PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Wednesday 22 May 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Aiv Puglielli

Mathew Hilakari

Meng Heang Tak

Lauren Kathage

WITNESSES

Mary-Anne Thomas MP, Minister for Health Infrastructure; and

Professor Euan Wallace, Secretary,

Ester Warren, Executive Director, Health System Asset Planning Branch, System Planning Division, and

Daen Dorazio, Deputy Secretary, Health Funding, Finance and Investment, Department of Health; and

Kevin Devlin, Director-General,

Megan Bourke-O'Neil, Chief Executive Officer, and

Jodie Gervasoni, Chief Operating Officer, Victorian Health Building Authority Project Office, Victorian Infrastructure Delivery Authority.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee, and I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2024–25 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Health Infrastructure the Honourable Mary-Anne Thomas and officials from the Department of Health. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will start asking questions. Your time starts now.

Visual presentation.

Mary-Anne THOMAS: Thank you very much, Ms Connolly, and thank you to all committee members. I wish to begin by acknowledging the Wurundjeri people as the traditional owners of the land on which we are gathered. I pay my respects to their elders past and present and to any Aboriginal and Torres Strait Islander people who may be with us here today.

Over the past year, 12 health infrastructure major projects and programs totalling \$1.1 billion have been completed across the state, including the Latrobe Regional Hospital expansion; new early parenting centres at Wyndham, Whittlesea, Casey and Ballarat; the Goulburn Valley Health Shepparton expansion; the statewide child and family mental health intensive treatment centre; and the St Albans alcohol and other drugs residential rehab treatment expansion.

We have continued, Chair, to implement recommendations from the Royal Commission into Victoria's Mental Health System, with \$801 million invested to deliver 260 new acute public mental health beds across nine health facilities. The new modern facilities will enable 6500 more Victorians to access vital mental health services every year.

Of course significant progress continues on our major projects in delivery across the state, including the Ballarat Base Hospital, Frankston Hospital and the new Footscray Hospital. Planning, development and land acquisition continues to progress across seven hospital projects within the Hospital Infrastructure Delivery Fund.

Next slide. The Victorian government remains unwavering in its commitment to deliver a world-class healthcare system that ensures that every Victorian can access safe quality care that leads to better health outcomes for all as close to home as possible. Health infrastructure investment has grown rapidly over the past decade from approximately \$220 million in 2014–15 to \$2.1 billion this year, and as I said, this is a \$15 billion portfolio. In addition to building new facilities, we have invested year on year in upgrading and expanding existing regional facilities, including new medical equipment and technology and through the modernisation of mental health environments.

Next slide, please. This year's budget delivers \$812.5 million for the Northern Hospital to deliver a new emergency department and inpatient tower, including an alcohol and other drugs hub, dedicated acute behaviour treatment zone and dedicated paediatric treatment zone. This new emergency department will increase the number of treatment spaces to almost 200 at what is the busiest physical emergency department anywhere in the state.

Next slide, please. Monash Medical Centre will receive \$535 million to construct a new multilevel tower to provide a new operating theatre complex, a new intensive care unit and a new and expanded birthing unit and maternity inpatient beds. We anticipate that the tower expansion will provide capacity for an additional 7500 surgeries every year. Over at the Austin a \$275 million investment will expand the existing emergency department so that more patients can be treated faster and ensure that the hospital can continue to meet the needs of the growing local population. The upgrades at the Austin include adding up to 29 extra emergency treatment spaces, an upgraded short-stay unit and improved clinical administration spaces. This upgrade, we anticipate, will support up to an additional 30,000 emergency patients every year.

Next slide, please. Of course there are a number of statewide grants which have been implemented by our government. More than \$85 million is being invested to support Victoria's health services through infrastructure and capital grant programs, including \$40 million for the engineering infrastructure replacement fund, \$35 million for the medical equipment replacement fund and \$10 million for the Mental Health Capital Renewal Fund. I know that regional members on the committee will be very pleased to know that the \$790 million Labor signature project the regional health infrastructure program continues, and \$300 million was allocated to this program in 2022–23.

Next slide, please. Thank you to the committee. We are doing what matters, delivering on all of our election commitments and ensuring that Victorians have the best quality health care and hospital infrastructure closer to home.

