around in its dying throes.

### Seeking

About five or six building employer groups are seeking deregistration of the BLF.

Mr Justice Sheppard has stated a Full Bench of the Federal Court is ready to resume the

### From OUR BUREAU

Building Workers Industrial Union national secretary, Mr Pat Clancy said today his union was not seeking the expulsion of the BLF from the industry.

"All we want is the union to observe proper trade union practices and principles," he said.

Mr Clancy accused the BLF of declaring work black and putting members of other unions out of work while continuing to work themselves in other areas.

The biggest onslaught against the BLF is coming from right-wing unions such as the Federated Ironworkers



Fiona

## Fiona star to go stre

SYDNEY Coote, 14, had a dramatic moment over doctors were announce definitely stronger.

A hospital said the best was she is cough up by fluid that has her lungs saving up Sunday.

"The play has really w Fiona will have it every in an attempt completely."

"She remains and it is still but now she can herself, her is more able to

Doctors concerned for lung congest complicate the three to four her body realises it has heart.

And it is this is most cr Fiona, of Ma Tamworth — very well whether the was a success

But Fiona's been well suppressed" in tion — which has been given the rejection drug Cyclosporin order to stop attacking the

### Rejec

"When doctors mine the level tion they will tuning the drug it all onto course," the added.