C.08 CHS

2023-24 Budget – Business Case

Proposal Name: Canberra Hospital Expansion – Critical Services Building Tranche 1 Operations.

Basis of authority for consideration in 2023-24 Budget: Chief Minister's 2023-24 Budget Authority Letter – "CSB – Recurrent Operational Funding"

Brief Description: The proposal would fund the first tranche of clinical and non-clinical services operation in the Critical Services Building (CSB), as well as additional capital costs required to support the readiness activities for Go Live. Construction of the CSB is expected to be completed in 2024, and a period of 4 months is required post construction completion for operational commissioning. The anticipated staged Go Live for the CSB will commence in late July 2024.

Lead Minister: Stephen-Smith

Portfolio: Health

Supporting Minister(s) and related portfolio/s: N/A

Lead Agency: Canberra Health Services

Supporting Agencies: N/A

Wellbeing domain 1: Health

Wellbeing domain 2: Choose an item.

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)

☐ PAGA Appendix 1 or 2 item	✓ Other Election commitment	✓ *National Agreement on Closing the Gap*	☐ *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028*
☐ Housing	✓ Mental health	✓ Early years	✓ Women and/or the *ACT Women's Plan 2016-2026*

Electorate: All

Funding category: Expansion

Existing program(s): This proposal is linked to broader Canberra Hospital Master Planning and Expansion programs, and the 2021-22 Budget Review proposal "*Canberra Hospital Expansion Project - CSB Operational Commissioning*".

Year to cease funding or ongoing: Ongoing.

Link to Budget consultation: No

Contact officer: Vanessa Brady

Business Case Authorisations

Lead Minister

Ministerial Endorsement	Signature and date or evidence of endorsement
Lead Minister: Stephen-Smith **Portfolio:** Health	14/3/23

Business case contact officer

Responsible area	Name, position, signature and date or evidence of endorsement
Office of the Deputy Chief Executive Officer Canberra Health Services	Vanessa Brady Executive Group Manager Campus Modernisation

Financial Impacts Summary (Preferred Option)	2023-24 $'000	2024-25 $'000	2025-26 $'000	2026-27 $'000	Total $'000
Capital Impacts					
Capital injection	2,215	-	-	-	**2,215**
Capital inflows	-	-	-	-	-
Capital - Offset – Existing provision	-	-	-	-	-
New capital provision	-	-	-	-	-
MPC fee – resources received free of charge (if applicable)	-	-	-	-	-
Expense Impacts					
Expense	8,277	37,503	37,964	38,850	**122,593**
Expense – Offsets – Mitchell Sterilizing Services	-	-620	-636	-653	**-1,910**
Expense – Offsets – Health Central Provision	-346	-5,993	-6,200	-6,375	-18,914
New expense provision	-	-	-	-	-
Depreciation	-	225	225	225	**675**
Revenue	-	-	-	-	-
Commonwealth contribution	-	-	-	-	-
Savings	-	-	-	-	-
Staffing Impact	**2023-24**	**2024-25**	**2025-26**	**2026-27**	
Total Additional FTEs (number)	6.11	74.92	74.92	74.92	

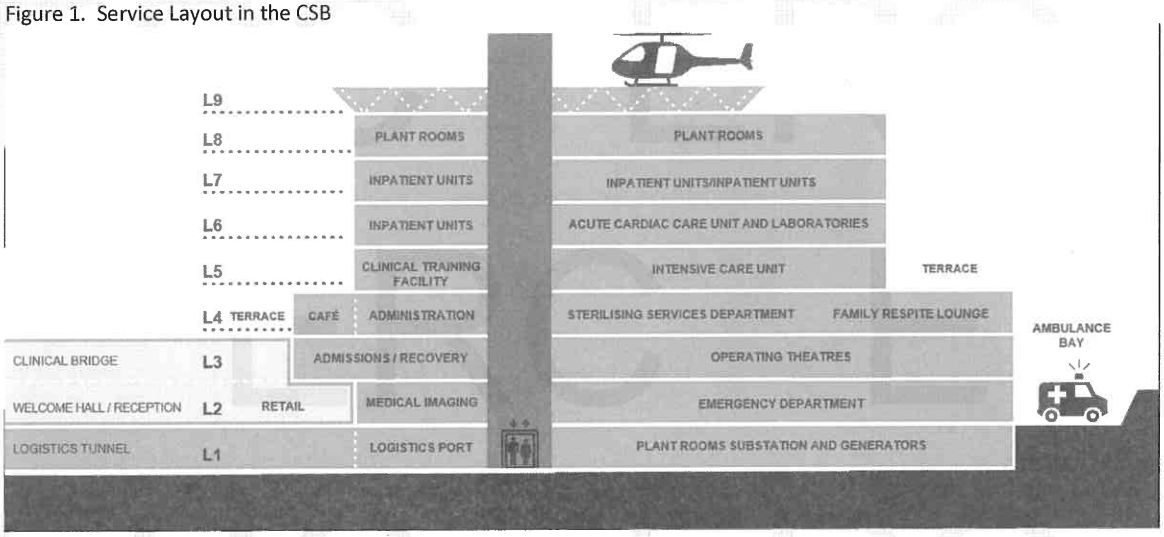
Breakdown of Expenses	2023-24 $'000	2024-25 $'000	2025-26 $'000	2026-27 $'000	Total $'000
Employee expenses	897	11,693	12,117	12,476	**37,183**
Operating Costs	7,379	25,811	25,847	26,373	**85,410**
TOTAL	**8,277**	**37,503**	**37,964**	**38,750**	**122,593**