The CHAIR: Thank you, Minister. The first 7 minutes is going to go to Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Thank you, Minister. Let us go to budget paper 4, page 9. In these budget papers you have given the reason for scrapping the biggest hospital project in Australia's history. This big promise of the 2022 election, boasting about world-class medical research facilities in the Parkville precinct, has been scrapped. Minister, why did you proceed with this project in proximity to the Metro Tunnel when you already knew years ago that the EMI from the tunnel project posed significant issues at the Peter Mac cancer centre?

Mary-Anne THOMAS: Mrs McArthur, thank you very much for your question. I need to reject the premise of your question. There has been no scrapping of projects. Indeed our government remains committed to the first stage redevelopment of the Royal Women's Hospital and the Royal Melbourne Hospital —

Bev McARTHUR: What about Arden?

Mary-Anne THOMAS: which will now happen on the Parkville site. The first stage of our government's commitment to that is \$2.3 billion. This will be the largest build ever in Australia's history, and it will deliver around an additional 400 beds and enable more than 2500 more babies to be born at the Royal Women's Hospital every year.

Bev McARTHUR: What has that got to do with Arden?

Mary-Anne THOMAS: Again, the commitment to deliver the expansion of the Royal Women's Hospital and the Royal Melbourne Hospital continues. Let me take you through how we have got to where we are today,

which is on track to continue our commitment to the people of Victoria. There is no change to the scope that was committed to the people of this state. There has been no change in the funding that has been committed to enable the redevelopment of both the Royal Melbourne Hospital and the Royal Women's Hospital. The first step in the project is to start unlocking the Parkville site. This has always been programmed.

Bev McARTHUR: Whereabouts in Parkville is it, Minister?

Mary-Anne THOMAS: Well, I am happy to explain it to you. You may know the materials handling building, which is on Flemington Road. It has always been our plan that this building would be demolished, and early works have already commenced on the work that is needed to do this. We were always going to rebuild on that site. Now, a couple of things have happened as we have progressed delivery of this project. The first of those is that when the Parkville—Arden project was first announced in 2022 we were restricted in the number of storeys that we were able to build on the Parkville site to 15. But as works have continued on the delivery of this project, there have been changes made to the flight path from the Royal Children's Hospital. The reason we were only able to go to 15 storeys was because of the flight path – to ensure that children could access emergency care at the Children's Hospital. That flight path has been changed, and as a consequence of that we are now able to build up to 22 storeys on the new western building in Parkville, which will replace the materials handling building, which is to be demolished.

Bev McARTHUR: Minister, surely you could have worked that out before you made the promise to go to the biggest hospital project in Australia's history. Surely you would have known about all these issues.

Mary-Anne THOMAS: And the biggest health project in Australia's history will still be delivered, Mrs McArthur – I am really proud of that.

Bev McARTHUR: But not where you promised it, Minister.

Mary-Anne THOMAS: It will be delivered in Parkville. This is a decision, I might say –

Bev McARTHUR: But what is going to be in Arden?

Mary-Anne THOMAS: that has been welcomed by the Royal Women's Hospital and by the Royal Melbourne Hospital, consolidating care on this site in Parkville and only further contributing to Parkville's reputation and indeed Melbourne's reputation as one of the top three leading destinations for medical research and health care in the world.

Bev McARTHUR: Okay, Minister. We have worked out we are not going there. The VAGO report also states that to address the risk:

... RPV and CYP have tested a wide range of potential mitigations and have developed a suite of actions in consultation with precinct stakeholders.

Secretary, was the department involved in those consultations?

Euan WALLACE: Yes. And I think, as has been reported publicly, the potential for EMI at both Parkville and Arden were part of our risk assessment register at the very, very beginning. What was unclear but has become clear, because of all the tunnel testing with Parkville, has been the extent of that EMI and the particularly complex interference at the Arden site because of a combination of surface and tunnel trains, which obviously does not exist at Parkville – we only have tunnel. But are we involved in discussions with our colleagues around both at-source and at-receiver mitigation of EMI? Yes, of course we are.

Bev McARTHUR: Okay. Secretary, what impact has the cancellation of that project had on capital investment in the biomedical sector?

Euan WALLACE: Again, to go to the minister's –

Mary-Anne THOMAS: Look, I am happy to answer that question. Firstly, there has been no cancellation of a project whatsoever, and I am not sure what biomedical project you are referencing, but if you are talking to the WEHI –

Bev McARTHUR: The sector.

