CABINET

ACT Government

Northside Hospital Project

Early Works Business Case

Project name:	Northside Hospital Project
Tier:	2
Risk assessment (high/med/low):	Medium / Low
Total estimated project capital cost (P90, $b, nominal):	more than $1 billion
Whole-of-life cashflow (P90, $m, nominal):	Not Applicable
Funding requested ($m):	$100 million
Recommended delivery model:	Very Early Contractor Involvement
Sponsoring Agency:	Infrastructure Canberra (iCBR)
Sponsoring Minister:	Rachel Stephen Smith
Contact officer:	Catherine Taylor, Project Director, Infrastructure Canberra (iCBR), Catherinec.taylor@act.gov.au
Business Case advisors:	Turner & Townsend

Infrastructure Canberra has separately submitted a Budget Business Case in relation to its financial sustainability seeking funding for its non-appropriated corporate costs. If that Budget Business Case is not approved the funding requested through this Business Case will need to increase by 3% to cover a corporate contribution to cover Infrastructure Canberra's non-appropriated corporate costs.

Sign-off

Sponsoring Agency: **iCBR**	**Gillian Geraghty** *Print Name*
Director General, Infrastructure Canberra	*Signature*

Basis of authority for consideration in 2025-26 Budget: Northside Hospital Project Early Works – Tier 2

Brief Description: The proposal would fund the detailed design, early works, and enabling works for the new northside hospital in Bruce, ACT, as well as the relocation of CAMHS and Arcadia House (AOD) to new facilities in Canberra's south.

Wellbeing domain 1: Health

Wellbeing domain 2: N/A

Wellbeing Framework priority target group(s): (Multiple categories can be ticked)

✓ Older Canberrans	☐ Women and/or gender diverse people	✓ LGBTIQA+	✓ Carers
✓ Culturally and linguistically diverse people	✓ Children and young people	✓ Aboriginal and Torres Strait Islander Peoples	✓ People with disability

Priority alignment: (Multiple categories can be ticked)

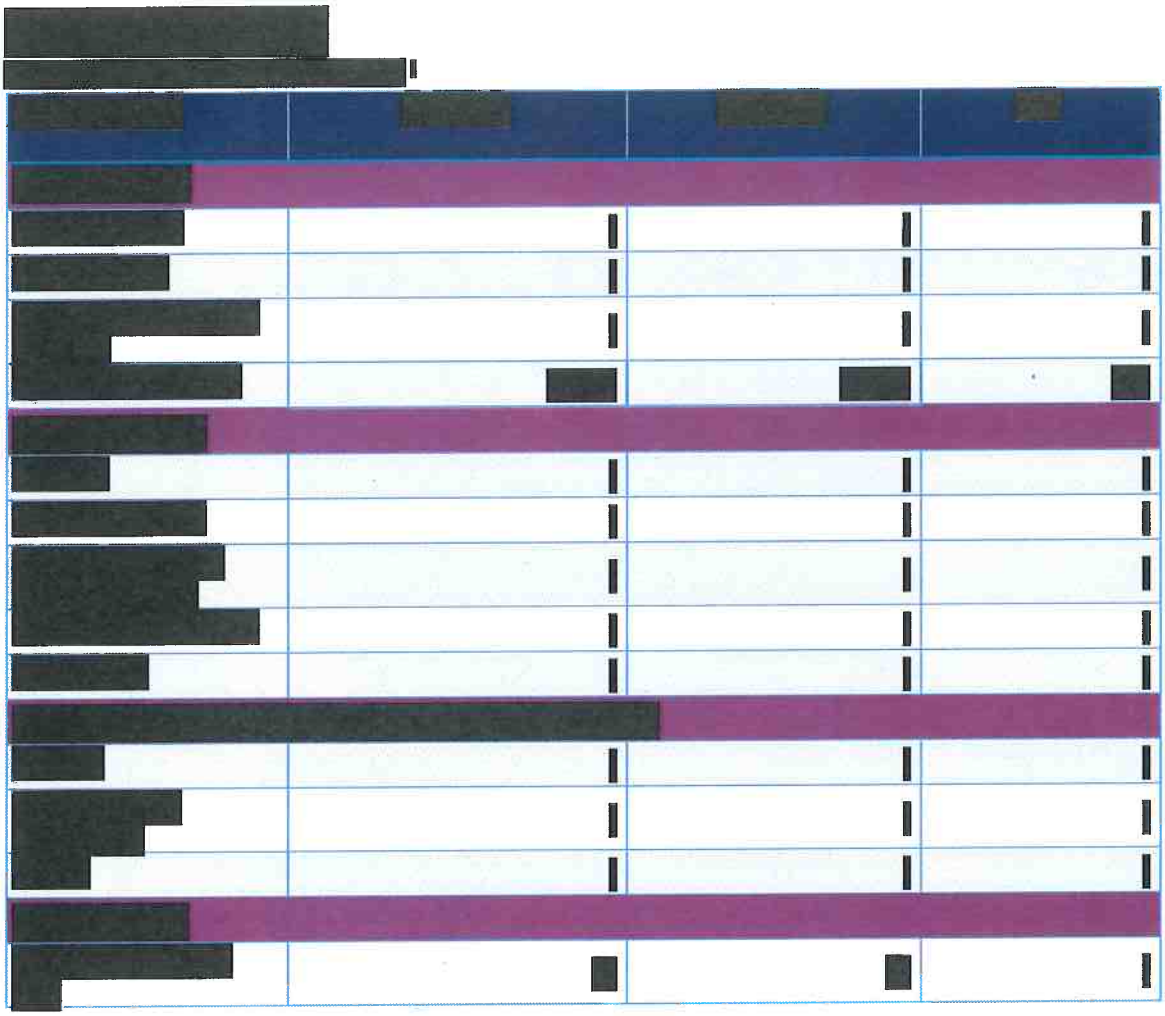
✓ Election commitment	☐ *National Agreement on Closing the Gap*	☐ *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028*	☐ *ACT Women's Plan 2016-2026*
☐ Housing	✓ Physical and mental health	☐ Early years	☐ Women
☐ Cost of Living	☐ Addressing marginalisation and disadvantage		

Electorate: Kurrajong

Existing projects or program(s): A New Northside Hospital (Strategic Health Infrastructure)

Year to cease funding or ongoing: Ongoing

Link to Budget consultation: Yes – relates to Business Case Minute Number 23/24/CAB – HEA C09 detailing initial appropriation and $1.1B provision over six years from 2025-26 for construction.



1.1 Business Case Authorisations

Lead Minister

Ministerial Endorsement	Signature and date of endorsement
Lead Minister: Stephen-Smith **Portfolio:** Health	17/2/25

[1] Please add additional lines for offsets where required; for example, where there are multiple discrete offsets for funding components.

Contents

1.1 Business Case Authorisations 3
Lead Minister 3
Abbreviations and Acronyms 8
2 Executive summary 10
3 Introduction 19
3.1 Project Background 19
3.2 Project Objectives 20
3.3 Current Project Status 20
3.4 Purpose of Business Case 21
3.5 Scope and Structure of Business Case 21
4 Project Status 23
4.1 Activities Carried Out (to date) 23
5 Need for Investment 35
5.1 Key Project Risk Mitigations (enabled by the EWBC Scope) 35
5.2 Consequences of a Funding Delay 43
6 EWBC Scope 45
6.1 Scope Overview 45
6.2 Design Progression Scope 47
6.3 Early Works Scope 50
6.4 Enabling Works Scope 54
6.5 Risk Management 57
7 Delivery Model & Procurement Status 58
7.1 Delivery Model Update 58
7.2 Procurement Plan 59
8 Financial Analysis 66
8.1 Approach to Funding Request 66
8.2 EWBC Funding Request Overview 66
8.3 Contingency 67
8.4 Budget Implications 69
9 Governance 70
9.1 Governance 70
10 Stakeholder Engagement 77

10.1 Stakeholder Engagement Framework (Process) 77
10.2 Stakeholder Identification 78
10.3 Stakeholder Engagement Strategy (Methods and Channels) 80
10.4 Stakeholder Engagement (since 2023 Business Case) 81
11 Advisor Engagement Plan 84
11.1 Territory Consultants and Advisors 86
11.2 Contractor Appointed Consultants 87
12 Planning & Approvals Pathway 88
12.1 Site Overview 88
12.2 Preliminary Findings 89
12.3 Planning Assessment Pathway Options 89
12.4 Territory Priority Project (TPP) Consideration 90
12.5 Consultation and Next Steps 90
12.6 Project Strategy 90
12.7 Early Works Strategy 90
12.8 Early Works Pathway 91
12.9 Enabling Works Strategy – CAMHS and Arcadia House (AOD) 92
12.10 Early Works Utilities and Infrastructure Approvals 92
13 Timeline & Key Milestones 93
13.1 Key Milestones 93
13.2 Decision Points 94
13.3 Timeline Assumptions, Risks, and Dependencies 95
Appendices 96
Appendix A - VECI Agreement – Contract Summary 96
Appendix B - ECI Agreement – Contract Summary 96
Appendix C - NHP Cost Estimates 96
Appendix D - CAMHS Enabling Works Cost Estimates 96
Appendix E - Arcadia House (AOD) Enabling Works Cost Estimates 96
Appendix F - Stakeholder Engagement Plan and Communication Strategy 96

Document Tables

Table 1: Northside Hospital Project – Early Works Business Case Cost Estimates 15
Table 2: Northside Hospital Project Milestones 17
Table 3: Expenditure of Existing and Proposed Appropriation 31
Table 4: Key Project Risks and Mitigations (Risk Controls) enabled by the EWBC Scope 36
Table 5: Deliverables of Design Progression Scope (ECI Phase) 47
Table 6: Contractor Design Progression Scope 48
Table 7: Territory Design Progression Scope 49
Table 8: Primary Outcomes of Early Works Scope 50
Table 9: Utility Authority Early Works Status 53
Table 10: EWBC Funding Request Overview 67
Table 11: Project capital contingency estimates ($m) 68
Table 12: Financial impacts summary (P90, $m, nominal) 69
Table 13: Member Group Roles and Responsibilities 71
Table 14: Stakeholder Identification and Key Interests 78
Table 15: Stakeholder Engagement Strategies 80
Table 16: ACTHD Community Engagement 81
Table 17: iCBR Community Engagement 81
Table 18: Stakeholder Engagement Outcomes Summary 83
Table 19: Key Advisory Roles 86
Table 20: Contractor Appointed Consultant Roles 87
Table 21: Key Milestones 93
Table 22: Decision and Approval Timeline 94

Document Figures

Figure 1: Northside Hospital Project Development Timeline 12
Figure 2: Northside Hospital Project Investment Assurance Roadmap 15
Figure 3: Northside Hospital Project Governance Structure 16
Figure 4: Early Works Business Case Content overlay with 2023 Business Case Content 21
Figure 5: Activities Carried Out aligned with Infrastructure Investment Lifecycle Stages (stages noted on the left-hand column) 23
Figure 6: VECI Delivery Model 25
Figure 7: North Canberra Hospital Campus Site 26
Figure 8: Current and Future Activities aligned with Infrastructure Investment Lifecycle (stages on left) 28
Figure 9: Investment Assurance Roadmap (2024 onwards) 33
Figure 10: Early Works Business Case Cabinet comeback 34
Figure 11: Early Works Business Case Indicative Timeline 35
Figure 12: Unfunded Early Works Scenario 43
Figure 13: Early Works Business Case Delivery Model Indicative Timeline 46
Figure 14: Early Works Scope Development Process Indicative Timeline 52
Figure 15: Utility Service Provider Design and Approval's Process 54
Figure 16: Enabling Works Indicative Timeline 56
Figure 17: Health Check 1 ECI Offer Process 62
Figure 18: Health Check 2 D&C Offer Process 63
Figure 19: Governance Structure 71
Figure 20: Organisational Structure 85
Figure 21: Early Works Planning & Approval Pathway 91

Abbreviations and Acronyms

Term	Definition
ACT	Australian Capital Territory
ACTHD	Australian Capital Territory Health Directorate
AOD	Alcohol & Other Drugs
AusHFG	Australasian Health Facility Guidelines
BIM	Building Information Modelling
CAMHS	Child and Adolescent Mental Health Service
CEWG	Clinical Executive Working Group
CHS	Canberra Health Services
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
CPHB	Calvary Public Hospital Bruce
CRG	Community Reference Group
CSP	Clinical Services Plan
CWG	Clinical Working Group
D&C	Design and Construct
DA	Development Application
DDTS	Digital Data and Technology Solutions
D-G	Director General
dD-G	Assistant to the Director General
ECI	Early Contractor Involvement
ERC	Expenditure Review Committee
EFG	Economic and Financial Group (within CMTEDD)
EPSDD	Environment Planning and Sustainable Development Directorate
ESC	Executive Steering Committee
ESD	Environmentally Sustainable Design
EWBC	Early Works Business Case
EUG	Executive User Group
FABG	Finance and Budget Group (within CMTEDD)
FFE	Fixture, Fittings and Equipment
FM	Facilities Management
FTE	Full Time Equivalent
GBA	Gross Building Area
GMP	Guaranteed Maximum Price
HSP	Health Services Plan
ICA	Infrastructure and Commercial Advice (within CMTEDD)
ICBR	Infrastructure Canberra
ICT	Information and Communications Technology
IEOI	Invitation for Expression of Interest

IT	Information Technology
JCS	Justice and Community Safety (Emergency Services Agency)
LCMHC	Little Company of Mary Health Care
$m	Million
MC	Managing Contractor
MCA	Multi Criteria Analysis
MME	Major Medical Equipment
MoC	Models of Care
NABERS	National Australian Built Environment Rating System
NCDRP	National Capital Design Review Panel
NGO	Non-Government Organisation
NHP	Northside Hospital Project
NSW	New South Wales
PCG	Project Control Group
PDC	Planning Design & Construction
POC	Points of Care
PDT	Project Delivery Team
PPP	Public Private Partnerships
PWG	Project Working Group
PUG	Project User Group
RMC	Risk Management Committee
TCCS	Transport Canberra and City Services
UCPH	University of Canberra Public Hospital
VECI	Very Early Contractor Involvement

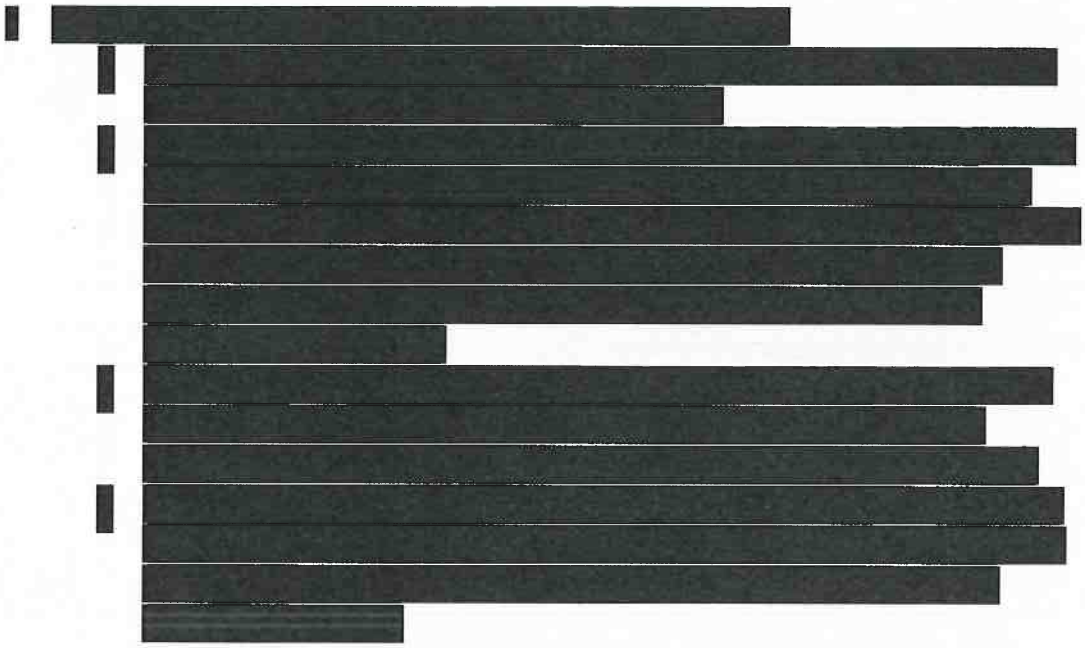
2 Executive summary

Key messages

What is this business case for?

- This business case seeks a funding decision from Cabinet to appropriate $100 million from the $1.095 billion provision allocated for the design and construction of a new northside hospital at the North Canberra Hospital campus in Bruce (the **Project**).
- This funding is being requested through the 2025-26 ACT Budget process to progress the design and early site preparation works for the new northside hospital, which is being delivered under a very early contractor involvement (**VECI**) delivery model. Additionally, this funding is required to progress enabling works to deliver a new Child and Adolescent Mental Health Service (**CAMHS**) and a new Arcadia House (Alcohol & Other Drugs (**AOD**) rehabilitation service), both of which are being delivered under a design and construct (**D&C**) delivery model.

What will the funding be used for?



- This request does not include funding for:
  - The planning and design activities carried out with the VECI contractor, as this is to be considered by Cabinet as part of any request to award the VECI contract.
  - Apart from CAMHS and Arcadia House (AOD), relocation of services that are on the new northside hospital site and require ongoing operation during construction. This will be subject to a separate funding request.
  - The main works delivery and commissioning of the new northside hospital. This will be subject to a separate main works business case submitted for the 2026-27 ACT Budget process.

- The funding required for iCBR corporate overheads, which is under consideration separately by the ERC.

Why is this funding needed?

- To enable works to occur by mid-decade.
- Without funding, the Project will be unable to progress the design and early site preparation works, and the Project will be required to be put on hold. This will result in:
  - Increased **risk of delay** to operational commissioning of the new northside hospital, as construction commencement would not be able to take place until after mid-decade.
  - Increased **risk of higher project costs** due to the existing VECI contractor passing on the costs of demobilisation and remobilisation to the Territory, and total projects costs increasing in line with inflationary pressures.
  - Increased **supply chain risk**, as the commercial terms of the detailed design activities (ECI Agreement) and delivery activities (D&C Deed) may become less favourable compared to other market opportunities.
- The relocation of CAMHS and Arcadia House (AOD) supports and enables the planning and delivery of the new northside hospital. Additionally, CAMHS and Arcadia House (AOD) do not require clinical adjacencies and are more appropriately relocated within the community in facilities that improve the outcomes of those services.

What is next?

- Finalise the early works scope and design with VECI contractor and utility providers to support approval to deliver early works via a Cabinet comeback.
- Finalise the site selection for CAMHS to obtain approval for delivery via a Cabinet comeback.
- Finalise the site selection for Acadia House to obtain approval to finalise design and commence delivery via a Cabinet comeback.

Introduction

This Early Works Business Case (**EWBC**) has been prepared to advance the delivery of the Northside Hospital Project (**NHP** or the **Project**). The NHP will be the largest single investment in health infrastructure to be delivered in the Territory's history, responding to Canberra's growing and ageing population and the increasing demand for health care services.

The EWBC seeks a funding decision from Cabinet to approve and release $100 million from the NHP provision over FY2025-26 and FY2026-27 to enable the VECI contractor to complete Detailed Design and carry out construction activities for Early Works site preparation and Enabling Works relocations by mid-decade.

Project Status

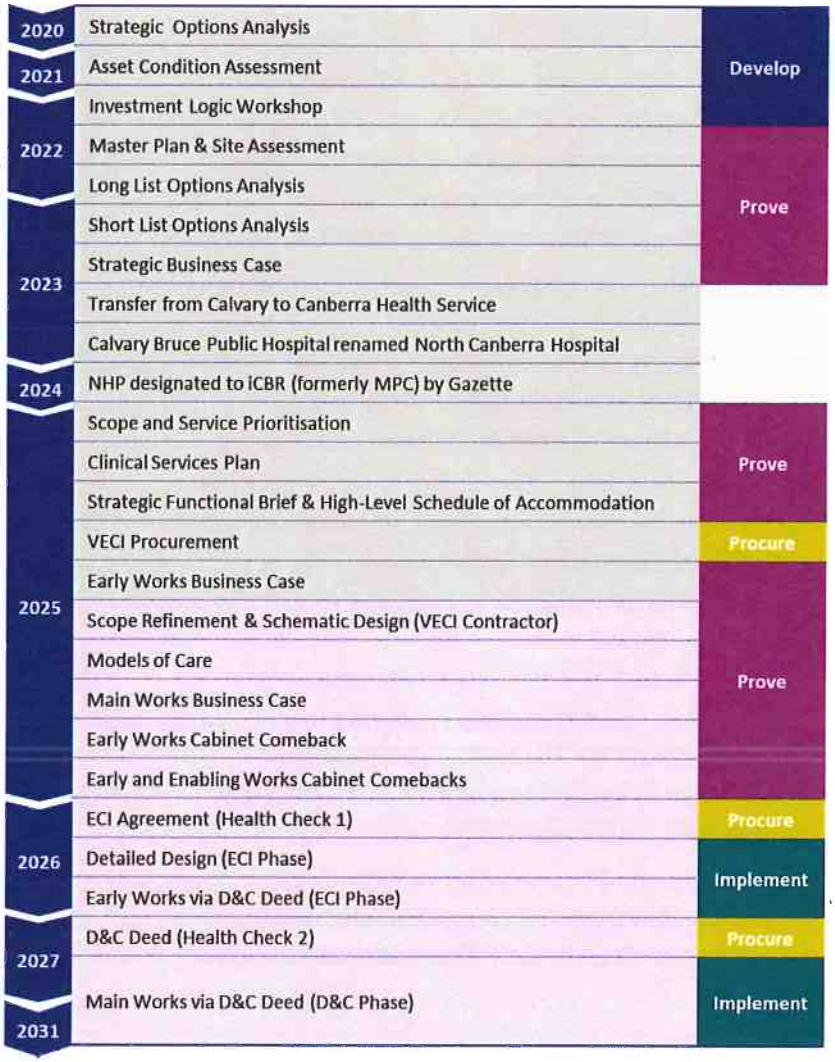
In 2023, the Territory developed a business case to confirm the Project site and secure funding for the planning of the new northside hospital reflecting on the 2017-2018 ACTHD studies. On 12

December 2023 (and on 8 November 2024), the responsibility for the planning and delivery of the northside hospital was assigned to iCBR by the Chief Minister.

The 2023 Business Case determined that the early contractor involvement (**ECI**) delivery model was preferred, including the option of implementing a VECI delivery model. It proposed that further delivery model analysis be undertaken once the facility's operating model was determined. Since then, the operations of the hospital were transferred to the Territory, supporting the selection of the VECI/ECI delivery model. An Invitation for Expression of Interest (**IEOI**) was released in May 2024 for a contractor with relevant experience under a VECI delivery model. This EOI was followed by a Request for Tender (**RFT**) in August 2024. This process resulted in a shortlist of two suitable contractors – CPB Contractors Pty Ltd and Multiplex Construction Pty Ltd and an agreement is expected to be entered into in March 2025.

Figure 1 summarises the activities undertaken to date to progress the Project (shaded grey) and future activities (shaded pink), with reference to the key stages of the ACT Capital Framework.

Figure 1: Northside Hospital Project Development Timeline



Source: Turner & Townsend

The current clinical scope refinement activities will inform the drafting of a Tier 1 business case, which will seek funding for the main works construction activities in the 2026-27 ACT Budget.

[redacted]

Need for Investment

This EWBC has been developed in accordance with the Territory's Capital Framework and structured in consultation with key stakeholders within the Chief Minister, Treasury and Economic Development Directorate. This business case does not propose to re-prosecute the investment case for the Project as outlined in the 2023 business case.

This EWBC seeks funding to mitigate the impacts of the top five strategic risks for the Project, as identified by the Project team, Project Control Group and Project Board, which includes:

- *Budget* – the NHP is a budget driven project.
- *Clinical Planning Scope* – will materially affect the size, scale and clinical adjacency.
- *Statutory Approvals Program* – the site contains high order ecological values that will impact on a range of regulatory processes.
- *Design Change Management (Stakeholders)* – ill-defined design change management process resulting in time delays and increased costs.
- *Market/Supply Chain (Market Pressures)* – degree of competition within the Tier 1 health sector.

At a high-level the consequences of the significant time, cost, and supply chain risks are:

Failure to meet Project milestones

- Without funding for progressing detailed design, Early Works and Enabling Works, the Project will be unable to develop Detailed Design deliverables, which would result in construction commencement after mid-decade.

  Impacts three of the Top 5 Strategic Risks including: budget, statutory approvals program and supply-chain.

Project costs increase

- Without funding, the Project would need to be put on hold, and the existing VECI contractor will likely pass on the costs of demobilisation and remobilisation to the Territory. Alternatively, there would be costs associated with re-tendering for an ECI contractor, as the market has indicated that they would not fix their ECI Offer for a sufficient duration to allow for funding approvals.
- Without funding, the Project would need to be put on hold, and total project costs will increase in line with inflationary pressures including impacts on procurement of clinical scope items (Furniture, Fixtures and Equipment (FFE) and Major Medical Equipment (MME)).[2]

  Impacts four of the Top 5 Strategic Risks including: budget, scope, statutory approvals program and supply-chain.

[2] Construction escalation is forecast to remain elevated for some time. Clinical scope items - MME in particular – are typically sourced globally and therefore exposed to geopolitical volatility and supply chain risks that is expected to impact costs escalation in the medium term.

Reduced market appetite (supply chain constraints)

- Without funding, the commercial terms of the ECI Agreement and D&C Deed may become less favourable compared to other market opportunities and translate to less favorable terms for local sub-contractors. The capability of this project to manage the supply-chain in the local market is imperative to the local economy and to ensure maintained velocity of work opportunity for the industry throughout project delivery. The pipeline for new health infrastructure projects is particularly strong with competition for resources in Queensland, New South Wales and Victoria. Demand for skilled trades to deliver the current forecast pipeline is expected to outstrip supply. The procurement strategy and funding request is intended to support the ACT in being able to secure these resources.

  Impacts all Top 5 Strategic Risks.

To mitigate program risk and provide momentum of works and supply-chain management into main works construction, the Project must progress Detailed Design and commence construction of Early Works, as well as Enabling Works scope (that is, the relocation of both CAMHS and Arcadia House (AOD)). The Enabling Works have also been identified as a risk, as relocations are required to inform design progression and enable Early Works construction activities.

