



Major Infrastructure Proposal Assessment

Department of Health

**Graylands Hospital Redevelopment:
Forensic Mental Health Expansion
and Mental Health Recovery and
Rehabilitation**

Summary Assessment Report

Infrastructure WA

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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 Graylands Hospital Redevelopment: Forensic Mental Health Expansion and Mental Health Recovery and Rehabilitation (GFMHE). 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 GFMHE business case proposes to redevelop the northern portion of the Graylands site to deliver 136 forensic mental health beds and accommodation for associated ancillary functions. This will be delivered through a mix of new build and retention of the heritage buildings, and establishment of 84 recovery and rehabilitation beds at Graylands, Bentley and Armadale Health Services and in the community. As a result of this redevelopment, 118 beds will be closed and replaced at Graylands.

The proposal has strong strategic merit and will deliver significant benefits to the WA community, reflecting the urgent need for additional forensic mental health beds to ensure sufficient capacity and appropriate facilities are provided to meet the health care needs of the community. However, as a result of the rapid pace of business case development, proposal complexity and significant interdependencies with other projects, further development of the expected scope, cost at both project and program level, timing, procurement strategy, expected benefits, and program management approach is required.

As a consequence, IWA considers that the business case on its own contains insufficient information on which to base an investment decision.

2. Context

2.1 Project background

Opened in 1909, Graylands Hospital is the State's only public psychiatric teaching hospital and provides voluntary and involuntary short-term inpatient management to people during an acute phase of mental illness, long-term care under Hospital Extended Care Service (HECS) and forensic mental health services at a secure facility referred to as the Frankland Centre. The Frankland Centre was opened in 1993 and has a 30-bed capacity.

In 2020, the WA Government appointed the Graylands Reconfiguration and Forensic Taskforce (Taskforce) to inform its planning and investment decisions regarding Graylands, forensic mental health services and Selby Older Adult Mental Health Service (Selby) and state-wide rebalancing of the mental health system away from an overreliance on acute hospital beds and towards recovery and rehabilitation.

The Taskforce undertook work to determine current and future needs for forensic mental health beds, and in October 2021 presented their findings and concept with 12 recommendations to Government, which included the expansion of the forensic mental health facilities on the northern part of the Graylands site.

3. Strategic merit

3.1 Alignment

The business case aligns with IWA's State Infrastructure Strategy – *Foundations for a Stronger Tomorrow*, which recommends modernising hospitals and addressing capacity gaps, including prioritising investment in forensic mental health services to ensure appropriate secured facilities for people with a mental illness involved in the state's criminal justice system.

There is close alignment with the Sustainable Health Review (2019) (SHR), specifically 'Strategy 2: Improve mental health outcomes', and the Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025, both of which call on Government to progress key investment priorities across the spectrum of mental health, alcohol and other drug services. This includes the need to progressively plan for the replacement of Graylands hospital; and ensuring adequate housing and accommodation to support mental health recovery in the community.

3.2 Problems and opportunities

The proposal seeks to expand on the number of forensic mental health beds available at Graylands to address the severe shortage currently being experienced and address the likely increasing need following the enactment of the *Criminal Law (Mental Impairment) Bill* (CLMI Bill), which seeks to improve the legal rights of persons with mental impairment and prevent the inappropriate placement of people on Custody Orders in prison.

The existing facilities have limited opportunities to develop independent living skills and undertake training and education, which are both important aspects of recovery and rehabilitation.

Other elements that are not adequately addressed at the existing facility that need to be provided for in the redevelopment include:

- Facilities for recovery and rehabilitation to provide support for patients to reintegrate back into the community.
- Dedicated female facilities that mitigate risks to their personal safety.
- Outdoor spaces, places for the delivery of cultural and therapeutic programs, dedicated spaces which provide opportunities for communal activities such as yarning circles and meetings with family, kin, community leaders and/or Elders.
- Safe, trauma-informed care to other vulnerable groups such as older adults (over 65 years of age), people who are ethnoculturally and linguistically diverse and people in the LGBTQIA+ community, including people who identify as gender diverse (e.g., transgender, and non-binary people).

