



Major Infrastructure Proposal Assessment

**East Metropolitan Health Service
and the Department of Health**

**Bentley Health Service SurgiCentre
Summary Assessment Report**

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March 2023

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Acknowledgment of Country

Infrastructure WA acknowledges the Traditional Custodians of Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

Major Infrastructure Proposal Assessment Summary Report

Purpose

This assessment report has been prepared in carrying out Infrastructure WA's (IWA) legislative function to assess and report to the Premier on major infrastructure proposals. The assessment is of the business case for the proposed Bentley Health Service (BHS) SurgiCentre. Additional supporting information received from the proponent and consultation with relevant key stakeholders has also been used by IWA to support its analysis.

1. IWA observations

The business case proposes a new SurgiCentre at BHS to deliver 6 new operating theatres, 2 new endosuites, a new central sterilisation service department, a 24-bed surgical ward, additional car parking bays, outpatient clinics, and refurbishments to existing facilities. The proposal justifies the need for expansion of elective surgery services within the East Metropolitan Health Service (EMHS) catchment and the benefits of separating these from Royal Perth Hospital (RPH), allowing it to focus on emergency and acute medical services.

In early 2022, the State and Commonwealth Governments committed funding to deliver a SurgiCentre at BHS. The subsequent business case explores options to relieve growing demand for elective surgery services across the EMHS catchment and assesses the optimal allocation of services at BHS.

IWA understands that further work is underway by Department of Health (DoH) to prioritise relative infrastructure needs across the broader health system supported by appropriate modelling. Given the targeted focus of this proposal and the demonstrated benefits to consumers through reduced elective surgery wait times and provision of safer, more efficient services, IWA considers the outcomes of this modelling and prioritisation exercise are not as pertinent in terms of validating the relative need and urgency for this proposal.

Noting the above, IWA considers that the proposal contains sufficient information to inform a government investment decision.

2. Context

2.1 Project background

The Royal Perth Bentley Group (RPBG), consisting of BHS and RPH, provides health care and surgical services within the Perth city and inner south catchment as well as the wider EMHS network. The two hospitals operate as one group in a complimentary manner to manage elective surgery waitlists.

Commissioned in the 1960s, BHS is a specialist hospital that provides elective surgery and procedures as well as specialist care in rehabilitation, aged care, and mental health services. The BHS site includes two operating theatres and one procedure room for endoscopies. However, the current facilities are significantly undersized and do not meet contemporary clinical facility and surgical model of care standards, which limits the number and type of surgeries that can be performed.

3. Strategic merit

3.1 Alignment

The intent of the business case broadly aligns with IWA's State Infrastructure Strategy – *Foundations for a Stronger Tomorrow* (SIS), which notes the need for alignment of health infrastructure assets with the 2018 Sustainable Health Review (SHR) and WA Health Clinical

Services Framework (HCSF). However, the SIS also highlights the critical need for future health infrastructure investment to be based on a whole-of-health portfolio approach to planning underpinned by detailed data and modelling, a significant and challenging body of work that is still underway.

Overall, the proposal aligns with the model of care principles outlined in the SHR, which aim to achieve efficient and sustainable health service delivery, and the designated role of the hospital in the HCSF.

3.2 Problems and opportunities

In recent years, growing demand for emergency and elective surgeries, and infrastructure limitations at BHS, have placed increasing pressure on RPH operating theatre capacity (which currently handles the majority of elective and emergency surgery for the RPBG catchment). This has resulted in substantial increases in elective surgery wait times and provided sub-optimal consumer and staff experiences.

The proposal seeks to ensure that RPBG meets projected demand for elective care, is aligned with the future needs of the local community and provides an effective and efficient hospital environment.

4. Options assessment

Ten strategic options were identified to deliver the benefits, including do nothing, build options, and non-build options such as diverting activity elsewhere across the health system, and expanding operating hours at RPH and BHS.

A refined long list of eight options, including one non-build option, were identified and evaluated to arrive at a shortlist for further evaluation. The business case indicates several initiatives have already been implemented in an attempt to address demand pressures.

In developing the business case, EMHS has undertaken additional site and service planning to understand the required scope of a Surgicentre at BHS. Current market escalations along with the identification of enabling site and model of care infrastructure, which would be required to deliver the SurgiCentre, have impacted the scope and cost of the shortlisted options.

5. Societal impacts

5.1 Economic and financial assessment

The assumptions underpinning the economic and financial evaluations are logical and reasonably applied to give a relative comparator between the shortlisted options.

The financial impact assessment and economic analysis, which considered the impact to employment, economic production, and reduced costs to the healthcare system, found that the outcomes of the two shortlisted options are comparable.

5.2 Social assessment

Five (5) social benefit categories were identified and quantified over a 30-year evaluation period with the key focus on improved health outcomes.

Both shortlisted options are expected to provide significant benefits to consumers.