Business Case Scope

As outlined in the *Need for Investment*, the high-level scope of the activities required are:

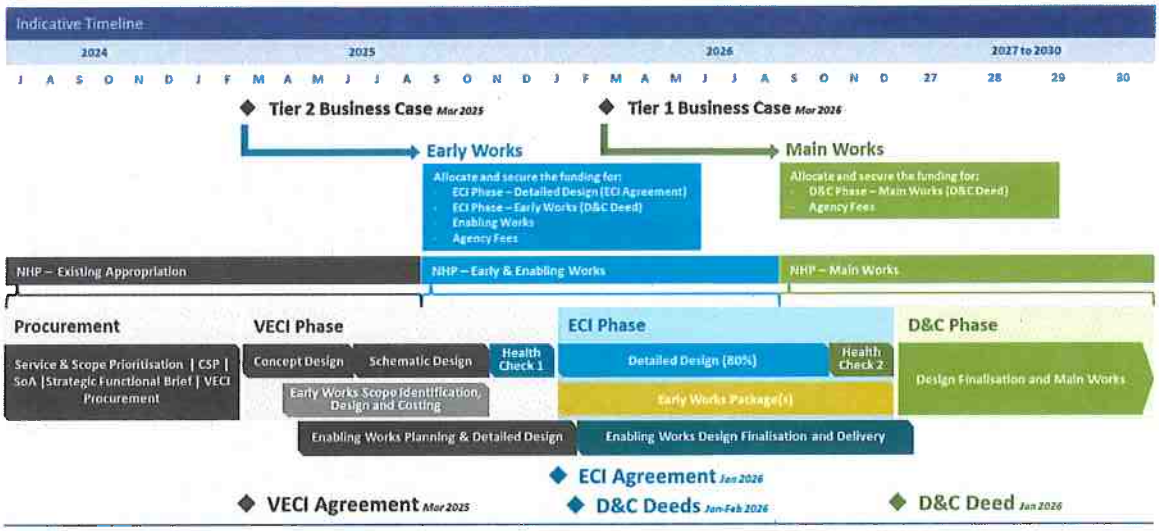
- The progression of design for the new northside hospital through **Detailed Design**.
- The delivery of the **Early Works** to prepare the new northside hospital site for main works construction, which will enable the uninterrupted operations of the existing North Canberra Hospital. These works will include planning approvals activities, further site surveys and investigations, decant and demolition, civil works (such as bulk excavation and road works), service and utilities realignments (such as electrical infrastructure, hydraulic systems, fire systems, medical gas, and communications systems).
- The delivery of **Enabling Works**, which includes the construction of a new purpose-built **CAMHS** facility in Canberra's south. This facility will replace the current collection of ageing, repurposed buildings on the north-western corner of the North Canberra Hospital campus.
- The delivery of **Enabling Works**, which includes the relocation of the **Arcadia House (AOD)** service into a fit-for-purpose facility in Canberra's south as part of the enabling works to decant existing buildings on the new northside hospital site.

Investment Roadmap

The Project is being planned and delivered in alignment with the ACT Capital Framework and the Infrastructure Investment Lifecycle. This Project's investment assurance process includes a return to Cabinet between May and August 2025 to allow further development of the scope and provide cost certainty before the Territory commit funding for Early Works and Enabling Works construction activities. This approach will also ensure that funding is available to mitigate project risks (see Section 5).

Figure 2 (below) illustrates the NHP's forward design, assurance and funding roadmap. The current activities being carried out in the **VECI Phase** are shown in **grey**. The **ECI Phase** activities, the subject of this Early Works Business Case (EWBC) funding request, are shown in **blue**, **teal** and **yellow**. Finally, the **D&C Phase** activities, subject to a 'Main Works Business Case' (to be submitted in early 2026), are shown in **green**. Further detail is provided in section 4.1.9.

Figure 2: Northside Hospital Project Investment Assurance Roadmap



Source: Turner & Townsend

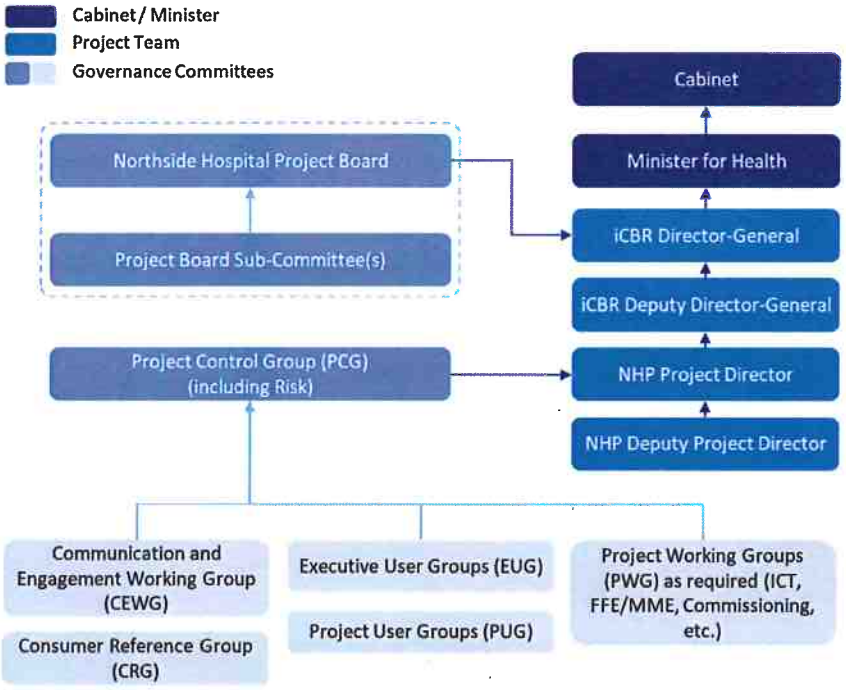
[redacted]

Project Governance

The NHP was confirmed by the Chief Minister as a *Designated Project* and the responsibility for the planning and delivery of the new northside hospital was assigned to iCBR in 2024. Project governance arrangements accord with a *Tier 1 – Major Project* requirements.

The roles and responsibilities of all members of the NHP are to further develop at the commencement of the VECI Phase and will be reconsidered as the scope is refined prior to the ECI phase. Figure 3 represents the current governance structure of the Project.

Figure 3: Northside Hospital Project Governance Structure



Stakeholder Engagement

Consultation will continue to occur in line with key project milestones to ensure opportunities for stakeholder and community input and feedback, identify and manage issues early and help achieve better outcomes for the project.

Engagement activity continues to inform development and decision making for the NHP. The framework for the Project focuses on early, proactive, transparent and regular communications and engagement. A strategic framework has been developed as a guide to engagement activities and to determine the stakeholder and communication strategy to support all project phases. There are four sub-plans that will focus on specific stages and stakeholder groups within the Project as listed below:

- External Communications Plan
- Internal Communications Plan
- First Nations Engagement Plan
- Audience specific or works specific plans

Advisor Engagement

Engagement with external advisors seeks to supplement the capabilities of the Territory Team and ensure provision of the appropriate expertise required as the project progresses to further planning and detailed design. An Advisor Engagement Plan (**AEP**) has been developed to identify future advisory engagements required for the Project. The AEP will be reassessed as the Project progresses.

Planning & Approvals

Preliminary environmental site investigations have identified high order ecological values primarily on the northern block, but also within the mature native vegetation located throughout the Project's development site. The high order ecological values are actively being managed to minimise their impact on the NHP scope, budget and program. The Project will continue investigating planning pathway options informed by scope refinement activities to confirm the site footprint and the extent of potential environmental impact.

The Early Works will be scoped and designed such that the approval pathway is limited to a Development Application only, avoiding environmental impacts. The planning and approvals pathways for the CAMHS and Arcadia House (AOD) facilities are not considered here, as site selection has not been finalised, however the sites being explored are appropriately zoned for the proposed land use.

Timeline & Key Milestones

The main works construction of the new northside hospital is proposed to commence in Q1 2027. The overall delivery program, from Early Works and Enabling Works through to commissioning, is expected to extend over a four-year period. It is proposed the ECI Agreement and Early Works D&C Deed will be awarded and commence Q1 2026. Subject to a main works business case approval, the main works D&C Deed will be awarded in Q1 2027, with practical completion targeted for Q4 2029 and operational commissioning completed by the end of Q4 2030. Refer to Table 2.

Table 2: Northside Hospital Project Milestones

Project Phase	Key Milestone	Estimated Completion
Early Clinical Planning	Clinical Services Plan Endorsed	December 2024
	Strategic Functional Brief & High-level / Benchmark Schedule of Accommodation Endorsed	February 2025
VECI Phase	VECI Agreement Awarded - Main Works Target Sum agreed and VECI Contractor Awarded	March 2025
	Concept Design Stage Completed	June 2025
	Schematic Design Stage Completed	December 2025
	Health Check 1 (ECI Offer) Process Start	December 2025
	Preliminary ECI Offer received	December 2025
Business Case	Main Works Business Case to ERC	March 2026
ECI Phase	ECI Agreement Awarded - Health Check 1 (ECI Offer) Completed – D-G Signoff	February 2026
	Early Works - Onsite Commencement	March 2026
	80% Detailed Design Complete	October 2026
	80% Detailed Design Price Updated	November 2026
	HEALTH CHECK 2 (D&C Offer) Process Start	October 2026
	Preliminary D&C Offer received	November 2026

Enabling Works	Design to Development Application stage	June 2025
	Request for Tender for Contractor(s)	August 2025
	Appointment of Contactor(s) (D&C Deed)	January 2026
	Demolition	February 2026
	Construction Commencement	March 2026
D&C Phase	Main Works Awarded (D&C Deed)	January 2027
	Main Works - Onsite Commencement	February 2027
	Main Works - Practical Completion (Nett Date) – Operational Commissioning Planning	December 2029
	Main Works - Practical Completion (Gross Date) – Operational Commissioning Implementation and Decant	June 2030
	'Go Live' Operational Commissioning Completed	December 2030

Recommendation

The Business Case seeks a funding decision from Cabinet to approve and release $100 million from the NHP provision over FY2025-26 and FY2026-27 to enable the VECI contractor's design progression and commencement of Enabling Works and Early Works construction by mid-decade. The funding request is as follows:

- **Appropriate from the $1.095 billion NHP provision:** **Agree to the appropriation of $100** [redacted]

3 Introduction

Key messages

To date, $69.6 million has been allocated for the planning and development of the new northside hospital and more than $1 billion has been provisioned for the construction of the Project.

The EWBC seeks a funding decision from Cabinet to approve and release $100 million from the NHP provision over FY2025-26 and FY2026-27 to enable the VECI Contractor's design progression, commencement of Early Works construction and relocation of CAMHS and Arcadia House (AOD) by mid-decade.

3.1 Project Background

The Australian Capital Territory (**ACT** or **Territory**) has experienced significant population growth over the past decade, increasing from 389,000 to 474,000 residents.[4] By 2031, the Territory is projected to reach a population of up to 550,000.[5] This growing population increases demand for health services for all community members, both now and into the future.

The *2023 ACT Health Infrastructure Plan*[6] outlines the ACT Government's strategic investment in health infrastructure across the Territory for the next decade, including the development of a new northside hospital. The plan presented data and demand projections indicating a significant need for a larger northside hospital, suggesting that the current capacity at North Canberra Hospital (formerly Calvary Bruce Public Hospital) will need to double by 2041. An earlier strategic business case, completed in April 2023 (**2023 Business Case**), outlined investment planning and feasibility, forming the basis for the ACT Government's provision of funding for the new Northside Hospital Project (NHP or Project). This 2023 Business Case recommended constructing a brand-new hospital at the existing campus rather than expanding the existing facility or relocating to an alternative location within the Territory.

Recognising this priority, the ACT Government committed in the *10th Parliamentary and Governing Agreement*[7] to plan and design a new northside hospital. In May 2023, the *Health Infrastructure and Enabling Act 2023* (ACT) was passed in the Legislative Assembly, enabling the ACT Government to transfer existing functions from Calvary Health Care ACT to Canberra Health Services (**CHS**). Consequently, Calvary Bruce Public Hospital transitioned to CHS and was renamed North Canberra Hospital in July 2023, which will be the site for the new northside hospital.

On 21 May 2024, the Territory released an Invitation for Expressions of Interest (**IEOI**) through open tender for a contractor with relevant experience under a Very Early Contractor Involvement (**VECI**) delivery model to develop the concept and schematic design of the new northside hospital. On 16 August 2024, the Territory issued a Request for Tender (**RFT**) to the two shortlisted VECI contractors. A contract for the VECI contractor is set to be awarded in early March 2025.

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[4] Australian Bureau of Statistics, *Population Projections, Australia (reference period 2022 (base) – 2071), Project population, Australian Capital Territory*, released 23 Nov 2023.
[5] Australian Bureau of Statistics, 31010do001_202406 National, state and territory population, Jun 2024, Table 3: Estimated resident population and percentage, States and territories, released 12 Dec 2024.
[6] ACT Infrastructure Plan Update – Health – accessed 17/01/2024.
[7] 10th Parliamentary and Governing Agreement – accessed 17/01/2024.

The ACT Government has allocated $69.7 million for further planning and development of the preferred 'proof of concept' design for the new northside hospital. Additionally, more than $1 billion has been provisioned for construction costs for the Project. Funding for the next phases of the Project's design progression, Early Works construction and relocation of CAMHS and Arcadia House (AOD) will be confirmed through this Early Works Business Case (**EWBC**) submission in the 2025-26 ACT Budget process. Further submission of a business case for the main construction activities in the 2026-27 ACT Budget process (a **Main Works Business Case** or **MWBC**). This will support continued VECI design, with construction expected to commence by mid-decade, subject to the award of the construction contract.

3.2 Project Objectives

The NHP represents an investment exceeding $1 billion, making it the largest single investment in health infrastructure in the Territory's history. This development offers a significant opportunity to enhance healthcare delivery across the Territory, in collaboration with the community, clinicians, and healthcare providers.

As such, the Project Objectives are:

Objective 1	***PROVIDE*** greater capacity in the public healthcare system in the North of the ACT and across the Territory.
Objective 2	***DESIGN*** a facility which enhances consumer, staff and public experience, while at the same time providing innovation in the design of health infrastructure.
Objective 3	***BEST-IN-CLASS*** health facility, which can be agile and flexible to respond to the everchanging needs of health service.
Objective 4	***DELIVER*** a facility which supports greater alignment of health service delivery across the ACT.
Objective 5	***BUILD*** sustainable and environmentally conscious health infrastructure that is contemporary, safe and appropriate to support the delivery of modern, high- quality healthcare.

3.3 Current Project Status

The Project is continuing scope refinement to inform a Main Works Business Case and securing a contractor with relevant experience under the VECI delivery model to deliver the largest investment in health infrastructure in the Territory.

As detailed in Chapter 2, these scope refinement activities include progressing through concept and schematic design stages by the VECI contractor, are expected to be completed by Q4 2025 (the **VECI**

Services). Relevant to this EWBC, and as further detailed in this document, the VECI Services will provide scope certainty for the Early Works by Q4 2025, which are set to commence in Q1 2026 and are to be funded through this EWBC.

3.4 Purpose of Business Case

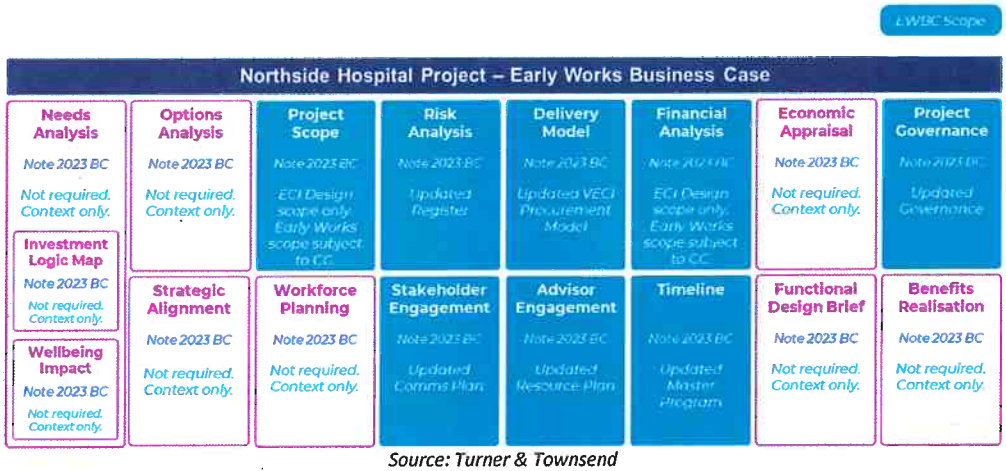
This EWBC seeks to appropriate the funding required to continue the VECI contractor's design progression beyond the VECI Services, including detailed design, and to commence Early Works and Enabling Works (CAMHS and Arcadia House (AOD) relocations) construction by mid-decade.

Building upon the investment planning and feasibility outlined in the 2023 Business Case, this EWBC requests $100 million in the 2025-26 ACT Budget to enable design progression, and early and Enabling Works (CAMHS and Arcadia House (AOD) relocations) to approximately commence in Q1 2026. As outlined in Chapter 2, the release of early and enabling works funding will be subject to cabinet comebacks between May and August 2025, ensuring the Project provides the Territory with scope certainty before committing funds.

3.5 Scope and Structure of Business Case

This EWBC has been developed in accordance with the Territory's Capital Framework and has been structured in consultation with key stakeholders within the Chief Minister, Treasury and Economic Development Directorate (**CMTEDD**). The 2023 Business Case analysed the Project's viability in full, highlighting the need for further planning (refer to Section 4.1.1 for detail). This business case does not propose to re-prosecute the case for the NHP Project, rather it supports critical Project activities required to mitigate key Project risks. The content of the 2023 Business Case will only be referred to in this EWBC insofar as it is relevant to provide context to the EWBC funding request. Figure 4 below outlines which elements of the 2023 business case which are covered by this EWBC.

Figure 4: Early Works Business Case Content overlay with 2023 Business Case Content



Source: Turner & Townsend

A summary of the chapters included in this business case and their interrelationships with the previous 2023 business case is provided below.

Chapter 2: Project Status outlines the activities carried out to date and the activities to be undertaken until the end of the existing appropriation. It also details future activities, project risks and mitigations, and the Project's investment assurance approach.

Chapter 3: Need for Investment details the risks and impacts if this funding request is not approved and explains how the funding will mitigate the Project's current strategic risks.

Chapter 4: EWBC Scope outlines the scope of the activities required to provide greater scope definition for the proposed Early Works and Enabling Works, the approach to achieving scope and price certainty, and the agreed approach to investment assurance. It also outlines the Project's risk management approach.

Chapter 5: Delivery Model Analysis confirms the delivery model analysis undertaken in 2023 and the status of current and future procurement activities for the contractor.

Chapter 6: Financial Analysis summarises the cost estimates and the funding request of this EWBC, detailing the design costs and proposed Early Works packages (subject to Cabinet Comeback), as well as Enabling Works.

Chapter 7: Governance summarises the current governance structure.

Chapter 8: Stakeholder Engagement confirms the approach to the Project's communications and stakeholder engagement.

Chapter 9: Advisor Engagement Plan outlines the external advisors required to support the Project and their interface with the Agency resources.

Chapter 10: Planning & Approvals Pathway confirms the approach to statutory planning approvals and service provider / utilities approvals to carry out Early Works.

Chapter 11: Timeline & Key Milestones summarises the schedule and milestones for the Project.

4 Project Status

Key messages

In 2024, the VECI delivery model was approved, which does not commit the Territory to costs beyond existing expenditure approvals. Market sounding activities were undertaken by the Territory through an IEOI process, resulting in a shortlist of two suitable contractors. Procurement activities are progressing to secure a VECI contractor, with the award expected in March 2025.

The Project has conducted preliminary site investigations and due diligence activities to be continued by the VECI contractor to define the scope of works for the Project.

4.1 Activities Carried Out (to date)

In 2017-18, the ACT Health Directorate (**ACTHD**) commissioned a scoping study to explore the expansion of health facilities on the northside of the ACT. The study's scope included a clinical feasibility and service planning assessment to evaluate potential capital solutions for the optimal provision of outpatient and general hospital facilities in Canberra's northern suburbs. Since then, further work has been undertaken to progress the NHP, as summarised in Figure 5.

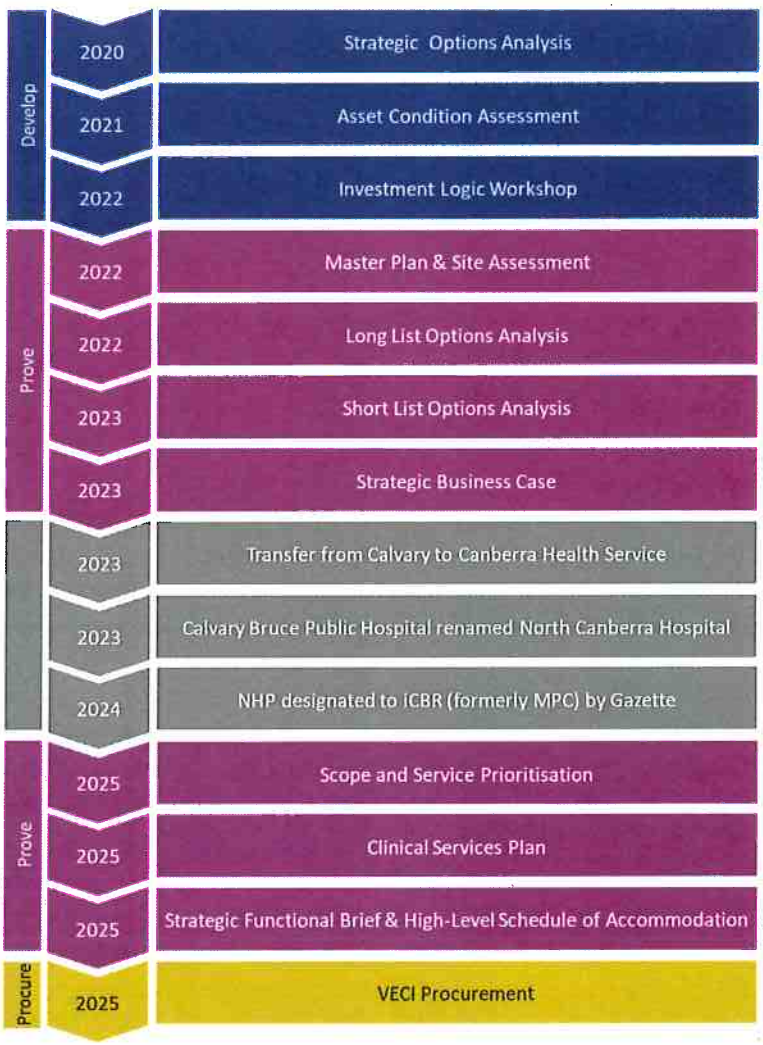


Figure 5: Activities Carried Out aligned with Infrastructure Investment Lifecycle Stages (stages noted on the left-hand column)

4.1.1 2023 Business Case

In 2023, the Territory developed the 2023 Business Case to seek a decision from the Government on the site of the current North Canberra Hospital campus and to appropriate funding for planning a new northside hospital. This Business Case undertook the *Develop* and *Prove* stages in the Territory's Capital Framework, establishing the need for Government to fund capital infrastructure investment while noting that further planning was required.

4.1.2 Government Commitments and Decisions

The Project was listed as an objective in the *ACT Government 10th Parliamentary and Governing Agreement*, which commited the ACT Government to "continue the planning and design work for a new northside hospital, with the aim to start construction by mid-decade." In the 2023-24 ACT Budget, the Government committed to investing more than $1 billion for the design and construction of a new northside hospital on the Bruce campus, in line with the Government's 2020 election commitment that construction of a new northside hospital will commence mid-decade.[8]

On 12 December 2023, and again on 8 November 2024, Chief Minister Andrew Barr assigned the responsibility for the planning and delivery of the new northside hospital to Infrastructure Canberra (**iCBR**) (formerly Major Projects Canberra (**MPC**)).[9]

Through the recent 2024 election, the ACT Government re-affirmed its commitment to deliver a new northside hospital in Bruce ACT, including commencement of works by mid-decade.

4.1.3 Transition from Calvary Private

Alongside the development of the 2023 Business Case, the ACT Government considered operating models for the new northside hospital. These commercial considerations were undertaken separately from the analysis of infrastructure options, ultimately concluding that the operation of the hospital should be transferred to CHS.

On 31 May 2023, the *Health Infrastructure Enabling Act 2023* (ACT) passed in the Legislative Assembly. This Act enabled the ACT Government to acquire the Calvary Public Hospital site in Bruce and facilitated the transition of the hospital's operation to CHS. Consequently, on 3 July 2023, Calvary Public Hospital Bruce transitioned to CHS and is now known as North Canberra Hospital.

4.1.4 Updated Delivery Model Analysis

The 2023 Business Case determined that an ECI delivery model was preferred, including the option of implementing a VECI delivery model. It proposed that further delivery model analysis be undertaken once the facility's operating model was determined. Since then, the operations of the hospital were transferred to the Territory, supporting the selection of the VECI/ECI delivery model.

The 2023 Business Case also confirmed that the Project should undertake market sounding to test the market's appetite and determine the recommended delivery model. Given the confirmation of the operating model, a two-stage tender approach was adopted, starting with market sounding via

[8] ACT Government, Minister Barr: Building a new northside hospital and a more efficient health system, https://www.whatsonaustralia.com/australian-travel-news/canberra-news/2395-minister-barr-building-a-new-northside-hospital-and-a-more-efficient-health-system (accessed on 13 February 2025).

[9] Refer to *Australian Capital Territory Gazette, Special Gazette, No. S2, Monday 11 December 2023, Administrative Arrangements 2023 (No 1) (NI2023—807)*, Schedule 1, page 11; and *Australian Capital Territory Gazette, Special Gazette, No. S2, Thursday 7 November 2024, Administrative Arrangements 2024 (No 1) (NI2023—627)*, Schedule 1, page 9.

an IEOI, followed by an RFT to shortlisted respondents. This process resulted in a shortlist of two suitable contractors. The VECI contractor is expected to be awarded in March 2025.

Further details are provided in Chapter 5, Delivery Model Analysis.

4.1.5 VECI Contractor Procurement

Procurement activities were undertaken to secure a relevantly experienced contractor under a VECI delivery model to continue the planning and design activities required to inform a Main Works Business Case. The VECI contractor is expected to be awarded in March 2025.

In 2024, the VECI delivery model was approved by the ACT Government Procurement Board (GPB). The contractual model has been developed to support the VECI delivery model approved by GPB.

Under this model there will be three further phases of the project, the VECI phase, the ECI phase (including Early Works) and the D&C phase. Figure 6 shows the proposed Delivery Model Timeline.

Figure 6: VECI Delivery Model

Source: Turner & Townsend

Very Early Contractor Involvement Phase (VECI Phase)

The VECI Contractor will prepare a Concept and Schematic Designs within a defined Target Price. The Contractor will conduct consultation with stakeholders and the Territory to prepare a Guaranteed Maximum Price (**GMP**) for the main works and prepare a binding fixed price offer for the ECI Services and Early Works. A VECI Agreement will govern the services undertaken during the VECI Phase.

Early Contractor Involvement Phase (ECI Phase)

The VECI Contractor will develop the Detailed Design[10] and undertake relevant Early Works activities. The Contractor will assist the Territory to obtain the development approval(s) for the New Facility and make a binding and compliant fixed lump sum offer to undertake the main works for an amount that is less than the GMP (the **D&C Offer**). An ECI Agreement following the acceptance of a ECI Offer will govern the services undertaken during the ECI Phase and Early Works.

