



ACT
Government

ACT Health



ACT
Government

Canberra Health
Services



A new northside hospital



Acknowledgment of Country

We acknowledge the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

Accessibility

If you have difficulty reading a standard printed document and would like an alternative format, please phone 13 22 81.



If English is not your first language and you need the Translating and Interpreting Service (TIS), please call 13 14 50.

For further accessibility information, visit:

www.health.act.gov.au/accessibility

www.health.act.gov.au | Phone: 132281

© Australian Capital Territory, Canberra May 2023

Contents

Executive summary	2
Snapshot of ACT public health services	4
The need for a new northside hospital	5
Northside Hospital Project	6
History of Calvary Agreement	6
Negotiations with Calvary	8
Location, scope & operator of northside hospital	9
What happens next?	10



Executive summary

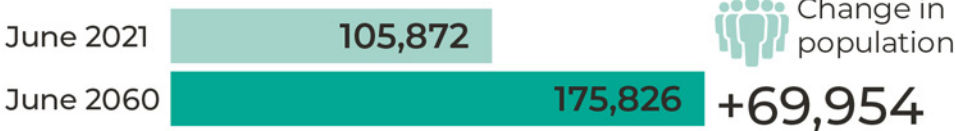
The ACT needs a public health system which can quickly and flexibly respond to the needs of our growing community now and into the future.

The ACT's public health services currently service a population of more than 500,000 people and demand will continue to increase.

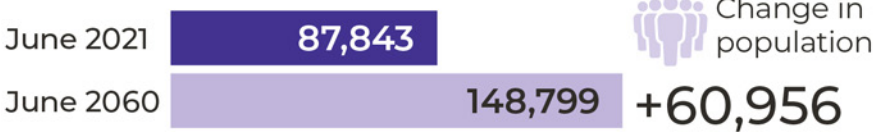
The northside of Canberra now has the largest population in the Territory, and this will continue to grow over the coming decades. By 2060, the population in the northside of Canberra alone is projected to grow by 285,000.¹

At the same time, much of Canberra's public hospital infrastructure is ageing and Calvary Public Hospital Bruce (Calvary Public Hospital) will no longer be fit-for-purpose in the next decade. With a growing population and increasing demand for health care services, the ACT Government has decided to build a new northside hospital on the existing Bruce hospital campus, with funding committed in the 2023–24 Budget.

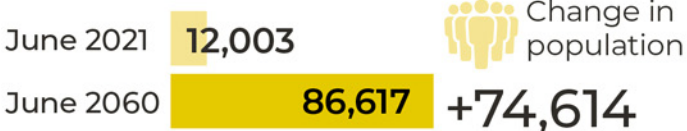
Belconnen population



Gungahlin population



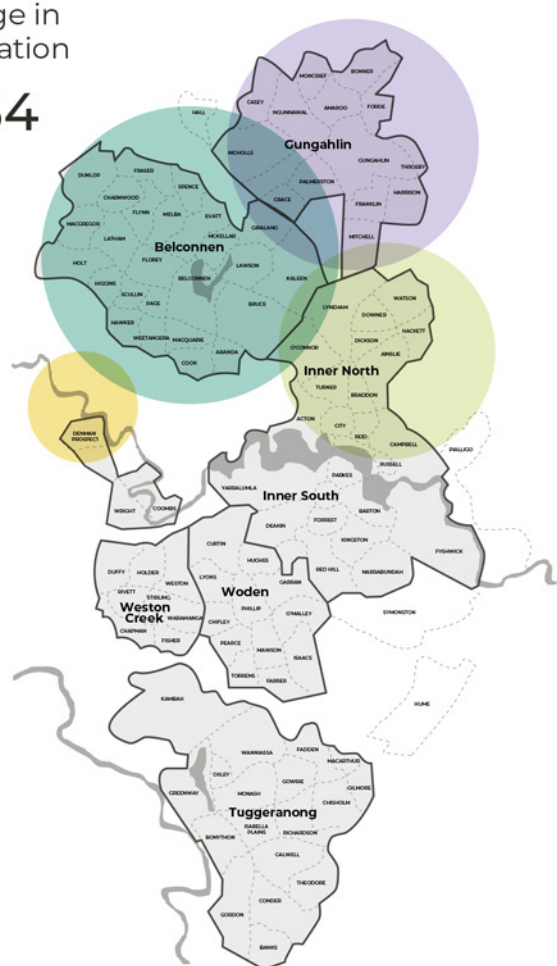
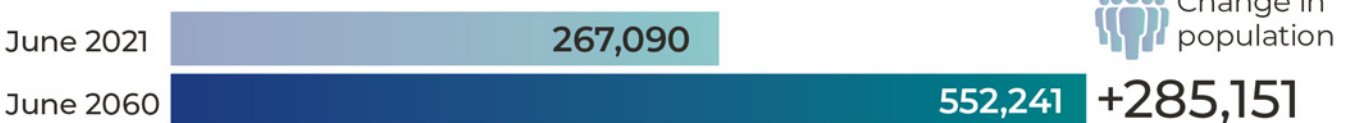
Molonglo/Urriarra population