Mary-Anne THOMAS: We have already worked with WEHI, and their needs are being accommodated, as were always planned, at Parkville. So there has been no impact on the sector; indeed it will consolidate Parkville as one of the three world-leading destinations for medical research in the world.

Bev McARTHUR: Thank you, Minister. When did the feasibility and technical studies commence in relation to that feasibility and technical study area of the Arden campus?

Mary-Anne THOMAS: I might ask the CEO of VHBA to answer that question.

Megan BOURKE-O'NEIL: Thanks, Minister. As the Secretary was saying, the initial business case work for the development of the Royal Women's and the Royal Melbourne was completed in 2021 and did call out this risk. We are now doing feasibility work to start the project construction.

The CHAIR: Thank you. We are going to go to Mr Galea.

Michael GALEA: Thank you, Chair. Good morning again, Minister and Secretary, and welcome other officials as well. Minister, I would also like to ask about Arden and Parkville, budget paper 4, page 9, which outlines the reason for saying that it is going to be a better investment for Victorian patients by having it at the Parkville site rather than at Arden – just 2 minutes away of course. Minister, what makes Parkville a better investment than Arden?

Mary-Anne THOMAS: Mr Galea, thank you so much for that question. As I have already indicated, Melbourne is a leading destination for medical research, and indeed the Parkville precinct is unique in the way in which it co-locates a number of our world-leading hospitals as well as medical research institutes and the university sector. The biggest hospital project in Australia's history will be delivered in the heart of this world-class precinct, supporting our dedicated workforce to deliver the care that Victorians need and deserve. Consolidating in Parkville will make it easier and more efficient for patients, for visitors and staff. Of course from my recent visits to the Parkville station I can tell you that we are eagerly anticipating the opening of the Metro Tunnel, which is going to be able to transport healthcare workers by public transport to that hospital precinct. Excitingly – I think it is exciting – there are escalators directly up to Peter Mac and to the Royal Melbourne Hospital. But when the Parkville–Arden project was announced, as I have already indicated, building up to 22 storeys was not possible. It was indeed prohibited by the Royal Children's Hospital flight path, and the limit there was 15 storeys. The flight path was altered earlier this year, and that has enabled us to plan for the delivery of those additional floors.

Consolidating at Parkville of course opens up even more opportunities at Arden. I know that the Minister for Precincts has already had the opportunity to appear before you, and I join him in his excitement at the opportunity for an additional 1000 homes to be delivered in what will be a new vibrant inner-city suburb, one that I hope will be home to many healthcare workers, students and researchers. Housing will now be prioritised at Arden, which I think is an absolute win for everyone.

This decision also further strengthens the education, training and research activities and partnerships that already exist at the Parkville biomedical precinct. The issue of EMI, as has been noted, is not a new one, but with the hospitals already existing in Parkville, mitigation works were already being carried out, so it will not present an ongoing issue for the planned redevelopment at Parkville. As part of the first stage we will deliver up to 400 beds and, as I said – and I think we are all excited about this – expand the capacity to enable a further 2500 babies to be born at the Royal Women's Hospital. So we are now focused on planning for the stage 1 redevelopment at Parkville, including new facilities and spaces for these two hospitals. Thank you.

Michael GALEA: Thank you, Minister. It is interesting to hear that explanation, but also I am wondering if you can tell me: will you be able to provide the same services under the new model at Parkville as were proposed at Arden?

Mary-Anne THOMAS: Okay. Redeveloping at Parkville represents a better investment for Victorians and a better health system outcome overall. We have always got to be guided by common sense in our decision-making and what delivers the best value for the people of Victoria. Flight paths are obviously a very critical part of our health service delivery, and there are very stringent requirements around protecting those flight paths. This outcome of course, with the change that has been made at the children's hospital, does enable greater expansion not just through our own project but potentially across the Parkville precinct more generally,

and that is a really good outcome for everyone concerned. I have already talked about the importance of keeping the services on one site, and while we had plans in place for the delivery of the project at Arden, obviously we now no longer need to activate those plans. And we will continue to invest in our world-leading hospitals: the Royal Melbourne Hospital and the Royal Women's Hospital. Thank you.

Michael GALEA: Thank you, Minister. It sounds like you will be able to achieve the same things but on the Parkville site in a much more efficient manner – better value for Victorian patients and taxpayers.

