



**Major Infrastructure Proposal Assessment
East Metropolitan Health Service
St John of God Midland Public Hospital
Emergency Department Expansion
Summary Assessment Report**

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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 has been carried out on East Metropolitan Health Service's (EMHS) business case for proposed expansion of the St John of God Midland Public Hospital (SJGMPH) Emergency Department (Midland ED Expansion). Additional supporting information received, consultation and further research undertaken by IWA was also used to support the analysis.

1. IWA observations

IWA considers that the business case and supporting information contains sufficient information to inform a government investment decision. The business case demonstrates that the proposal has strong strategic merit due to growing capacity constraints resulting from ongoing population growth and urban development within the operational boundaries of the Midland ED. There is also a demonstrated need for reconfiguration to help manage changes in the mix of cases presenting to the ED. In the absence of the intervention the business case indicates that there is a risk that the SJGMPH will be unable to meet key service specifications and key performance indicators (KPIs), potentially impacting on patient care outcomes.

The proposal aligns with WA Government strategies to reduce inequality of health outcomes and access to care and improve mental health outcomes, but the business case lacks evaluation from a whole-of-health perspective. IWA recommends that future business cases would benefit from an assessment of the proposal's relative priority from an integrated whole-of-health perspective, including through the incorporation of whole of health demand modelling.

2. Context

2.1 Project background

SJGMPH is part of the EMHS, and serves one of the fastest growing health service regions in Western Australia. SJGMPH was designed, built, and is operated and maintained by St John of God Health Care (SJGHC) under a Public Private Partnership. At its conception, the potential for growth was recognised, with expected increases in demand having now been realised.

The proposal requests funding in the order of \$105 million (ex GST) to deliver expansion and re-configuration of the ED. The business case proposes delivery of an additional 39 ED treatment bays, which coupled with reconfiguration works is identified as being essential to ensure improved access to high quality urgent care and enhanced workforce safety, efficiency and amenity.

3. Strategic merit

3.1 Alignment

As outlined in the WA State Infrastructure Strategy, hospitals will continue to be a vital part of the health system and planning should be informed by scenarios that account for long-term population growth and change, and changes in demand across the health system. With planned growth in the catchment area, and along key transport links including local METRONET rail corridors and proposed urban expansion areas such as Pickering Brook (Perth and Peel @3.5 million), EMHS and the SJGMPH are likely to continue to experience strong demand growth for emergency health services.

The proposal also aligns with Strategies 1, 2 and 5 from the Sustainable Health Review.

3.2 Problems and Opportunities

The objective of the proposal is to expand the existing ED at SJGMPH by 39 treatment spaces to cater for current and expected growth in demand, and refurbish the existing ED to better cater for complex mental health and physical care needs.

SJGMPH is currently underperforming against WA Emergency Access Targets (WEAT), which aim for 90% of patients presenting to be seen, admitted, transferred or discharged within 4 hours. Forecast growth in demand and any shortfall in ED bays at SJGMPH is likely to further exacerbate ED performance issues in the future.

Over time there has also been an increase in the number of higher acuity presentations to the ED, with its current configuration not considered to be conducive to supporting the latest best practice models of care required to efficiently treat such presentations.

Expansion of the SJGMPH ED would address the forecast shortfall in ED capacity and facilitate the delivery of high-quality care for residents within its catchment area. Benefits associated with reduced clinical costs due to improved efficiency, and improved staff well-being are also expected.

4. Options assessment

The business case only outlines one option, which is an expansion of the existing ED facility. This has been evaluated against a base case “Do Nothing” scenario. The ED expansion option includes works to the ground floor and first floor ED area as well as reconfiguration of the existing ED. While investigating only one option is not aligned to best practice, IWA notes the Midland ED Expansion has been developed in the context of the broader hospital expansion process, historic decisions, and a direction to investigate a “minimum viable option”.

5. Societal impacts

5.1 Economic and financial assessment

The business case economic analysis forecasts an estimated net economic benefit of \$6.6 million and Benefit-Cost Ratio of 1.05 over the 10-year assessment period, applying a discount rate of 7 percent. The 10-year period, which concludes in 2035, aligns with the expiration of the existing Service Agreement with SJGHC and availability of ED activity projections. Economic benefits derive from the expected reduction in patient mortality and asset residual value after the 10-year evaluation period. Other potential economic benefits such as improved hospital operating efficiency and reduced ambulance ramping and patient wait times have not been quantified. IWA considers that this likely undervalues the expected benefits of the proposal.

The financial analysis is based on the capital cost estimate and increased operating expenditure (consistent with additional activity levels) and sufficiently demonstrates the expected costs to Government based on the current level of proposal development.

5.2 Social assessment

The proposed ED expansion will result in positive social impacts. The project responds to pressing community healthcare needs, ensuring timely access to emergency care. If implemented the proposal is expected to result in enhanced patient outcomes, and improved safety and well-being for the hospital's workforce.

5.3 Environmental assessment

Requirements for an infrastructure sustainability rating have not been identified, although reference is made to an overarching sustainability framework. IWA recommends that the project governance structure should identify who will have responsibility for project sustainability management.

The business case recognises the need for a localised assessment of climate change design risk considering hazards that include increasing temperatures, intensified rainfall and hail, bushfires and storms/intense wind events. This needs to be considered further in the next stages of proposal development.

6. Recommended option and project definition

The recommended preferred option scope is as follows:

- New reception/triage/waiting area
- Resuscitation area immediately adjacent to the ambulance entrance
- Satellite imaging area adjacent to the resuscitation area
- Centrally located vertical circulation core to the first floor ED areas
- New ambulance forecourt and drop-off area
- New Mental Health Emergency Centre (MHEC)
- ED Short Stay Unit (SSU)
- Staff administration
- Ambulatory Emergency Care Unit (AECU)

7. Deliverability

The deliverability content in the business case is adequately developed for the purposes of informing an investment decision. A high level risk assessment has been provided, however this lacks a residual (post mitigation) risk rating. More detailed delivery planning is required to manage risks associated with the interface between ongoing hospital operations and project construction. This is expected to be developed in subsequent project stages.

Future stakeholder engagement plans have been well detailed in the business case.