North Canberra population



Total population



¹ ACT Government, CMTEDD, ACT Population Projections 2022 to 2060.

² A new northside hospital

The new northside hospital will cost more than \$1 billion and be one of the largest single health infrastructure projects to be delivered in the history of the Territory. It will provide more beds and increased services than are currently offered at Calvary Public Hospital, and will deliver a modern, state-of-the-art facility for patients, families, carers, visitors and staff.

The ACT Government is committed to starting construction mid-decade to continue growing our hospital system. This will complement the additional capacity being delivered by the Canberra Hospital Expansion and Master Plan, the University of Canberra Hospital which opened in 2018, and continuing investments to bring healthcare closer to home, including through Walk-in Centres, Community Health Centres and other community-based health facilities.

To optimise this significant infrastructure investment, the ACT Government needs a modern, flexible arrangement for service delivery that ensures services are efficient and effective – delivering the best outcomes for our community. The Government also needs to have certainty over land tenure for the new northside hospital and for future expansion of public health services on the northside campus.

With these objectives in mind, the ACT Government will introduce the Health Infrastructure Enabling Bill 2023 on 11 May 2023.

Currently, Calvary Health Care ACT (Calvary) holds the leasehold on the land on which Calvary Public Hospital sits, and the ACT Government has a long-term agreement with Calvary in relation to the services delivered at this public hospital. This arrangement was first entered into by the Commonwealth Government in the 1970s, while the current Calvary Network Agreement (CNA) took effect in February 2012, which mirrors the term of the Crown Lease.

Through the Health Infrastructure Enabling Bill 2023, it is proposed that the Crown Lease will be amended to allow the ACT Government to acquire the part of the land where Calvary Public Hospital sits (part Block 1, Section 1 Bruce).

This will allow the Territory to acquire the land for the purposes of building a new public hospital, while ensuring that Calvary's lease over its private assets is retained.

If passed, the Bill will also cause the Calvary Network Agreement to end. This acquisition will be done on just terms.

While the ACT Government sought to negotiate with Calvary, this has not been successful.

The key priority for the Government is to ensure the new hospital will be part of a fully integrated public hospital system. It is vital that planning, development and delivery of the hospital meets the needs of Canberrans for a Territory-wide health service that can respond to changing needs over time.

To ensure this can be achieved during development of the new hospital and into the future, operation of the Calvary Public Hospital will transition from Calvary to Canberra Health Services (CHS), pending the passing of the Bill. If the Bill is passed, CHS will operate the Territory's public hospitals and associated community-based health services. Experience in other jurisdictions and independent analysis shows that this will deliver significant benefit to the ACT's health system and consumers through increased efficiency, and better continuity and quality of care.

The ACT Government has not made this decision lightly. Calvary Public Hospital has made a significant contribution to the Canberra community for 44 years. Calvary also supports public health care in the ACT through its private facilities – including Calvary Bruce Private Hospital and Calvary John James – and will remain an important part of the health system.

As Canberra continues to develop into a larger and more diverse city, the delivery of public health services will continue to evolve. This is a significant moment in public health care for the Territory and will support the most efficient and effective delivery of public hospital services for Canberrans into the future.

Snapshot of ACT public health services

The ACT Government provides public health services to the Canberra community and the surrounding region through three public hospitals, as well as a range of community and home-based healthcare services.

1 Canberra Hospital

Location: Canberra Hospital is located in the suburb of Garran.



