

## Right to Information Decision – Public Disclosure Log

### Right to Information No.: RTI201617-090

**Date of Application:** 7 March 2017

#### Information Requested

*A copy of a report prepared by the Tasmanian Government and sent to the Federal Minister for Health that outlined the decision to place a third linear accelerator in Launceston, as opposed to the North West. This is approximately a 30 page report sent between governments in September 2008 or thereabouts.*

#### Decision and Statement of Reasons

Extensive and widespread searches were undertaken however the final version of the report requested was unable to be located. After discussions with the applicant, pursuant to section 13(7) of the Act, the application was refined to include any relevant information pertaining to the original application.

Section 13(7) provides:

A public authority or a Minister may negotiate with an applicant to refine or redirect his or her application for assessed disclosure of information.

The document attached has been deemed to be relevant information and, as stated in the Schedule of Documents, I have made the decision to release this information in full.

Submission No: \_\_\_\_\_

## **Applying for Funding \$100 000 and Over Approval to Proceed**

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**Subject:**

Additional Radiation Oncology Treatment Unit for Northern Tasmania

**Description:**

The Federal Labor Government has made a commitment to provide up to \$7.7M towards the establishment of an additional radiation oncology unit in the North or North West. The funding will be over 4 years. For an additional unit at the Launceston General Hospital the funding would cover the cost of a new bunker and associated patient areas, new patient accommodation, Physicist tutor and registrars for 4 years and capital contribution towards training facilities for the physicists.

**Business case:**

The Tasmanian Radiation Oncology Advisory Committee produced a report on the options for a third linear accelerator in Northern Tasmania. (Copy enclosed)

The clinical services plan indicated that there will be increased demand for radiotherapy services and that a 5<sup>th</sup> linear accelerator will be required by 2011. The option of a North West centre as an outreach service from the LGH Holman Clinic was suggested as per below.

“The Department will undertake a careful feasibility study to assess:

- the ability to recruit radiation therapists and technical support staff including physicists to a more remote service;
- the cost burden to the system of developing a single machine service compared with an additional linear accelerator at the existing Holman Clinic; and
- whether additional Commonwealth support could be attracted because of the potentially substantial benefits to the community of developing such a service.”

The Executive Summary of the Tasmanian Radiation Oncology Advisory Committee report is included below

Executive Summary

Patient Access

There are patient access benefits in providing a single machine centre on the North West Coast. Currently patients either travel daily or stay overnight in Launceston 4 nights per week, for their treatment course. The average course duration is 4- 5 weeks.

However, despite the need to travel to Launceston, the radiation therapy referral rate from the North West Coast is comparable to that of the Northern region with 44% of patients treated at the LGH Clinic coming from the "64" (North West) area code region and the balance from the North. This is in line with the respective populations of the two regions.

The Cancer Council provides a daily bus service from the North West, which is well patronised by patients that travel daily as well as those that travel up on Monday, stay for the week and travel back at the end of the week. There are a range of Launceston accommodation options available from triple share to private motel units that patients and their carers can use. The out of pocket expenses borne by the patient will vary depending on the availability and type of accommodation chosen.

Single machine stand alone units are not considered an acceptable model for radiation therapy services within Australia<sup>1</sup> and thus any new centre on the North West Coast would need to operate as an outreach centre from the Launceston Service.

### Recruitment

Recruitment of specialised staff such as radiation oncologists, radiation oncology medical physicists, experienced radiation therapists and engineers has proved difficult in the past. The third radiation oncologist position at the LGH has been advertised numerous times over the past 18 months and as yet there has been no suitable applicant to take on this VMO position with Private Practice rights.

Training of radiation oncology registrars locally is seen as a positive step to overcoming this recruitment problem and the LGH Holman Clinic recently obtained accreditation for advanced radiation oncology registrar training. Unfortunately this accreditation is subject to having the third radiation oncologist position filled and requires ongoing funding for a registrar position.

Radiation Oncology Medical Physicist Registrar training would also improve recruitment of this critical group of staff. This needs to be addressed with a state-wide approach with funding for a Radiation Oncology Medical Physicist Clinical Tutor position and at least two registrars.

It is expected to be more difficult to recruit to the North West Coast and one of the potential risks with a new North West centre is that specialised staff attracted to this area may come from within the existing staff at the LGH. This may produce a situation where both centres are understaffed and this would significantly impact service delivery in both centres and also limit the Launceston Clinic's ability to provide the necessary support to an outreach centre.

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<sup>1</sup> Supramaniam R, Akland S, Meigel F, Fried O, Olver I, Penniment M (2005) "Cancer service delivery in rural and regional Australia – problems and prospects". COSA workshop, Alice Springs

### Cost Implications

If the recruitment problems for the North West could be overcome there would be a cost penalty in providing a new single machine unit in the North West. This arises from the need to provide experienced staff to supervise the day to day work without direct support from their senior colleagues in Launceston.