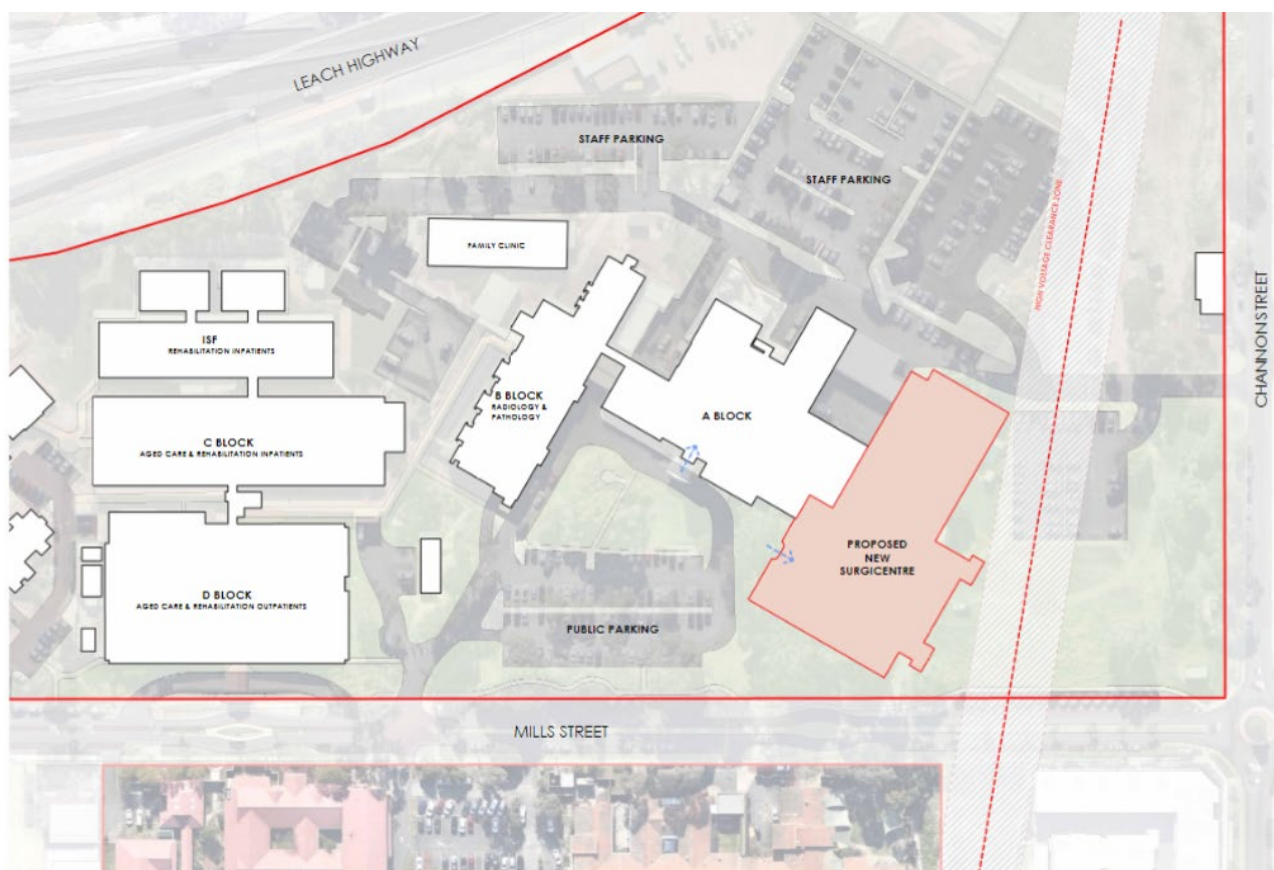
5.3 Environmental assessment

No information on environmental impacts, climate change mitigation strategies or climate change adaptation has been provided. IWA considers that the business case would be strengthened by undertaking an environmental impact assessment during the next phase of planning, including

consideration of appropriate climate mitigation and adaption measures to demonstrate the proposal's approach to meeting government targets, and to understand any potential implications on the project.

6. Recommended option and project definition

The preferred option is to build a new SurgiCentre alongside existing facilities at BHS with the inclusion of additional refurbishment of areas in A Block. The diagram below outlines the current indicative footprint for the proposed new facility.



The preferred option includes additional recommended scope over and above what is required to deliver on the intent of the 2022 announcement, including outpatient clinics, retail space, refurbishment of the existing maternity ward and refurbishment of existing facilities to accommodate staff working space. Sufficient work has been completed on both options to enable Government to make an informed investment decision.

At this point in development, the project is estimated to have a capital cost of between \$203 and \$222 million, subject to the approved option, and a delivery program of approximately 6-7 years to complete all works. It is expected that the cost plan and project schedule will be refined during further stages of planning.

IWA also notes that current modelling underpinning the business case is conservative, with potential capacity issues forecast to emerge at the new SurgiCentre within 5-years of opening. EMHS has confirmed that a number of measures exist to maximise operational productivity and benefits to consumers, including increased theatre utilisation and operating hours. These should be further explored during the next phases of project planning to ensure appropriate future-proofing in designs and an optimal return on investment.

7. Deliverability

Deliverability aspects are relatively well developed for this stage of the project and include detailed delivery programs and procurement strategy. The business case outlines the next steps of planning work to be undertaken, subject to a government investment decision.

The project may face construction market capacity constraints currently impacting the broader market, and capacity risks in delivering other WA Health projects in parallel. This should be considered as part of the next stage of project development.