1. Problem statement – define the problem and provide evidence

The Canberra Hospital Expansion Critical Services Building (CSB) is a 44,000sqm, nine storey building specifically designed to deliver state-of-the-art acute clinical services at the Canberra Hospital. Operational commissioning of the CSB represents the largest clinical and operational change program to ever be implemented by Canberra Health Services (CHS).

The detailed development of the functional design of the CSB was based on the identification of services that will need to transfer to the CSB from the existing campus. This took into account the objective of consolidating acute clinical services for emergency and trauma patients as well as the co-location of high-complex, deteriorating and critically unwell patients. The CSB site and service layout are presented at Figure 1.

Figure 1. Service Layout in the CSB



Transition of Existing Services to the CSB

Service areas identified to relocate from existing campus locations into the CSB are presented below:

Table 1. Existing Services Relocating to CSB

Building 1	Building 12	Sterilising Services
• High-acuity medical inpatients • High-acuity surgical Inpatients • Cardiology and Cardiac Catheterisation Laboratories **Building 2** • Reception	• Emergency Department (ED) • Ambulance bays • Operating Theatres • Surgical patient admission, recovery and discharge • Medical Imaging Interventional Radiology Laboratories and diagnostic modalities • Intensive Care Unit (ICU) • Helipad landing site	Sterilising Services will relocate from a site in Mitchell to the CSB.

The planned transition into the CSB will only partially decant some services from these locations, and the following will remain in situ:

- Building 1 will continue to have nine inpatient units operating post Go Live of the CSB, as well as clinical administration and logistics;

- Building 12 will continue to be operational, retaining:
  - Services of the Medical Imaging Department;
  - Pre-admissions clinic and surgical bookings;
  - Two physical operating theatres (with staffing for one theatre required for emergency and elective caesareans) and post-operative (Stage 1) recovery;
  - Clinical administration of the Emergency Department;
  - Perioperative Services and Intensive Care Unit; and
  - The existing helipad landing site.

The existing Mitchell site used for Sterilizing Services Unit will be decommissioned post Go-Live of the CSB, CHS will not have any residual services operating at this site. Rent and utilities costs associated with this site will be used to offset expenses incurred outside of the Health Central Provision.

Essential services that will support the initial operational commissioning and then ongoing delivery of clinical operations in the CSB but do not have a have a physical footprint in the facility, include supply (consumables), security and facilities management. Costs associated for these services have been included in this proposal.

Construction of the CSB is expected to be completed Q1 2024. A period of four months is required post construction completion for operational commissioning and the anticipated staged Go Live will commence in late July 2024.

At full capacity with growth of health services into the future, the CSB will have the capability to provide 129 Emergency Department treatment spaces, expanded medical imaging services, 60 intensive care unit beds, 32 acute cardiac beds, 22 operating theatres, 128 inpatient beds and a new Sterilising Services Department.

The first tranche of investment in operationalising the CSB will transfer services at the current operating profile and includes additional targeted investments required to safely enable the base case transfer of operations into the new facility. Table 2 provides a comparison of current service capacity, proposed service enhancements delivered through Tranche 1 investment (at opening in 2024) and total service capacity of the CSB.

