



## Standing Committee on Health and Community Wellbeing

### **Inquiry into Annual and Financial Reports 2020-2021** **ANSWER TO QUESTION ON NOTICE**

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Asked by **LEANNE CASTLEY MLA**:

ACT Health Annual Report 2020-21, Northside Hospital, p81, p64

In relation to:

Page 64 & 81 of the Directorate's Annual Report refers to "continuing planning and design work for a new northside hospital."

1. Provide a breakdown of the new northside hospital.
  - a. Where will it be?
  - b. What work has been done?
  - c. How much has been spent so far?
  - d. How much more do you estimate you will spend on this business case? Will it go over \$10.5 million dollars?
2. Budget Paper C (p19) shows you have allocated \$10.5 million and the ACT Health website says this is to "*prepare a business case for the new northside hospital*". This work is expected to be complete by June 2023. Is this public money being spent on future Labor election promises?
3. How many nurses' salaries could be paid for with \$10.5 million?

**RACHEL STEPHEN-SMITH MLA**: The answer to the Member's question is as follows:–

1.
  - a. Part of the Northside hospital project will be determining an appropriate location for the new northside hospital. This work is ongoing.
  - b. The current project is based on previous work undertaken to determine the condition and suitability of the existing Public Hospital on the Northside, Calvary Public Hospital Bruce. ACT Health Directorate (ACTHD) then sought funding to

complete a Tier 1 business case through the Capital Framework for a new Northside Hospital. To date ACTHD has:

- i. Appointed a project team;
  - ii. Appointed a commercial consultant to advise on commercial matters and prepare the Business case;
  - iii. Tendered for design, planning and architectural services;
  - iv. Tendered for legal services;
  - v. Established project governance including a working group with Calvary; and
  - vi. Conducted analysis of possible sites.
- c. Year to end of February (1 July 2021 – 28 February 2022) \$84,989 of the 2021-22 project budget has been expended. The project committed to an estimated staffing cost of \$600,000 with an additional \$180,000 for consulting fees, however two project team positions have not been filled due to the tight labour market. The small year to date project expenditure is as a result of delays in recruiting the project team, and the onboarding of consultants. The more significant costs will come in the second year.
- d. A significant amount of the project budget has been allocated to the consultancies and project team. The project budget was determined based on experience of what work needed to be undertaken and how much that work was likely to cost. The cost for this stage of the project will not exceed the appropriated amount.
2. The current funding is to develop a business case for consideration by Government, with the aim of commencing construction of a new northside hospital mid-decade. To meet this timeframe the Business Case will be prepared for consideration through the 2023-24 Budget. The project team and this tranche of work will continue to 30 June 2023, in line with the current funding.

This funding relates to a commitment made by both ACT Labor and the ACT Greens at the 2020 election, and which was subsequently included in both parties' policy platform appendices of the Parliamentary and Governing Agreement.

3. Funding of \$10.5 million could be divided up in many different ways based on the various nursing classifications and staffing profile. To attempt to calculate an unlimited number of different scenarios using different classifications and staffing profiles would be an unreasonable use of resources. However, to provide some idea of scale, the 2021-22 Budget allocated just over \$50 million over four years to deliver 90 ongoing full-time equivalent nursing positions and 3 full-time equivalent implementation team positions over approximately 3.25 years (allowing for recruitment in the second half of 2021-22).

It should be noted that funding for ongoing delivery of services, including additional nursing staff, is provided for in the Health Funding Envelope. As planning and design for a new northside hospital relates to the development of a major capital project, this commitment is not offset from the Health Funding Envelope and does not impact the availability of funding for ongoing staffing of health services.

Approved for circulation to the Standing Committee on Health and Community Wellbeing

Signature: 

Date: 22 / 4 / 22

By the Minister for Health, Rachel Stephen-Smith MLA