Size: Approximately 670 beds

Services: Canberra Hospital is a tertiary teaching hospital which provides trauma services and most major medical and surgical sub-specialty services. Services include medical, surgical, emergency, maternity, paediatrics, specialist outpatient clinics, mental health, critical care, allied health, sexual health, alcohol and drug treatment and other clinical support services.

2 University of Canberra Hospital

Location: The University of Canberra Hospital (UCH) is located in Bruce.



Size: 140 beds for sub-acute rehabilitation and mental health care.

Services: UCH is a specialist centre for rehabilitation, recovery and associated research.

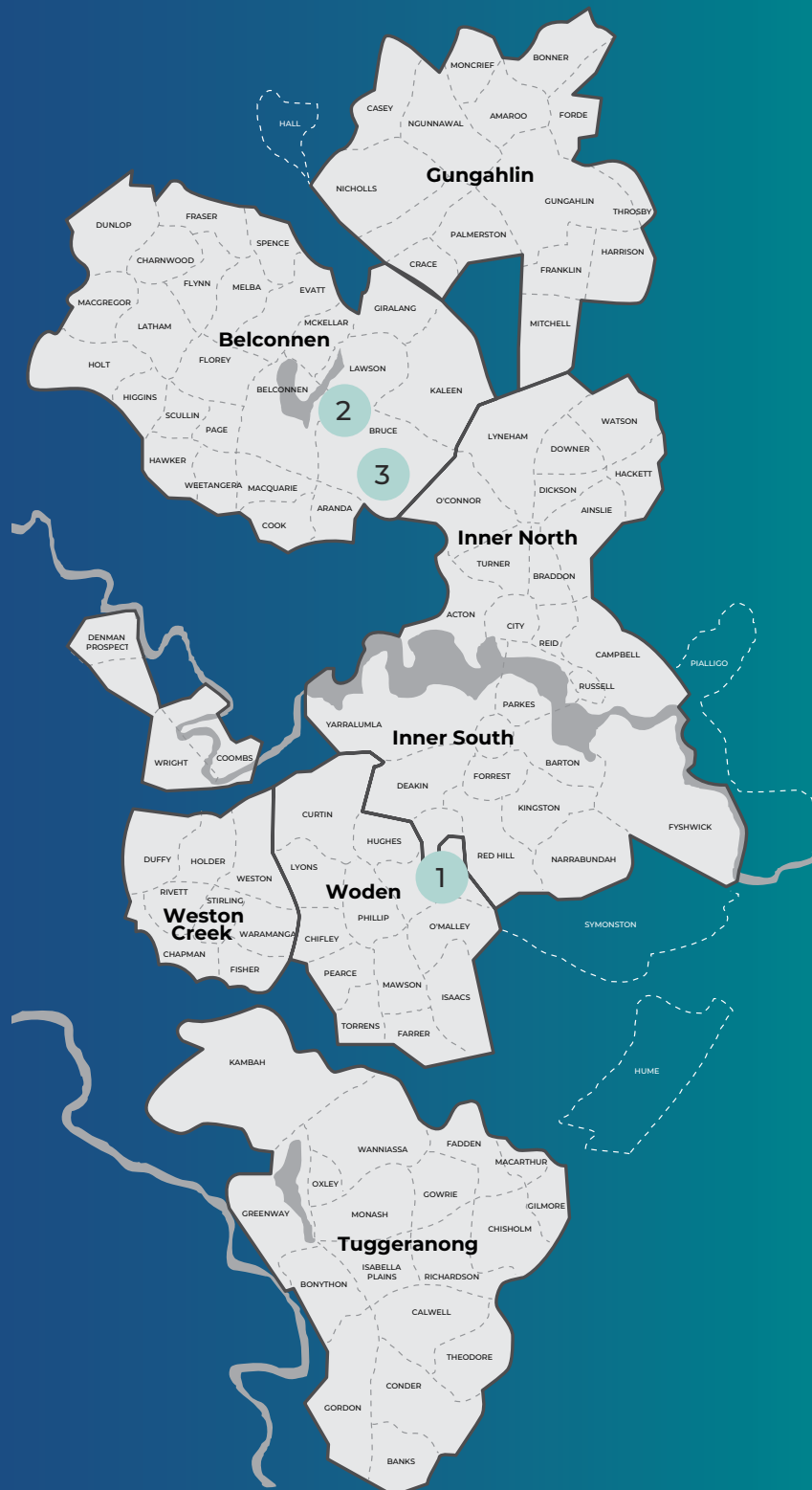
3 Calvary Public Hospital

Location: Calvary Public Hospital is located in Bruce.



