

# Appendix 11: COVID-19 Economic Recovery Statement

# **COVID-19 Economic Recovery Statement**

## **St John of God Murdoch Hospital Mental Health Service and Multi-level Carpark Development**



The SDAU guide for applicants (December 2021) for significant developments under Part 17 of the Planning and Development Act 2005 stipulates that development proposals include a response which relates to COVID-19 pandemic economic recovery.

## **Background**

In May 2021, St John of God Health Care Board approved a \$98.6 million development for a stand-alone comprehensive mental health facility providing day programs and procedural unit (ECT and TMS), and a Multi-level Carpark development. This is to enable the hospital to continue in being a first class centre of excellence delivering person-centred care in a contemporary environment.

The submission for mental health services on St John of God Murdoch Hospital site is linked to realising the St John of God Health Care (SJGHC) 2020-2022 Mental Health Strategy. The LARU licencing submission for this development received Approval in Principle on 17<sup>th</sup> May 2022.

The Multi-level Carpark development will support the site wide service expansion and redevelopment which includes:

- New standalone 72 bed mental health facility
- A new 30 bed inpatient ward
- Two new operating theatres
- Expansion of the Endoscopy unit
- New renal dialysis service
- Increase activity from a redesign of the Emergency Department

Currently there are no private mental health services south of the Swan River and inadequate services to support identification and deterioration of the mental health presentation in a consistent manner within the general health setting.

Car parking limitation is the primary obstacle for the hospital's further expansion and represents a significant risk to the site's long term ambition and provision of high quality care to patients.

## **Benefits Response**

The following information is provided in response to Part 17 of the Planning and Development Act 2005 relating to COVID-19 pandemic economic recovery.

The construction of the Mental Health facility and Multi-level car park project will support a total of 320 FTE direct and indirect jobs during the construction period.

## Key Summary findings:

### 1. Mental Health and Multi-level Carpark Development

Construction phase benefits	Ongoing employment and economic benefits
✓ \$98.6m Mental Health and multi-level car park development costs and value added in the WA economy	✓ 165 FTE ongoing new jobs created
✓ 200 FTE expected new direct employment positions during period of construction for the Mental health facility	✓ \$20.2m value added injected into the WA economy per annum
✓ 80 FTE expected new direct employment positions during period of construction for the multi-level car park	✓ \$5.5m value added injected into the WA economy per annum relating to operations on site
✓ 40 FTE expected new direct employment of consultants employed for projects	✓ 28,800 patients and visitors per annum

### Assumptions

- St John of God Murdoch was provided with project management from Bridge42 Pty Ltd., they provided a timing of 18 months from contract award to complete.
- The construction costs provided by Ralph & Beattie Bosworth Pty Ltd is estimated to be \$98.6m (incl. GST) for both the mental health facility and multi-level car park.
- Ongoing employment and economic benefit based on average salary in 2022

- Service will open with 48 beds initially which will immediately delivery approximately 75% of the ongoing workforce benefits with a ramp up to the full 72 beds occurring approximately 3-4 years after initial opening.

In addition, St John of God Murdoch has expansion and redevelopment projects in various stages of planning and execution. These expansion and redevelopment projects are critically dependant on delivery of the multi-level carpark to proceed. These projects will support 113 FTE jobs during the construction period in addition to the core Mental Health and Carpark projects.

## 2. Expansion developments

Construction phase benefits	Ongoing employment and economic benefits
<ul style="list-style-type: none"> <li>✓ \$35.5m development costs and value added in the WA economy:               <ul style="list-style-type: none"> <li>✓ A new 30 bed inpatient ward</li> <li>✓ Two new operating theatres</li> <li>✓ Expansion of the Endoscopy unit</li> <li>✓ New renal dialysis service</li> <li>✓ Increase activity from a redesigned of the Emergency Department</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ 124 FTE ongoing new jobs created</li> <li>✓ \$12.2m value added injected into the WA economy per annum</li> <li>✓ 26,780 patients and visitors per annum</li> <li>✓ \$2m value added injected into the WA economy per annum relating to operations on site</li> </ul>
<ul style="list-style-type: none"> <li>✓ 113 FTE expected new direct employment of constructions and consultants employed for projects</li> </ul>	

### Assumptions

- Estimated timing for development for the expansion developments are 12-24 months each respectively, from contract award to complete

- The construction costs provided during concept design is estimated to be \$35.5m (incl. GST)
- Ongoing employment and economic benefit based on average construction salary in 2022
- Estimated 113 FTE direct employment position during construction for the expansion projects

### **3. Other Benefits**

There are further long term financial flow on impacts to the economy due to mental health illnesses, these issues were further magnified by the COVID-19 pandemic. The scale of this has been identified and shaped the Mental Health Commission Vision 2030 and pillar of Australia's Long Term National Health Plan. In May 2020, the Australian government committed "\$48.1m to the support the National Mental Health and Wellbeing Pandemic Response plan to address COVID-19 impact to Australians' health, lifestyle and wellbeing challenges"<sup>1</sup>

*"The projected cumulative cost of lost productivity associated with mental ill-health and suicide over five years is estimated to be \$114 billion."<sup>2</sup>*

St John of God Murdoch's mental health facility will provide a 72 bed unit and day programs supporting both Youth and Adults will benefit West Australians. The result of this service will have positive consequential economic benefit to the long term productivity of West Australia.

St John of God Murdoch's carpark development addresses the current constraints which prevent the hospital's growth in the delivery of a person centred high level quality of care. WA health services are continually being challenged with a growing and ageing population, and meeting the demands for health care in an acute setting. St John of God Murdoch's expansion developments have been strategically assessed to address these current health care needs. In meeting the health care needs of the ageing population and the needs of the community; this has an indirect economic benefit to the productivity of society due to family members who are in need and able to receive appropriate care and health care support.

Reference:

1. Pandemic Response Plan. Australian Government National Mental Health Commission, accessed 19 Sept 2022. <[Pandemic Response Plan - National Mental Health Commission](#)>.
2. The impact of COVID-19 on the mental wealth of Australia. The University of Sydney, accessed 19 Sept 2022. <https://www.sydney.edu.au/news-opinion/news/2020/09/02/the-impact-of-covid19-on-the-mental-wealth-of-australia.html>.