Table 2. CSB Service Capacity

Service	Current	Tranche 1 Opening	CSB Total Capacity
Level 1- Port			
Logistics Dock	0	1	1
Level 2 - Emergency Department			
Adult Resuscitation Bays	3	3	7
Adult Fast Track Bays	11	11	24
Adult Acute Bays	30	30	40
Adult Emergency Medical Unit/Short Stay Unit	18	18	24
Paediatric Fast Track	8	8	12
Paediatric Acute Bays			6
Safe Assessment Rooms	2	2	2

Paediatric Short Stay	0	0	6
Behavioural Assessment Unit	0	6	6
Clinical Forensic Medical Unit	2	2	2
Total: Treatment Spaces	**74**	**80**	**129**
Level 3 - Perioperative Services			
Operating Theatre	13	13	16
Hybrid Theatres	0	0	3
Hybrid Angio CT Theatre & Interventional Radiology Theatres	0	0	3
Total Theatres	**13**	**13**	**22**
Stage 1 Recovery Bays (PACU)	18	18	34
Extended Day Surgery Unit (EDSU)	12	12	56
Admission/Holding Bays - Stage 2 & Stage 3 Recovery Bays	14	14	
Interventional Radiology Holding Bay - Pre-op & Post-op	6	6	
Total Perioperative Recovery Spaces	**50**	**50**	**90**
Level 4 - Sterilising Services Department			
Sterilising Services Department	1	1	1
Level 5 - Intensive Care Unit			
Adult Beds	28	28	48
Paediatric Beds	0	0	4
Level 6 - Cardiac Catheterisation Laboratories & Acute Cardiac Care Unit			
Cardiac Catheterisation Laboratories	2	2	2
Electro-Physiology Laboratory	0	0	1
Echo-TOE Procedure Suite	1	1	1
Cardiac Day Holding Bays	7	7	20
Total Cardiac Catheterisation Laboratories	**10**	**10**	**24**
Acute Cardiac Care Unit / Cardiology	25	25	32
Level 6 & Level 7 - Inpatient Units			
Level 6 South Wing	32	32	32
Level 7 North Wing	32	32	32
Level 7 Central Wing	32	32	32
Level 7 South Wing	32	32	32
Total Inpatient Unit Beds	**128**	**128**	**128**
Level 9 - Helicopter Landing Site (HLS)			
HLS	1	1	2

Service Enhancements Required to Support CSB Opening

As part of the assessment of Model of Care changes required for the transfer of services into the CSB, targeted service enhancements relative to current operations have been identified. These service enhancements are designed to:

- utilise new technologies that will be delivered as part of the CSB design solution; and
- enable the safe transition of services into the new facility.

These service enhancements include the provision of new services (Table 3) and extended services (Table 4).

Table 3. New services delivered through the CSB

New Service	Current Operations	CSB Service Enhancements
Port	Building 1 Loading Dock is the main logistics delivery and collection facility for the Campus.	The clinical services operations in the CSB require significant volumes of single-use consumable products, pharmaceuticals, portable oxygen cylinders, intravenous fluids and blood products, delivered up to 3 times a day. Waste generation is significant, 42,660 litres of waste will be generated by services within the CSB on a daily basis. Removal of general, recycling and cardboard waste; dirty linen will be collected in the Port and transported via electric tugs to the Building 1 Loading Dock for collection. Patient meals will be transported via electric tug from Building 1 level 1 commercial kitchens to the Port for distribution to patients in the CSB. 4 tugs are required to be procured in 2023-24.

Table 4. Extended services delivered through the CSB

Extended Service	Current Operations	CSB Service Enhancements
Medical Imaging	The existing Medical Imaging service located in Building 12 does not have the capacity to efficiently manage and separate the patient demand flows for diagnostic imaging, emergency, inpatients and outpatients.	A new Medical Imaging service will be established in the CSB to facilitate a 24/7 emergency service, CSB inpatients and urgent overnight medical imaging for Canberra Hospital inpatients. No fixed medical imaging equipment will be transferred from Building 12 to the CSB. The investment in this service relates to workforce and operating expenditure for one additional CT.
Retain Building 12 Operating Theatres	The original intent of the project was to transfer all operating theatre activity to the CSB from Building 12	In the event of an emergency caesarean, the travel distance from Building 11 maternity services to CSB Operating Theatres is a longer distance, and a clinical risk assessment determined this distance to have a catastrophic risk consequence for a mother and/or baby. The risk mitigation strategy is to retain two physical Operating Theatres in Building 12 and staffing for one Theatre, to manage emergency caesareans. Elective caesareans will be also scheduled to the Building 12 theatres.
Patient Support Services	Whole of hospital workforce: • Wardspersons • Hospital Assistants • Central Equipment • Couriers	Additional wardspersons who manage the timely transportation of patients across the hospital via beds, trolleys and wheelchairs. Hospital Assistants manage the cleanliness of inpatient bedrooms and patient equipment to support a patient's treatment plan during admission. Central Equipment collect and deliver mobile medical equipment from the bulk equipment stores located in Building 1 to CSB clinical teams, additional resources are required to support the expanded clinical footprint at the Campus. Additional couriers for the urgent delivery of fluids and patient medications from Pharmacy (Building 1) and blood products from Pathology (Building 10) to the Emergency Department, Operating Theatres and Intensive Care Unit.