Design & Construct Phase (D&C Phase)

The VECI Contractor will finalise design and undertake construction, commissioning, and completion of the facility. A D&C Deed following the acceptance of a D&C Offer will provide fixed time and fixed price risk allocation. The relocation and construction of a new CAMHS facility and Arcadia House

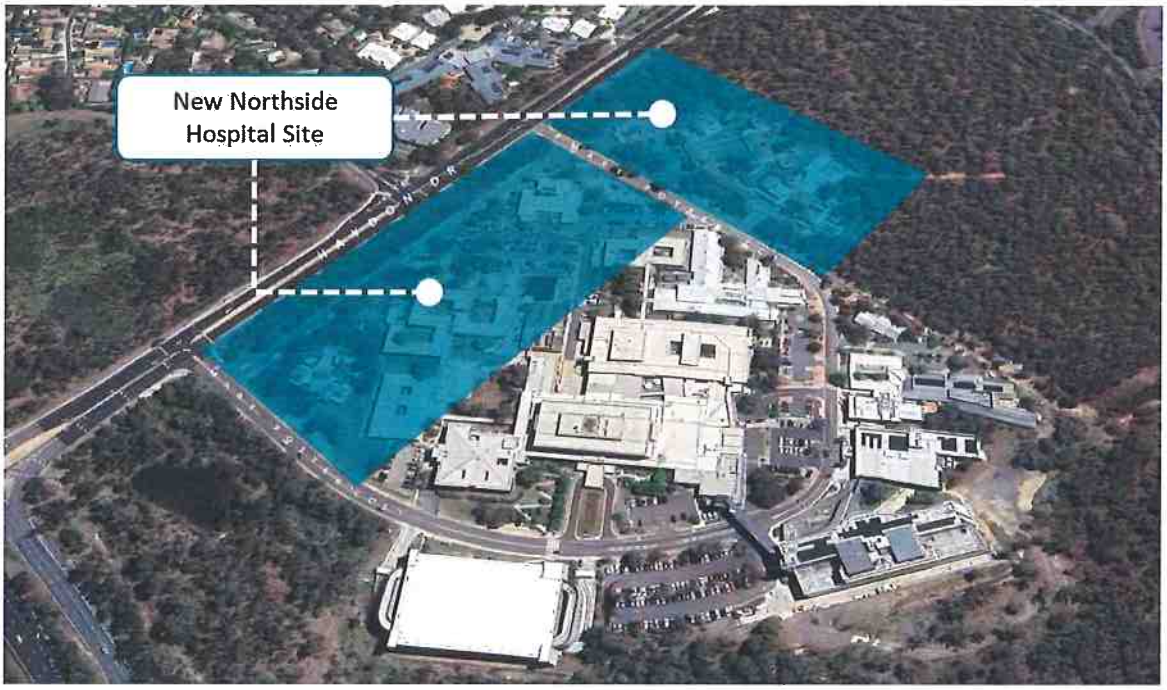
[10] 'Detailed Design' is defined as the scope of activities outlined in Table 6 and Table 7.

(AOD) in Canberra's south as part of the Enabling Works will be delivered as a separate D&C delivery model.

4.1.6 Project Site

The site selection for the Project was undertaken and approved as part of the 2023 Business Case. The Project will deliver a new clinical building alongside the continued operation of the North Canberra Hospital Figure 7 (see below) and the Calvary Private Hospital.

Figure 7: North Canberra Hospital Campus Site



4.1.7 Site Analysis Findings

In addition to the activities outlined above, and since the planning works carried out to inform the 2023 Business Case, site investigations and master planning activities have continued. The North Canberra Hospital, originally the Calvary Public Hospital Bruce, was established in 1971 to provide a 300-bed service to the Inner North and Belconnen. Over time, the facility has significantly expanded to support the growth of the Calvary Public Hospital and the addition of the Calvary Private Hospital.

The addition of the Calvary Private Hospital beyond Mary Potter Circuit, serviced through its connection to the then Calvary Public Hospital, presents challenges, particularly regarding the metering of utilities and potential future infrastructure movements causing service interruptions. The allocation of infrastructure, metering, and easements must be considered in conjunction with the *Health Infrastructure Enabling Act 2023* (ACT), managed through negotiations currently led by ACTHD.

Certain facilities within the footprint of the proposed new northside hospital perform infrastructure servicing, such as telecommunications. The relocation of these facilities raises the question of whether this is best achieved as a temporary solution with eventual integration into the new Northside Hospital, or whether the campus can support a more streamlined layout.

Given the site's development under single custodianship until 2023, infrastructure servicing traverses through it. The lack of easements and separate metering results in a risk in relation to

services alignments, with a high probability that works undertaken for the project will interrupt servicing. Additionally, the absence of road corridors adds complexity regarding the demarcation of rights of way and public infrastructure. This risk is being managed by iCBR through detailed services investigation and planning.

Detailed desktop and physical investigations have identified high ecological values throughout the site. These values are primarily on the northern block, but also reside within the mature native vegetation located throughout the campus. This includes Gang-gang Cockatoo breeding areas within identified hollow-bearing trees, potential Superb Parrot foraging habitat, and foraging habitat for a range of other native species.

The site is also mapped as subject to a high bushfire hazard rating, meaning that the Project will need to incorporate appropriate mitigation measures to protect people and property. This is typically achieved through the establishment of an Asset Protection Zone (buffer). Creating a buffer in this circumstance involves clearing high value native vegetation.

Should clearing native vegetation occur, particularly Gang-gang breeding or foraging habitat, this will likely require the submission of both a Commonwealth Environmental Impact Statement (**Cth EIS**) under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC) and a Territory Environmental Impact Statement (**ACT EIS**) under the *Planning Act 2023* (ACT). Should these processes be consecutive, the assessment and approval process could take up to 36 months prior to works commencing.

Early and enabling works will therefore need to be scoped, designed, and delivered to avoid any Cth EIS and ACT EIS triggers in order to meet program imperatives. This will limit the range of activities available for Early Works.

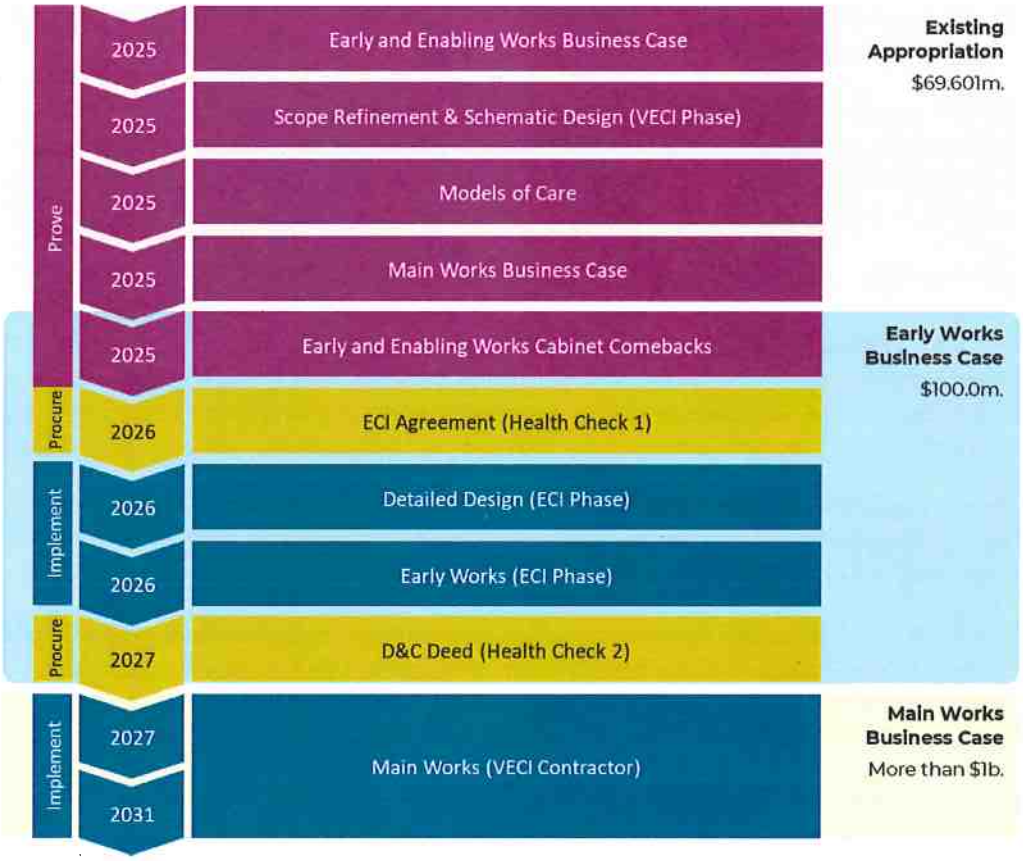
In addition, iCBR has developed a dynamic transport model (mesoscopic/microscopic simulation) to test the impact of the Project on the broader transport network. This model will ensure that roadworks are appropriately designed and calibrated to minimise impacts on the Territory's road network. The model can also guide decisions in relation to construction access during Early Works.

The VECI contractor is responsible for further planning and design to resolve the scope for both Early Works and, subsequently, main works. Design progression will leverage the due diligence undertaken to date. Building a comprehensive understanding of site characteristics and constraints will assist in ensuring that robust, evidence-based investment decisions are presented to the Government for consideration.

4.1.8 Current and Future Activities

As an overview, following the activities carried out to date (refer to Figure 8 in Section 4.1), the current and future activities of the Project are summarised in Figure 8 (below) and detailed further in the following sub-sections. The scope of activities subject of this EWBC is outlined in Chapter 4 EWBC Scope.

Figure 8: Current and Future Activities aligned with Infrastructure Investment Lifecycle (stages on left)



Source: Turner & Townsend

4.1.8.1 Current Activities Summary

The new northside hospital is proposed as a new build on the existing site. The Project aims to provide a range of new clinical and non-clinical facilities to address capacity issues and infrastructure deficiencies on the campus. The Project activities currently being undertaken as part of the existing appropriation for the VECI Services are summarised below:

Health Planning Activities:

- Development of a Clinical Services Plan (**CSP**)
- Development of a detailed Schedule of Accommodation (**SoA**);
- Development of a Functional Design Brief (**FDB**); and
- Models of Care (**MoC**).

Planning and Design Activities:

- Further investigations;
- Further site due diligence;

- Master planning;
- Concept design, including value management;
- Schematic design, including value management and value engineering;
- Development approvals;
- Relevant environmental and planning approvals;
- Stakeholder consultation;
- Early and enabling works planning and design activities, including:
    - Engineering works to enable access to, and connectivity of, the site for main works;
    - Partnering with utility providers for services realignments / relocations;
    - Demolition;
    - Wayfinding;
    - Temporary car parking;
    - Temporary or permanent decant / relocation of impacted buildings;
    - Relocation of services off the northern block; and
- Planning of staging for main works construction.

Investment Planning and Assurance Activities

- Development of this EWBC;
- Development of the Main Works Business Case (Tier 1); and
- Development of the Cabinet Comeback for the Early Works and Enabling Works (CAMHS and Arcadia House (AOD) relocations).

4.1.8.2 Future Activities Summary

The Project activities to be undertaken to continue planning and delivery of the Project are summarised below:

Design Progression Activities:

- Further investigations, if required;
- Further site due diligence, if required;
- Detailed design, including value engineering;
- Development approvals;
- Relevant environmental and planning approvals; and
- Stakeholder consultation.

Early Works:

- Civil and other engineering services/authority mains construction works to enable access to, and connectivity of, the site for main works construction;
- Partnering with utility providers to deliver services realignments;
- Delivery of decant / recant of affected non-clinical buildings;
- Demolition and site mobilisation; and

- Delivery of staging for main works construction.

Enabling Works (CAMHS and Arcadia House (AOD)):

- Site Selection (confirmation)
- Design development and MCA options analysis
- Decant and relocation strategies;
- Services relocations and commissioning;
- Wayfinding;
- Temporary carparking; and
- Relocation of services off the northern block.

Main Works:

- Planning and delivery of new hospital buildings and refurbishment of existing buildings, including new integrated childcare centre;
- Provision of connectivity to public transport services and utility network upgrades;
- Planning and delivery of roads, intersections, on-site car parking, and pedestrian pathways within and surrounding the hospital; and
- Demolition of buildings, if required.

4.1.8.3 Budget Status

In May 2023, Government agreed to appropriate capital funding of $64.201 million, and provisioning of $1.095 billion for construction. In May 2024, Government agreed to appropriate further capital funding of $5.4 million partially from the $1.095 billion provision. The total appropriation for NHP currently stands at $69.601 million. In Q1 2024, ACTHD transferred $47.885M (from the initial appropriation) to iCBR, for iCBR to progress planning and design, plus $3.996M previously appropriated to iCBR directly for agency fees.

4.1.9 Investment Assurance Roadmap

Early Works Business Case and 2025 Cabinet Comeback

This EWBC builds upon the content of the 2023 Business Case and has been prepared in consultation with key representatives within CMTEDD. The EWBC makes a funding request in the 2025-26 ACT Budget to enable design progression and Early Works delivery, as follows:

- **Appropriate from the $1.095 billion NHP provision: Agree to the appropriation of $100 million** from the remaining $1.095 billion NHP provision during the FY2025-26 ACT Budget and released in FY2025-26 (as a component of the August 2025 Appropriation Bill).
- [redacted]

This investment assurance process includes a Cabinet comeback to enable development of further scope and cost certainty before the Territory commit funding for Early Works and Enabling Works (CAMHS and Arcadia House (AOD) relocations) construction activities. This approach ensures that Government is provided with a comprehensive understanding of the scope, cost and deliverables that will be delivered for the investment. This approach will also ensure that funding is available to mitigate project risks (as outlined further in section 4.1.5), whilst also ensuring that funding is not released until a well-defined and considered Early Works and Enabling Works scope is developed.

Project Roadmap

The Project will be planned and delivered in alignment with the ACT Capital Framework and the Infrastructure Investment Lifecycle. The Project's investment assurance process includes:

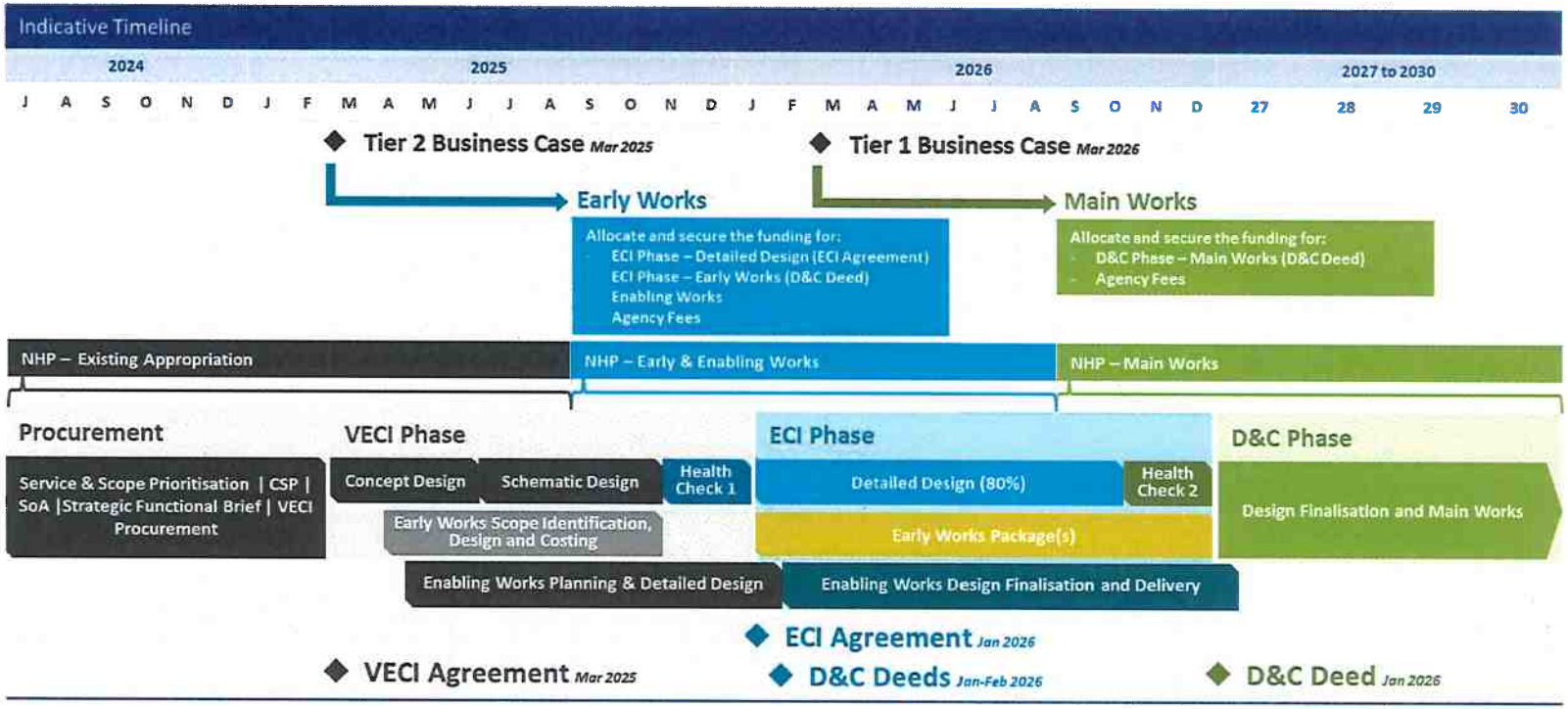
- The **2023 Business Case** secured funding appropriation for planning and design; and obtained funding provision for the whole-of-project costs.
- This **Early Works Business Case** will seek funding appropriation for detailed design, procurement, Early Works and Enabling Works (CAMHS and Arcadia House (AOD)).
- **Cabinet comebacks** will seek release of funding appropriated for Early Works and Enabling Works (CAMHS and Arcadia House (AOD)) under the Early Works Business Case once they have been scoped, documented, and costed during the VECI Phase.
- A future **Main Works Business Case** will seek funding appropriation for the main works design finalisation and construction scope.

Noting the funding appropriated and provisioned by the 2023 Business Case, the Tier allocation for the Early Works Business Case is a 'Tier 2 – low /medium risk with a funding request between $25m – $100m'. The Main Works Business Case will be a 'Tier 1 – funding request greater than $100m'.

The development of the Early Works Business Case and Main Works Business Case are key in the investment assurance. The program, key activities and checkpoints are summarised in the following road maps Figure 9 and Figure 10.

Figure 9 (below) illustrates the Project's forward investment assurance roadmap to continue with project planning before appropriating funds for the delivery. The current activities being carried out in the **VECI Phase** are shown in **grey**. The **ECI Phase** and the **Enabling Works (CAMHS and Arcadia House (AOD))** activities, the subject of this EWBC funding request, are shown in **blue** and **yellow** and **teal** Finally, the **D&C Phase** activities, subject to a Main Works Business Case (to be submitted in early 2026), are shown in **green**.

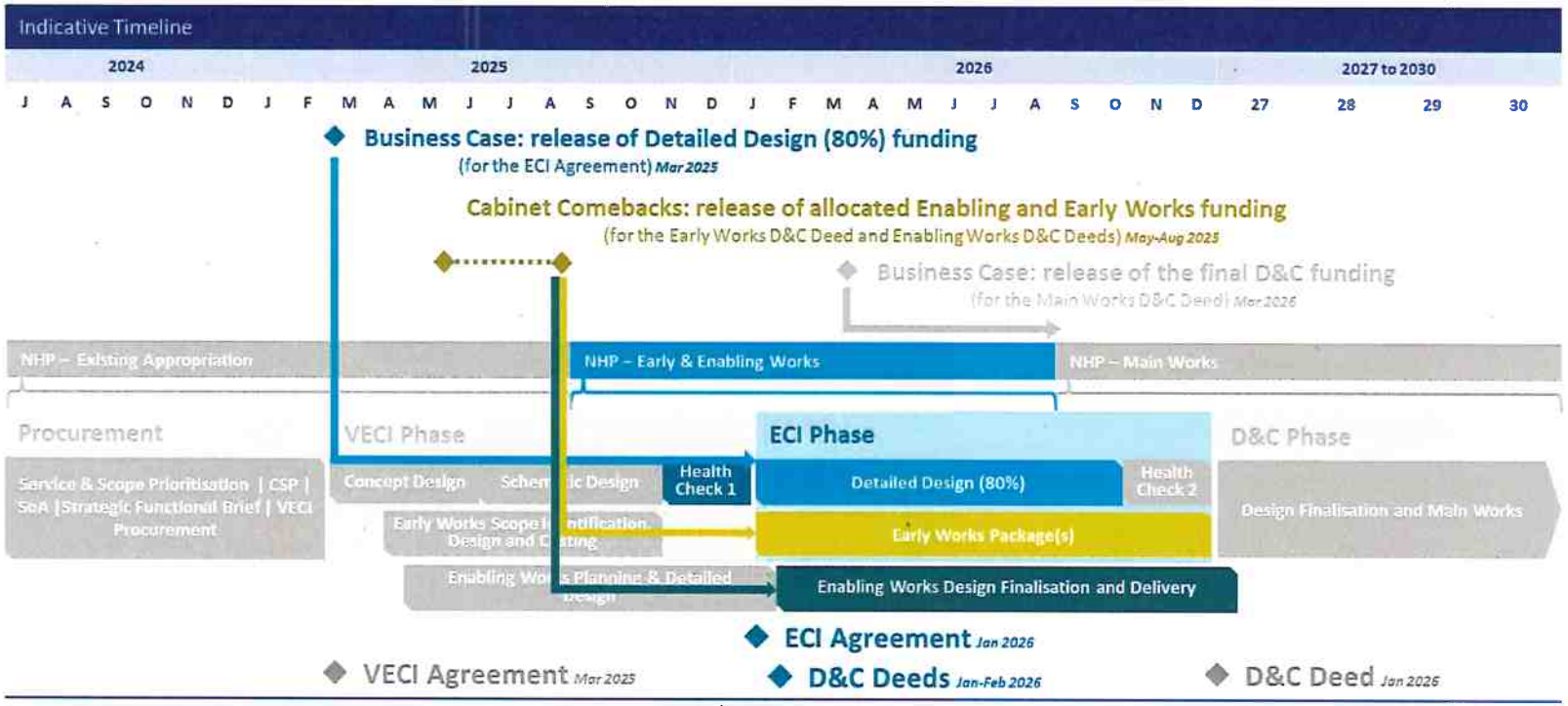
Figure 9: Investment Assurance Roadmap (2024 onwards)



Source: Turner & Townsend

Figure 10 (below) shows the forward investment assurance roadmap for the funding request in this EWBC. It highlights the **ECI Phase** activities, with the Detailed Design shown in **blue**, the Early Works shown in **yellow**, and the Enabling Works shown in **teal**. The appropriation of **Detailed Design (ECI Agreement)** and Agency costs are sought to be approved in the usual May-June 2025 Budget Cycle and released in FY2025-26 (usual August 2026 release). The appropriation of **Early Works** and **Enabling Works** (CAMHS and Arcadia House (AOD)) construction and Agency costs are sought to be conditionally approved in the usual May-June 2025 Budget Cycle and released in FY2025-26 subject to **Cabinet comeback** approvals in between May and August 2025. The ECI Agreement, including a D&C Deed for the Early Works, is to be awarded in January 2026, pending the outcomes of the VECI Contractor's ECI Offer during Health Check 1[11] (November 2025 to January 2026). D&C Deeds for the Enabling Works packages are anticipated to be award in by early 2026.

Figure 10: Early Works Business Case Cabinet comeback



Source: Turner & Townsend

[11] Refer to section 5.2.3 for further detail on the Health Check Process.

5 Need for Investment

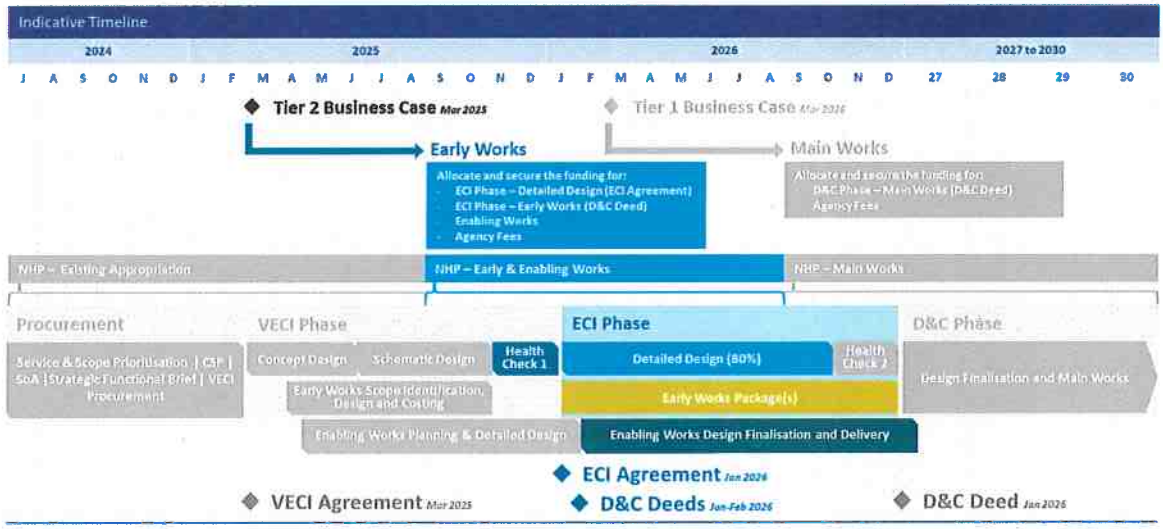
Key messages

The 2023 Business Case articulated the Project's need for investment in a capital infrastructure solution. This chapter articulates the key project risks which this EWBC seeks funding to mitigate. Section 5.1 (below) outlines the opportunities through which the proposed EWBC's scope will mitigate the key project risks. Section 5.2 (below) outlines the consequences of the key project risks, if EWBC funding is not appropriated. The proposed EWBC's scope is outlined in the following chapter (see Chapter 4).

5.1 Key Project Risk Mitigations (enabled by the EWBC Scope)

This EWBC seeks funding to mitigate the impacts of the Key Project Risks[12]. The scope of the funding request seeks to enable the VECI Contractor to progress Detailed Design and commence construction of Early Works, as well as relocation of CAMHS and Arcadia House (AOD) by mid-decade. An indicative timeline for the key project activities where the EWBC Scope is funded is outlined in Figure 11 (below).

Figure 11: Early Works Business Case Indicative Timeline



Source: Turner & Townsend

[12] 'Key Project Risks' are outlined in Table 4.

The alignment of the Key Project Risks and the mitigations enabled by the EWBC Scope are detailed in Table 4 (below). The Key Project Risks were reviewed by the Project Control Group (PCG) on 3 December 2024. In Table 4, the Key Project Risks are provided in the first column in the below table. Each risk in the table includes reference to the risks on the Project's Risk Register.

