

CHAA NEWSLETTER OCTOBER 2005

INTRODUCTION

Welcome to our regular monthly CHAA Newsletter intended to update our sponsors and key stakeholders regarding key CHAA research, events, and achievements. Thanks once again to all our sponsors from the Health Capital Asset Managers' Consortium (HCAMC) jurisdictions for their ongoing support and feedback. Thank you also to our UNSW sponsors, especially those in the Faculty of the Built Environment (FBE).

This newsletter is one of a series disseminating useful sources of information to our sponsors and CHAA.net members. Each newsletter includes a monthly Centre update including a brief list of emerging issues and a list of useful resources (usually electronic and almost always free of charge to use).

We are still in the process of developing a comprehensive set of electronic bookmark references (website links) to be located on the CHAA website. As noted in last month's newsletter, our website is now located at: www.chaa.net.au. This takes you directly to our home page and from there to other resources available for participants in our seminars and conferences, other e-resources, Newsletters, etc. If you have not already done so, please update your bookmarks with this new link.

Our big news this month is that we have finally relocated to our new premises on the main UNSW campus. We are now located on Level 1 of the West Wing of the Red Centre Building. Our new phone numbers and fax numbers are listed at the end of this newsletter. Our email addresses remain unchanged with all enquiries, etc, still to be directed to CHAA.Admin@fbe.unsw.edu.au

Apart from moving, this month our attention has also been focused on final preparations for the CHAA Conference being held in Melbourne from 9-11 November. It is not too late to register for this – so if you are making a last minute decision to come, let us know asap. See you all in Melbourne!

CENTRE UPDATE

CHAA Personnel

Chantal Lovisa, a final year Industrial Design student from the Netherlands is currently working with CHAA on a practicum project as part of completing her undergraduate degree. Chantal is in Australia for 3 months and is working on a design prototype for a new type of combined services panel for inpatient wards. We are anticipating that an outcome of her project will be the testing of a mock up version of her panel in our health research laboratory early next year.

Emerging Issues

- Several NSW HPU have now been issued in draft format for selective industry review. Comments are expected back at CHAA by the 4th of November. Publication of these for wider industry review and use is still planned for mid-December 2005.
- **CHAA Conference, 10–11 November 2005:** normal rate registrations close on 31 October 2005. The program and registration forms are available on the CHAA website under [Events](#).
- In collaboration with the RAIA, CHAA has recently developed a **survey of healthcare facility designers** that will shortly be sent to all RAIA members, and that was recently forwarded to all architects, project directors and health facility planners on the CHAA.net mailing list. The intent of the survey is to understand more about the designers who work on healthcare projects and in particular the kind of information resources that they use or would like to see developed for their use. In the future, this will allow both the RAIA and CHAA to better target the needs of these designers in terms of ongoing professional development activities and in the production and dissemination of new and relevant technical resources. If you have not received a copy of the survey and would like to participate, please contact CHAA on chaa.admin@unsw.edu.au.

USEFUL REFERENCES:

Public Private Partnerships

Definition:

A Public-Private Partnership (P3 or PPP) is a contractual arrangement between a public payer and a private provider that obligates the private provider to deliver a specified level of services, under specified terms, in exchange for public financing.

Introduction:

Public-private partnership (PPP) is a variation of [privatization](#) in which elements of a service previously run solely by the public sector are provided through a partnership between the government and one or more private sector companies. Unlike a full privatization scheme, in which the new venture is expected to function like any other private business, the government continues to participate in some way. These schemes are sometimes referred to as PPP or P3.

Typically, a private sector consortium forms a special company called a "special purpose vehicle" (SPV) to build and maintain the asset. The consortium is usually made up of a building contractor, a maintenance company and a bank lender. It is the SPV that signs the contract with the government and with subcontractors to build the facility and then maintain it. A typical PPP example would be a hospital building financed and constructed by a private developer and then leased to the hospital authority. The private developer then acts as landlord, providing housekeeping and other non medical services while the hospital itself provides medical services.

(Source: http://en.wikipedia.org/wiki/Public_Private_Partnerships Accessed: 2 Nov 2005 12.00AEST)

A recent conference "Health Partnerships 2005: The 1st European Health PPP Conference" was held 27 September 2005 in Paris, France. For an outline of the conference Program see <http://www.wbresearch.com/healthpartnershipseurope/agenda.html>

A reading and reference list of resources on Public Private Partnerships and Private Finance Initiatives is below. In particular, see the articles in the British Medical Journal by Pollock et al. This important topic will be updated over subsequent newsletters.