Why is this proposal required now?

The delivery of the CSB as part of the Canberra Hospital Expansion Project is a key election commitment. Design and construction costs were approved in May 2019 and the staged sequence of services to Go Live in the CSB will commence in July 2024.

The additional capital expenditure outlined in this proposal were not included in the original capital project budget appropriation and are required for the activation of services at Go Live.
Clinical recruitment will need to be completed ahead of operational commissioning and market availability constraints for certain clinical specialities require the development of a compelling national and international attraction campaign. Delays in funding that affect this recruitment process may delay the opening of the facility if services cannot commence within safe operating parameters.

2. Options analysis

The Tranche 1 opening service capacity is marginally increased from existing capacity for services planned to transition to the CSB. The service enhancements to be delivered through this proposal are summarised below in Table 5.

Table 5. Targeted investment in services

Service Enhancement	Scope
New Services	• Port operations
Extended Service	• 1x new CT modality in the Emergency Department • 1x staffed operating theatre retained in Building 12
Technologies	• 4 x electric tugs • 49 x Automated Medication Dispensing Cabinets

This investment strategy represents value for money as it balances the level of investment needed in service enhancements with the cost associated with implementing the investment. Service enhancements in workforce are essential to manage the safe operation of services transitioning into a significantly larger infrastructure footprint.

2.1 Options comparison table (summary comparison)

	Option 1: Full cost option
Benefits	• Additional cost compared to the existing recurrent expenditure is expected to be relatively low due to the limited increase in service capacity that activated along with only incidental service enhancements being required, in comparison to the other options. • Recruitment activities are expected to be manageable in the current employment environment, thereby reducing the risk of staffing shortfalls in the face of the current labour market constraints. • No immediate requirement for additional office accommodation space to support increased clinical administration. • Phased utilisation of assets may optimise the whole of life asset maintenance program.
Disadvantages	• This scenario is highly unlikely to meet projected demand for surgery wait times, with operating theatres transferring at current operating capacity. • Limited resourcing uplift means increased pressure will be placed on existing workforce. • The CSB architectural and engineering design solution being constructed for the CSB is sophisticated with state-of-the-art technologies and building systems. The maintenance expense for the operations of the scale of this facility in 24/7 operations significantly more than existing infrastructure at Canberra Hospital. This means the funding available for clinical services and clinical support services may be reduced. • Under-utilisation of the floor space may increase safety risks if the level of staffing is insufficient to manage all areas of the facility.
Timescale	A staged opening of the increased capacity available in the CSB is planned, and Tranche 1 investment will be carried out from 2023-24 to 2026-27
Costs	$123,823,000 over the four years (inclusive of $2,215,000 in capital expenditure in 2023-24 financial year).
Major Risks	• Risk management for the project is assigned to the Executive Group Manager, Campus Modernisation. • Formal risk workshops are facilitated every six months to identify new emerging risks with consideration on appropriate risk mitigation strategies which should be initiated to reduce the likelihood of the risk eventuating. Existing risks are assessed to validate the effectiveness of the risk treatments and management by the assigned. • The outcome of the risk workshops is the production of a risk register which is formally endorsed by the CHS Chief Operating Officer (COO). • The Executive Group Manager, Campus Modernisation in partnership with the COO and the Deputy Chief Executive Officer actively interrogates the effectiveness of the implementation of the risk treatments and actively monitor when (if appropriate) alternate contingency strategies are required.
Performance measurement	The overall performance of the CSB is monitored by the CSB Project Board. Performance metrics for this project are detailed below in *Section 7: Performance measures and evaluation*.

3. Proposed Solution (as per options table above)

The CSB will enable better access to acute health services in a state-of-the-art facility for residents of Canberra and the surrounding regions. This funding proposal will enable the first tranche of clinical and non-clinical services in the CSB, as well as provide a capital injection to support readiness activities ahead of the proposed opening and Go Live of the CSB in July 2024.

The intended outcome of the Tranche 1 operational profile is described in Table 7 below. This proposal also includes the costs of operating and maintaining remaining services in Building 1 and Building 12, despite a select number of services transitioning into the CSB.