Table 4: Key Project Risks and Mitigations (Risk Controls) enabled by the EWBC Scope

Key Project Risks Risk Consequence	Mitigations / Risk Control Enabled by the EWBC Scope
Top 5 Strategic Risks (3-6months)	**How the EWBC Scope mitigates the risks**
1. Budget Budget insufficient for required scope resulting in: ▪ Program/schedule delays ▪ Reputational damage through poor media exposure ▪ Increased associated costs ▪ Mismatch of expectations of key stakeholder ▪ Community (protection of environment, heritage, flora and fauna) ▪ Clinical Outcomes not being met	Carrying out Early Works, Enabling Works (CAMHS and Arcadia House (AOD) relocations) and the Detailed Design activities in the ECI Phase can effectively mitigate several risks associated with Project budget insufficiency and other related issues, in several ways: ▪ **Program/Schedule Delays:** By progressing Early Works and Detailed Design simultaneously, the Project can maintain momentum and reduce the overall timeline. This approach ensures that preparatory activities are completed while the Detailed Design is being finalised, allowing for an efficient transition to the D&C Phase, minimising delays. ▪ **Reputational Damage:** Demonstrating Project progress by carrying out Early Works can build confidence among internal and external stakeholders, whilst scope and options development is refined. Visible progress helps maintain a positive image and reduces the risk of negative media exposure. ▪ **Increased Associated Costs:** If deemed appropriate and necessary for the Project, the Early Works may allow for the procurement of materials at current prices, and ensures a reduced overall timeframe, minimising the Project's exposure to inflationary price escalations. This proactive approach manages costs more effectively and reduces the risk of budget overruns. ▪ **Mismatch of Expectations of Key Stakeholders:** Engaging in Early Works and Detailed Design activities fosters better communication and collaboration among stakeholders. This ensures that expectations are aligned, and any discrepancies are addressed early, preventing misunderstandings and ensuring alignment of key stakeholder expectations. ▪ **Community Concerns (Environment, Heritage, Flora, and Fauna):** Early Works provide an opportunity to address environmental, heritage, and ecological concerns proactively. By identifying and mitigating potential impacts early, the Project can ensure compliance with regulations and community expectations. ▪ **Clinical Outcomes:** Early Works and Detailed Design activities ensure that critical infrastructure and design elements are addressed early. This helps meet clinical requirements and ensures that the Project delivers the intended health outcomes.

Key Project Risks Risk Consequence	Mitigations / Risk Control Enabled by the EWBC Scope
2. Scope – Clinical Planning ▪ Clinical Services Planning happening in parallel, resulting in output not meeting required VECI and business case program. ▪ iCBR unable to justify investment/program delays ▪ Clinical outcomes not being met.	Carrying out Early Works, Enabling Works (CAMHS and Arcadia House (AOD) relocations) and the Detailed Design activities in the ECI Phase can effectively mitigate several risks associated with scoping, as it relates to clinical services planning, in several ways: ▪ **Clinical Services Planning Alignment:** Continuity of the VECI Contractor from the VECI Phase through the ECI Phase ensures that Clinical Services Planning (CSP) is integrated into the design process without a break. This continuity helps ensure that the functional design meets clinical requirements, reducing the risk of misalignment and ensuring compliance with the CSP. ▪ **Justification of Investment and Program Delays:** Early Works demonstrate tangible progress, which can be used to justify continued investment and support from stakeholders. This visible progress helps secure funding and approvals, reducing the risk of program delays due to insufficient justification. ▪ **Meeting Clinical Outcomes:** Engaging in Early Works and Detailed Design activities allows for the early identification and resolution of potential issues that could impact clinical outcomes. By addressing these issues early, the Project can ensure that the design and construction phases are aligned with clinical objectives, ultimately meeting the required clinical outcomes.
3. Statutory Approval Program Long approval times resulting in program delays (i.e. Project deemed as a controlled action by DCCEEW requiring Environmental impact statement – process timing approx. 18 months)	Carrying out Early Works, Enabling Works (CAMHS and Arcadia House (AOD) relocations) and the Detailed Design activities in the ECI Phase can help mitigate the risk of long statutory approval times and associated program delays in several ways: ▪ **Early Identification of Approval Requirements:** By starting Early Works, the Project team can identify and address statutory approval requirements early in the process. This proactive approach ensures that all necessary documentation and applications are prepared and submitted as soon as possible, reducing the risk of delays. ▪ **Concurrent Progress:** While the Detailed Design is being finalised, Early Works can proceed with tasks that do not require full statutory approval, such as site preparation and utility relocations. This parallel progress helps maintain momentum and reduces the overall Project timeline. ▪ **Stakeholder Engagement:** Early Works activities provide an opportunity to engage with regulatory authorities and stakeholders early in the Project. Building these relationships and maintaining open communication can help expedite the approval process and address any concerns promptly. ▪ **Risk Mitigation:** Early Works allow for the identification and mitigation of potential environmental and regulatory risks before they become critical issues. By addressing these risks early, the Project can avoid delays and ensure compliance with all statutory requirements.

Key Project Risks Risk Consequence	Mitigations / Risk Control Enabled by the EWBC Scope
	▪ **Demonstrating Commitment:** Visible progress through Early Works can demonstrate the Project's commitment to regulatory authorities and stakeholders. This can build confidence and support for the Project, potentially leading to faster approvals. ▪ **Flexibility and Adaptability:** By advancing both Early Works and Detailed Design, the Project can adapt more quickly to changes or new information from regulatory authorities. This flexibility is crucial in managing any unforeseen challenges that may arise during the approval process.
4. Stakeholder Engagement Insufficient stakeholder engagement resulting in: ▪ Program/schedule delays ▪ Loss of trust from stakeholders ▪ Inadequate delivery of scope work (design etc) ▪ Reputational damage	Carrying out Early Works, Enabling Works (CAMHS and Arcadia House (AOD) relocations) and the Detailed Design activities in the ECI Phase can effectively mitigate the risks associated with insufficient stakeholder engagement in several ways: ▪ **Continuous Communication:** Early Works and Detailed Design activities provide ongoing opportunities for communication with stakeholders. Regular updates and engagement sessions ensure that stakeholders are kept informed about progress and any changes, reducing the risk of misunderstandings and building trust. ▪ **Demonstrating Progress:** Visible progress through Early Works can reassure stakeholders that the Project is moving forward, even during the hold period. This helps maintain stakeholder confidence and reduces the risk of reputational damage due to perceived inactivity. ▪ **Addressing Concerns Early:** Engaging stakeholders early and continuously allows for the identification and resolution of concerns before they escalate. This proactive approach ensures that stakeholder expectations are managed and that their input is incorporated into the Project design. ▪ **Building Trust:** Consistent engagement and transparency during the Early Works and Detailed Design phases help build trust with stakeholders. This trust is crucial for maintaining support and avoiding delays caused by stakeholder dissatisfaction. ▪ **Aligning Expectations:** Early and continuous engagement ensures that stakeholder expectations are aligned with the Project objectives and Project scope. This alignment helps prevent scope creep and ensures that the Project delivers on its promises. ▪ **Mitigating Delays:** By addressing stakeholder concerns and incorporating their feedback early, the Project can avoid delays caused by late-stage changes or objections. This proactive approach helps keep the Project on schedule.
5. Market / Supply Chain ▪ VECI Contractor's:	Carrying out Early Works and the Detailed Design activities in the ECI Phase can effectively mitigate several risks associated with market and supply chain issues, in several ways: ▪ **Inadequate D&C Offer (Main Works):** By progressing Early Works and Detailed Design simultaneously, the Project can progressively refine cost estimates and scope definitions, to ensure there are no

Key Project Risks Risk Consequence	Mitigations / Risk Control Enabled by the EWBC Scope
• D&C Offer (main works) is inadequate and/or not within budget • withdraw from process ▪ Unsuitability of VECI Contractor to convert to a D&C Contract (main works) ▪ Limitation of supply chain, uncertainty of delivery partner causing program/schedule delays	unanticipated risks. This helps ensure that the VECI Contractor's D&C offer is within expectations. Early engagement also allows for value engineering and cost-saving measures to be identified and implemented. ▪ **Withdrawal from Process:** Continuous engagement through Early Works keeps the VECI Contractor committed to the Project, reducing the likelihood of withdrawal. Demonstrating progress and maintaining momentum can help retain VECI Contractor interest and commitment. ▪ **Unsuitability for D&C Contract:** Early Works provide an opportunity to assess the VECI Contractor's performance and suitability for converting to a D&C Contract. The VECI Phase, and then the ECI Phase, allows for any necessary adjustments or changes to be made before committing to the D&C Phase. ▪ **Supply Chain Limitations and Uncertainty:** Early Works activities can help identify and secure critical supply chain components early, reducing the risk of delays due to supply chain disruptions. By locking in key suppliers and materials during the ECI Phase, the Project can mitigate the impact of market fluctuations and ensure timely delivery. ▪ **Enhanced Collaboration and Communication:** Early Works foster closer collaboration between the VECI Contractor, Project team, and supply chain partners. This improved communication helps address any issues promptly and ensures that all parties are aligned with the Project objectives and schedule. ▪ **Risk Mitigation and Flexibility:** By advancing both Early Works and Detailed Design, the Project can adapt more quickly to changes or new information from the market or supply chain. This flexibility is crucial in managing any unforeseen challenges that may arise (i.e. potential force majeure events).
On Radar Risks (12 Months)	**How the EWBC Scope mitigates the risks**
6. Design Development ▪ Clinical services plan not realised due to misalignment to functional design ▪ Non-delivery of promised services capability ▪ Go-live delays ▪ Inability to operate new facilities at their intended capacity ▪ Reputational damage ▪ Increased associated costs	Carrying out Early Works, Enabling Works (CAMHS and Arcadia House (AOD) relocations) and the Detailed Design activities in the ECI Phase can effectively mitigate several risks associated with clinical services design development, in several ways: ▪ **Alignment with Clinical Services Plan:** Continuity of the VECI Contractor from the VECI Phase through the ECI Phase, then into the D&C Phase, will ensure that the Clinical Services Plan is integrated into the design process (without a break in continuity). This continuity helps ensure that the functional design meets clinical requirements, reducing the risk of misalignment and ensuring that the Clinical Services Plan is complied with. ▪ **Delivery of Promised Services Capability:** Continuity of the VECI Contractor from the VECI Phase through the ECI Phase, then into the D&C Phase, will ensure that the promised services capability is

Key Project Risks Risk Consequence	Mitigations / Risk Control Enabled by the EWBC Scope
▪ Clinical outcomes not being met	delivered. Through the commercial terms, the continuity obligates the VECI Contractor to deliver the promised service capability, ensuring that the final design meets the required specifications. ▪ **Avoiding Go-Live Delays:** By progressing Early Works and Detailed Design in parallel, the Project can maintain momentum and maintain key milestones. This approach ensures that preparatory activities are completed while the Detailed Design is being finalised, allowing for an efficient transition to the D&C Phase, minimising delays. ▪ **Operational Readiness:** Early Works activities, such as site preparation and utility relocations, help ensure that the new facilities are ready for operation at their intended capacity. This proactive approach helps identify and address any operational issues early, ensuring that the facilities can operate as planned. ▪ **Maintaining Reputation:** Demonstrating continuous progress through Early Works can build confidence among stakeholders and the public. Visible progress helps maintain a positive image and reduces the risk of reputational damage due to perceived inactivity or delays. ▪ **Cost Management:** If deemed appropriate and necessary for the Project, the Early Works may allow for the procurement of materials at current prices, protecting the Project from future price escalations. This proactive approach helps manage costs more effectively and reduces the risk of budget overruns. ▪ **Meeting Clinical Outcomes:** Engaging in Early Works and Detailed Design activities allows for the early identification and resolution of potential issues that could impact clinical outcomes. By addressing these issues early, the Project can ensure that the design and construction phases are aligned with the clinical drivers, ultimately meeting the required clinical outcomes.
7. ICT ▪ Program /schedule delays and increased associated costs of not meeting digital capabilities needed to support a sustainable, innovative, and world-class health system for the Territory ▪ Desired future state for digital health in the ACT	Carrying out Early Works and the Detailed Design activities in the ECI Phase can effectively mitigate several risks associated with ICT program and schedule delays, as well as increased costs, in several ways: ▪ **Infrastructure Readiness:** Early Works activities, such as site preparation and utility relocations, ensure that the necessary infrastructure is in place to support ICT systems. This includes ensuring that power supply, cooling systems, and network connectivity are adequate and reliable. ▪ **Proactive Issue Resolution:** By addressing potential issues with utilities and services early in the Project, the team can identify and resolve any problems before they impact the ICT systems. This proactive approach helps prevent delays and additional costs associated with retrofitting or upgrading infrastructure later. ▪ **Integration with ICT Requirements:** Early Works provide an opportunity to align the physical infrastructure with the specific requirements of the ICT systems. This ensures that the design and

Key Project Risks Risk Consequence	Mitigations / Risk Control Enabled by the EWBC Scope
	construction phases are coordinated with the needs of the digital capabilities, supporting a sustainable and innovative health system. ▪ **Risk Mitigation:** Ensuring that utilities and services are fit to support ICT from the outset reduces the risk of system failures and operational disruptions. This helps maintain the reliability and performance of the ICT systems, which is critical for achieving the desired future state for digital health in the ACT. ▪ **Stakeholder Confidence:** Demonstrating that utilities and services are being addressed early in the Project can build confidence among stakeholders. This visible progress helps maintain trust and support for the Project, reducing the risk of reputational damage due to perceived inactivity or delays. ▪ **Maintaining Momentum:** Early Works activities, such as site preparation and utility relocations, help maintain Project momentum. This continuous progress reduces the risk of program delays and ensures that the Project remains on schedule. ▪ **Cost Management:** If deemed appropriate and necessary for the Project, the Early Works may allow for the procurement of ICT-related materials and resources at current prices, protecting the Project from future price escalations. This proactive approach helps manage costs more effectively and reduces the risk of budget overruns.
8. Utilities ▪ External/internal network capacity is insufficient to meet forecast demand, causing delays and increased associated costs ▪ Shared site services with North Canberra Hospital (water/gas)	Carrying out Early Works, Enabling Works (CAMHS and Arcadia House (AOD) relocations) and the Detailed Design activities in the ECI Phase can effectively mitigate several risks associated with utilities, in several ways: ▪ **Assessing and Enhancing Network Capacity:** Early Works activities can include a thorough assessment of both external and internal network capacities to ensure they meet forecast demand (if unable to be completed as part of the Site Due Diligence in VECI Phase). This proactive approach allows for any necessary upgrades or enhancements to be identified and implemented early, reducing the risk of delays and increased costs due to insufficient capacity. ▪ **Coordination with Shared Services:** Early Works provide an opportunity to coordinate with North Canberra Hospital, and other relevant parties, regarding shared site services such as water and gas. This coordination ensures that facilities' needs are met without issue, and any potential issues are identified and addressed in a timely manner. ▪ **Infrastructure Readiness:** By progressing Early Works and Detailed Design simultaneously, the Project can ensure that the necessary infrastructure is in place to support the required utilities. This includes ensuring that power supply, cooling systems, and network connectivity are adequate and reliable. ▪ **Proactive Issue Resolution:** Early identification and resolution of potential issues with utilities and services can prevent delays and additional costs in the future. This proactive approach helps ensure that the Project remains on schedule and within budget.

Key Project Risks Risk Consequence	Mitigations / Risk Control Enabled by the EWBC Scope
	▪ **Stakeholder Engagement:** Early Works provide an opportunity to engage with stakeholders, including utility providers and regulatory authorities, to ensure that all requirements are met. This continuous engagement helps build confidence and support for the Project.
9. Ground Conditions Ground conditions are unsuitable for development, causing delays and increased associated costs	Carrying out Early Works, Enabling Works (CAMHS and Arcadia House (AOD) relocations) and the Detailed Design activities in the ECI Phase can effectively mitigate the risks associated with unsuitable ground conditions, in several ways: ▪ **Further Thorough Site Investigations:** Early Works may include more comprehensive geotechnical investigations to assess ground conditions in further detail if unable to be carried out in the VECI Phase. This approach helps identify any unsuitable conditions early, allowing for appropriate design adjustments and mitigation strategies to be developed. ▪ **Proactive Issue Resolution:** By addressing potential ground condition issues during the ECI Phase, the Project team can implement necessary measures such as soil stabilisation, drainage improvements, or foundation modifications. This reduces the risk of delays and increased costs during the D&C Phase. ▪ **Continuous Monitoring:** Early Works activities provide an opportunity for continuous monitoring of ground conditions. This ongoing assessment helps ensure that any changes or unexpected issues are detected and addressed promptly, minimising the impact on the Project schedule and budget. ▪ **Stakeholder Engagement:** Early Works provide an opportunity to engage with stakeholders, including regulatory authorities and utility providers, to ensure that all requirements are met. This continuous engagement helps build confidence and support for the Project. ▪ **Risk Mitigation**: By identifying and addressing ground condition issues at the earliest possible time, the Project can avoid costly delays and potential additional expenses associated with unsuitable ground conditions. This proactive approach helps ensure that the Project remains on schedule and within budget.

5.2 Consequences of a Funding Delay

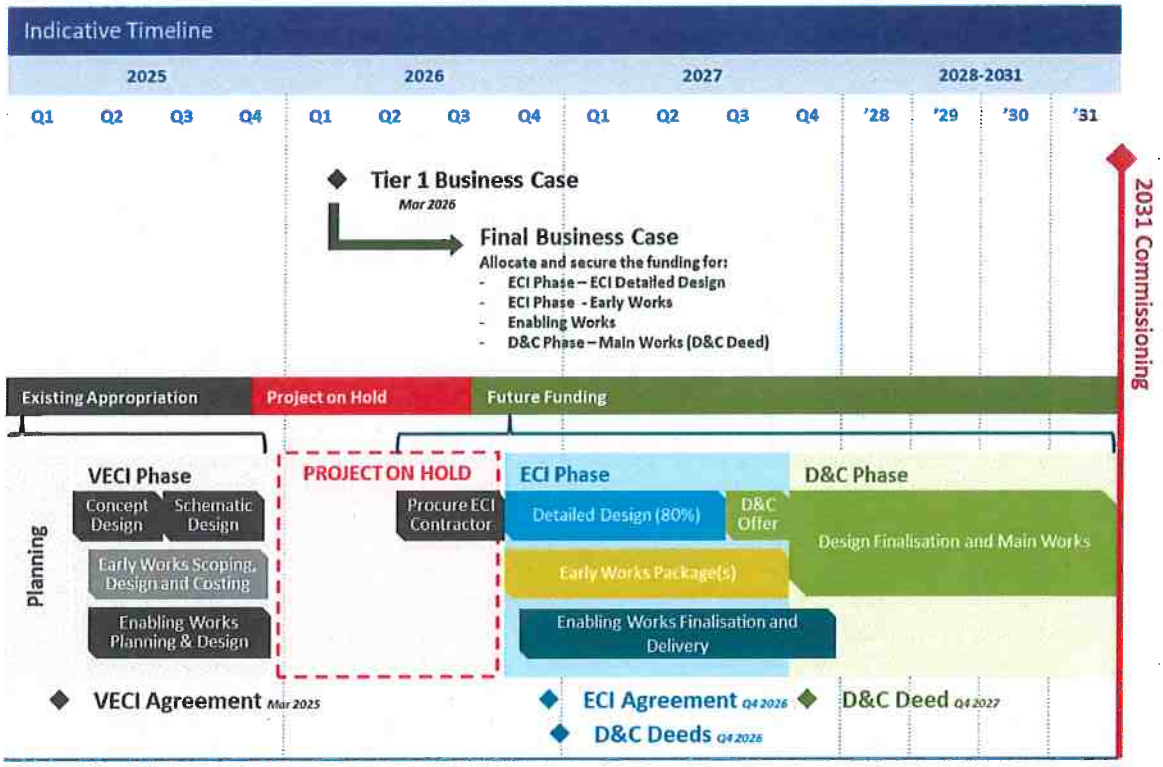
The territory has commitment to commencement of construction by mid-decade, to meet its health service needs. The appropriation of additional funding from the $1.095 billion provision is required to allow for design progression and commencement of Early Works and Enabling Works (CAMHS and Arcadia House (AOD) relocations).

Approval of this EWBC is required to release funding for design progression and Early Works commencement during the ECI Phase as well as the relocation of the CAMHS and Arcadia House (AOD) to Canberra's south. Together, these activities mitigate program risk and provides momentum of works and supply-chain management into main works construction.

Where the opportunity to continue design progression and commence Early Works is not pursued, this delay will require the Project to be placed on hold for a material period, and further risk undermining the approved delivery model (refer to Section 7).

An indicative timeline for key project activities under the above-mentioned scenario is outlined in Figure 12 (below).

Figure 12: Unfunded Early Works Scenario



Source: Turner & Townsend

Across the NHP's Risk Register, the Project team, Project Control Group and Project Board, are tracking six (6) strategic top risks to mitigate through all project activities. The current top 5 risks are expected to remain until such time as the project enters the delivery phase.

As outlined in detail in Table 4, the top 5 risks fall within the below categories:

1. Budget
2. Scope – Clinical Planning
3. Statutory Approvals Program

4. Design Change Management (Stakeholders)
5. Markey/Supply Chain (Market Pressures)

In the above-mentioned scenario there are significant time, cost, and supply chain risks. At a high-level the consequences of those risks are:

Failure to meet Project milestones

- Without funding for progressing detailed design, Early Works and Enabling Works, the Project will be unable to develop Detailed Design deliverables, which would result in construction commencement after mid-decade.

  Impacts three of the Top 5 Strategic Risks including: budget, statutory approvals program and supply-chain.

Project costs increase

- Without funding, the Project would need to be put on hold, and the existing VECI contractor will likely pass on the costs of demobilisation and remobilisation to the Territory. Alternatively, there would be costs associated with re-tendering for an ECI contractor, as the market has indicated that they would not fix their ECI Offer for a sufficient duration to allow for funding approvals.
- Without funding, the Project would need to be put on hold, and total project costs will increase in line with inflationary pressures including impacts on procurement of clinical scope items (Furniture, Fixtures and Equipment (FFE) and Major Medical Equipment (MME)).[13]

  Impacts four of the Top 5 Strategic Risks including: budget, scope, statutory approvals program and supply-chain.

Reduced market appetite (supply chain constraints)

- Without funding, the commercial terms of the ECI Agreement and D&C Deed may become less favourable compared to other market opportunities and translate to less favorable terms for local sub-contractors. The capability of this project to manage the supply-chain in the local market is imperative to the local economy and to ensure maintained velocity of work opportunity for the industry throughout project delivery. The pipeline for new health infrastructure projects is particularly strong with competition for resources in Queensland, New South Wales and Victoria. Demand for skilled trades to deliver the current forecast pipeline is expected to outstrip supply. The procurement strategy and funding request is intended to support the ACT in being able to secure these resources.

  Impacts all Top 5 Strategic Risks.

As demonstrated in the above points, the progression of Detailed Design, Early Works and Enabling Works (CAMHS and Arcadia House (AOD)) will effectively support mitigating the impacts of the Top 5 Strategic Risks (as they are currently known).

[13] Construction escalation is forecast to remain elevated for some time. Clinical scope items - MME in particular – are typically sourced globally and therefore exposed to geopolitical volatility and supply chain risks that is expected to impact costs escalation in the medium term.

6 EWBC Scope

Key messages

The activities in the ECI Phase, the subject of this EWBC funding request, amongst other planning activities, requires the development of the Project's Detailed Design.

The activities in the ECI Phase also include the delivery of the Early Works, which will be scoped, documented, and costed during the VECI Phase, to enable the Territory to obtain funding at the Cabinet comeback. The Early Works includes developing a timeline for documentation and approvals, conducting additional site surveys and investigations, and performing enabling works such as electrical infrastructure, hydraulic systems, roads, fire systems, medical gas, and communications systems.

Additionally, this EWBC also includes the Enabling Works to relocate the existing CAMHS and Arcadia House (AOD) services from the North Canberra Hospital campus.

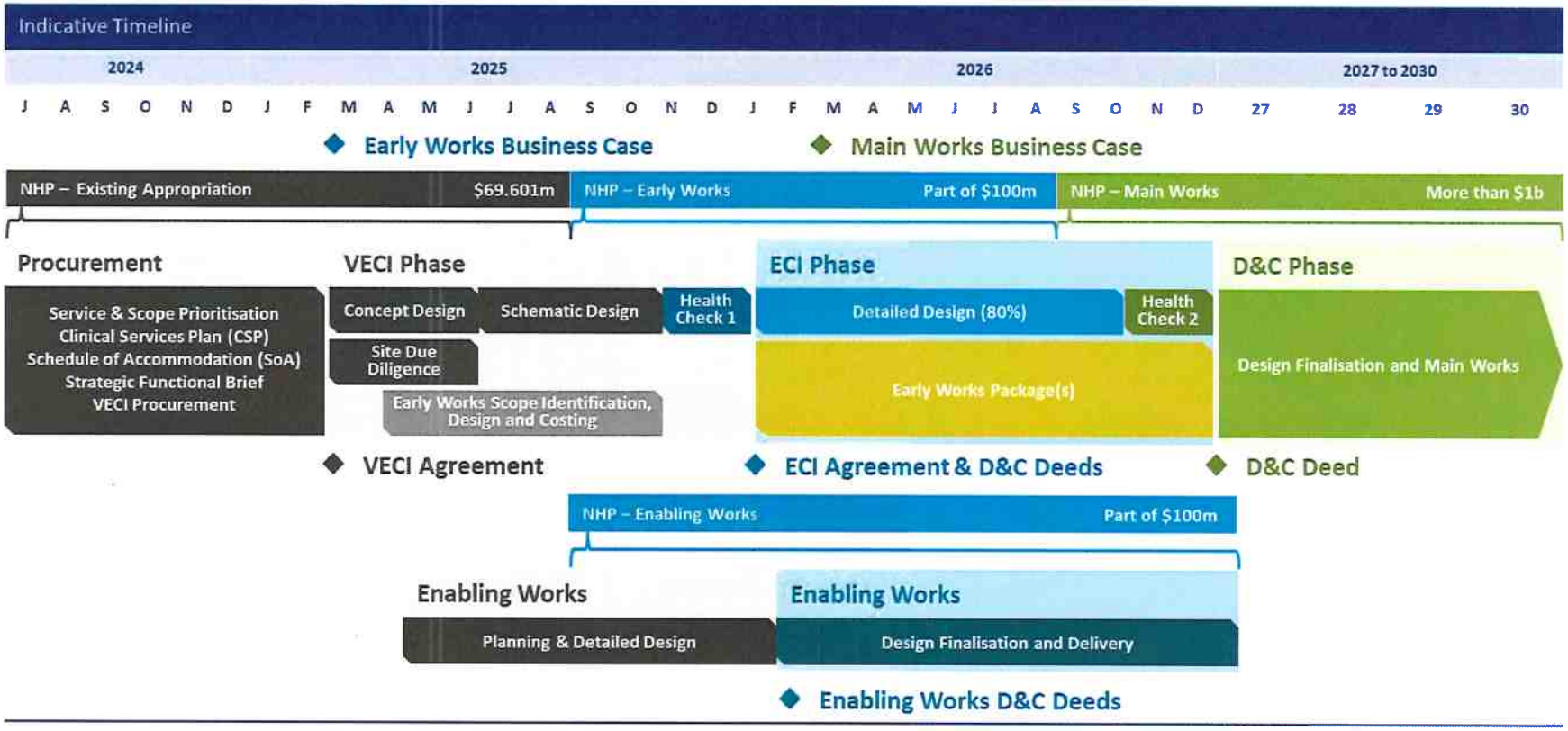
Both the Early Works and Enabling Works aim to retain the functionality of the existing North Canberra Hospital while preparing for the new northside hospital, including relocating critical services without disrupting the main hospital and emergency department.

6.1 Scope Overview

The VECI Contractor and the Territory will work together to further develop the designs for the new Northside Hospital in consultation with project working groups, consumers and other stakeholders and in line with the needs and operational requirements of CHS. In addition, the VECI Contractor will obtain Development Approval for the new Northside Hospital and undertake Early Works, as approved in the VECI Phase. The conclusion of the ECI Phase will see the end of development and the submission of a compliant and affordable D&C Offer.