Size: Approximately 250 beds

Services: Calvary Public Hospital Bruce (CPHB) is a general hospital which provides a 24/7 Emergency department, intensive and coronary care services, medical and surgical inpatient services, maternity services, voluntary inpatient mental health services, palliative care services, specialist outpatient clinics, Hospital in the Home service and the Geriatric Rapid Acute Care Evaluation (GRACE) service. CPHB is also a teaching hospital.



● Canberra public hospitals

The need for a new northside hospital

The ACT's population is both growing and ageing with escalating incidents of acute and chronic health conditions.

There is more demand for services such as surgical consultation and procedures and other specialist services. The increase in chronic and complex conditions also results in higher rates of hospital admission and extended lengths of stay.

By 2041, the demand for hospital services on the northside of Canberra is forecast to be more than double the capacity that Calvary Public Hospital can currently deliver.

Despite investments in the new ICU in 2010 and the Emergency Department expansion in 2017, additional capacity will be required at Calvary Public Hospital to cater for demand over the coming decades. Current capacity and infrastructure limitations at Calvary Public Hospital will result in longer wait times for patients to access core services and delivery of an inefficient health service.

The rising pressure on the health system from sustained population growth on the northside of Canberra is evident in the rising number of separations and presentations to the Emergency Department at Calvary Public Hospital.

Between 2016–17 and 2021–22, the number of admitted patients at Calvary Public Hospital increased by 56 per cent² and Emergency Department wait times increased by 54 per cent³. Over the next ten years, the number of admitted patients and Emergency Department presentations is forecast to grow by 3 per cent per annum.⁴

To address the need for more capacity, the ACT Government initially funded northside hospital scoping work in the 2017–18 Budget. This work was coordinated with scoping work for the Canberra Hospital Expansion Project, which informed the new Critical Services Building on the Canberra Hospital campus.

Demand projections undertaken by the ACT Health Directorate showed the need for a significantly larger hospital on the northside than is currently provided at Calvary Public Hospital.

In 2020, a condition assessment of Calvary Public Hospital infrastructure was undertaken, along with an options analysis for the building of a new northside hospital. A Strategic Asset Management Plan was developed for Calvary Public Hospital and the ACT Government is expecting to spend approximately \$40 million remediating critical works identified in this plan.

The options analysis recommended that a new northside hospital be built, rather than a remediation and expansion of the existing Calvary Public Hospital. It recommended that the new hospital be built on either the existing Bruce campus or on a greenfield location in Canberra's north. Preliminary architectural work as part of this analysis showed a new hospital could be built on the existing campus without a need to cease delivery of any public hospital services during construction.

2 AIHW (2021), Calvary Public Hospital Bruce

3 AIHW (2021), Calvary Public Hospital Bruce

4 ACT Government Health (2022), ACT Health Services Plan 2022 2030.

Northside Hospital Project

In 2020, the ACT Government committed to building a new northside hospital.

A Northside Hospital Project team was established to:

- undertake scope and early design of the new northside hospital;
- investigate whether the best location for the hospital was at the existing Bruce campus or at a greenfield location in Canberra's north; and
- produce an infrastructure Business Case for the 2023–24 Budget.

The scope of the new northside hospital was informed by ACT Health Directorate demand modelling and projections. This demand analysis showed the need for a hospital significantly larger than the current Calvary Public Hospital, with approximately double the beds currently provided.

The ACT Government's preferred site for the new northside hospital was the existing Bruce site. The advantages of the site included:

- sufficient services are already located on site to support the operation of a hospital;
- people are already accessing public hospital services at that site and would not need to change behaviours;
- ACT Government investment of \$16.8 million on a multistorey carpark on the site;
- sufficient room to build a new hospital without the need to cease services during construction; and
- campus is accessible and well located near arterial roads including Gungahlin Drive.

In July 2021, a cross-directorate working group was established to investigate availability of greenfield land in Canberra's north. Membership of the group included representatives from ACT Health Directorate, CHS, Major Projects Canberra, Environment Planning and Sustainable Development Directorate, ACT Ambulance Services, Transport Canberra and City Services, Healthcare Consumers Association, and Chief Minister,

Treasury and Economic Development Directorate.