Table 7. Tranche 1 Operational Profile

Service	Targeted Investment - Outcome
Level 1: Port & Automated Vehicles	
Transfer service	Nil
Service enhancement	• Port operations • 4 x Tugs (capital) • 1 x supply truck (capital)
Level 2: Emergency Department & Medical Imaging	
Transfer service	• 77 treatment spaces • Medical Imaging – 1 x CT operating 08:30 – 22:00 – 2 x X-Ray operating 24/7 – 2 x X-Ray operating 08:30 – 22:00
Service enhancement	• 1 x CT operating 24/7
Level 3: Perioperative Services	
Transfer service	• 13 x Operating Theatres – Elective/Non-Elective Theatres open Monday to Friday 08:00-17:00. – Emergency Theatres open 7-days 08:00-17:00 – 24/7 Emergency Theatre plus on call – 4 x Theatres running on Saturday, Sunday and Public Holidays • 0.3 x MRI Theatre • 2 x Interventional Radiology Theatres • 18 x Stage 1 recovery bays • 32 x Stage 2 & Stage 3 recovery beds and holding bays
Service enhancement	Nil
Level 4: Central Sterilising Services Department	
Transfer service	• The Sterilising Services Department (SSD) will operate 24/7 and provide the main Territory-wide sterilising services for reusable medical devices and loan sets. • Cleaning and sterilising services: – 14 x Operating Theatres: ▪ 1 x MRI Theatre ▪ 2.2 x Hybrid Theatres ▪ 2 x Interventional Radiology Theatres: ▪ 2 x Operating Theatres retained in Building 12 – Reusable Medical Device (RMD) theatre case preparation
Service enhancement	Nil
Level 5: Intensive Care Unit	
Transfer service	28 x Adult ICU beds
Service enhancement	Nil
Level 6: Acute Cardiac Care & Cardiac Catheterisation Laboratories	
Transfer service	• 19 x Cardiac Care Unit beds • 6 x Cardiothoracic Surgery beds

	• 1.4 x Cardiac Catheterisation Laboratories • 0.4 x Electro-Physiology Laboratory operating 08:00 – 18:00, Monday to Friday • 0.6 x Echo-TOE Procedure Suite operating 3 days a week • 7 x Cardiac day holding bays
Service enhancement	Nil
Level 6 and Level 7: Inpatient Units	
Transfer service	112 inpatient beds (4 x 28 bed inpatient units)
Service enhancement	Nil
Level 9: Helipad	
Transfer service	Nil
Service enhancement	1x Helipad Landing Site

4. Policy alignment

The project is strategically aligned to the Canberra Hospital Master Plan and the objectives of the ACT Health Services Plan 2022-2030, which aim to continue delivering world-class healthcare to a growing population through the transformation of the existing hospital campus.

Investment in the Canberra Hospital Expansion is the largest healthcare infrastructure project undertaken in the Territory's history, with this transformational project creating the foundation of a major infrastructure reform program for the campus that will be delivered under the Canberra Hospital Master Plan.

This proposal aligns with the health wellbeing domain and is considered to have a positive impact on the community and will support the *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028* through its design, by ensuring a culturally appropriate place for families and carers feel welcome.

The change management program and communication advocacy activities incorporated into the operational program will further promote these features across community groups.

5. Implementation, risk management and governance

To ensure the CSB is operationally functional on Go-Live, a phased approach to implementing workforce changes as well as capital and operating expenditure will be needed. This will ensure sufficient time for recruitment and training activities to be undertaken, as well as procurement activities in relation to the capital and operating expenditures.

All workforce recruitment must be completed prior to July 2024 and capital funding for the Automatic Dispensing Cabinets and electric tugs is required in 2023-24 to enable procurement, delivery and commissioning to be completed prior to Go Live.

An Operational Commissioning Master Program has been developed to manage the complex schedule of planning and implementation activities, interdependencies between critical tasks, and deadlines for deliverables. The full scope of the Operational Commissioning activities will be implemented in the following four phases:

Phase 1 - Operational Commissioning Set-Up (July 2021 – December 2021) – completed.

Phase 2 - Operational Commissioning Readiness (January 2022 – March 2024) – in progress.

Phase 3 - Operational Commissioning Implementation (April 2024 -June 2024).

Phase 4 - Occupation & Decommissioning (July 2024 – December 2024)

The risk assessment and quantification process has included internal risk assessment workshops, including risk identification and quantification analysis with input from relevant CHS stakeholders and technical advisors.

The CSB governance structure is aligned with the CHS project delivery structure – in order to manage the full lifecycle of the project with controls for communications, information co-ordination and formal reporting required to support the inputs and outputs of the programmed activities.

6. Recruitment strategy

The Recruitment Plan for the CSB Tranche 1 opening profile was endorsed in December 2022 by the CHS CSB Operational Commissioning Project Control Group.