Additionally there would be a need to duplicate high cost facilities such as a CT simulator, physics equipment, computer planning workstations and licences. The additional annual operating costs are estimated to be in the order of \$200,000. Additional capital equipment costs would be approximately \$2M with a 10 year life expectancy. Building works would also be higher than expanding the existing Launceston clinic, due to the requirement to duplicate existing facilities such as office space, review areas, Simulator rooms and treatment planning area. Any new centre on the North West Coast would need to be co-located with Medical Oncology services as part of a comprehensive cancer care delivery model. The land that the North West Regional Hospital is on is owned by the Crown and this may be able to be used for this purpose.

Another approach explored was the provision of daily radiation therapy treatment in the North West, with the patient travelling to the Launceston Clinic for Simulation. The operational cost penalty of this approach is \$100,000 per annum and capital equipment cost of \$800k. The building costs would still be higher than redeveloping the LGH Holman Clinic Site. However, this option might create more recruitment and retention difficulties due to the reduced scope of work performed at such an outreach centre.

Another matter to consider is that since 44% of the patients treated in the North/ North-West of the State live in the North-West a new centre established in the North-West is likely to reach capacity quickly and by 2011 there would be a need for a second machine on the North West site. The second machine would initially only be operating at 40% capacity. The machine capital cost would be \$3.5 M. Additional operating costs would include the annual service contract cost exceeding \$200,000 plus staff to operate and support the unit. Having, three machines at the one site in Launceston the need for a fourth linear accelerator would be deferred under existing modelling, until at least 2015.

### Recommendation

Given the current capacity of the Launceston centre, the recommended option is for the installation of a third linear accelerator at the LGH Holman Clinic to enhance the existing service with capacity to manage increased workload and it is believed that this would also improve the opportunities for the recruitment of key personnel as well as some economies of scale with staffing and equipment needs. One of the benefits of having a critical mass of identical treatment machines on one site is the ability to carry on treating all patients in the event of a machine breakdown. Furthermore, a three machine centre would be in a better position to support an outreach service in the future.

Under this option, improved patient access would be facilitated by the provision of patient accommodation with private facilities close to the Launceston Holman Clinic and

continued daily transport from the North West Coast and other population centres outside Launceston should also be considered.

As part of the election promises the labour party offered funding of 7.7 Million for radiation therapy services in Northern Tasmania. This is regardless of whether it is in Launceston or Burnie.

To obtain the full benefit of this funding the Linear Accelerator needs to be initially funded by the state so that it would be eligible for the Commonwealth's Health Program Grants Scheme whereby for each patient attendance that is billed to Medicare or DVA there is a Capital payment towards the replacement cost of the unit. If capital funding is provided by the commonwealth the unit would not be eligible for the Health Program Grant Payment throughout its working life.

Part of the commonwealth funding could then be utilised to provide capital costs of enhanced patient accommodation and other initiatives to improve staff recruitment and retention.

**Note**

Subsequent to the report being tabled there has been some overseas interest in the radiation oncologist's position but this would require them to be employed in a supervised staff specialist position for 2 years and a process is underway to facilitate this.

**Further information on Proposed Capital Developments**

With additional physics staff and the training of registrars there would be a need to expand the physics area. As there is a high level of interaction with Radiation Therapy planning it was thought that these two areas would ideally be located adjacent to one another. Vacating the existing treatment planning area would also allow for the expansion of the Day Oncology ward to cope with increasing demand. There is space on level two adjacent to the linear accelerator plant rooms that would be suitable for this purpose

Suitable patient accommodation has been flagged as an issue for patients attending the clinic and a partnership with other groups such as the Cancer Council and Spurr Wing could facilitate this on land available near the Hospital.

Currently there are three linear accelerator bunkers on the LGH Holman Clinic site with two dual energy bunkers and a low energy bunker. There is also a HDR Brachytherapy bunker housing the state-wide HDR Brachytherapy service and this area is quite restrictive in terms of space. Ideally the HDR Brachytherapy unit would be relocated to the current Low Energy Linear Accelerator bunker and a New Dual Energy Bunker built in the vicinity of the current HDR Brachy Bunker.

GP North West Tasmania, North West Palliative Care and The Hospice Care Association of North West Tasmania have expressed strong support for a patient lounge area for those patients travelling long distances to attend the clinic and this would be ideal for those patients using the Cancer Council bus for the North West Coast as they spend several hours at the Clinic.

Patient parking has long been an issue for the patients attending the Clinic and funding for additional parking spaces may be available through this program.

**Proposal history:**

The Commonwealth DoHA invited submissions from jurisdictions priorities for the areas most in need of additional radiotherapy facilities as part of the 2006-07 Federal Budget commitment of \$90.3M over 4 years for better access to radiation oncology services.