The risks articulated in Chapter 5 will be mitigated by the approval and release of funding for the VECI Contractor to complete ECI Phase – Detailed Design, as well as conditional approval of funding for the VECI Contractor to carry out the Early Works (which are being scoped and costed by the current Concept Design and Schematic Design activities). It will ensure that the critical milestones are met, supply chain risks are mitigated, and budget is maintained. Figure 13 (below) provides an overview of the EWBC Scope, which includes the Detailed Design indicative timeline in blue (refer to Section 6.1), Early Works indicative timeline in yellow(refer to Section 6.2).

Figure 13: Early Works Business Case Delivery Model Indicative Timeline



Source: Turner & Townsend

6.2 Design Progression Scope

The ECI Phase will produce the deliverables listed in Table 5 (below).

Table 5: Deliverables of Design Progression Scope (ECI Phase)

	ECI Phase Deliverables
Design Development	Detailed Design Report
	Finalised Architectural Drawings
	Resolved BIM Models
	Comprehensive Engineering Drawings Technical and Performance Specifications
Cost Planning	Final Cost Plan
Reporting	Developed Risk Register
	Construction Program
	Sustainability Reports
Stakeholder Consultations	Stakeholder Engagement Documentation Connecting with Country design outcomes
Planning and Approvals	Updated Code Compliance Review
	Construction Phasing and Staging Plans
	Project Management Plans
	D&C Offer

The specific scope of the ECI Phase will be determined with the VECI Contractor during the VECI Phase. The clinical planning process will align with governance endorsements, user group consultations and assumed task durations. The detailed design works will greatly influence the brief, cost, and program. The success of the construction process will be influenced by the planning and resolved documentation of the ECI Detailed Design.

The program for the D&C Phase will be developed following the schematic design and throughout the ECI Phase to provide informed and efficient milestones. The contingencies for the D&C Phase and Project specific factors will be reviewed and resolved during the ECI Phase. The ECI Phase will further provide opportunity for the coordination of iCBR processes within the proposed D&C program.

During the ECI Phase, the ECI Contractor and the Territory will work together to further develop the designs for the new northside hospital in consultation with project working groups, consumers and other stakeholders. The design will be developed such that it will deliver the Project Objectives and meet the needs and operational requirements of CHS as set out in the project brief (developed with the VECI Contractor during the VECI Phase). In addition, the VECI Contractor will obtain Development Approval for the new Northside Hospital and undertake Early Works as approved in the VECI Phase. The conclusion of the ECI Phase will see the end of development and the submission of a compliant and affordable D&C Offer.

The Project is engaging a VECI Contractor to develop the Project's Concept Design and Schematic Design. Following Schematic Design, whilst the Main Works Business Case is drafted, the Project must continue design activities by completing Detailed Design. The Territory's and Contractor's scopes are outlined below in section 6.2.1 and section 6.2.2, respectively.

6.2.1 *Contractor's Scope*

The primary objectives of the contractor during the ECI Phase are to develop both the project brief and the design for the facility to reflect all project objectives. This stage is critical for developing required environmental and planning deliverables to support the planning pathway options (currently under consideration) and enable Development Approvals. It also provides opportunity to undertake required Early Works before the contractor can develop and submit the D&C offer. The ECI Phase facilitates the engagement of user and working groups as well as the ongoing reporting to assist the management of the Project.

The Detailed Design scope outlining the key contractor activities is summarised in the below Table 6.

Table 6: Contractor Design Progression Scope

Contractor ECI Phase Deliverables	Key Requirements
Planning and Approvals	▪ D&C Phase Development Application Preparation and submission of the application on behalf of the Territory ▪ Early Works Development Application Preparation and submission of any additional applications for relevant Early Works.
Stakeholder Consultations	▪ ECI Phase Program User Group Consultations Coordination of workshops in accordance with the Design Development Program and the ECI Phase Program
Cost Planning	▪ Cost Plan Workshops Implementation of value management and contingency reduction workshops. Advice on capital cost and long-term operational savings to the Territory.
Design Development	▪ Detailed Design Development and presentation of the new facility Detailed Design. Input from the Territory, Working Groups, consumer representatives, Project Stakeholders in accordance with the Design Development Plan ▪ Design Departures Development of the VECI Project Brief and Schematic Design principles. Implement changes as advised by the territory.
Reporting	▪ Monthly Report ▪ Value Management Report ▪ Site Report ▪ Environmentally Sustainable Design Report ▪ Whole of Life Report ▪ Major Medical Equipment and ICT Report ▪ Aviation Report ▪ Dangerous and Hazardous Goods Report ▪ Innovation Report ▪ Interface Report ▪ Other reports as requested by the Territory
Equipment	▪ Equipment List Development of equipment list with relevant stakeholders and appropriate equipment provision report.
D&C Phase	▪ D&C phase plans and phase program Finalisation of construction works plan and program for the D&C Phase ▪ Construction Methodology Development of construction methodology to advise on buildability and constructability issues

	▪ D&C Trade Contractor Procurement Plan Development of the plan and procurement of Subcontractors for the D&C Phase. ▪ D&C indicative contract price Development of the Indicative price in accordance with the ECI agreement through regular management meetings. ▪ D&C phase Contract Price Finalisation of the contract price in accordance with the Guaranteed Maximum Price ▪ D&C Offer Preparation and Submission of the D&C Offer with the D&C Phase Contract Price.

6.2.2 *Territory's Scope*

The role of the Territory is to work collaboratively with the VECI Contractor to identify, document and price risks in respect of the site for consideration during the ECI Phase. Following approval of the ECI Offer, the Territory will engage all external consultants and ensure all additional site investigations are carried out within this phase to further inform the D&C Phase.

iCBR will review and comment on all documentation at each design milestone in the VECI and ECI stage and have the opportunity for engagement and clarification. iCBR will inform changes and revisions to the documentation to address all necessary concerns.

The Detailed Design scope, outlining the Territory's key activities is summarised below:

Table 7: Territory Design Progression Scope

Territory ECI Phase Deliverables	Key Requirements
Planning and Approvals	▪ Inform the Development Approvals process with the contractor. ▪ Obtain the relevant environmental and planning approvals outside of the above-mentioned Development Approvals (as required).
Consultants	▪ Engagement and referral of the following: ▪ Project Management and Support ▪ Transaction Manager ▪ Legal Advisor ▪ Cost Planner ▪ Probity Advisor ▪ Models of Care and Functional Briefs ▪ Town Planner ▪ Traffic and Transport Advisor ▪ Ecological Advisor ▪ First Nations Consult ▪ Communications ▪ Commissioning Agent
Stakeholder Consultations	▪ Facilitate collaboration with the contractor and stakeholder groups. ▪ Document approved Design Change requests. ▪ Nominate any required additional stakeholder groups for consultation in the ECI Phase.
Cost Planning	▪ Review price risks and opportunities to achieve delivery efficiencies. ▪ Review capital costs and long-term operational costs as proposed by the contractor.
Design Development	▪ Inform the design for the new facility through each design stage. ▪ Ensure that designs are developed that will optimise constructability, build quality, ease of maintenance and whole-of-life cost efficiencies. Propose amendments where necessary for contractor.

Reporting	▪ Assess ECI services and request additional reports to identify and manage Project risks from the contractor as required. ▪ Propose the independent sustainability rating standard that will be applied to both the design and as-built outcome. ▪ Develop the First Nations engagement strategy to support the intent of the NSW Connecting with Country Framework.
Equipment	▪ Propose a responsibilities matrix for the procurement, installation, and cost responsibility for all categories of equipment identified. ▪ Assist the contractor to scope and quantify the purchases of equipment required for the New Facility.
Connectivity	▪ Propose how the existing ICT will interface with New systems. ▪ Assist the contractor to scope and quantify ICT services to ensure capability for patient care systems
D&C Phase	▪ Review the construction works plan and program for the D&C Phase. Review the construction methodology to identify, document and price buildability and constructability issues. ▪ Review the contract price in accordance with the Guaranteed Maximum Price and inform the D&C offer

6.3 Early Works Scope

The Project has engaged a VECI Contractor to scope, document, and cost the Early Works, to provide the Territory with the necessary information to seek release of funding appropriated pursuant to this business case – subject to a Cabinet Comeback.

During the VECI Contractor-led development of the Concept Design, the VECI Contractor is required to develop a timeline with milestones for completing the documentation and securing necessary approvals for Early Works.

The Early Works scope activities are summarised in the following table:

Table 8: Primary Outcomes of Early Works Scope

Early Works Deliverables	Key Requirements
Approvals	▪ Secured development approvals and demolition approvals. ▪ Town planning for authority requirements and approvals. ▪ Partnering with utility providers to scope, design and deliver services realignments including: ▪ High voltage transmission lines ▪ High pressure gas ▪ Fire booster lines ▪ Water, sewer and stormwater internal reticulation ▪ Optic fibre internal reticulation ▪ Planning and delivery of staging for main works construction
Site Investigations	▪ HAZMAT investigations of existing buildings. ▪ Preliminary services investigations. ▪ Required site investigations. ▪ Validation of existing site strategies and audits. ▪ Locating, identifying, and mapping existing services.
Construction	▪ Planning and delivery of decant / recant of affected non-clinical buildings ▪ Diversion of services, utility realignment and demolition of necessary existing buildings on site. ▪ Bulk excavation and basement construction where required. ▪ Required site establishment.

Stakeholder Consultation	▪ Consultation and stakeholder management for Early Works construction. ▪ Ensure the operation of the existing North Canberra Hospital is unaffected and complies with all health policies and DISST Authorisations. ▪ Confirmation of staging and decant strategy. ▪ Consultation with Calvary Bruce Private Hospital for affected shared services.

The Early Works scope cannot be documented until various VECI Phase activities are completed. The VECI Contractor will work collaboratively with the Territory to identify and scope Early Works during the VECI Phase. The Territory will have identified locations where the VECI Contractor may be required to carry out additional site and geotechnical surveys and investigations, including flora and fauna assessments, services diversions and other site related investigations to inform approvals, cost planning and the final D&C offer.

The Territory will retain responsibility for, and assume the risk of, any native title and cultural heritage issues arising in respect of the site during the execution of any Early Works and otherwise during the D&C Phase.

Various works that may be required to be carried out as part of the Early Works package in the ECI Phase include the following:

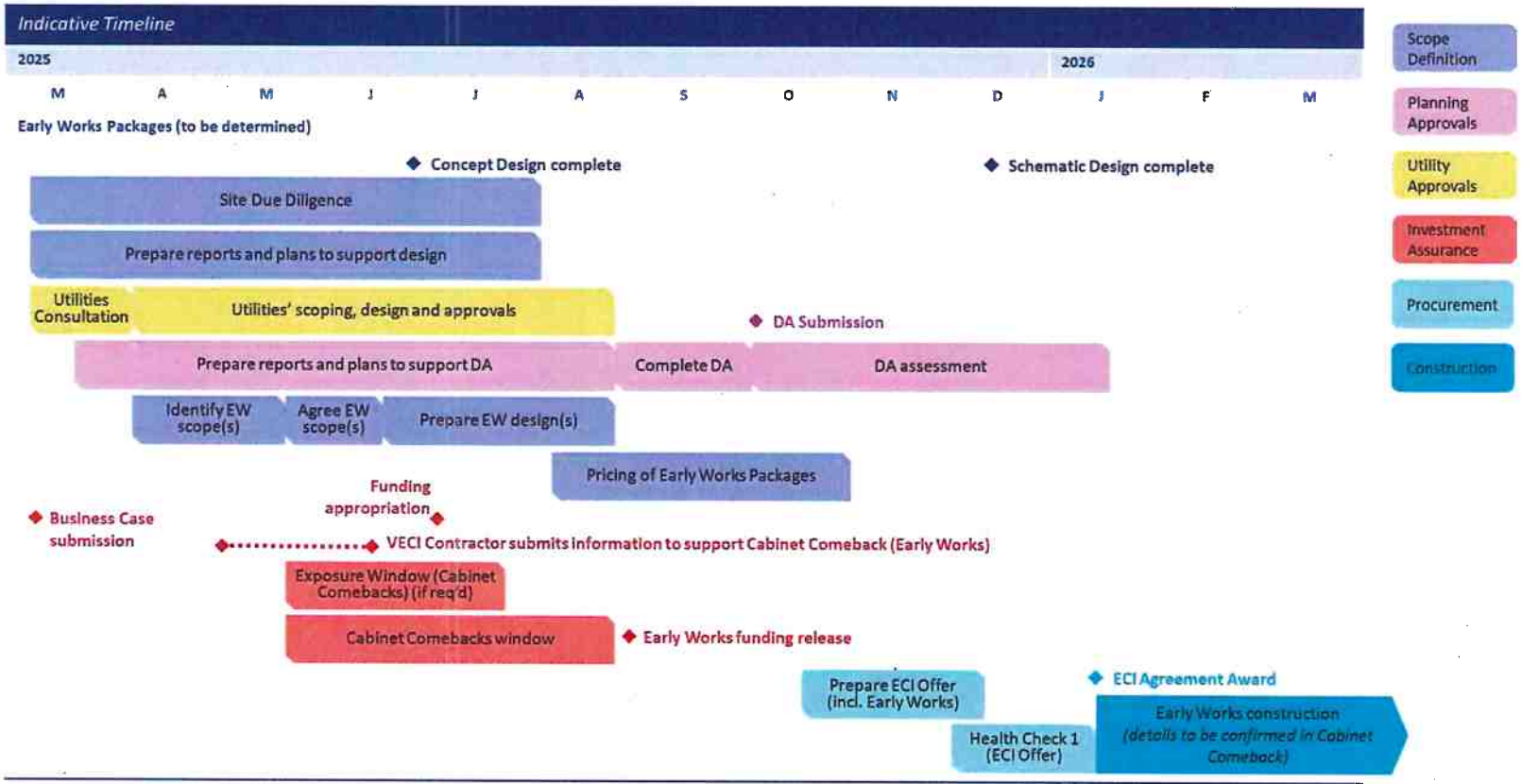
- Site HV and LV electrical infrastructure, including backup systems;
- Hydraulic systems including potable water, hot water, stormwater and wastewater networks;
- Internal and interface roads, footpaths and carparking;
- Wet and dry fire systems;
- Medical gas;
- Communications systems; and
- Site services reticulation pathways.

The Early Works seeks to retain all functional aspects of the existing North Canberra Hospital and undergo preparations for the new hospital. The key aspect of this will be the relocation of the generator, and fire services with no disruption to the existing main hospital and emergency department. Currently there are numerous strategies for the re-routing of services that require further investigation and strategy planning for approval prior to the Early Works Phase.

6.3.1 *Early Works Scope Development Process*

As noted above, the Early Works scope will be developed as part of the current VECI Contractor activities. This EWBC seeks appropriation of sufficient funding to carry out the Early Works, subject to release after Cabinet Comebacks between May and August 2025. The Cabinet comeback will provide sufficient detail on the scope of the Early Works to allow release of required funding. **Error! Not a valid bookmark self-reference.** (below) provides an indicative timeline for the expected activities carried out to develop the Early Works scope for the Cabinet comeback, including known utilities and service provider works (see yellow), which are discussed overleaf.

Figure 14: Early Works Scope Development Process Indicative Timeline



Source: Turner & Townsend

Early Works – Utilities Scope

The current Project site has existing infrastructure which transverses through the site with minimal easements and road corridors. The existing metering is shared, and the mains' locations have not yet been located. The proposed works will incur movement of infrastructure, facilities, and telecommunications. This will pose both temporary and long-term interruptions to current services. Allocation of the proposed infrastructure, metering and easements required high level coordination and is a critical consideration in conjunction with the *Health Infrastructure Enabling Act 2023* (ACT).

The Project team and the VECI Contractor will liaise with the following utility owners to identify capacity constraints, develop and manage necessary contracts and agreements and identify and escalate risk. The status of the Project's utility owner consultation is provided in Table 9 (below).

Table 9: Utility Authority Early Works Status

Utility Authority / Owner	Asset Type	Status
Icon Water	Water Sewer Stormwater	Upgrade to existing water main to be confirmed during investigation stage.
Evo Energy	Electricity	Exact feeder connection to the building to be further confirmed during investigation stage. Potential inclusion of construction of a new trench to install an 11kV feeder, relocating the existing alignment to facilitate NHP demolition works
Jemena	Gas	The NHP site will directly impact the existing gas meters at the site. Further investigation is required to confirm the gas connection.
Transgrid	Electricity Telecommunications	Further information and coordination is required.
Telstra | Optus/Uecomm | NBN | TPG | (TransACT/AAPT/Vocus) ICON Fibre (Department of Finance) | DDTS	Telecommunications	Further information and coordination is required. Any road and intersection adjustment works will lead to a relocation and modification of assets.

The Project has carried out a scoping exercise to identify the key activities required for each impacted utility, the authority engagement requirements and indicative timeline is provided in Figure 15 (below). It is important to note that these activities will occur as part of the current VECI Phase activities, that is, prior to the Cabinet comeback.

Figure 15: Utility Service Provider Design and Approval's Process

Source: Turner & Townsend

6.4 Enabling Works Scope

CAMHS Relocation

This Enabling Works scope supports the relocation of the existing CAMHS (currently located on the North Canberra Hospital Campus) through the design and construction of a new CAMHS facility in Canberra's south.

Currently CAMHS are delivered from a repurposed collection of small buildings on the northwest corner of the North Canberra Hospital campus. The facility was originally constructed as a childcare centre and is not purpose built for delivery of CAMHS. The siting of the existing facility within the North Canberra Hospital campus was driven by the availability of the land at the time, rather than the suitability to practically deliver service outcomes. Design for a new facility was completed for a site in Lyons in Canberra's south, however an alternative and potentially more cost-effective Territory owned site in Erindale has become available. Further detailed design work and options analysis is now required to identify the best outcome from a service provision and cost of delivery perspective. This work is programmed for completion by the end of April 2025.

The CAMHS relocation will deliver a fit for purpose facility in a community environment enabling the provision of a contemporary model of service, with improved accessibility and consumer centric focus, further destigmatising mental health care for children and youth.

The facility will include purpose designed entry area to address refusal, school areas, group/ interview rooms, staff work areas, amenities and clinical support areas. The design will respond to sensory modulation requirements and will provide space for school activities including cooking and art, along with several recreation areas.

It will also include drop off and short term carparking for the consumers on the site to manage refusal steps, outdoor recreation areas, courtyards and other outdoor connectivity as an extension to the therapeutic service delivery.

Arcadia House (AOD) Relocation

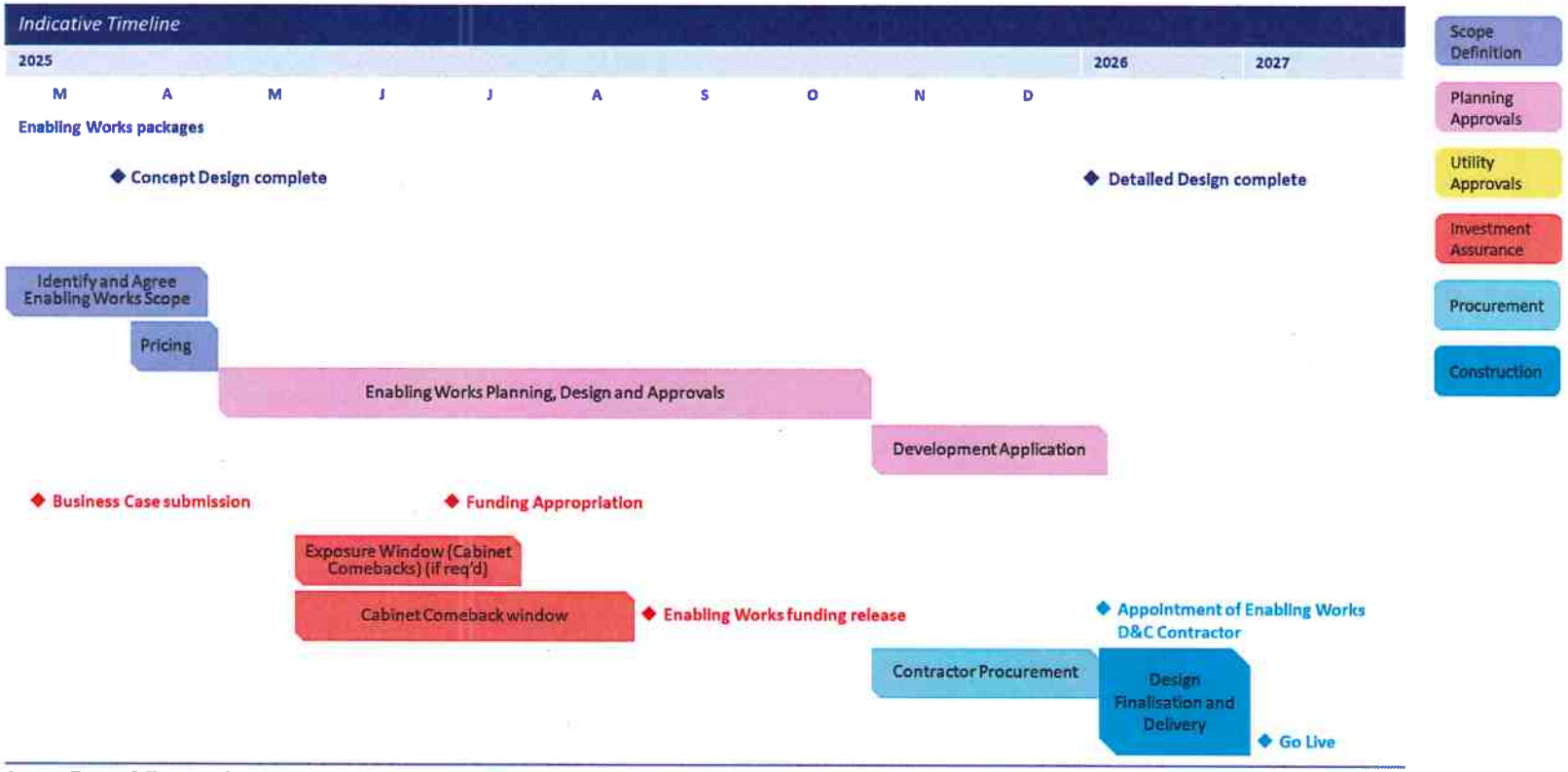
Arcadia House is a 12-bed residential alcohol and other drugs (AOD) rehabilitation facility contracted by ACTHD and operated by Directions Health. Following ACTHD's direction to investigate the feasibility of permanently relocating the facility off the North Canberra Hospital site, the Technical Advisor developed a Schedule of Accommodation (SoA) in consultation with the operators.

Clear direction was provided by ACTHD and Directions that the new AOD facility should be residential rather than clinical in nature. As a result, the SoA for the existing facility was taken as the starting point and, with reference to the Australasian Health Facility Guidelines (AusHFGs) and similar facilities where appropriate, a footprint of approximately 1,350 m^2 was determined for the new facility.

6.4.1 Enabling Works Scope Development Process

This EWBC seeks appropriation of sufficient funding to carry out the Enabling Works, subject to release after Cabinet Comebacks between May and August 2025. The Cabinet comeback will provide sufficient detail on the scope of the Enabling Works to allow release of required funding. Figure 16 (below) provides an indicative timeline for the expected activities carried out to develop the Early Works scope for the Cabinet comeback.

Figure 16: Enabling Works Indicative Timeline



Source: Turner & Townsend

6.5 Risk Management

The Key Project Risks, as they relate to this EWBC, are detailed in Chapter 5. This Risk Management section details how risks will continue to be managed by the Project.

Risk Management Process

Project risks will continue to be managed using the Territory's risk management framework.

Risk Management Governance

In accordance with the NHP Project Governance Framework the NHP PCG is responsible for the strategic risks related to the NHP Project, to ensure that a common understanding is maintained by project personnel and relevant stakeholders. The PCG will assess and provide advice to the Project Board through the Project Director on all strategic risks related to the NHP Project, and also develop and support the implementation of required mitigation strategies. This arrangement will be reviewed at key phases of the project by iCBR to determine the possible requirement of an RMC.

PCG Risk responsibilities

- Advise on, endorse or approve risk management
- Review Project risks and associated treatments
- Provide risk management advice to the Project Board
- Review and endorse individual risks approved by the NHP Project Director
- Approve changes to risk severity, ratings and retirement of individual risks
- Review and endorse risk mitigation plans
- Review risk expenditures in conjunction with Project Director or the Deputy Director General where appropriate

The Project conducts regular risk management activities that have occurred since the 2023 Business Case. Further workshops will be held to identify key project risks as the project progresses. This reflects the established risk management processes adopted for the Project. This will form the basis of the project risk management plan and will be used to monitor risk mitigations allocated to associated risk owners.

Risk Quantification

To evaluate the financial impact of potential risks, each risk is categorised based on its effect on costs related to design and procurement, as well as any delays in the project schedule. Some risks may impact both costs and timelines, requiring additional funds and causing delays to the start of operations.

For each risk, best, likely, and worst-case scenarios are quantified. When risks affect both costs and timelines, these impacts are combined to determine the total effect. The assigned costs for each risk vary depending on the specific project scenario.

The overall contingency value, expressed as a percentage of the total project cost, is consistent with similar projects in terms of value, complexity, and constraints. As the project progresses, further risk assessments will be conducted to update the risk register and refine project risk costs.

7 Delivery Model & Procurement Status

Key messages

The Territory is securing a relevantly experienced VECI contractor as soon as possible. Procurement activities have been undertaken to secure a relevantly experienced contractor under a VECI delivery model to continue the planning and design activities required to inform a Main Works Business Case. The VECI contractor is expected to be awarded in March 2025.

In 2024, the VECI delivery model was approved by the ACT Government Procurement Board (GPB). The contractual model has been developed to support the VECI delivery model approved by GPB.

During ECI Phase, it is proposed that CAMHS and Arcadia House (AOD) Enabling Works are procured and delivered to enable the ECI contractor to finalise the design process and conduct Early Works on the site. These works will be delivered by a separate D&C delivery model. This model is proportional to the risk profile, scale and complexity of the proposed facility.

7.1 Delivery Model Update

In the 2023 Business Case, seven delivery models were evaluated for delivery of the Project. Overall, ECI was ranked the most effective delivery model for the delivery of the new northside hospital.

The 2023 Business Case determined that an ECI delivery model was preferred, including the option of implementing a VECI delivery model. The VECI delivery model better mitigates some of the Project's key risks, including:

Supply Chain risks:

- Addressing the Project's supply chain risks are paramount to the Territory's decision to proceed with the VECI delivery model, and the imperative to securing a relevantly experienced VECI Contractor. There is a significant major works pipeline for health infrastructure investment across Australia over this decade, which will constrain supply of relevantly experienced trades and materials, as well as labour (generally), which are critical for the Project to meet its objectives.[14]

Budget risks:

- Cost certainty is maximised through procurement to secure a relevantly experienced VECI Contractor with the required health infrastructure supply chain capability (knowledge, systems, processes, commercial relationships) to secure a supply chain of specialised health trade subcontractors and materials suppliers. The commercial terms (contract) of the VECI Contractor's will drive an ongoing obligation to leverage this capability.
- The uninterrupted continuation of the VECI Contractor's engagement into the ECI Phase (i.e. Detailed Design and Early Works) will ensure that the VECI Contractor's design and costing remain certain, with commercial terms driving performance through to the D&C Phase.

