

## ITEM NUMBER: 18.1

### CONFIDENTIAL REPORT

#### UNSOLICITED PROPOSAL – NEW PRIVATE HOSPITAL AND SPECIALIST CENTRE (Report No: 101/20)

*Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:*

- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

**Recommendation – Exclusion of the Public – Section 90(3)(d) Order**

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 101/20 Unsolicited Proposal – New Private Hospital and Specialist Centre in confidence.
  - 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 101/20 Unsolicited Proposal – New Private Hospital and Specialist Centre on the following grounds:
    - d.** pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
  - 3.** The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: **18.1**

Subject: **Unsolicited Proposal – New Private Hospital and Specialist Centre**

Date: 28 April 2020

Written By: Manager Strategy and Governance

General Manager: Strategy and Business Services, Ms P Jackson

### **SUMMARY**

Mr Dominic Skehan of the Glenelg Day Surgery contacted Council late in December 2019 regarding his vision for the development of a “state of the art, landmark building, private hospital and specialist centre in the heart of Glenelg located at 16-18 Augusta Street Glenelg”.

Following several discussions with Council officers, Mr Skehan has decided to pursue his proposed development via direct negotiations with State and Federal Members of Parliament. In the meantime, Council has received an Unsolicited Proposal Application Form from Mr Skehan seeking broad support from Council for his vision.

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### **RECOMMENDATION**

#### **That Council:**

1. **note the Unsolicited Proposal Application Form received from Mr Skehan as an item for information, notwithstanding that the Proposal does not currently meet the financial threshold of the Unsolicited Proposals Policy (Attachment 1)**
2. **note that a general letter of support for the intent of new health services was forwarded to Mr Skehan (Attachment 2)**
3. **note that Council officers will continue to work with Mr Skehan and will seek any necessary approvals in relation to the proposed development and services in due course.**

#### **RETAIN IN CONFIDENCE - Section 91(7) Order**

4. **that having considered Agenda Item 18.1 Unsolicited Proposal – New Private Hospital and Specialist Centre (Report No: 101/20) in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report be retained in confidence for a period of 12 months and/or the Chief Executive Officer is authorised to release the documents following execution of the contract and that this order be reviewed every 12 months.**

**COMMUNITY PLAN**

Community: a healthy, creative, connected community  
Economy: a diverse and resilient local economy

**COUNCIL POLICY**

Unsolicited Proposal Policy 2018

**STATUTORY PROVISIONS**

*Local Government Act 1999*

**BACKGROUND**

Mr Skehan contacted Council in late December 2019 to discuss his vision for an expanded day surgery adjacent to the current Glenelg Day Surgery. Officers attended a meeting on site with Mr Skehan, who was advised that his proposed development would be non-compliant with the Development Plan. Mr Skehan was also advised of an alternate pathway for approval of major projects via the State Commission Assessment Panel. A further meeting was held between the Business Development Advisor and Mr Skehan and subsequent email correspondence followed on a number of related matters.

During one of these email exchanges, Mr Skehan proposed a joint venture or partnership with Council involving an additional building adjacent to the development site, which could have included the development of a car park that Council could manage. At that point, Mr Skehan was directed to the Unsolicited Proposals Policy, which enables "Council to work with the private and not-for-profit sectors to pursue innovative ideas that will create jobs, contribute to the best use of public assets and deliver high quality services."

**REPORT**

Mr Skehan has since advised that he will be pursuing approval for his proposed development via State and Federal Members of Parliament. He also withdrew his proposal for a joint venture for an additional building/car park, and is pursuing his original concept of a private hospital and specialist centre 16-18 Augusta Street, Glenelg.

Nevertheless Mr Skehan submitted an Unsolicited Proposal Application Form on the basis that he may still wish to collaborate with Council in future and he was keen to secure Council support for his vision. A copy of the submitted Form is provided as Attachment 1.

*Refer Attachment 1*

In his Unsolicited Proposal Form, Mr Skehan requested:

1. A letter of support from council;
2. The ability to house the councils [sic] immunisation and public health services in the new specialist centre; and
3. The councils [sic] support for an oncology cancer centre – providing cancer services to local people in their community with respect & dignity.

As submitted, the proposal does not meet the minimum financial threshold for an unsolicited proposal under the policy, which is \$500,000. Nevertheless, in a spirit of goodwill and because increased health services could be beneficial to the community, a letter of broad support was sent to Mr Skehan. *Refer Attachment 2*

It is too early to commit to the delivery of Council programs at the new facility, as it is unclear at this time:

1. Whether the development will proceed
2. What the nature of the development will be
3. Whether the building/location will be suitable/desirable for Council programs
4. Whether there is an expectation of a commercial arrangement or whether it would be on the basis of a public benefit.

That said, there is no inherent reason why services could not be run from the new facility should it proceed. This matter will be the subject of continued discussion with officers and advice will be provided to Council in due course if a decision is required in future.

With reference to the Unsolicited Proposal Policy, there is a three stage process for managing unsolicited proposals:

Stage 1 – Initial Proposal

Stage 2 – Detailed Proposal

Stage 3 – Contract Negotiation

The proposal submitted by Mr Skehan is still in the initial phases of development. Detailed designs for the development have not yet been made available to officers and at this time, it does not appear that there is a significant role for Council, beyond general, in-principle support that expanded health services in the area are likely to be beneficial for the community. Updates will be provided to Council as and when the situation changes.

#### **BUDGET**

Not applicable at this time.

#### **LIFE CYCLE COSTS**

Not applicable at this time.