Australian Information:

Webb, Richard and Pulle, Barnard, **Public Private Partnerships: An Introduction**, Parliament of Australia, Library, Research Paper No. 1 2002-03 (September 2002)
<http://www.aph.gov.au/library/pubs/rp/2002-03/03RP01.htm>

Australian Procurement and Construction Council, **Key Issues in Procurement through Public Private Partnerships (PPPs)**, Discussion Paper, Deakin, APCC, 2002
<http://www.apcc.gov.au/docs/APCCPPPDiscussionPaperMch%202003.pdf>

Organisation for Economic Co-Operation and Development Organisation, **Public-Private Partnerships for Research and Innovation: an Evaluation of the Australian Experience**, OECD, 2004 <http://www.oecd.org/dataoecd/49/16/25718007.pdf>

PricewaterhouseCoopers, briefings – **Building Australia with Ppps**, Briefings, No. 1 2004
<http://www.pwcglobal.com/Extweb/manissue.nsf/docid/A0B92D0BA8525878CA256F1E000C3EAA>
NOTE: An earlier publication "**Public Private Partnerships: A Clearer View**" (Wednesday, 31 October 2001) claimed "PPPs are working well: Trend of success of public-private partnerships demonstrated in PwC Review" based on a survey of 27 PPP projects in the UK to provide evidence on success or otherwise of PPP schemes
http://www.pwcglobal.com/uk/eng/about/svcs/pfp/ppp_study.html inaccessible 2 Nov 2005, 1230 AEST

European Experiences:

European Union European Health Property Network, numerous newsletters, reports, Workshop articles and presentations <http://www.euhpn.org/html/publications.html#Reports> including

Public Private Partnerships Report,

<http://www.euhpn.org/docs/Public%20Private%20Partnerships.pdf>

Dowdeswell, B., European Union European Health Property Network, **Public Private Partnerships and the Wider Dimensions of Capital Investment Strategy,**

http://euhpn.org/Ouludocs/Public%20Private%20Partnerships_Barrie%20Dowdeswell.pdf

presented at the Oulu, Finland workshop 13-15 June 2005. (Accessed 31 Oct 2005)

Scally, J. **Public Private Partnerships in Ireland: An Overview** *Quarterly Bulletin*, Autumn 2004, pp 79-90

<http://www.centralbank.ie/data/QtBullFiles/2004%2003%20Public%20Private%20Partnerships%20An%20Overview.pdf>

NOTE: This article is a concise review of the concepts and practices in Ireland.

King's Fund Centre, **The Private Finance Initiative, 2005**

http://www.kingsfund.org.uk/news/briefings/the_private.html

NOTE: This article is a concise review of the history of PFI in the NHS, as at 1.04.2005.

NHS, Public Private Partnerships in the National Health Service: **Private Finance Initiative: An overview of Public Private Partnerships in the National Health Service**, 1999

http://www.dh.gov.uk/ProcurementAndProposals/PublicPrivatePartnership/PrivateFinanceInitiative/PFIGuidance/PFIGuidanceArticle/fs/en?CONTENT_ID=4015889&chk=YneABe

National Electronic Library for Health (UK), **Public Private Partnerships and Primary Care**

<http://rms.nelh.nhs.uk/healthManagement/viewResource.asp?searchText=contracting+&dg=59&uri=http%3A//libraries.nelh.nhs.uk/common/resources/%3Fid%3D27465>

National Electronic Library for Health (UK), **Private Finance Initiative**,

<http://libraries.nelh.nhs.uk/healthManagement/viewResource.asp?searchText=PFI&searchZone=%2FhealthManagement%2FsearchResponse.asp&dg=59&uri=http%3A//libraries.nelh.nhs.uk/common/resources/%3Fid%3D29576>

Department of Health (UK), **Public Private Partnerships**, 2005

<http://www.dh.gov.uk/ProcurementAndProposals/PublicPrivatePartnership/fs/en>

NOTE: The public private partnerships (PPP) section of the site covers guidance on the two main public private partnerships that the DH uses; the private finance initiative (PFI) and the NHS Local Improvements Finance Trust (NHS LIFT). Related links within the OGC (Office of Government Commerce, UK) includes a site of links on Procurement Policy and European Union Rules (information and guidance) <http://www.ogc.gov.uk/index.asp?id=1000084>

Scottish Executive, **Public Private Partnerships In Scotland: Evaluation Of Performance**, Final Report 2005, Government of Scotland:

<http://www.scotland.gov.uk/Publications/2005/05/05153704/37102>

NOTE: Around half of all PPP projects are in the health sector. The majority of the health projects have relatively small capital value and relate, for example, to providing information systems, waste management services or elderly care beds.