Over a period of 12 months, the working group identified and assessed blocks for the northside hospital and advised the Government that there were two suitable sites suitable for further investigation. These were a block at Lyneham (Block 1, Section 70 Barton Hwy) and at Belconnen (Block 1, Section 159 Diddams Close). Following further assessment, the site located on Lake Ginninderra's eastern peninsula, commonly known as Diddams Close, was chosen as the preferred greenfield site.

The site is approximately three kilometres from the existing Bruce site and is currently used for cycling and walking tracks, dog parks, access to waterfront activities and public facilities. Given the nature of the site, additional site works, including internal roads, would be required.

History of Calvary Agreement

Calvary - previously known as Little Company of Mary Health Care - began operating Calvary Public Hospital in 1979.

In 1971, Calvary Public Hospital was granted the land and the buildings by the Commonwealth Government, at no cost, and a contract for the provision of public hospital services on the site was established.

When Self-Government was established in 1989, the Commonwealth's contract with Calvary was transferred to the ACT Government. In 2009, the ACT Government identified the need to have more control over the services being offered at Calvary Public Hospital and sought to buy the hospital from Calvary. The ACT Government public provider, then known as ACT Health, would deliver the public hospital services.

However, this transfer agreement was never implemented. As a result of this process, the ACT Government was still in an antiquated contract with Calvary.

In 2011, the parties renegotiated the contract and signed the CNA and an associated Bruce Health Care Precinct Deed, which came into effect in February 2012. Under the CNA, Calvary agreed to move private patients out of the public hospital buildings, creating capacity for more public patients. The land was also transferred to a Crown Lease expiring in 2098. The CNA was also no longer a contract but was tied to the term of the Crown Lease.

The Bruce Health Care Precinct Deed described the processes for the relationship between the Territory and Calvary to create and progress development of the Precinct.

The CNA also acknowledged the future introduction of Activity Based Funding and put in place an interim funding model for the hospital. This interim model included a commitment that whilst ever there was a public hospital on the Bruce site, the ACT must fund it and that each year that funding must be an increase on the year before.

Despite making significant improvements on the existing Commonwealth contract, the CNA is not a modern services contract for the delivery of public health services.

Challenges resulting from the CNA and having a private provider delivering public services include:

- difficulty in providing seamless, coordinated care across Canberra;
- inability to effectively move services across public hospital sites;
- differences in staff employment, with public hospital staff at Calvary Public Hospital being employed by a private company;
- inconsistent clinical governance across public hospitals and different waiting list management;
- difficulty in creating “hub and spoke” service delivery models in areas where CHS operates specialist services, including paediatric care; and
- difficulty in being able to respond quickly to load share in times of heavy demand.



Negotiations with Calvary

With the commitment made to start building a new northside hospital by mid-decade and the preferred location being the Bruce site of Calvary Public Hospital, the ACT Government commenced work with Calvary to translate its historic position and industry knowledge into a modern service agreement, with the aim of increasing capacity and enabling strengthened health networks across the ACT.

As the ACT Government considered significant investment in a new hospital, it needed to consider the land ownership arrangements on the current Bruce site and reassess the contractual relationship with Calvary.

In April 2022, ACT Minister for Health, Rachel Stephen-Smith, wrote to Calvary and formally requested that negotiations begin on a new northside hospital on the Calvary Public Hospital campus. The ACT Government identified that it wanted to own the land on which the hospital would be built (with room to expand), and to negotiate a new, modern services agreement for the delivery of public hospital services.

At this time, the Minister advised Calvary of the ACT Government's decision to explore the option of utilising either existing or new special legislation for the transfer of land to the ACT Government for the public purpose of building a new public hospital.

Negotiations between the ACT Health Directorate and Calvary took place between May and January 2023, but was unsuccessful.



Location, scope & operator of northside hospital

Between March and early May 2023, the Government further considered the operator, scope and location of the new hospital, to ensure work could progress towards construction commencing by mid decade.

Through the 2023-24 Budget process, the ACT Government decided that its preference was to build the new northside hospital on the existing Calvary Public Hospital campus. The existing, known hospital campus with associated private services was key to the Government's decision to continue to provide public hospital services from that site. The Government also considered the block at Diddams Close, however that block, while appropriate for a hospital, could also be used for other purposes. In addition, a greenfield development would break the connection with Calvary Bruce Private Hospital and the other complementary private health facilities on the current hospital site.