A two-phase attraction campaign will be launched in 2023: Phase one will commence February 2023, and Phase two will be launched by September 2023 with the new CHS branding.

The phased recruitment plan required for the Year 1 operations includes:

- timeframes for advertising, identifying, processing, and onboarding the successful candidates;
- lead time for staff orientation and training; and
- commencement of Go Live in late July 2024.

7. Performance measures and evaluation

The performance of operational commissioning in readiness for Go Live is monitored by the CSB Project Board. Key performance indicators for CSB are outlined below:

Table 8. CSB Key Performance Indicators

Benefit	KPI	Measures	Tracking
Benefit 1: Improved patient access and health outcomes	Reduced number of serious events.	Number of sentinel events	ACT Health Directorate data collection
	Reduced waiting times for elective surgery.	National targets for maximum waiting time for surgical procedures for patients Number of elective surgical cancellations	
	Reduced readmission rate for patients.	Number of patients readmitted within 28 days	
	Increased performance against the ED NEAT target.	Number of patients admitted, discharged or transferred from Australian EDs within 4 hours of presentation NEAT	
Benefit 2: Staff retention, attraction and wellbeing	Staff satisfaction	Workforce surveys report improving culture at CHS Staff turnover	Staff surveys, staff turnover data
	Decreased turnover rates	Attrition rates	CHS data collection
	Increased hospital throughput	Routine hospital occupancy rates	

Benefit 3: Improved operational efficiency	Improved access to latest diagnostic and procedural technologies	Number of patients accessing new tools and technologies	ACT Health Directorate data collection

The CSB Operational Commissioning Executive Sponsor is the Chief Operating Officer of CHS, who participates in fortnightly briefings on the CSB's progress and horizon issues provided by the CHS Campus Modernisation team for the Minister for Health.

The CSB operational commissioning program was funded through the 2021-22 Budget Review process and includes funding for an external independent audit. The first review is planned for February 2023 and the second audit is anticipated to commence in the first half of 2024.

8. Inter-agency collaboration and stakeholder management

CSB is a complex project, with a broad range of internal and external stakeholders, ranging from staff at Canberra Hospital, patients and visitors, through to Territory Directorates, aged care facilities, unions, professional associations, health service providers and emergency services personnel.

The Canberra Hospital Expansion Project has a Project Board established as the top tier project governance committee. The Board is independently chaired, and membership comprises of cross-government agency representatives including:

- Deputy Under Treasurer, Chief Minister, Treasury and Economic Development Directorate.
- Director-General, ACT Health Directorate.
- Director-General, Environment, Planning & Sustainable Development Directorate.
- Director-General, Justice and Community Safety.
- Director-General, Transport Canberra and City Services.

9. Communications

CHS Stakeholder Engagement and Strategic Communications team are responsible for delivering the communication activities. A further communications and marketing budget of $500,000 was included in the 2021-22 Budget Review business case for CSB Operational Commissioning.

A comprehensive multi-platform media campaign is planned to inform people locally and regionally about the new facility and how accessing public health care is changing for the better.

The planned communications program will include:

- Advertising in local and regional media (print, radio, television).
- Digital and social media advertising.
- Opening event management and execution.
- Community awareness collateral (e.g.: posters, brochures).

10. Detailed costs

10.1 Cost estimates

Table 9. Cost Estimate (CSB Funding Profile)

CHS Funding Profile	2023-24 $'000	2024-25 $'000	2025-26 $'000	2026-27 $'000	Totals $'000
Capital Impacts					
Capital	2,215	-	-	-	**2,215**
Expense Impacts					
Expenses – Other - FTE	897	11,693	12,117	12,476	**37,183**
Expenses – Operating Costs	7,379	25,811	25,847	26,374	**85,410**
Expenses – depreciation	0	225	225	225	**675**
Total Expenses	8,277	37,503	37,964	38,850	**122,593**

The recurrent costs for operation of the CSB have been developed in consultation with PwC, and the ACT Government Average Salary Costing template was used to determine staffing costs. Table 10 below outlines key assumption used in the formulation of projected costs.