UK: HM Treasury, **Public Private Partnerships**,

http://www.hm-treasury.gov.uk/documents/public_private_partnerships/ppp_index.cfm?ptr=29

NOTE: This site provides access to a wide range of information about the Private Finance Initiative in the UK dating from it's first introduction in 1992 (An introduction to the private finance initiative. London: Treasury, 1997)

UK National Audit Office, **Managing the Relationship to Secure a Successful Partnership in PFI Projects**, 2001

http://www.nao.org.uk/publications/nao_reports/01-02/0102375.pdf

World Bank, **Public Hospitals: Options for Reform through Public Private Partnerships, Private Sector and Infrastructure Network**, Note No. 241, January 2002

<http://rru.worldbank.org/Documents/PublicPolicyJournal/241Taylor-010802.pdf>

Refereed Journal articles (titles highlighted):

Smith, R (Ed.) "**PFI: perfidious financial idiocy**," *British Medical Journal*, 319: 2-3, July 3, 1999.
<http://bmj.bmjournals.com/cgi/content/full/319/7201/2>

NOTE: This Editorial is an example of the debate raging since the mid 1990's on PFI in the NHS, referring via links to dozens of related articles in the BMJ.

Nishtar, Sania "**Public – private 'partnerships' in health – a global call to action**"
Health Research Policy and Systems 2004, 2:5 doi:10.1186/1478-4505-2-5

<http://www.health-policy-systems.com/content/2/1/5>

NOTE: This paper outlines key ethical and procedural issues inherent to different types of public-private arrangements and issues a Global Call to Action.

Boyle S, Harrison A (2000). "**Private finance and service development**". In: Appleby J, Harrison A, eds. *Health Care UK*, London: The King's Fund.

NOTE: This study compared costs between 11 major NHS private financing schemes and their public sector comparators. In the UK, on average, P3s have produced savings of 2% to 4% to over the life of the project. Cited by The British Columbia Medical Association, Public-Private Partnerships (P3s) in Health Care, March 2004

http://www.bcma.org/public/news_publications/publications/policy_backgrounders/P3sInHealthcare.asp

Pollock, Allyson M; Shaoul, Jean and Vickers, Neil "**Private finance and "value for money" in NHS hospitals: a policy in search of a rationale?**" *BMJ*, May 2002; 324: 1205 – 1209

<http://bmj.bmjournals.com/cgi/content/full/324/7347/1205>

NOTE: A related article Will primary care trusts lead to US-style health care? discusses the cost pressures of private sector funding on costs. See BMJ 2001;322:964-967 (21 April)

<http://bmj.bmjournals.com/cgi/content/full/322/7292/964> .

*See the recent Letter (BMJ, Oct 2005) titled "**Evidence not ideology: The BMJ should take a position on the evidence about privatisation**" <http://bmj.com/cgi/content/full/331/7522/964>*

Pollock AM, Player S, Godden S "**How private finance is moving primary care into corporate ownership**" *BMJ* 2001;322:960-963 (21 April)

<http://bmj.bmjournals.com/cgi/content/full/322/7292/960>

Pollock, Allyson M; Dunnigan, Matthew; Gaffney, Declan ; Macfarlane, Alison and Majeed, F Azeem "**What happens when the private sector plans hospital services for the NHS: three case studies under the private finance initiative**" *BMJ*, Apr 1997; 314: 1266

http://bmj.bmjournals.com/cgi/content/extract/314/7089/1266?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=1&author1=Pollock%2C+AM&andorexacttitle=and&andorexacttitleabs=and&andorexactfulltext=and&searchid=1130728240438_17083&stored_search=&FIRSTINDEX=20&sortspec=relevance&resourcetype=1,2,3,4

Propper, Carol and Green, Katherine, "**A Larger Role for the Private Sector in Financing UK Health Care: The Arguments and the Evidence**", *Journal of Social Policy*, Vol 30(4) October 2001, pp 685-704 <http://www.bris.ac.uk/Depts/CMPO/workingpapers/workingpapers.htm>

NOTE: The Centre for Market and Public Organisation (CMPO), is a UK research centre, combining expertise in economics, geography and law. Their objective is "to study the intersection

between the public and private sectors of the economy, and in particular to understand the right way to organise and deliver public services.” They publish extensively to their website & journals.

BUSE, Kent and WAXMAN, Amalia. **Public-private health partnerships: a strategy for WHO.** *Bull. World Health Organ.* [online]. 2001, vol.79, no.8 [cited 31 October 2005], p.748-754. Available from World Wide Web: http://www.scielo.org/scielo.php?script=sci_arttext&pid=S0042-96862001000800011&lng=en&nrm=iso ISSN 0042-9686.