The Government progressed with drafting legislation to compulsorily acquire this land in order to provide certainty for the northside hospital project.



The Government also decided that its preference was to transfer the operation of the northside hospital to CHS, and that this transfer would take effect at the same time the Crown Lease is amended to excise the public hospital land. This means that operations and services will be transferred on 3 July 2023.

This decision represents a significant shift in the provision of healthcare but is consistent with changes that have been made in other jurisdictions and provides significant opportunity for greater health care efficiencies and improved patient outcomes.

There are a range of benefits in having one provider of public hospital services in a small jurisdiction such as the ACT. Experience in other Australian jurisdictions has demonstrated that one-service, multi-site models for acute hospital care deliver significant improvements in throughput and cost-effectiveness.

The benefits of having a single public provider include:

- more appropriate and flexible load sharing across hospitals;
- easier transition of patients and mobilisation of staff between sites;
- removal of potential conflicts of interest when a non-government organisation operates both public and private hospitals in the same market;
- removal of ambiguities in clinical governance;

- efficiencies in service provision with a reduction in duplicate administration and increased activity able to be delivered at marginal cost; and
- true "hub and spoke" models of clinical service provision, enabling expansion of services across different geographic regions.

Based on the evidence from other jurisdictions and analysis to date, the ACT Government is confident the insourced model will support improved system governance through improved workforce arrangements, flexibility to deliver patient care, improved procurement arrangements and competitive pricing, lower overhead and administrative costs, and improved management of infrastructure and major assets.

From an infrastructure planning perspective, this decision will enable true Territory-wide planning at a time when both the northside hospital and Canberra Hospital are being redeveloped to address ageing assets.

These impacts may lead not only to cost savings across the system, but most importantly, to better patient outcomes.

What happens next?

The Government recognises the important role Calvary has played in delivering public hospital services in the Territory over the last 44 years and will seek to acknowledge and honour that role in the development of the new hospital.

Through the proposed legislation and regulation, the ACT Government will amend Calvary's Crown Lease to maintain its lease over the private hospital, associated medical suites, Hyson Green, and the open-air carpark outside the ring road. As part of negotiations, the Government will consider proposals from Calvary about other land that might be granted back to it after the new hospital is built, recognising the Government will need to have room to expand services into the future.

The draft legislation and regulations propose that the acquisition and transition of operations will be done under just terms with compensation payable to Calvary. The legislation and associated regulation outline a fair process for negotiating compensation. If the legislation is passed, it is anticipated that negotiations will not delay the infrastructure project as the acquisition will take effect from 3 July 2023, identified as acquisition day under the Health Infrastructure Enabling Bill 2023.

Public hospital services at Bruce will be transferred to CHS from 3 July 2023, if the legislation is passed. This will provide certainty for the planning and construction of the new northside hospital and take advantage of the benefits of a single provider system as soon as possible. While the timeline is tight, the Government has prioritised providing certainty for staff who will be affected by this transition and acted on advice that the best approach is to provide a reasonable period of adjustment without prolonging the process. CHS recognises that staff at Calvary Public Hospital have already experienced significant stressors over recent years and months, and will work with them to ensure the greatest level of continuity in their work and conditions.

If the legislation is passed, the Health Infrastructure Enabling Bill 2023 will empower CHS to:

- rationalise infrastructure planning and asset management;
- provide more cost-efficient healthcare;
- create and sustain an environment that attracts health professionals who can develop to the full scope of their practice;
- reduce artificial lines between facilities, services and information transfer;
- standardise policies and governance to improve access and ensure equitable access to quality healthcare;
- develop "hub and spoke" models for the delivery of more specialised services over time, including delivery of some paediatric services on the northside; and
- provide services for vulnerable populations in line with community expectations.

This significant change will provide certainty to the Government, and the community, that funds are being directed to services and facilities that will meet the needs of Canberra now and into the future. It is the most responsible decision we could make.

The introduction of the Health Infrastructure Enabling Bill 2023 creates an opportunity to plan and deliver a health system networked under one operator – with the ability to make the largest ACT Government health infrastructure investment, strengthen workforce opportunities and co-ordinate services.

The ACT Government's goal is improving health outcomes for all Canberrans with high-quality health services for the community now and into the future.