Mary-Anne THOMAS: Yes.

Michael GALEA: It sounds like that aligns then with the original scope of the project. Is that what you are saying?

Mary-Anne THOMAS: Mr Galea, that is a very good summation of what we are able to deliver. I can confirm that the full scope of stage 1 is still being delivered; we are simply changing the location. The \$2.338 billion that is invested in the first stage of the project will start to unlock the Parkville site, and the very first piece of work to be done there is the demolition of the materials handling building, which of course as I noted earlier, is on Flemington Road. With the demolition of that building we will be able to then progress to building a new, potentially 22-storey tower, on that site. Obviously this is going to be a great outcome for the Royal Women's Hospital and for the Royal Melbourne Hospital. It is a complex project, and I do not want to shy away from that, because we will be delivering this within a live operating environment. Obviously our hospitals are 24/7 operations, but the VHBA has expertise in the delivery of these types of projects.

The CHAIR: Thank you, Minister. Mr O'Brien.

Danny O'BRIEN: Thanks, Chair. Minister, just continuing on that: the materials handling facility you are talking about – is that a suitable site for both hospitals' redevelopment? So the two hospitals will actually be colocated now?

Mary-Anne THOMAS: No. Thank you for the question. The Royal Melbourne Hospital – a new 22-storey tower will be able to be delivered on the materials handling building site.

Danny O'BRIEN: That is for the Royal Melbourne?

Mary-Anne THOMAS: That is for the Royal Melbourne. And the Royal Women's Hospital expansion is able to be delivered on top of the existing hospital.

Danny O'BRIEN: As in building up?

Mary-Anne THOMAS: Yes, correct.

Danny O'BRIEN: How high will that go?

Mary-Anne THOMAS: I might ask Ms Bourke-O'Neil, who has expertise obviously in the delivery of these projects, to explain how that will be progressed.

Megan BOURKE-O'NEIL: Thanks, Minister. We are in some detailed planning now to deliver the extra capacity that we need at the Parkville campus to deliver the stage 1 scope. As the minister has outlined, our first piece of work will be – and this is already in train and we continue with this – to bring down the material handling building. We see that site as possible for a new hospital building, potentially to 22 floors, that would house –

Danny O'BRIEN: That is the RMH? The question is about the Royal Women's.

Megan BOURKE-O'NEIL: Yes. The new building will house some public health as well as potentially partnerships that we form, research, training –

Danny O'BRIEN: That is for the Royal Melbourne?

Megan BOURKE-O'NEIL: We will work through that scope. So that is the Royal Melbourne.

Danny O'BRIEN: Yes.

Megan BOURKE-O'NEIL: The Royal Women's Hospital is a Triple P hospital. We have some potential there to increase floors; we will be working that through. We do need to confirm the arrangements for both the public hospital build and the expansion of the Royal Women's and confirm commercial models, which we will be doing in the coming months.

Danny O'BRIEN: So how high will that be?

Megan BOURKE-O'NEIL: There are some future proofing provisions for the Royal Women's – we will stay within that limit.

Danny O'BRIEN: Which is what?

Megan BOURKE-O'NEIL: I think it is up to two floors, but we need to work that through also with the hospital.

Danny O'BRIEN: Do either of those projects have an impact on flight paths?

Megan BOURKE-O'NEIL: The Royal Children's Hospital flight path has been moved further north, so that gives us the capacity for the stage 1 works. We will be working through any other operational issues around the functioning of the Royal Melbourne Hospital fight path as part of this work.

Danny O'BRIEN: So there are two projects? They are two separate buildings.

Mary-Anne THOMAS: Well, it is the Parkville project, which we have announced as one project.

Danny O'BRIEN: When will it commence?

Mary-Anne THOMAS: Well, work has already commenced in terms of the preparatory work. When you are undertaking to deliver Australia's largest ever hospital building project, it is all about getting the planning right. That is what we have been focused on and it is why we have taken the decision to progress this project at the Parkville site. I am not shying away from the fact that this is a complex build, but –

Danny O'BRIEN: You are making it sound like a positive that you have dumped the Arden precinct.

Mary-Anne THOMAS: Well indeed, it has a number of positive elements, including the consolidation of care on the Parkville site –

Danny O'BRIEN: That is the exact opposite of what the former Premier said 18 months ago.