4. Options assessment

In early 2021 the Taskforce investigated site options for an expanded forensic facility. Twenty sites were identified and assessed based on accessibility, central location and close proximity to public transport. The continued use of the Graylands site for forensic mental health services was determined the most viable option for both consumers, their family and carers and the highly specialised workforce. The retention of the northern part of the Graylands site for mental health purposes, including an expanded forensic facility was supported by Government in October 2021 and communicated in Parliament in November 2021.

In November 2022 Government considered the fourth quarterly report of the Taskforce and endorsed the recommendation for the expansion of the forensic mental health facilities on the northern area of the Graylands site. The business case outlines two sub-options considered for an investment proposal, with a portion of project scope being either a demolition and new build option or retention and heavy refurbishment of the heritage listed buildings.

Information in the business case outlines the capital cost of each, along with the benefits and impacts, and non-monetised economic factors. IWA notes that there is a level of risk with potential undefined costs associated with the refurbishment of heritage buildings which will require further investigation.

5. Societal impacts

5.1 Economic and financial assessment

The business case outlines a number of economic impacts it suggests will result from the proposal, namely improved mental health outcomes from more people receiving treatment, and therefore becoming more productive members of the community, and more effective and efficient staff outcomes. It is noted that recurrent funding implications are not yet fully defined, with the proponent intending to seek these via a subsequent submission to Government. Given the operational similarities between the options identified this is not expected to have a significant bearing on the preferred outcome.

5.2 Social assessment

The business case outlines a number of social impacts as a result of the investment, including improved health outcomes, more equitable care, impacts to the justice system, intergenerational impacts, and improved quality of life.

Graylands Hospital is listed on the State Register of Heritage Places and is also on the City of Nedlands Municipal Inventory. Early engagement will need to be undertaken to ensure that the requirements of the State Heritage Register listing are appropriately managed.

5.3 Environmental assessment

The business case states that the redevelopment of the Graylands site is not expected to have any significant or long-term impacts on the environment. However, it would be expected that a level of environmental impact assessment would have been conducted to identify potential risks.

The business case acknowledges that substantial redevelopment within the Subiaco wastewater treatment plant odour buffer is an issue that will require managing. It is recommended that the impacts of the odour buffer and potential required mitigations are clearly outlined in the PDP and taken into account as part of a future funding decision.

6. Recommended option and project definition

The preferred option from the business case is to close 51 acute beds and 67 Hospital Extended Care Service (HECS) beds to demolish Fitzroy and Murchison Houses, and the staged redevelopment of the northern part of Graylands to establish 136 forensic mental health beds, communal patient hub, support services and a 40-bed secure mental health recovery and rehabilitation. Heritage buildings will be retained for a kitchen, administration and offices, research, education, and a training centre. There will also be refurbishment and recommissioning of two units for visiting family/carers. The project also proposes the establishment of 84 recovery and rehabilitation beds across Graylands, Bentley and Armadale Health Services and in the community as the first stage to replace the 118 beds that will be closed at Graylands.

At this point in development, the project is estimated to have a capital cost in the order of \$698.3 million and a delivery program of approximately 4 years, with expected transition to operations by July 2027. It is expected that the cost plan and project schedule will be refined during further stages of planning.

The Graylands Hospital Master plan inclusive of the recommended option is depicted below.



7. Deliverability

Graylands is an operational hospital, therefore its redevelopment is contingent on the transfer of patients and transition of mental health services in order for Murchison and Fitzroy Houses to be demolished for construction to commence. Scenario mapping undertaken at a high level indicates that it is possible by matching bed type and patient needs with capacity at other locations, but this has not been clinically validated. The eventual transfer of Graylands patients into alternative beds requires significant detailed clinical and operational planning and decision making for each individual consumer. This will need to be closely managed at a program level moving forward.

It is noted that the investment being sought is the first of a series of investments required for the broader reconfiguration of WA's mental health system. Further business cases will be developed to seek additional funding for various interdependent projects, with a number being critical enablers for this proposal. IWA recommends that the PDP clearly outlines how these interdependent projects will be managed, and that their progress is closely monitored as part of governance arrangements for the Graylands project.