[14] Infrastructure Partnerships Australia, *A Healthy Pipeline: delivering Australia's Hospital Infrastructure* (source: https://infrastructure.org.au/policy-research/major-reports/a-healthy-pipeline-delivering-australias-hospital-infrastructure/), accessed 22 January 2025.

Statutory Approval Program risks:

- The experience of the VECI Contractor will assist in timely resolution of statutory approvals, which will need to be addressed between the VECI Phase and the commencement of the D&C Phase. The commercial terms (contract) of the VECI Contractor's will drive an ongoing obligation to manage and support timely attainment of statutory approvals, and / or stage the works such that program delays and costs are minimised.

Given the confirmation of the operating model, a two-stage tender approach was adopted, starting with market sounding via an IEOI, followed by an RFT to shortlisted respondents. This process is outlined in Section 5.2 Procurement Plan. Procurement activities have been undertaken to secure a relevantly experienced contractor under a VECI delivery model to continue the planning and design activities required to inform a Main Works Business Case. The VECI contractor is expected to be awarded in March 2025.

In 2024, the VECI delivery model was approved by the ACT Government Procurement Board (GPB). The contractual model has been developed to support the VECI delivery model approved by GPB.

7.2 Procurement Plan

On 21 May 2024, the Territory issued an Invitation for EOI (IEOI) for the Project. The IEOI sought information from interested parties to enable the Territory to shortlist capable proponents to respond to an RFT for the Northside Hospital Project. The Evaluation Team concluded its evaluation of the IEOIs in July 2024 for approval to shortlist in August 2024. The shortlisted Tenderers were issued an RFT on 16 August 2024.

The tender process included five rounds of 'Interactive Tender Workshops' paired with several rounds of 'Requests for Information.' This interactive process provided an opportunity for those selected to tender, to discuss the development of their tenders with the Territory and Specialist Advisors to seek clarification and feedback with respect to the clients' requirements. Each Interactive Tender Workshop involved both the project team representatives and the team from a single Tenderer who led the sessions by presentation. These workshops addressed key project risks such as stakeholder consultation, buildability issues, innovation and contract terms i.e. risk allocation.

In parallel with the RFT stage of the VECI Procurement, the Territory undertook a service and scope prioritisation activity with the ACTHD and CHS to agree and endorse the Project Brief, SoA and Strategic Functional Brief (i.e. Scoping & Design during RFT Period).

Tender closed on 18 November 2024, at which time the Evaluation Team and Specialist Advisors undertook a two-part independent evaluation, first assessing the quality of the submission via weighted criteria and then further assessing the risk and value for money with advice from the Cost and Legal Specialist Advisors. Following the assessment of the VECI RFT submissions, the Territory intends to select a Preferred Tenderer and undertake negotiations for the VECI Agreement, ECI Agreement and D&C Deed with the Preferred Tenderer.

In the event of satisfactory negotiations with the Preferred Tenderer, the Territory may, in its absolute discretion, enter into the VECI Agreement with the Preferred Tenderer (thereafter referred to as the VECI Contractor) to carry out the VECI Services. In the delivery of the VECI Services, the VECI Contractor must develop a scope for any Early Works identified during the VECI Phase and provide a lump sum price for the delivery of the Early Works for consideration by the Territory.

7.2.1 Procurement Approach

As outlined above, the procurement is being undertaken using a two-stage EOI and RFT approach.

Per the usual VECI to ECI arrangement, the Principal has the right to reject the ECI Offer and/or the D&C Offer and engage another contractor to carry out the remaining design and/or works. However, the right is rarely exercised given time imperatives and cost constraints. Over the course of the VECI RFT process, the Principal has sought to resolve key risks in the D&C Phase while competitive tension remains by means of Written Clarifications and Negotiations. Accordingly, in VECI arrangements:

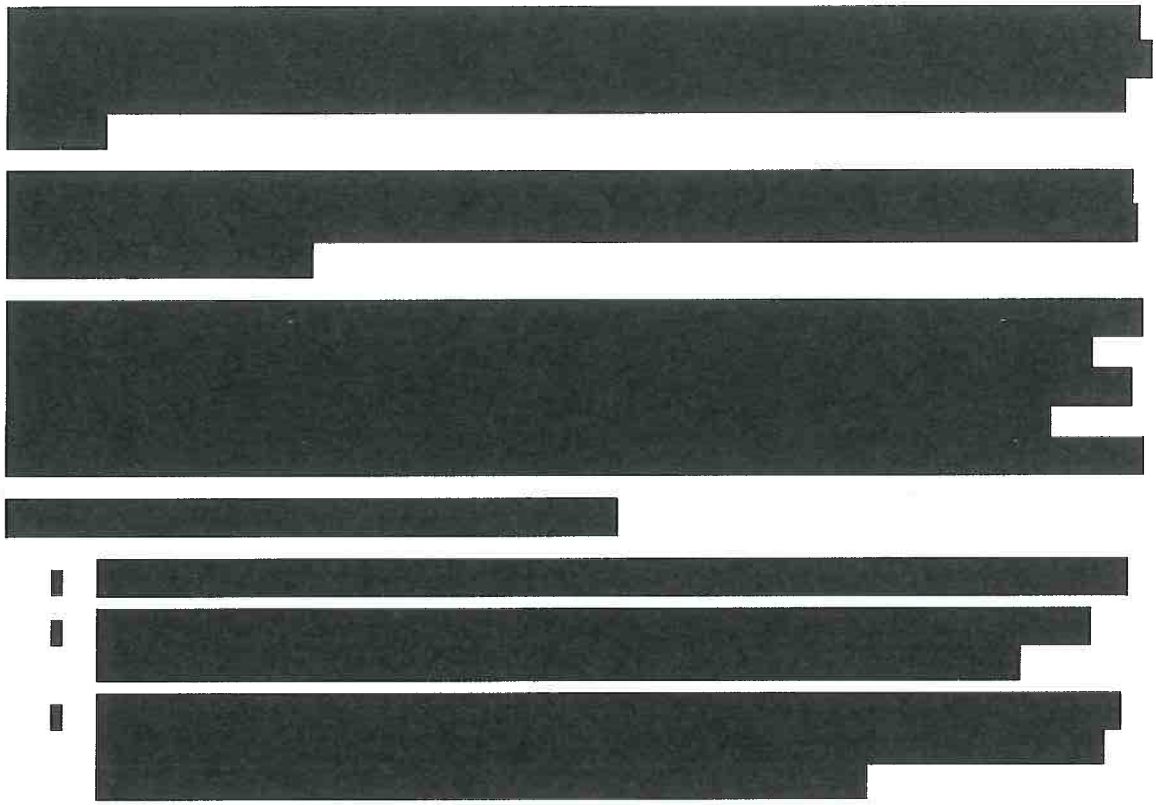
- **CONTRACT TERMS:** it is usual for both the ECI Agreement and the D&C Deed to be included in the VECI RFT so that any Tenderer initiated departures to the contracts are made under competitive tension. The D&C Deed is then attached to the ECI Agreement and is self-executing on the acceptance of the ECI Offer; and
- **PRICING:** the Principal will usually seek firm pricing for as many components as possible – for the D&C Phase activities – as part of the VECI RFT process. Pricing for D&C Phase items in the VECI RFT process is limited to preliminaries, offsite overheads, design fees and profit as subcontractors will not be engaged to lock down trade costs until a VECI contract is executed.

Pricing Strategy

At the time of the VECI RFT – due to the level of scope definition for the Project – it was not possible to lock in firm pricing for a D&C offer. As such, the Territory developed a strategy, whereby:

- **During the VECI RFT**, tenderers provided:
  - fixed pricing for the VECI Phase and ECI Phase (including preliminaries, offsite overheads, design fees and profit); and
  - indicative costing for the D&C Phase (including preliminaries, offsite overheads and profit).
- **At the end of the VECI Phase**, the VECI Contractor will be asked to provide a GMP for the ECI Phase (including for any Early Works) and the D&C Phase that is less than the Territory's stated Target Price, which will include:
  - a fixed price for the ECI Phase (including any Early Works); and
  - fixed preliminaries and offsite profit and overhead for the D&C Phase.

[redacted]



7.2.2 *Contract Forms*

Delivery of the VECI model will be in three phases. Accordingly, there will be three agreements between the Territory and the successful tenderer:

- the **VECI Agreement**, which governs the services undertaken during the VECI Phase. It includes the required form and content for the transition from VECI Phase to ECI Phase and the terms for services and design development required in the VECI Phase. A summary of the VECI Agreement's contract terms is in Appendix A - VECI Agreement – Contract Summary;
- if the ECI Offer is accepted, the **ECI Agreement**, which governs the services undertaken during the ECI Phase including the Early Works. It includes:
    - the required form and content for the D&C Offer; and
    - terms for design development, Early Works and any other services required during the ECI Phase.

  During the ECI Phase, the VECI Contractor will be required to undertake the ECI Services and prepare the D&C Offer in accordance with an ECI plan and ECI program that were provided at the end of the VECI Phase. A summary of the ECI Agreement's contract terms is in Appendix B - ECI Agreement – Contract Summary; and
- if the D&C Offer is accepted, the **D&C Deed**, which is an annexure to the ECI Agreement and covers the D&C Phase, providing a fixed time and fixed price risk allocation and generally reflecting a traditional D&C approach to risk allocation and terms - with necessary changes to reflect the Territory's and market risk sharing appetite and to encourage a collaborative approach to the D&C Phase.

In common with the usual VECI/ECI arrangement, the Principal has the right to reject the ECI Phase Offer and /or the D&C Offer and engage another contractor to carry out the remaining works.

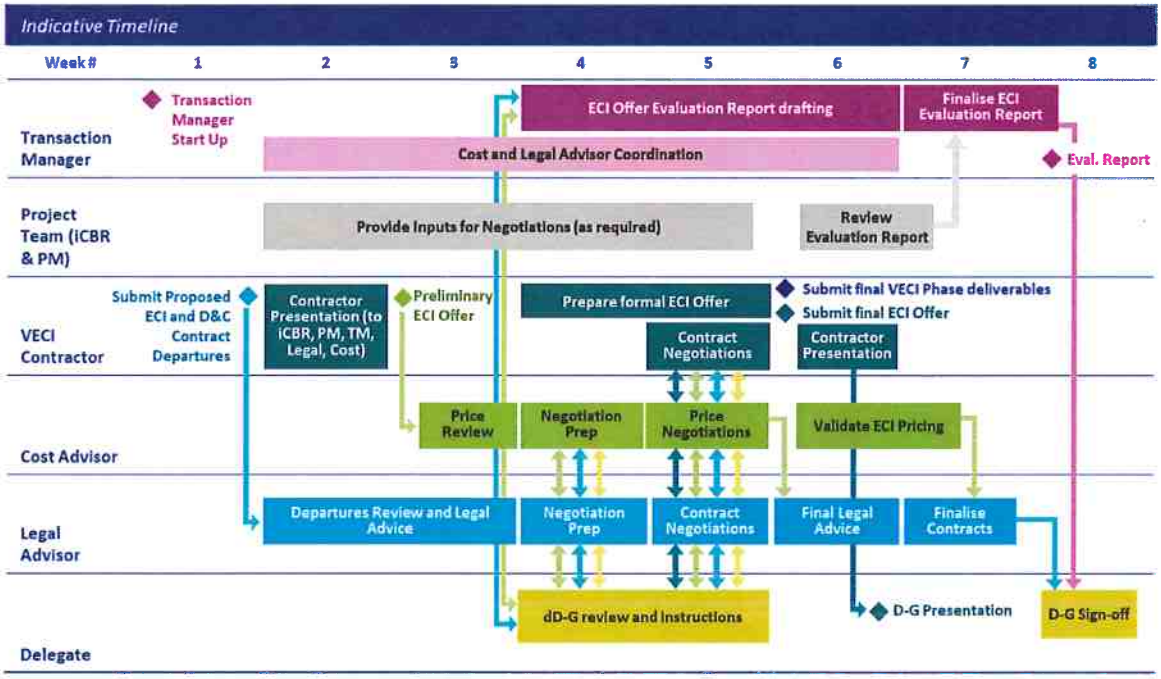
7.2.3 *Health Check Process*

Through the VECI procurement process, the Project has developed Health Check processes and a Negotiation Plan to assist the Territory in preparing for assessment of the future ECI Offer and D&C Offer. To ensure value for money is maintained following the award of the VECI contract, there will be two Project Health Checks.

Health Check 1 / ECI Offer Process: Following the completion of schematic design deliverables, the VECI Contractor will be required to provide the Territory with a Guaranteed Maximum Price (GMP), updated project brief and other deliverables defined above to ensure alignment with Project Objectives and Capital Funding.

In preparation for Health Check 1, the scope of the project will have been developed throughout the VECI stage and will begin to be finalised. This will enable informed cost planning checks with the market, approvals for project governance, and refinement of the ECI offer. Outcomes will help shape the briefing documents and schematic design submission. The indicative timeline in Figure 17 demonstrates the processes between all parties in preparation for the ECI Phase.

Figure 17: Health Check 1 ECI Offer Process



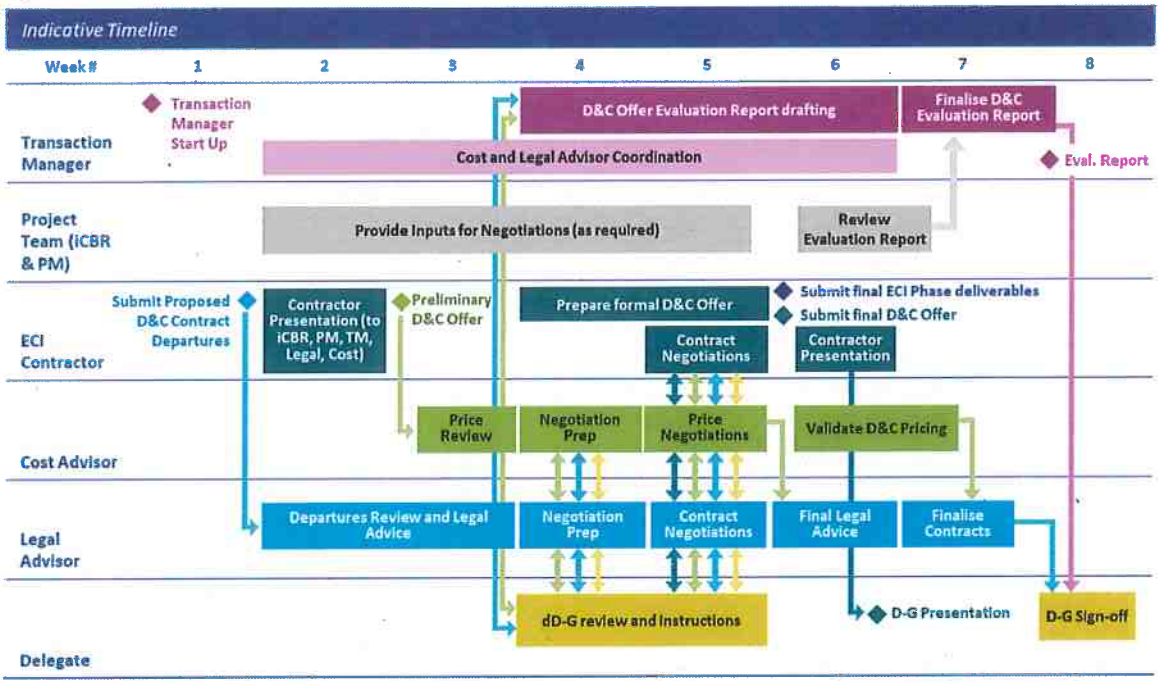
Source: Turner & Townsend

Health Check 2 / D&C Offer Process: Following the completion of Detailed Design deliverables, the VECI Contractor will be required to provide the Territory with the Main Works Lump Sum price, updated Project Brief, and other deliverables above to ensure alignment with Project Objectives and Capital Funding.

The ECI Phase will enable early market pricing to maximise scope and prepare for early trade packages. The scope items of the VECI Phase will be refined through three design phases and allow opportunity for cost planning checks, approvals for project governance, and refinement of the D&C Offer.

The indicative timeline below demonstrates the processes between all parties in preparation for the D&C Phase.

Figure 18: Health Check 2 D&C Offer Process



Source: Turner & Townsend

Roles and Responsibilities

The Negotiation Plan provides the Territory with a framework and protocols to:

- Identify procurement risks to be addressed through negotiations;
- Facilitate the contribution of Specialist Advisors to the negotiation process;
- Identify Territory requirements and objectives to be protected or secured through negotiations;
- Develop effective negotiations strategies that consider both sides' needs, strengths, and weaknesses in order to understand the overall context of the negotiation; and
- Plan and execute efficient negotiation process to secure a value for money outcome from the procurement process while maintaining project program.

Negotiations conducted on behalf of the Territory must be under the leadership and supervision of a Lead Negotiator. The Lead Negotiator must be a Territory Public Servant suitably authorised to make representations on behalf of the Territory.

The Lead Negotiator will be supported by Specialist Advisors in the negotiation process. The Lead Negotiator will determine which Specialist Advisors are required to attend each negotiating session. The Lead Negotiator will be responsible for ensuring the objectives of the negotiation are met and that the rules of this negotiation plan are followed.

The Lead Negotiator does not have the authority to:

- Deviate from Territory Policies; or

- Override any of the standard Contract clauses without the permission of the Director General. The Lead Negotiator, may in consultation with the Legal Advisors, recommend a material change to the contract structure and/or clauses so long as the change sits within the boundaries of the ACT Procurement Policies and has a clear rationale with the aim of reaching an agreed contract form.

The following Specialist Advisors will be consulted throughout the negotiation process and may be invited to participate in the negotiation sessions at the Lead Negotiator's discretion:

- **Transaction Manager** – All communication between the Preferred Tenderer and the Territory shall be via the Transaction Manager outside of the negotiation sessions. The Transaction Manager will be responsible for organising the negotiation sessions and notifying other Specialist Advisors of the session's details. The Transaction Manager will record and maintain all clarifications and negotiation points in the clarifications sheet and negotiation sheet, respectively.
- **Legal Advisor** – The Legal Advisors will advise on the Territory's response to the Preferred Tenderer's proposed contract departures. The Legal Advisor will record and maintain records of all negotiation points and outputs. The Legal Advisor will update the VECI, ECI and D&C Agreements and Deeds as required throughout the negotiation process in accordance with the agreed positions.
- **Cost Advisor** – The Cost Advisors will advise on Responses in relation to the Non-weighted Price criteria during the Evaluation Phase and identify items for negotiation or adjustment with the Preferred Tenderer. The Cost Advisor will assist the Territory in assessing and securing value for money in the procurement and provide cost and risk advice during negotiations.

Negotiations

[redacted]

Contract Departures

Contract departures will be submitted by the Tenderers in the Qualifications and Departure schedules provided in the RFT documentation.

The Transaction Manager is responsible for tracking all proposed departures and other negotiation points in the negotiation sheet which will be appended to the Final Tender Recommendation Report.

The Legal Advisors will advise on the Preferred Tenderers proposed contract departures in the first instance following the evaluation process and progressively throughout the negotiation process.

Negotiation participants are to assess the negotiation points against the "Negotiation Strategy" inputs on the negotiation sheet and define:

- The risk element associated with the negotiation point
- The desired outcome for the Territory
- The minimum accepted outcome the Territory would be willing to accept; and
- The best alternative to a negotiated agreement (BATNA) for the Territory.

In some instances, the negotiation may lead to material changes in the project compared to the project tendered scope. Any such negotiation will be subject to confirmation that:

- The Preferred Tender submission remains value for money;
- The changes will not result in a fundamental change in the nature of the project;
- The original Project Objectives are being met; and
- The Adjusted Tender Amount, if applicable, is within the available funds.

8 Financial Analysis

Key messages

The initial allocation of $5.055 million for contractor involvement will provide some of the necessary funding to deliver the VECI Phase, supported by additional funding from the initial project appropriation. There is no remaining allocation for the ECI Phase.

iCBR has re-allocated (cash-managed) the existing appropriation to fund the VECI Phase activities. However, funding for agency fees is expected to be exhausted by August 2025. As outlined in Chapter 9, some Advisors have been engaged under the existing appropriation, however additional Advisors may need to be engaged for Early Works and Enabling Works scope refinement, including utilities and service realignment subject matter experts.

8.1 Approach to Funding Request

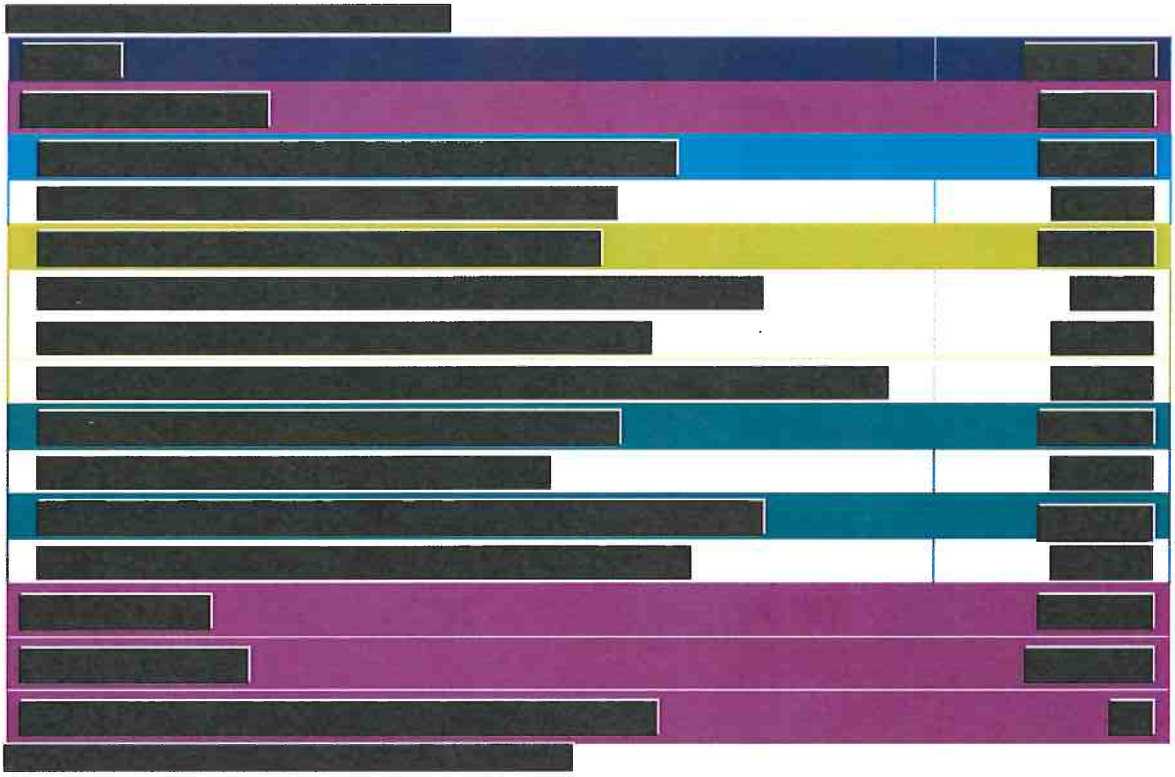
[redacted]

8.2 EWBC Funding Request Overview

[redacted]

8.3 Contingency

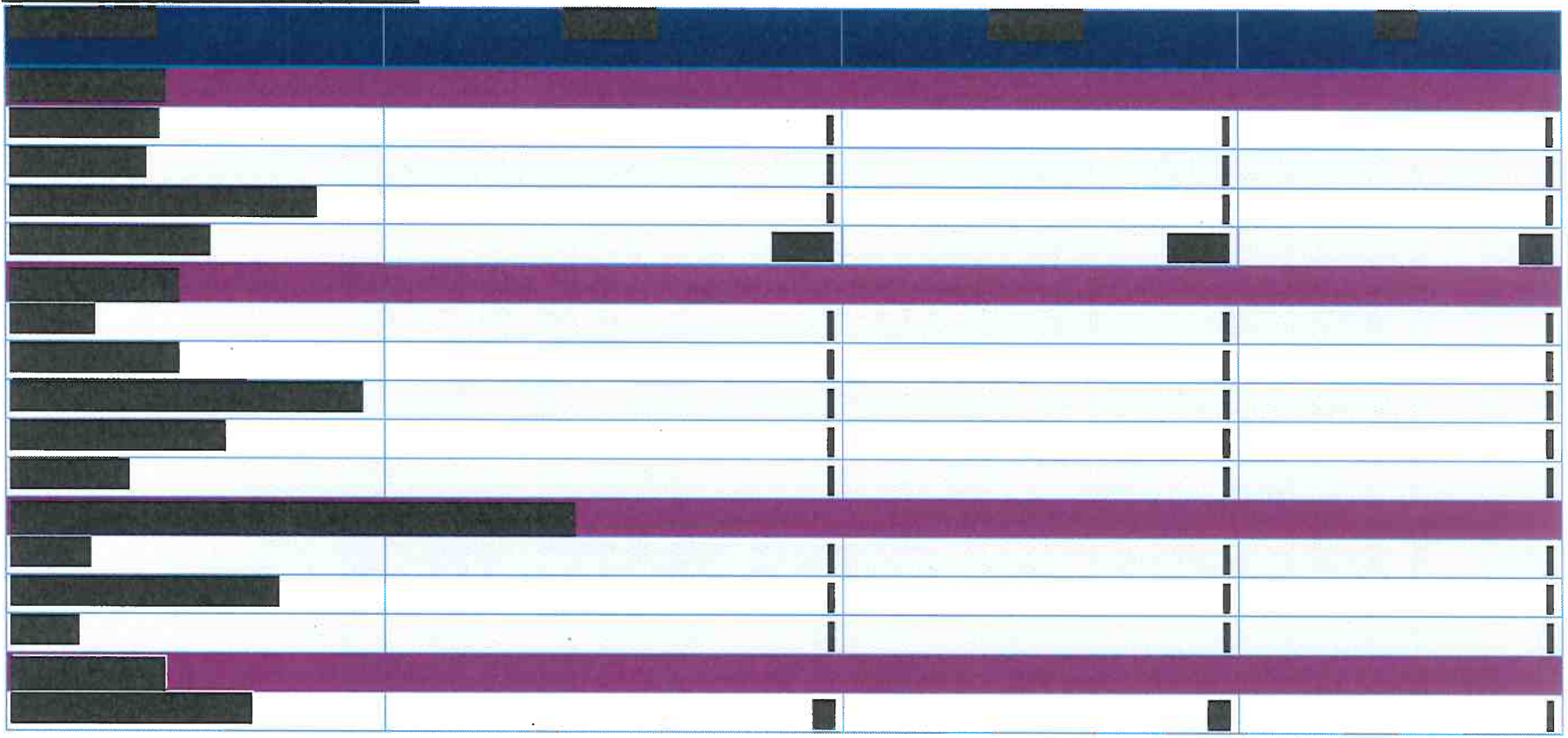
The Project's contingency will continue to be held and managed by iCBR pursuant to the contingency management framework and approvals matrix for all major infrastructure projects in the Territory. A specialist quantity surveyor Rider Levett Bucknall (**RLB**) has developed and verified the cost estimates, including the contingency, based on current Project information (including the Project's Risk Register) and benchmarking against similar projects.