NOTE: The paper argues that partnership between WHO and the commercial sector is inevitable and that it presents considerable opportunities, but also significant risks, for the organization and for public health.

Organisational Viewpoints on PPP:

The PPP Forum, established in 2001 by private sector organisations to promote the benefits of public private partnerships in the UK. <http://www.pppforum.com/>

NOTE: Site has extensive archive guides on completed and planned PPP projects, plus PPP news clippings. (Source: The Guardian <http://society.guardian.co.uk/ppp/page/0,10537,527288,00.html>)

Health Action International – Europe, Private Public Interactions (PPIs) are proposed as win-win solutions to the AIDS pandemic. With an outcome orientation and efficient ‘lean’ governance structure, PPIs are expected to move fast in making medicines available to people living with HIV/AIDS. In practice, fast and effective action is proving to be difficult: funds for implementation of projects are often constrained, with implications for their functioning and the communities they are intended to serve. Other risks have been recognised including strain on existing health infrastructure, inequity in delivery, and questions about accountability and responsiveness to the public. SOURCE: http://www.haiweb.org/02_focus_c.htm

UNISON, The Private Finance Initiative: A Policy Built On Sand. An examination of the Treasury's evidence base for cost and time overrun data in value for money policy and appraisal. A report for UNISON by Prof Allyson Pollock, David Price and Stewart Player, Public Health Policy Unit, UCL, London, UNISON, October 2005 <http://www.unison.org.uk/acrobat/B2062.pdf>

NOTE: UNISON is the major union in the health service. Its health care service group represents more than 400,000 employees in the NHS and staff employed by private contractors, the voluntary sector and general practitioners. A recent paper “Overview of Public Private Partnerships in the UK”, June 2005 details the UK by sector and issues. <http://www.unison.org.uk/acrobat/B1924.pdf>

Canadian Union of Public Employees (CUPE), The Facts On Public Private Partnerships for Health Care, Published November 29, 2001 07:00 PM
<http://www.cupe.ca/www/HealthCareP3/4588> Accessed 2nd Nov 2005, 11.00 AEST

Ontario Health Coalition, publishes an extensive links set on the issues raised for Canada, generating significant public comment based on UK & EU experience / evidence.
<http://www.web.net/~ohc/P3s.htm>

NOTE: Background Information available at www.ontariohealthcoalition.ca includes a new report “100 P3s flawed, failed and abandoned” that looks at 100 P3 projects and raises questions about Minister Caplan’s assertion that privatized infrastructure projects are “on time and in budget”. A report “Public options for financing infrastructure” in which economist Hugh Mackenzie outlines credible options to finance hospitals publicly.

National Library of Medicine (USA), Library of Lectures, Public-Private Partnerships in Health, <http://www.pitt.edu/~super1/lecture/lec16131/> Accessed 2nd Nov 2005, 11.00 AEST

NOTE: this international lecture provides an overview of PPP across service provision and delivery issues, not specifically focused on hospital facilities procurement.

Acknowledgement: *Some articles cited in this Newsletter were provided by the Australian College of Health Services Executives (ACHSE) Library which also offers a document retrieval service (details available via their website www.achse.org.au/nsw/library.html).*

Additional Information: *The CHAA Newsletter is available via the CHAA website and every attempt has been made to cite sources readily available via the internet, however if you have difficulty in locating an item please forward an e-mail query to us as CHAA.admin@unsw.edu.au with “Newsletter – YOUR TOPIC ” in the Subject line.*

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The University of New South Wales has provided hypertext links to a number of other web sites as a service to readers of this Newsletter. This service does not mean that the University endorses those sites or material on them in any way. The University is not responsible for the use of a hypertext link for which a commercial charge applies. Individual users are responsible for any charges that their use may incur.

NEXT MONTH

We intend to cover the following topics in upcoming issues of this newsletter:

November 2005	Rehabilitation
December 2005	Christmas message
January 2006	Maternity & Paediatrics
February 2006	Pathology & Laboratory Design
March 2006	Design & Culture

Please email us your links for useful resources, particularly where they are relevant to the upcoming subject areas, ASAP, and for the next newsletter **by Friday, 25 November**.

Please also let us know of any areas of particular interest that we can address in future newsletters.

****Don't forget to circulate the newsletter amongst your colleagues, consultants, contractors, etc!****

We look forward to producing future issues and to meeting you at the conference in Melbourne next month.

Jane Carthey

31st October 2005

Director, Centre for Health Assets Australasia
Faculty of the Built Environment, The University of New South Wales

+61 2 9385 5619 (general); +61 2 9385 5935 (fax)

Website: www.chaa.net.au