Table 10. Costing assumptions

Component	Methodology and Assumptions
Current Operations	• The cost projection for Current Operations has been determined for the purpose of calculating the incremental recurrent expenditure for the CSB. This has taken account of the scope of services that will either transfer to the CSB, or service the CSB from the existing campus. • For service areas that will only partially service the CSB, an approximate apportioning of relevant cost centre data has been applied based on historical expenditure. This has been performed for Allied Health, Medical Services, Pathology, Patient Services, Food Services, Cleaning, Waste, Linen, Security, Supply and Central Administration (Human Resource management). • Specific historical expenditure in relation to Insurance, Facilities Maintenance and Utilities for this existing campus has been apportioned for the cost projection.
Workforce expenditure	The forecast for workforce expenditure has been determined using the forecast of FTEs required to implement the scope of services. This informed the calculation of base salaries, on-costs, penalties and allowances as follows: • Base salary and on-costs includes salaries, superannuation, leave loading, workers compensation and administrative on-costs as applicable for each staff classification per the relevant Enterprise Agreements. • Allowances and penalties have been applied as per the relevant Enterprise Agreements for each staff classification, including penalty payments for shift work, skills-based allowances, retention and incentive allowances, on-call allowances, and training allowances.
Operating expenditure	• A Facilities Maintenance allowance of 2% of the After Repair Value (ARV) has been calculated based on CHS's Strategic Asset Management Plan. • Utilities expenditure in relation to electricity usage has been determined based on the estimated network connection costs and forecast demand for the CSB. Estimated expenditure for water and medical gas have also been included based on historical expenditure and forecast usage for the CSB.

Component	Methodology and Assumptions
	• Insurance has been estimated based on the existing premia, with a proportional increase applied using the ARV of the CSB relative to that for the existing campus.
Building 12 Operating Theatres	• While 2x physical operating theatres will be retained, expenditure has been based on resourcing required to operate a single theatre.
Capital expenditure	Estimates have been obtained based on industry data in relation to the following capital procurements: • Port vehicle under finance lease arrangement. • ADCs including the relevant cells and smart medication carts, noting the maintenance costs have been separately included in recurrent operating expenditure. • ICT equipment purchases comprising equipment to support a range of medical equipment and medical imaging software licences. • Make-good for the Mitchell site following the consolidation of these services at Canberra Hospital. • Works associated with the decommissioning of partial areas vacated in Building 12 and five inpatient units in Building 1.

10.2 Offsets

The transfer of sterilising services from the Mitchell site and the operational cost of this service has been quantified and identified as an offset to the CSB operating expenses.

No further decommissioned or transferring service offsets have been identified in relation to this proposal. While there may be some reduced consumption in utilities associated with decanted spaces in Buildings 1 and 12, these offsets cannot be reliably quantified and achieved as neither building will be fully decommissioned.

The CSB will require one-off service commissioning costs to ensure transfer of services is performed safely and quality of healthcare provision is maintained. A proportion of recurrent costs will be offset by the Health Funding Envelope which are the allied health, medical imaging and Building 12 operating theatre costs. All other operating expenses, ports and stores, patient support services, security and facilities management will support services commissioning and patient safety.

Table 11 below outlines the components that have been classified as inside and out of the envelope.

	2023-24 $'000	2024-25 $'000	2025-26 $'000	2026-27 $'000
Expenses - Wages and Salaries	**897,452**	**11,692,567**	**12,116,681**	**12,476,071**
Allied health	*102,822*	*638,392*	*660,373*	*678,880*
Building 12 Operating Theatre	*0*	*3,702,538*	*3,830,552*	*3,938,390*
Facilities Management	*81,746*	*506,502*	*523,253*	*537,412*
Medical Imaging	*243,280*	*1,652,102*	*1,709,195*	*1,757,449*
Ports & Stores	*60,719*	*757,292*	*785,788*	*810,112*
Patient Support Services (PSS)	*297,243*	*3,739,201*	*3,884,581*	*4,008,451*
Security	*111,642*	*696,540*	*722,939*	*745,378*
Expense - Operating Costs	**7,379,158**	**25,810,605**	**25,846,924**	**26,373,502**
Expenses – Depreciation		**221,509**	**221,509**	**221,509**
Total Expense Impact	**8,276,610**	**37,503,172**	**37,963,606**	**38,849,572**

Total Outside HFE	7,930,508	31,510,140	31,763,486	32,474,855
Total Inside HFE	346,102	5,993,032	6,200,120	6,374,718

Outside HCP

Inside HCP

WELLBEING IMPACT ASSESSMENT

Canberra Hospital Expansion Project – Critical Services Building Tranche 1 Operations CHS

Purpose of proposal

The proposal will significantly benefit individuals in the community by enabling the successful completion, transition and activation of services in the Critical Services Building which delivers:

- 114 Emergency Department treatment spaces
- Expanded medical imaging services
- 60 intensive care unit beds
- 32 acute cardiac beds
- 22 operating theatres
- 128 new inpatient beds
- New Sterilising Services Department

This proposal will support other health initiatives to improve wellbeing outcomes for older Canberrans, including Aboriginal and Torres Strait Islander people.