8.4 Budget Implications

As outlined in section 4.1.8.3, the existing appropriation does not offset this funding request. Additionally, iCBR has re-allocated (cash-managed) the existing appropriation to fund the VECI Phase activities. [redacted]

[redacted]



9 Governance

Key messages

The project governance structure has been prepared in alignment with the requirements described in *ACT Capital Framework: Detailed Technical Guidance - Project Governance*.

The Project was confirmed by the Chief Minister as a *Tier 1 – Major Project* and the responsibility for the planning and delivery of the new northside hospital was assigned to iCBR in 2023 (and 2024). The implementation of the Project governance arrangements as a *Tier 1 – Major Project* has commenced.

The Project will be planned, designed, procured and delivered by iCBR on behalf of the Territory. Project responsibility, budget and project team has transferred to iCBR and will be managed under the established project governance structure applicable to major infrastructure projects. This structure incorporates a Project Board (advisory), including an independent chair and independent member.

The roles and responsibilities of all members of the Project will be further developed at the commencement of the VECI Phase, noting the procurement of the VECI Contractor is currently March 2025. Throughout the VECI Phase, governance arrangements will be reconsidered as the Project scope is refined, in preparation for the ECI Phase and D&C Phase.

9.1 Governance

The Project governance arrangements were initially established as part of the 2023 Business Case in alignment with the ACT Capital Framework: Detailed Technical Guidance - Project Governance.

The Project was confirmed as a *Tier 1 – Major Project* and the responsibility for the planning and delivery of a new northside hospital assigned to iCBR in 2023 (and 2024). The Project has implemented, and is continuing to refine, the governance arrangements as a *Tier 1 – Major Project* for *Stage 3 – Procure* and *Stage 4 – Implement*.

The scope sought to be delivered by this EWBC will be delivered in accordance with the governance arrangements developed for the Project – ensuring consistency of governance practices across the entire investment lifecycle.

The Project governance arrangements provide the strategic framework for decision making, goal setting and project development and delivery oversight, and provides a line of decision making up to the executive powers administered through the relevant Minister and Cabinet.

The key objectives of the project governance are to:

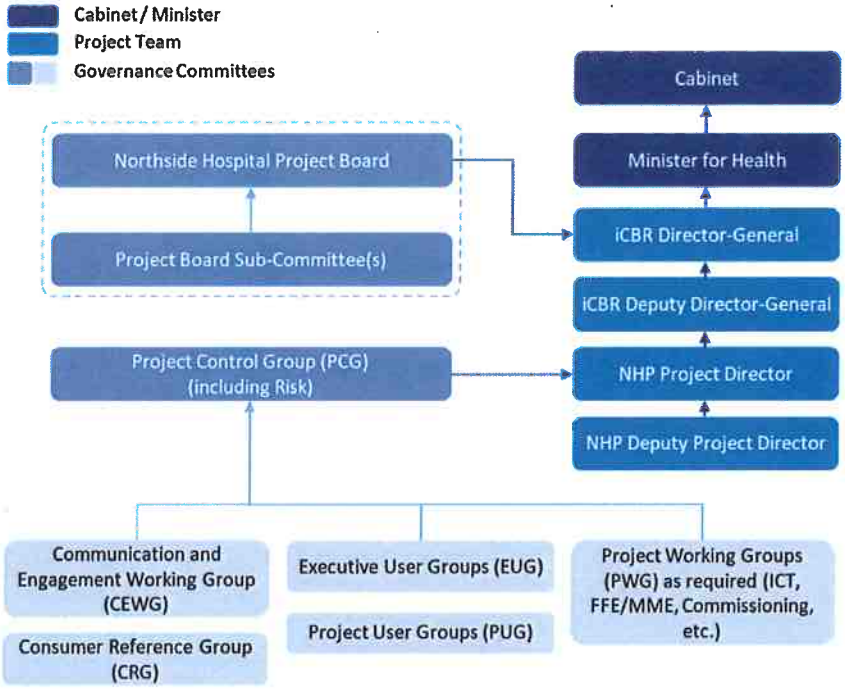
- Enable integrity, transparency, and efficiency across project development, strengthening stakeholder confidence;
- Set the strategy for the project;
- Build solid project foundations that support and facilitate oversight;
- Guide and monitor project delivery and performance;

- Manage project risks through appropriate decision-making models and tools; and
- Establish overall project accountability to ensure decision making is subject to independent and informed review and enable a forum for constructive feedback.

9.1.1 Governance Structure

The project governance structure has been prepared in alignment with the above requirements and is outlined in Figure 19. The governance structure applies to all planning and design activities through the VECI Phase and ECI Phase. At the commencement of the VECI Phase, the Project Team will review and update the Project Governance to clearly outline the Terms of Reference for each Committee and Working Group with clear guidance on roles and responsibilities, decision-making processes, reporting requirements, and meeting schedules to ensure effective oversight and accountability.

Figure 19: Governance Structure



Source: Turner & Townsend

9.1.2 Roles & Responsibilities

iCBR holds the responsibility for the Project under the Administrative Arrangements. The Project is being managed under the established project governance structure applicable to Tier 1 infrastructure projects. This structure incorporates a Project Board as its key advisory body, including an Independent Chair and Independent member. The roles and responsibilities of all members of the Project are to further develop during the VECI Phase.

Table 13: Member Group Roles and Responsibilities

Member Group	Roles and Responsibilities
Cabinet and the Expenditure Review Committee (ERC)	Cabinet and the ERC of Cabinet will set directions, make key policy and funding decisions in relation to the project on the recommendation of the Minister for Health.
Minister for Health	The Minister for Health will make decisions at the strategic and leadership level. The Minister for Health has responsibility for the Project

Member Group	Roles and Responsibilities
	with delegated responsibility flowing to the Director-General iCBR (Project Lead).
Director-General iCBR (Project Lead)	The Project Lead is the Director-General iCBR. iCBR will manage the day-to-day project management, including leading commercial negotiations, engagement with stakeholders, and recommendations to Cabinet (via the Minister) through the delivery of the business cases. The Project Lead oversees the overall Project, including key milestones, decisions or sensitive matters depending on the stage of the Project. The Project Lead also operates as the first escalation point for any matters requiring escalation through the commercial negotiations.
The Northside project board was established in March 2024. **Northside Hospital Project Board** ***ACTHD*** ***CMTEDD*** ***CHS*** ***EPSDD*** ***TCCS*** ***Independent members x 2 (inc. Chair)***	The Board provides strategic advice to the ACT Government in respect of the planning, procurement and delivery of the Project. The Board functions as an advisory board as opposed to a governing board and does not have the authority to vote on corporate matters, nor a legal fiduciary responsibility. The core responsibility of the Board is to provide advice to the ACT Government, including iCBR, in respect of the planning, procurement and delivery of the Project and as the primary consultative body. Specific functions of the Board include: ▪ provision of advice in respect of strategy formulation and project development matters in conjunction with the project management team; ▪ provision of advice which assists the project team performing its functions and exercising its powers in a proper, effective and efficient way; ▪ review, comment and endorsement of Cabinet Submissions being sought through Cabinet; ▪ provision of advice in respect of key emerging risks and issues, including stakeholder risks and strategic risks; ▪ networking on behalf of the project team to assist in achieving organisational goals and alignment with other ACT Government plans and strategies; ▪ provision of advice to government on the selection of a preferred delivery model; ▪ provision of advice in relation to contract negotiations and commercial matters, as required; and ▪ ensuring appropriate oversight of Work, Health and Safety matters across the Project. **Board Sub-committees** The Chair may, at their discretion, call for the establishment of a Board sub-committee. This may be for the purpose of resolving a specific issue where Board consensus cannot be reached, reviewing an extensive scope of material where it is not feasible for all Board Members to do so. For a Board sub-committee to be established, the following must be established (by the Board Chair with advice from the Project Director and/or the Board Secretariat) and agreed by the Board: ▪ sub-committee terms of reference; ▪ quorum; ▪ meeting frequency; and ▪ automatic expiry of Board sub-committee.
Project Control Group (PCG) ***Inclusive of the Risk Management Committee (RMC)***	The NHP PCG will function as the primary working group for all matters relating to the Project. It will approve project delivery decisions where these fall within the overarching strategy and parameters that have been approved by the NHP Project Board.

Member Group	Roles and Responsibilities
	The NHP PCG will report to the NHP Project Board via the NHP Project Director on all matters that require escalation for approval at that level. The NHP PCG provides mutually agreed guidance, direction and oversight to the NHP Project Team and endorsement of recommendations from the NHP Project Director. The NHP PCG monitors project performance and strategic risk matters, and reports to the NHP Project Board, escalating matters for approval where required. Specific functions of the NHP PCG include: ▪ Provide direction, guidance and oversight to the NHP Project Team during the Project (across the planning, design development, construction and commissioning phases); ▪ Represent relevant operational areas involved with, or impacted by, the development of the NHP Project; ▪ In partnership with Communications and Engagement teams, provide appropriate and consistent engagement and communication with staff of Canberra Health Services, consumers and local residents to both gain input to, and disseminate information from the NHP PCG; ▪ Endorse and/or make recommendations to the NHP Project Board regarding the budget for the various aspects of the Project; ▪ Advise on and/or endorse and/or approve brief changes, prioritisation, risk management, design, budget allocation, contingency release (cost and time) within financial delegation and staging of the works; ▪ Review financial management for all aspects of the NHP Project as well as financial progress against approved Project budgets; ▪ Monitor progress against the NHP Project program (including programs of the Enabling Works projects) to ensure that the Project milestones and timeframes are being met and outcomes achieved; ▪ Review Project risks and associated treatments through the life of the NHP Project; ▪ Engage with Canberra Health Services, ACT Health Directorate, Treasury and other relevant stakeholders where appropriate; ▪ Apply/implement policy, planning objectives and operational recommendations; ▪ Endorse amendments to key brief documents; including design change requests, where these remain within budgets endorsed by the NHP Project Board; ▪ Ensure the Project Board is provided with adequate reporting of risk, scope, cost and program matters, including significant changes to brief and budget (where required); ▪ Oversee transition and commissioning activities relating to occupation of destination locations; ▪ Provide risk management advice to the Project Board, through the Project Director and, where appropriate, the broader NHP Project team; ▪ Where appropriate, review and endorse individual risks approved by the NHP Project Director; ▪ Approve changes to risk severity and the risk rating of individual risks; ▪ Approve retirement of individual risks; ▪ Review and endorse risk mitigation plans; and ▪ Review risk expenditures:

Member Group	Roles and Responsibilities
	▪ prior to approval by the Project Director or the Deputy Director General where circumstances permit; ▪ following approval by the Project Director or the Deputy Director General where circumstances do not permit prior review; ▪ prior to request for Project Board or Cabinet to endorse or approve. The NHP Project Executive Team will be responsible for providing regular updates to the NHP PCG. Membership of the PCG will be reviewed as required to reflect project phases including planning, design and delivery. Central to this process will be MPC coordinating the issues and key inputs raised by CHS, ACT Health and the various key stakeholders to the project. **Risk Management Committee** On review of the NHP Project Governance structure, it was determined that the Risk Management Committee (RMC) and PCG membership consisted of many of the same representatives from Directorates. To maximise efficiency for members and attendees at both committees, the RMC was amalgamated with the PCG. The NHP PCG will be responsible for strategic risks related to the NHP Project, to ensure that a common understanding of NHP's risks is maintained by project personnel and relevant stakeholders, in accordance with the NHP Project Governance Framework. The PCG will assess and provide advice to the Project Board through the Project Director on all strategic risks related to the NHP Project, and also develop and (where authorised within the NHP Project Governance Framework) support the implementation of mitigation strategies to key risks. This arrangement will be reviewed at key phases of the project. Should it be determined that an RMC is required, MPC will reinstate an RMC separate to the PCG.
Executive User Group (EUG)	The EUG will coordinate the consultation process, review of planning and provide advice for all clinical issues to facilitate, co-ordinate, guide and advise the project as required. precedent setting issues for resolution, and broader implications across the network of services / organisation The EUG will oversee the PUG process and ensure project alignment within each specific group. They will also see to resolve any escalated issues. The EUG will endorse the design brief and design documents. They will also review the functional design briefs against the clinical services operational policies as well as state policies and service networks. They will interrogate the broader plans, policies and parameters Advocate decisions on a needs basis, ensuring it remains fit-for-purpose and justifiable.
Project User Group (PUG)	PUG's will be convened on a time limited basis to generate clinical and operational planning input throughout critical stages of the design. They will advise on the priority of health service delivery matters and interests of the broader workforce. The PUG will develop and assist in implementing deliverables and strategies through the EUG. This will inform the detailed design and finalized brief.
Clinical Reference Group (CRG) Inclusive of the Communication and Engagement Working Group (CEWG)	The CRG has the responsibility to providing expert clinical advice on clinical / health service delivery matters. Resolving clinical issues escalated by adjacent governance groups as required.

Member Group	Roles and Responsibilities
Project Working Groups (PWG) Community Working Groups (CWG)	PWGs are required to coordinate, monitor, and implement planning strategies to achieve project objectives and timeframes. PWGs are responsible for planning requirements which may have whole-of-organisation impacts. The PWG's will facilitate all internal approvals as necessary. They will provide advice and information on overarching operational policy matters, capital and recurrent cost estimates and input to the business case. The PWG's will provide crucial Internal communications feedback, ACT Health Infrastructure Communication, and develop the project Engagement Strategy.

9.1.3 *Key Agencies in Project Governance*

To ensure successful project development, the Project Team will ensure that strong and continuous collaboration with key stakeholders occurs throughout the Project lifecycle. Key stakeholders include CHS, CMTEDD (FABG, ICA, EFG), DDTS, TCCS, EPSDD as well as other Agencies and partners that have an interest in the project (such as those responsible for, or affected by, its delivery or operations) or are responsible for interrelated projects. Collaboration will support:

- More comprehensive and robust project development
- A greater understanding of the project's risks, uncertainties and challenges and any mitigation measures required.
- A greater understanding of the project's opportunities to optimise its expected benefits.
- Early identification of project interdependences to reduce inefficiencies and manage interfaces appropriately.
- More seamless review and approval processes as key stakeholders have been involved throughout the process.
- A higher likelihood of project success.

Collaboration processes between relevant Agencies are defined in the governance arrangements through the Stage 3 – Procure, and Stage 4 – Implement.

Key organisational interfaces and responsibilities are summarised below.

- **Infrastructure Canberra (iCBR)** is responsible for leading and supporting the procurement of the project. At the finalisation of the VECI Phase there will be key development in the strategy and communication planning for the next stage of the project. This includes community and special interest group engagement, closing out enquiries or complaints and developing further the internal communication. There will be media and ministerial milestone opportunities through the ECI Phase as the detail design is finalised and opportunity to further develop materials.
- **Canberra Health Services (CHS)** is the key stakeholder for all staff and community at the local hospital site. The ECI Phase will seek to finalise the project brief which will require further staff engagement and internal communications support. In preparation for the D&C phase there will be significant staff transitions, workforce planning and change management. Local community engagement and planning will drive the success of the ECI Phase communications and approvals.

- **ACT Health Directorate (ACTHD)** observes the key service design aspects to be developed throughout the detailed design phase. Policy and community health standards are to be adhered to and the project is to be integrated into the larger health network.
- **Chief Minister, Treasury and Economic Development Directorate (CMTEDD)** provides strategic advice and support to the Chief Minister, the Directorate's Ministers and the Cabinet on policy, economic and financial matters, service delivery, whole of government issues and intergovernmental relations. The CMTEDD provides key senior governance roles for the Project through specific specialty groups including Finance and Budget Group, Infrastructure and Commercial Advice, and Economic and Financial Group.

10 Stakeholder Engagement

Key messages

A stakeholder engagement framework has been developed to outline the communications and engagement activities to support all the Project's phases. This includes:

- External Communications Plan
- Internal Communications Plan
- First Nations Engagement Plan
- Audience specific or works specific plans

Throughout the duration of the Project, engagement activity will continue to inform development and decision making for the Project, allowing the community and stakeholder to have regular input into the development of the new hospital. Consultation will occur with key stakeholders and the community in line with key project milestones.

10.1 Stakeholder Engagement Framework (Process)

The Project team have developed a stakeholder engagement framework to outline the communications and engagement activities to support all the Project's phases. There are four sub-plans that will focus on specific stages and stakeholder groups within the Project. These will determine the stakeholder and communication strategy over the planning, design, and construction phases.

External Communications Plan

- Consumer Reference Groups
- Engagement with special interest groups, community members and other stakeholders
- Media and PR opportunities
- Campaigns focused on increasing awareness of the project throughout its lifecycle
- Activities to broaden awareness and involvement

Internal Communications Plan

- Staff engagement and consultation
- Awareness and advocacy
- Impact management

First Nations Engagement Plan

- Developed and implemented in partnership
- Leading long-term opportunities

Audience specific or works specific plans

- Environment and transport plans
- Early works engagement
- Relocations

This framework for the Project focuses on early, proactive, transparent and regular communications and engagement throughout all stages of the project. This helps to develop community and stakeholder understanding, ensure opportunities for stakeholder and community input and feedback, identify and manage issues early and help achieve better outcomes for the Project.

10.2 Stakeholder Identification

Throughout the duration of the Project, engagement activity continues to inform development and decision making for the North Canberra Hospital (NCH), allowing the community and stakeholder to have regular input into the development of the new hospital. Consultation will occur with key stakeholders and the community in line with key project milestones.

The ACT Government have published the *Accessible, Accountable, Sustainable: A Framework for the ACT Public Health System 2020-2030* to outline their vision for a person-centered, innovative, high performing public health system for the Territory. The document emphasises the communication and engagement required to inform development and decision making. With the ACT Government, CHS work with key stakeholder groups to determine improved services and support better health outcomes.

The stakeholder identification Table 14 below categorises identified stakeholders that have an interest in, may be impacted by or have strong views on the NHP. It also outlines their key stakeholder interests and actions.

Table 14: Stakeholder Identification and Key Interests

Stakeholders	Key Interests and actions
Elected officials Minister for Health Minister for Mental Health	▪ Community perception of the project in the lead up to the next election ▪ Economic, social and environmental objectives met ▪ Infrastructure that is fit for purpose ▪ Addressing local issues such as traffic, congestion and parking
Government and non-government Territory agencies CHS CMTEDD DDTS EPSDD TCCS Directorate Education Directorate Community Services Directorate Parks ACT Community Councils NGOs Emergency Services Ministerial advisory councils	▪ Awareness and understanding of the project ▪ Project timeline ▪ Opportunities to input into the design ▪ Consulted on an ongoing basis at relevant stages of the project ▪ Project related development consent processes
Hospital and local health services General Manager, executive staff and executive steering committee Clinical Staff Non-clinical staff Volunteers Patients, visitors and carers Unions, alliances and professional organisations Suppliers and other service providers	▪ Awareness and understanding of the project ▪ Consulted on an ongoing basis at relevant stages of the project ▪ Project timeline ▪ Opportunities to input into the design ▪ Up to date and timely information

Capital Region Community Services - Bruce Ridge Early Childhood Centre Directions ACT - Arcadia House Calvary Haydon Aged Care and Retirement Living Clare Holland House	▪ Construction impacts including impacts to services
Health consumers and carers Patients, families, carers and visitors Territory Health Infrastructure CRG Health Care Consumers Association Carers ACT Mental Health Consumer Network Public Health Association of Australia A Gender Agenda Asthma Australia Canberra Hospital Foundation Headspace Ronald McDonald House Other consumer groups	▪ Awareness and understanding of the project and its benefits ▪ Consulted at relevant stages of the project ▪ Planning considerations ▪ Project timeline ▪ Opportunities to input into the design ▪ Up to date and timely information that is easily accessible and understood ▪ Construction impacts and impacts to services
Media Metro and regional media outlets Social media channels	▪ Awareness and understanding of the project ▪ Share media news and stories at relevant stages of the project
Research and education providers Canberra Institute of Technology Radford College Australian National University University of Canberra Australian Catholic University	▪ Awareness and understanding of the project ▪ Project timeline ▪ Partnership opportunities
Other local interest groups Environmental groups Canberra Business Chamber GIO Stadium Canberra ACT Council of Social Service Community Councils Public Transport Association	▪ Awareness and understanding of the project ▪ Project timeline ▪ Up to date and timely information that is easily accessible and understood ▪ Opportunities to input into the design ▪ Construction impacts and impacts to services
Local and broader community and small businesses General community Small businesses	
Priority community groups Older persons LGBTQIA+ CALD stakeholders People with disabilities or complex needs People with chronic conditions People on lower incomes People experiencing family or domestic abuse Carers Youth (people between 10 years and 21 years)	
Environment and ecological groups	▪ Biodiversity of the site ▪ Capturing and showcasing the ecological values ▪ The connection of the hospital to the outdoors ▪ Appropriate planting and species ▪ Opportunities to be involved
Transport providers and user groups	▪ Access and joint opportunities

TCCS	▪ Fully integrated masterplan and transport ▪ Opportunity for user engagement
First Nations communities, organisations, associations and services	▪ Culturally appropriate design and construction opportunities ▪ Feedback at each design milestone ▪ Informed design ▪ Arts and Cultural projects

10.3 Stakeholder Engagement Strategy (Methods and Channels)

The Project communication and engagement approach aligns with and leverages the ACT Health Infrastructure Communication and Engagement Strategy and principles. They serve as a guide to building trust, maintaining transparency, and creating an environment where everyone's voice is heard.

The stakeholder engagement strategy Table 15 below outlines the relevant methods and channels of communication with each Stakeholder Group.

Table 15: Stakeholder Engagement Strategies

Stakeholder	Engagement Strategy
Elected officials	▪ Stakeholder meetings ▪ Briefings ▪ Formal correspondence
Government and non-government Territory agencies	▪ Stakeholder meetings ▪ Briefings ▪ FAQs ▪ Fact sheets
Media	▪ Stakeholder meetings ▪ Media release ▪ Media holding statement ▪ Key messages for spokesperson
Hospital and local health services **Health consumers** **Research and education providers** **Other local interest groups** **Local and broader community and small businesses** **Priority community groups**	▪ Stakeholder meetings ▪ Project updates ▪ Emails/phone ▪ Website ▪ Social media ▪ Information sessions ▪ FAQs ▪ Fact sheets ▪ Staff updates (Hospital and local health services only)
Environment and ecological groups **Transport providers and user groups**	▪ Early consultation ▪ Provide research and investigations to guide engagement ▪ Negotiables for consultation to be developed ▪ Information sessions ▪ FAQs
First Nations communities, organisations, associations and services	▪ First Nations engagement plan to be delivered as part of the external communication planning

All communications and engagement activities including stakeholder meetings and interactions will be tracked, evaluated and reported. The types of communications and engagement reports produced will include:

- Post announcement and monthly media summaries;

- Monthly/or quarterly communication data reports;
- Post consultation briefing session summaries/minutes/actions (as needed);
- Post consultation listening reports (as needed);
- Post consultation 'What We Heard' reports (as needed);
- YourSay data collection and activity reports (monthly); and
- CM stakeholder reporting as required by the PD or PCG.

10.4 Stakeholder Engagement (since 2023 Business Case)

Initial stakeholder engagement was carried out by the ACTHD and CHS to understand peoples' experiences in accessing the ACT public health services, perceptions towards the health system and what they want and need from the health services into the future.

Community consultation and stakeholder engagement so far has informed the public about planning for the new hospital, collected community and stakeholder feedback on what people want and need from a new hospital and deliver activities that facilitate effective listening of key stakeholders and the community to make sure they feel heard by the ACT Government. Table 16 provides an overview of the community engagement carried out by ACTHD prior to July 2024.

Table 16: ACTHD Community Engagement

Timeframe	Activity
August 2022	▪ Designing ACT health care services for a growing population survey ▪ Expressions of Interest to join the community panel of Integrated Care
August 2022	▪ Designing ACT health care services for a growing population survey closes ▪ Expressions of Interest to join the community panel of Integrated Care closes ▪ Integrated Care community panel established and considers options.
October – November 2022	▪ Northside Hospital Consultations ▪ 1st ACT integrated care community panel workshop ▪ 2nd ACT integrated care community panel workshop ▪ 3rd ACT integrated care community panel workshop
December 2022	▪ Final ACT integrated care community panel workshop
January – March 2023	▪ Integrated Care community panel report preparation ▪ Northside hospital consultation report preparation
July 2023	▪ Outcomes of the Designing ACT health care services for a growing population engagement published on YourSay
October - November 2023	▪ Community council meetings ▪ Drop-in and Pop-up sessions ▪ Stakeholder workshop
December 2023	▪ Stakeholder briefing with Carer's ACT
September 2023 – February 2024	▪ Early Clinician Engagement

Table 17 provides an overview of the community engagement carried out by iCBR post July 2024.

Table 17: ICBR Community Engagement

Timeframe	Activity and Outcome
August 2024	▪ 7 Clinical engagement sessions with NCH staff (Clinical Services Plan) ▪ 3 rounds of NCH Staff emails and calendar reminders 5 Clinical engagement sessions with NCH staff (Clinical Services Plan) ▪ 2 Information sessions for NCH staff to inform project overview, delivery, stages and next steps.

	▪ 1 Briefing session with CAMHS Cottage staff to inform the service's planned relocation to Lyons, overview of project and next steps ▪ 22 Meetings held with NCH clinical staff, services and departments (Clinical Services Plan)
August 2024	▪ Ministerial announcement for shortlisted VECI tenderers ▪ Our Canberra Article published in newsletters and online ▪ Ministerial announcement for CAMHS Cottage relocation and design partner selected ▪ Project update sent to CAMHS Cottage staff, mental health stakeholder groups and consumers
August 2024	▪ 9 Clinical engagement sessions with NCH staff (Clinical Services Plan) ▪ 3 Pop-up information sessions held at NCH for staff and public engagement ▪ Meeting 3 - Comms and Engagement Working Group TOR approved, RACI and SOP to be finalised.
September 2024	▪ 12 Clinical engagement sessions with NCH staff (Clinical Services Plan) ▪ 2 Pop-up information sessions held at NCH for staff and public engagement
September 2024	▪ Article on Our Canberra website, social media posts about the CAMHS Cottage relocation to Lyons ▪ Update the Built for CBR – NHP website ▪ Article on the NCH intranet about shortlisted VECI tenderers ▪ Article on the NCH intranet about CAMHS Cottage relocation
September 2024	▪ 3 Clinical engagement sessions with NCH staff (Clinical Services Plan) ▪ CAMHS Cottage Clinical PUG Design Brief Review ▪ ACT Health Community Reference Group Meeting with HCCA to provide NHP project overview and timeframes ▪ Meeting 4 - Comms and Engagement Working Group
October 2024	▪ Article on the NCH intranet about surveyors on campus ▪ Phone call to Calvary Private Hospital with introduction to NHP and survey works happening on site
October 2024	▪ Service Prioritisation Workshop, for the Clinical Services Plan ▪ Internal workshop with CHS and iCBR communication staff ▪ Meeting 5 - Comms and Engagement Working Group ▪ Pharmacy robotics discussion (Clinical Services Plan) ▪ Discussion with Telstra about asset alignment and mapping at NCH ▪ PUG project briefing on the Future Services Framework and the engagement and desired outcomes ▪ Internal discussion with Treasury about the approach for North Canberra Hospital EWBC

November 2024	▪ Internal discussion with CHS about site constraints for the NCH
	▪ CAMHS Cottage PUG Meeting Master Plan Concept Design
	▪ CAMHS Cottage EUG Meeting Concept Design
	▪ Email to HCCA to brief on NHP
	▪ Briefing with HCCA about NHP Communications and Engagement Plan
	▪ Reference Group Meeting - Clinical Project User Group
	  ▪ Surgical Services
	  ▪ Older Persons
	  ▪ Emergency Department
	  ▪ Paediatrics
	  ▪ Ambulatory Care
	  ▪ Maternity and Gynaecology
	  ▪ Intensive Care
	  ▪ Radiology
	  ▪ Pharmacy
	▪ Meeting 6 - Comms and Engagement Working Group

December 2024	▪ CAMHS Cottage PUG Meeting

	▪ Project briefing provided to NCH Consumer Engagement Representative Forum to update members about the NHP and consumer engagement avenues ▪ Conservators Office of the ACT meeting to provide briefing on ecological aspects of the Northside Hospital site, and a project overview

10.4.1 Outcomes of Stakeholder Engagement (since 2023 Business Case)

Table 18 provides the outcomes of community engagement carried out by ACTHD and iCBR since the 2023 Business Case.