The focus of the current programme is to improve access to radiotherapy services especially in non-metropolitan areas by:

- expanding the number of people trained to provide radiation oncology
- improving quality systems and
- expanding the radiation oncology infrastructure

The Tasmanian submission indicated that a 5<sup>th</sup> Machine would be required for Tasmania and that it would be required in the North of the State with decision on best option after the Clinical Services Plan was finalised.

In the initial round of funding Tasmania was unsuccessful but during the election improved access to radiation therapy services was revisited and a commitment made by both parties to fund an additional unit for Northern Tasmania.

**Estimated value of funding/cost:**

The funding will be divided up into capital and funded project sections.

It is envisaged that the project section could involve the employment of a Radiation Oncology Medical Physics Tutor and two physics registrars to help with the recruitment of these professionals. Also with a third radiation oncologist on staff a radiation oncology registrar could also be employed for 4 years. Using the costing estimator for a part time tutor (0.6) with a recruitment bonus of 10k and a HP level 5 classification and the two registrars funded as top of HP base grade and a registrar in training level 2 the budget would be close to \$400k per annum. (\$1.6M)

The capital component would be available to provide new facilities for medical physics and treatment planning, improved patient accommodation near the hospital, new linear accelerator bunker and patient facilities such as patient waiting room, toilets, and a transit lounge for the patients travelling on the bus service. There are also patient parking issues for those patients how travel to the clinic daily and there may be an opportunity to provide additional parking. This funding would be available over two financial years with \$4.1M in 2008/09 and \$2.0M in 2009/10.

The New Linear accelerator if funded by the state would be eligible for Health Program Grants Capital Funding (HPG.) If the unit was purchased by the commonwealth it would not attract the HPG funding. To maximise the benefit to the state the New Linear Accelerator should be funded by the state. This would be required when the bunker is completed and is expected to be for the 2010/11 financial year. The current cost of a dual energy Linear Accelerator is \$3-3.2 M

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Additional operational expenditure would be required to support the new equipment as per the table below. Full utilisation would take a number of years and if the physics and radiation oncology Registrar positions were funded by the commonwealth for the 4 years this reduces the costs in the first two years. The staffing levels are based on current standards and with continued increased workload some of these positions may well be in place prior to this time, subject to available funding.

Fixed operational costs

Resource	Class	Req'd	Total Salary	On Costs	Total Cost
Linear Accelerator Service Contract					\$205,000
Physicists	HP1-2	2	\$136,820	\$26,777	\$163,597
Radiation Oncology Advanced Registrar	MI 206	1	\$101,909	\$19,945	\$121,854
Biomedical engineers	CS02	1	\$59,721	\$11,688	\$71,409
<b>Fixed Cost Total</b>					\$561,860

Full utilisation operational costs

Resource	Class	Req'd	Total Salary	On Costs	
Radiation Therapist	RT1-2	8	\$636,256	\$124,522	\$760,778
Senior Radiation Therapist	RT03	1	\$87,314	\$17,088	\$104,402
Nurses	SN02	1	\$65,657	\$12,850	\$78,507
Social workers	HP03	1.2	\$90,186	\$17,650	\$107,836
Dieticians	HP03	0.4	\$30,062	\$5,883	\$35,945
Medical Typists	AD03	1	\$41,681	\$8,157	\$49,838
Clerks	AD03	1	\$41,681	\$8,157	\$49,838
Admin Assist/Secretaries	AD03	1	\$41,681	\$8,157	\$49,838
<b>Variable Operational Cost</b>					\$1,236,984

Full operational costs implementation over 4 years

	2010-11	2011-12	2012-13	2014-15
	#*	*		
<b>Usage Rate</b>	56%	72%	89%	100%
<b>Fixed Cost</b>	\$71,409	\$276,409	\$561,860	\$561,860
<b>Variable Cost</b>	\$687,213	\$893,377	\$1,099,541	\$1,236,984
<b>TOTAL</b>	\$758,622	\$1,169,786	\$1,661,401	\$1,798,843
Hrs of Operation Per Day	5	6.5	8	9

# service contract warranty period

\*positions funded by Commonwealth

**Funding source:**

- The capital funding and Radiation oncologist registrar position and Physicist training positions funded by the commonwealth
- The capital building works funded by the Commonwealth
- The Linear Accelerator funded for Capital Equipment fund and Health Program Grants Funding.
- The operational costs to be funded out of consolidated budget supplemented by increased revenue.

**Estimated period of funding agreement:**

Commencement: 1 July 2008                      Expiry: 30 June 2012

**Recommendation:**

Approval to enter into negotiations to a stage where the Commonwealth can develop a funding agreement for consideration by the CRC committee

**Contact officer for further information:**

Name: Grant Smith  
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## **Delegate's Authorisation to submit proposal to the Contract Review Committee**

I have reviewed this submission:

- for conformity with the requirements of Government policies and guidelines;  
and
- the capacity of the budget to meet the costs of this proposal.

### **Attachments:**

- ROMP and RO Registrar funding costing calculator
- Options for third linear accelerator options report