Impact description

The proposal aligns with the health wellbeing domain and is considered to have a positive impact on the community. The Proposal is not expected to have any adverse impacts on the Aboriginal and Torres Strait community. Also, it is not expected to increase or decrease gender equality or directly target a group or sub-group where women and/or girls are disproportionately represented.

Magnitude of Impact

The positive impact to community directly improved access to acute clinical services and the design of the CSB has been designed with significant increased future capacity to sustain projected service demand.

Who is affected?

The proposal will support the ACT Aboriginal and Torres Strait Islander Agreement 2019-2028. The design of the CSB will ensure a culturally appropriate place for carers to meet and feel welcome. The change management program and communication advocacy activities incorporated into the operational program will promote these features across the community groups.

Impact on specific groups

CSB is a complex project, with a broad range of internal and external stakeholders, ranging from staff at Canberra Hospital, patients and visitors, through to Territory Directorates, aged care facilities, unions, professional associations, health service providers and emergency services personnel.

- Patients and the Canberra community are a broad, diverse and complex stakeholder group who will be reassured by messages which reinforce the reliability, access and continuity of services throughout the change period and opening of the new facility.
- Improved access and capacity of essential acute health services.
- Inclusive, culturally appropriate, psychologically safe, and respectful services.
- Improve the consumer experience of access and health literacy.

Aboriginal and Torres Strait Islander Peoples	Carers	Children and young people	Culturally and linguistically diverse people	LGBTIQ+ people	Older Canberrans	People with disability	Across gender
☒	☒	☒	☒	☒	☒	☒	☒

Wellbeing domain

Health

WELLBEING IMPACT ASSESSMENT

Timeframe

Five years plus

A staged investment staged for the opening of the increased capacity available in the CSB is planned by CHS. This Tranche 1 investment proposal commences in FY 2023/2024 through to 2026/2027.
Procurement of capital items will occur in 2023/2024.
Workforce and operating expenses will start to be incurred in 2023/2024 as the CSB construction is targeting completion in February 2024 and asset is handed over to CSB for operation commissioning implementation to commence in March 2024.
A select number of support services including the Port operations, level 2 reception and Sterling Service Unit will commence operations in March 2024. Clinical service is transition in a staged sequence into the CSB commencing in late July 2024.
It should be expected that CHS initiates a Tranche 2 operations Business Case in 2025/2026 which aligns the clinical service demand against the capacity of the CSB.

Evidence base and data

What do we know now?

- Reduced number of serious events - ACT Health data collection
- Reduced waiting times for elective surgery - ACT Health data collection
- Reduced readmission rate for patients - ACT Health data collection
- Increased performance against the ED NEAT target - ACT Health data collection
- Staff satisfaction - Staff surveys, staff turnover data
- Decreased turnover rates - CHS Health data collection
- Increased hospital throughput - ACT Health data collection
- Improved access to latest diagnostic and procedural technologies
- Increase in overall community satisfaction - Community surveys
- Increase in overall patient satisfaction - Community surveys
- Reduced incidence of Private Hospital usage to reduce surgical waitlists - ACT Health data collection

What do we need to know?

CHS has data collection requirements for reporting and accreditation to the National Safety and Quality Health Service (NSQHS).

Collaboration and Engagement

ACT Health and CHS staff
Canberra Hospital staff including:

- Clinicians
- Administrative staff
- Clinical support staff

The Project has established monthly consultation forums established with:

- Consumer Reference Group
- Disability Reference Group
- Community Reference Group
- Aboriginal and Torres Strait Islander Consumer Reference Group

Measures of Success

How will Government know this proposal has been successful?

- The provision of purpose-built infrastructure will enable contemporary, evidence-based best practices, enhancing acute tertiary services.
- Improved access and capacity of essential acute health services.
- Inclusive, culturally appropriate, psychologically safe, and respectful services.
- Improved consumer experience of access, wayfinding and health literacy.

WELLBEING IMPACT ASSESSMENT

Planned Evaluation

Information about evaluation, including how to identify whether your proposal should have an evaluation plan, is available through the **wellbeing toolkit**.

- Post-occupancy, there will be regular monitoring and evaluation of the KPIs in relation to the operations of the CSB under the Project.
- In the final phase of construction, communication activities will focus on:
- Ongoing consultation with the local community in relation to the impact of the Project.
- Ongoing consultation with patients, visitors and staff to ensure operational phase continues to meet the project objectives.
- Reviewing the implementation of operational policies and changes to service delivery