Table 18: Stakeholder Engagement Outcomes Summary

Area of Concern	Key Response Outcomes
Engagement strategy	▪ NCH Staff noted they appreciated the inclusive engagement ▪ CAMHS staff not concerned until more information is available ▪ NCH Staff expressed importance for the project to deliver a truly 'inclusive' facility that caters for a clinical and administration staff better. ▪ Calvary Private Hospital was appreciative of the phone calls received and would prefer email communication

Design	▪ Staff were concerned about the level of services and care being delivered and the reduction and reconfiguration of these services, including:
	  ▪ ICU
	  ▪ Trauma
	▪ Staff were concerned whether specific spaces would be incorporated and how they would be integrated, including:
	  ▪ Centres of Excellence
	  ▪ Paediatrics
	  ▪ Training/education tertiary facility and research spaces
	  ▪ Digital Innovation
	  ▪ General staff and public were concerned with relocation of services and provision of new services
	  ▪ Outpatient
	  ▪ Paediatrics
	  ▪ Staff designated spaces
	▪ Staff were concerned about the design considerations for mental health
	▪ Staff were concerned about the parking and transport and the movement between hospitals.
	▪ General staff and public were concerned with transport services
	▪ Pharmacy robotics representatives deem the cost too high and may not proceed. There is also a need for specific expertise in robotics to maintain these machines, which is currently not available in Canberra.

Project Delivery	▪ Staff were concerned timeframes and the timeline being overdue and the models of care/ capacity not being adequate to support population growth on the northside of Canberra. ▪ Staff were concerned whether the build would be staged
Whole of Project	▪ Staff were concerned where the hospital will fit within the territory-wide approach to healthcare in Canberra

11 Advisor Engagement Plan

Key messages

Given the scale and complexity of the Project a variety of external advisors have been appointed to assist in the ongoing planning, design and procurement activities.

Engagement with external advisors seeks to supplement the capabilities of the Project Team and ensure provision of the appropriate expertise required as the Project progresses through planning and design activities.

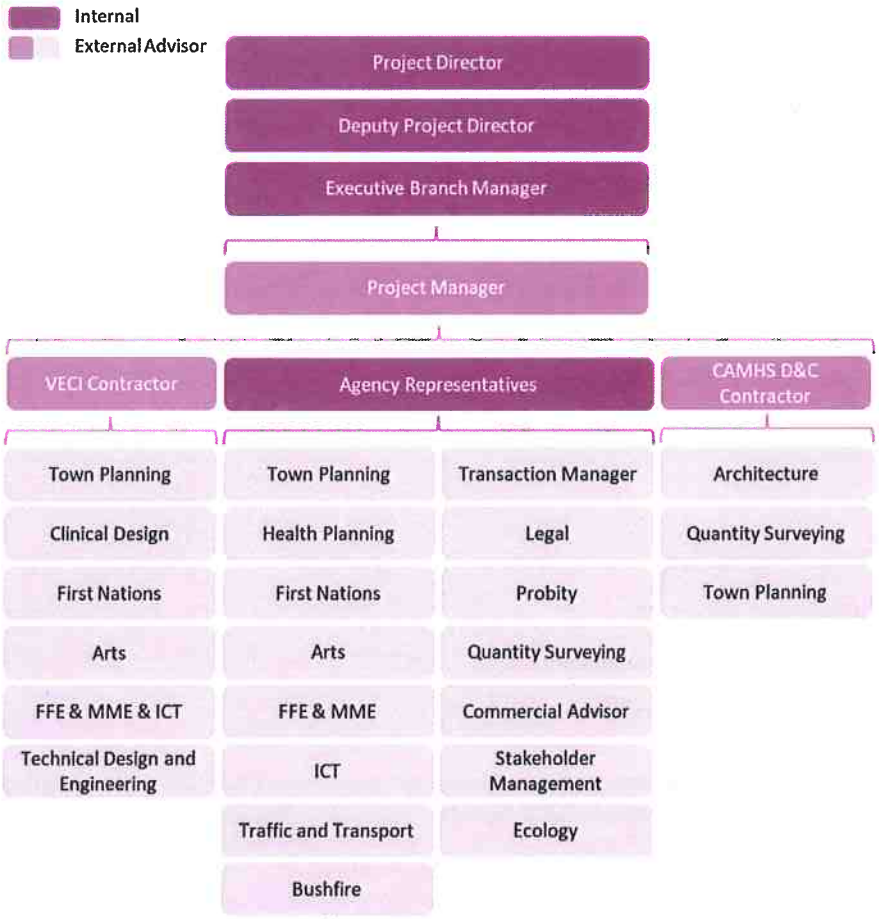
An Advisor Engagement Plan has been developed to identify ongoing advisory engagement required for the Project.

Given the scale and complexity of the Project a variety of external advisors have been appointed to assist in the ongoing planning, design and procurement activities. The current advisors include:

- Transaction Manager
- Legal Advisor
- Probity Advisor
- Cost Advisor
- Scheduler
- Technical Design and Engineering Advisors
- Town Planning Advisor
- Health Planning Advisor
- Investment Planning (Business Case) Advisor

This Advisor Engagement Plan has been developed to identify ongoing advisory engagement required for the Project. Engagement with external advisors seeks to supplement the capabilities of the Project Team and ensure provision of the appropriate expertise required as the Project progresses through planning and design activities. The ongoing advisor engagements anticipated for the Project are summarised in Table 19 (below). The Advisor Engagement Plan will be reassessed as the Project planning progresses. As an overview, the organisational structure of the NHP Project Team – including internal Agency resources and external advisors – is provided in Figure 20 (below).

Figure 20: Organisational Structure



Source: Turner & Townsend

11.1 Territory Consultants and Advisors

Table 19 summarises the advisor engagements anticipated for the next project phase. It is noted that the list is indicative, and the Advisor Engagement Plan will be reassessed as the Project progresses and the requirements for specialist external advice evolves.

Early engagement of several consultants to support the project planning phase has occurred and costs were appropriated via the 2023 Business Case. These consultants include:

- Project Manager
- Transaction Manager
- VECI Contractor to undertake early coordination of Design Management and Site Due Diligence.
- Legal Advisors.
- Probity Advisor.
- Health Planning Advisor.
- Town Planning Consultant.
- Stakeholder and Consultation Advisor.
- Quantity Surveyor and Cost Manager.

Table 19: Key Advisory Roles

Key Advisory Roles	Indicative Scope of Engagement
First Nations Advisor	The First Nations Advisor will support the development of the Concept Design in line with the Connecting with Country Framework. Funding for the First Nations Advisor is included in the EWBC funding request.
Commercial Advisor (Financial Analysis and Economic Appraisal) *KPMG*	The Commercial Advisor will provide the following deliverables to support the Main Works Business Case: ▪ Financial Analysis ▪ Economic Appraisal costs have been included in the EWBC cost estimate in the Financial Analysis chapter. Funding for the Commercial Advisor has been appropriated and is not included in the EWBC funding request.
Ecology Advisor *Abel Ecology*	The Ecology Advisor will provide: ▪ Ecological Report Funding for the Ecology Advisor has been appropriated and is not included in the EWBC funding request.
Bushfire Advisor *Abel Ecology*	The Bushfire Advisor will provide: ▪ Bushfire Report Funding for the Bushfire Advisor has been appropriated and is not included in the EWBC funding request.
Art Curator	An Arts Curator will provide the following services: ▪ Develop project materials to support integration of arts into the project as per the AHFG Arts in Health Framework ▪ Develop and implement an Arts strategy ▪ Coordinate development of the Arts strategy with the Project's Arts working group Funding for Art Curator is included in the EWBC funding request.
Traffic and Transport Technical Advisor *Jacobs*	The Traffic and Transport Advisor will provide the following services: ▪ Develop a transport model to support the scoping of the Project ▪ Provide transport network upgrades advice

	▪ Traffic and transport advisor costs have been included in the EWBC cost estimate in the Financial Analysis chapter. Funding for the Traffic and Transport Advisor has been appropriated and is not included in the EWBC funding request.
FFE and MME Advisor	The FFE and MME Advisor will provide: ▪ FFE and MME audit ▪ FFE and MME strategy ▪ Provide advice to the NHP team Funding for FFE and MME consultant is included in the EWBC funding request.
ICT Advisor *Scyne*	The ICT Advisor will provide: ▪ ICT Strategy ▪ ICT Project Plan ▪ Provide advice to the NHP team ▪ Manage interface of new and existing systems Funding for ICT consultant is included in the EWBC funding request.

11.2 Contractor Appointed Consultants

The VECI Contractor appointed by the Project will be responsible for engaging all additional advisory consultants required to support the planning and design of a health project. These consultants will be utilised in the VECI Phase, ECI Phase and Early Works.

Table 20: Contractor Appointed Consultant Roles

Advisor Role	Indicative Scope of Engagement
Design Consultants As appointed by contractor	▪ Development of architectural design ▪ Development of clinical design ▪ Supporting planning approval documentation ▪ Design compliance The costs for the Contractor's Design Consultants are included in the Contractor costs outlined in the Financial Analysis chapter. The funding for the VECI Phase has been appropriated, and is not included in the EWBC funding request. The funding for the ECI Phase is included in the EWBC funding request.
Technical Design and Engineering Consultants As appointed by contractor	The technical design and engineering consultants will deliver: ▪ Output specification for physical assets and services ▪ Technical assumptions ▪ Risk assessment of technical aspects ▪ Mechanical, electrical, civil, structural, landscaping advice ▪ Further site investigations and technical due diligence The contractor will engage consultants for the following disciplines: ▪ Structure ▪ Civil ▪ Traffic ▪ Hydraulic ▪ Fire ▪ Mechanical ▪ Sustainability and high environmental impacts ▪ Electrical ▪ IT ▪ Façade The costs for the Contractor's Technical Design and Engineering Consultants are included in the Contractor costs outlined in the Financial Analysis chapter. The funding for the VECI Phase has been appropriated and is not included in the EWBC funding request. The funding for the ECI Phase is included in the EWBC funding request.

12 Planning & Approvals Pathway

Key messages

Preliminary environmental site investigations have identified high order ecological values primarily on the northern block of NHP, but also within the mature native vegetation located throughout the Project's development site.

The Project will continue investigating planning pathway options informed by scope refinement activities to confirm the site footprint and the extent of potential environmental impact.

The Early Works will be scoped and designed such that the approval pathway is limited to a Development Application only, avoiding environmental impacts.

Planning and Approvals Pathways for a future CAMHS site are not considered here because a preferred site has not yet been identified.

12.1 Site Overview

The Project site is situated to the north of Belconnen Way and Northwest of Gungahlin Drive. Vehicular access is provided off Haydon Drive. The site is comprised of two blocks, identified as Blocks 2 and 4, Section 1, with an approximate area of 12.7 hectares. Mary Potter Circuit, the internal roadway within the site is within Block 2. The site is zoned CF Community Facilities under the *Territory Plan 2023* and is surrounded by NUZ3 -*Hills Ridges and Buffer Areas* on the northern, eastern and southern boundaries whilst Haydon Drive is zoned as TSZ1 – *Transport & Services*. The Bruce Ridge Nature Reserve adjoins the site to the east and is a Designated Area subject to the requirements of the National Capital Plan.

NHP Site Location and zoning (source: SMEC)

12.2 Preliminary Findings

Preliminary environmental site investigations have identified high order ecological values primarily on the northern block, but also within the mature native vegetation located throughout the Project's development site. This includes Gang-gang Cockatoo breeding areas within identified hollow bearing trees, potential Superb Parrot breeding areas and foraging habitat for native species.

Should clearing native vegetation occur, particularly Gang-gang Cockatoo breeding or foraging habitat, this will likely require the submission of both a Commonwealth Environmental Impact Statement (**EIS**) under the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**) and a Territory EIS under the *Nature Conservation Act 2014* (ACT). Should these processes be consecutive, the assessment and approval process could take up to 36 months prior to clearing native vegetation.

Therefore, the Project's Early Works scope will need to be planned, designed and delivered to avoid any EIS triggers. The Project's main works scope will be planned, designed and delivered in consideration of planning requirements on Project timeframes.

12.3 Planning Assessment Pathway Options

Once scope and development footprint are known during the VECI Phase, the EIS process can commence. In the meantime, to effectively manage the Project's program, the Territory will make an initial referral to Commonwealth Department of Climate Change Energy, the Environment and Water (**DCCEEW**) to confirm whether maintaining a similar development footprint as currently exists will constitute a "*Controlled Action*" under the EPBC Act.

Alongside DCCEEW consultation, the Project will continue investigating alternative planning pathway options informed by scope refinement activities to confirm the project footprint and understand the extent of potential environmental impact.

The Early Works will be scoped and designed such that the approval pathway is limited to a Development Application (**DA**) only, without any EIS.

The following potential planning pathways are being assessed by the Project team for the main works, which will consider the cumulative environmental impacts of the early and main works (the planning approvals for the new CAMHS site will be considered separately once the site is identified):

Territory EIS only (i.e. no Commonwealth EIS)

- To pursue a Territory EIS only, the project can only impact on local matters that do not constitute a Controlled Action; and there is a trigger to the Territory EIS, or the ACT Conservator of Flora and Fauna confirm that an EIS is required.

Collaborative Commonwealth EIS and Territory EIS

- A collaborative EIS approach combines ACT and Commonwealth assessment into a single process

Lineal EIS

- A lineal EIS approach involves lodging with DCCEEW prior to lodging a draft EIS to the Territory.

EPBC Act determination on Preliminary Documents followed by a Territory EIS

- If impacts to Gang-gang habitat are limited, but other clearing is required, it may be possible to approach DCCEEW through a preliminary environmental assessment, rather than an EIS. A single EIS will then be submitted to the Territory.

The planning approval process for the main works will proceed in parallel to the delivery of the Early Works.

12.4 Territory Priority Project (TPP) Consideration

The Project may be classified as a Territory Priority Project (TPP) under the *Planning Act 2023* (ACT). On 5 February 2025, the *Planning (Territory Priority Project) Amendment Bill 2025* (ACT) was presented by the Minister for Planning and Sustainable Development and – at the time of writing – is before the Legislative Assembly.

12.5 Consultation and Next Steps

The Project team have consulted with DCCEEW, ACT Emergency Services Agency, Conservators Office of Flora and Fauna, and EPSDD on both the EIS and TPP processes. As part of the Project's next steps, the Project team will continue engagement with DCCEEW to confirm if the project is likely to be considered a *Controlled Action* and trigger an EIS under the EPBC Act.

12.6 Project Strategy

Upon commencement of the VECI Phase, the Territory and the VECI Contractor will work collaboratively in due diligence and site selection activities to identify planning risks and inform design solutions that limit the overall environmental impact of the Project.

Where environmental values are identified with the potential to be impacted by the Project, the threshold(s) for interference with the environmental value will be identified and the time, cost and risk of the likely planning pathway associated with impacts assessed. In the development of site selection options, site use strategies will be favoured that balance strong design outcomes with acceptable environmental and planning risk profiles.

During the VECI Phase, the VECI Contractor will undertake investigations and studies to further assess the environmental impact of the project and validate the proposed planning pathway for the Project. Where environmental impacts cannot be avoided, the Project will seek to commence commensurate planning and approvals pathways at the earliest opportunity to minimise risks of delay.

12.7 Early Works Strategy

To maintain Project milestones, the Early Works scope will be developed to comprise works requiring DA approval only.

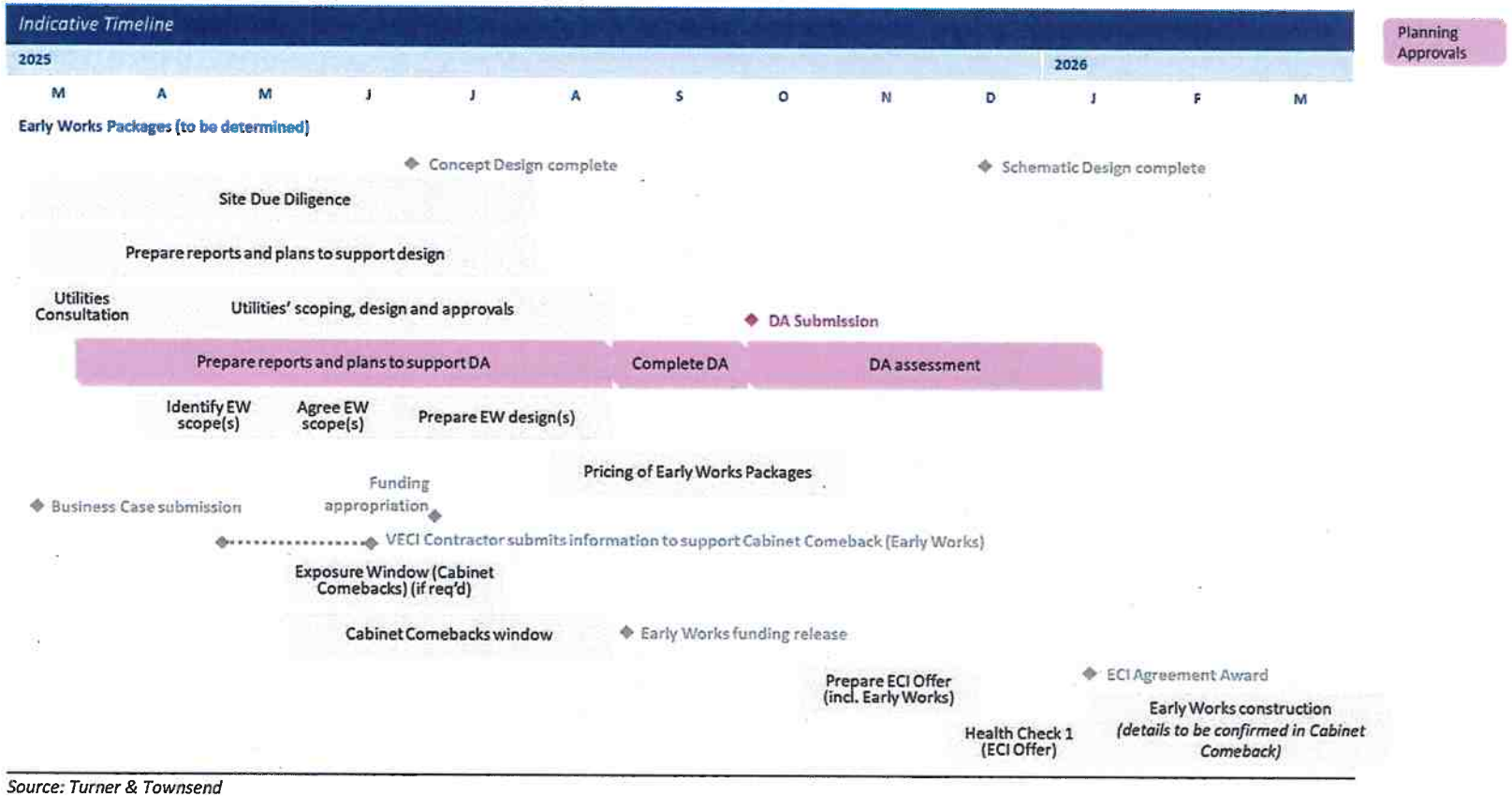
Opportunities for Early Works will be identified during concept design, with the VECI Contractor's ongoing environmental due diligence used to validate the planning pathway for potential Early Works scope items.

Findings from the VECI Contractor's ongoing due diligence investigations will be considered during the development of the Early Works design, with the design adjusted to respond to planning risks identified by the VECI Contractor. Subsequently, Early Works are likely to be contained within previously disturbed areas or areas conclusively assessed to be of low environmental value to maintain the targeted DA approval pathway.

12.8 Early Works Pathway

The Early Works construction work will require DA approval only. The key activities for the Early Works DA submission process is summarised in **Error! Not a valid bookmark self-reference.Error! Reference source not found.** below.

Figure 21: Early Works Planning & Approval Pathway



Source: Turner & Townsend

12.9 Enabling Works Strategy – CAMHS and Arcadia House (AOD)

To enable the NHP construction to commence as planned, CAMHS and Arcadia House (AOD) need to vacate the North Canberra Hospital campus and relocate to another site. Planning for the CAMHS and Arcadia House (AOD) relocations and capital works is therefore being planned in parallel with the VECI and ECI Phases of the Project to support the efficient and cost-effective delivery of the NHP and minimise the potential risk of delay to the program.

Design for new facilities were completed for alternative site options within the ACT. Further detailed design work and options analysis is now required to identify the best outcome from a service provision and cost of delivery perspective. For CAMHS, this work is programmed for completion by the end of April 2025.

12.10 Early Works Utilities and Infrastructure Approvals

The new NHP site includes infrastructure, services and utilities that may require upgrade, reconfiguration or relocation to support the updated site use. A summary program aligning these activities with the EWBC and Early Works DA application is provided in Section 6.3.1. The following Service Providers to approve the design developed by the project are as follows (this is specific to the NHP site, whereas a new CAMHS site is out of scope as this has not yet been identified):

- Icon Water: Hydraulics – Internal Water Main, Internal Sewer Main, and Internal Stormwater Main
- Evo Energy: Reconfiguration of existing 11kV supplies and/or additional HV supply
- Jemena: Relocation of meter and high-pressure service
- Telstra: Communications infrastructure
- NBN: Communications infrastructure
- ICON (Department of Finance): Communications infrastructure
- TCCS: Roads and transport interface (if applicable to Early Works)

Approvals from the utilities and infrastructure owners will be sought during VECI Phase design development for any reconfiguration of assets within the site planned to be delivered as Early Works. Fees and charges for utilities provider support of delivery of Early Works will be included within the Early Works budget.

Connection applications to secure additional supply to the site will be progressed by the VECI Contractor. Non-contestable works delivered by utilities and infrastructure providers to support the project may be progressed as Early Works to secure supplies or commence long lead time activities. Fees and charges for non-contestable works committed to as Early Works will be included in the Early Works budget.

13 Timeline & Key Milestones

Key messages

The construction of the NHP is proposed to commence in Q1 2027, following the planning lodgement and approval for the main works in Q1 2026. The overall delivery program, from enabling works through to commissioning, is expected to extend over a four-year period. The ECI Agreement will be awarded, and Early Works and CAMHS Enabling Works will commence in Q1 2026. The main works D&C Deed will be awarded in Q1 2027, with practical completion targeted for Q4 2029 and operational commissioning completed by the end of Q4 2030.

Key project decision points include the award of the VECI Agreement in Q1 2025. Following this, there will be key review points for the submission of an ECI Offer by the VECI Contractor and the award of the ECI Agreement, including the Early Works, CAMHS Enabling Works and D&C Deed award, subject to Cabinet Comebacks between May and August 2025. The Main Works Business Case will be submitted to Cabinet for approval in Q2 2026, allowing the award of the main works D&C Deed in Q1 2027.

13.1 Key Milestones

The project's key milestones, outlined in the table below, include early clinical planning and VECI Phase milestones, which are activities funded by the existing appropriation. The ECI Phase milestones require activities to be funded through this EWBC's funding request.

The ECI Phase commences after the VECI Contractor finalises the schematic design and submits an ECI Offer in Q4 2025. If the ECI Offer is accepted by the Territory (through the Health Check 1 process), the ECI Phase begins in Q1 2026 upon the award of the ECI Agreement. The ECI Agreement includes the D&C Deed for Early Works, which are expected to commence shortly thereafter. During ECI Phase, it is proposed that CAMHS Early Works are procured and delivered to enable the ECI contractor to finalise the design process and conduct Early Works on the site. The ECI Phase ends with the submission of a detailed design and final D&C Offer in Q4 2026.

If funding through the Main Works Business Case is approved, and if the D&C Offer is accepted by the Territory (through the Health Check 2 process), the main works D&C Phase commences in Q1 2027 upon the award of the D&C Deed. Practical completion is anticipated for Q4 2029, followed by operational commissioning planning. The gross date for practical completion is mid-2030, leading to the implementation and decant of operational commissioning. The Project aims to go live with operational commissioning completed by December 2030.

The following program outlines indicative Project milestones:

Table 21: Key Milestones

Project Phase	Key Milestone	Estimated Completion
Early Clinical Planning	Clinical Services Plan Endorsed	December 2024
	Strategic Functional Brief & High-level / Benchmark Schedule of Accommodation Endorsed	February 2025
VECI Phase	VECI Agreement Awarded - Main Works Target Sum agreed and VECI Contractor Awarded	March 2025
	Concept Design Stage Completed	June 2025

	Schematic Design Stage Completed	December 2025
	Health Check 1 (ECI Offer) Process Start	December 2025
	Preliminary ECI Offer received	December 2025
Business Case	Main Works Business Case to ERC	March 2026
ECI Phase	ECI Agreement Awarded - Health Check 1 (ECI Offer) Completed – D-G Signoff	February 2026
	Early Works - Onsite Commencement	March 2026
	80% Detailed Design Complete	October 2026
	80% Detailed Design Price Updated	November 2026
	HEALTH CHECK 2 (D&C Offer) Process Start	October 2026
	Preliminary D&C Offer received	November 2026
Enabling Works	Design to Development Application stage	June 2025
	Request for Tender for Contractor(s)	August 2025
	Appointment of Contactor(s) (D&C Deed)	January 2026
	Demolition	February 2026
	Construction Commencement	March 2026
D&C Phase	Main Works Awarded (D&C Deed)	January 2027
	Main Works - Onsite Commencement	February 2027
	Main Works - Practical Completion (Nett Date) – Operational Commissioning Planning	December 2029
	Main Works - Practical Completion (Gross Date) – Operational Commissioning Implementation and Decant	June 2030
	'Go Live' Operational Commissioning Completed	December 2030

13.2 Decision Points

Project decision and review points and the respective decision makers will align with proposed governance structure as outlined in Section 9.1.1.

Table 22: Decision and Approval Timeline

Approval/Decision Point	*Decision Maker*	*Target Date*
ECI Phase – Detailed Design		
2025-26 ACT Budget (Investment Decision) Submission and Approval of ECI Phase Design Progression	Cabinet	*Mar-May 2025*
Funding Released for ECI Phase Design Progression	Cabinet	*August 2025*
ECI Agreement Award	D-G	*February 2026*
ECI Phase – Early Works		
2025-26 ACT Budget (Investment Decision) Submission and Approval of ECI Phase Early Works	Cabinet	*Mar-May 2025*
Cabinet Comeback Approval for the release of ECI Phase Early Works	Cabinet	*May to August 2025*