Mary-Anne THOMAS: and the opening up of an additional opportunity for a thousand more homes at Arden. So absolutely. It was not possible at the time that the decision was taken around Arden to build what we are now going to deliver at Parkville.

Danny O'BRIEN: When did that flight path change occur?

Mary-Anne THOMAS: That changed in January of this year.

Danny O'BRIEN: Is it still a \$6 billion project as announced by the former Premier?

Mary-Anne THOMAS: Well, again, we always announced that it would be delivered in stages, and our government –

Danny O'BRIEN: I just want to know whether it is –

Mary-Anne THOMAS: Our government has committed \$2.3 billion for the first stage of the development project.

Danny O'BRIEN: I know that, but –

Mary-Anne THOMAS: This is a multiyear project, and it will take some time to deliver.

Danny O'BRIEN: The government committed before the election, Minister, to a \$6 billion project. I just want to know if that is still the commitment.

Mary-Anne THOMAS: And we were also very clear at that time that funding for the first stage would be made available, and that was \$2.3 billion.

Danny O'BRIEN: No, I am asking the question: are you going to stand by the commitment the Labor Party gave at the election for a \$6 billion project?

Mary-Anne THOMAS: Again, I am answering the question. I think at the time that that commitment was made it was very clear that this is a massive investment – it is a multiyear investment – and the first stage would be \$2.3 billion. And that has been delivered.

Danny O'BRIEN: Minister, the government announced 10 new community hospitals in 2018. None of them have been completed yet, and you have now dumped Torquay, Eltham and Emerald Hill. Why?

Mary-Anne THOMAS: Thank you very much, Mr O'Brien, for the question. Again I have to reject the premise of the question, because our government made this commitment, as you said, back in 2018. Of course 2018 was before the pandemic, and as I have already indicated, you ask any healthcare worker in this state and they will tell you the pandemic has changed everything.

Danny O'BRIEN: Minister, I just want to know why you have cut these three projects.

Mary-Anne THOMAS: Again, if you will let me explain –

Nick McGOWAN: The people of Eltham would like to know.

Bev McARTHUR: So would the people of Torquay.

The CHAIR: Excuse me. The minister is answering your question, Mr O'Brien. Cease the interjections, Mrs McArthur and Deputy Chair.

Mary-Anne THOMAS: Thank you very much, Chair. Each of these projects is a bespoke project to meet the particular needs of the community that it is designed to serve, and indeed we have had to go back and change what we originally intended to build as a consequence of everything that we learned through the pandemic. We certainly did not foreshadow at that time that in fact our attention would be then focused on the delivery of 20 respiratory clinics that would then be recommissioned as priority primary care centres.

Danny O'BRIEN: Could we answer the question about these community hospitals?

Mary-Anne THOMAS: However, what I can tell you is that delivery is underway at Mernda, Craigieburn, Phillip Island, Sunbury –

Danny O'BRIEN: Minister, that is not the question I asked.

Mary-Anne THOMAS: Point Cook, Pakenham –

Danny O'BRIEN: I asked about Eltham, Torquay and Emerald Hill. Why have they been scrapped?

Mary-Anne THOMAS: and indeed we are continuing to work through to meet the service needs of those communities. Our focus is on continuing to understand the changing healthcare needs of the communities that were identified in 2018.

Danny O'BRIEN: So those three communities are not getting the community hospital they were promised; is that right, Minister?

Mary-Anne THOMAS: We will deliver the health services that these communities need and deserve.

Danny O'BRIEN: Will you deliver the ones you promised for Torquay, Eltham and Emerald Hill?

Mary-Anne THOMAS: I have been quite clear that delivery is underway at seven sites.

Danny O'BRIEN: So no.

Mary-Anne THOMAS: We have three projects where we are –

Danny O'BRIEN: Thank you for the no, confirming that they are not going ahead.

Mary-Anne THOMAS: three projects where we will deliver the services that those communities need.

Danny O'BRIEN: If the minister will not answer the question, we are only left with one conclusion.

Members interjecting.

The CHAIR: Excuse me, Mr O'Brien, please do not put words into the minister's mouth. She is being relevant to your question.

Danny O'BRIEN: Well, if the minister would answer the questions that are asked, Chair, then we would actually get a lot further in this committee, rather than having the spin that we get from ministers every single day.

The CHAIR: Moving on, we will now go to Mr Tak.

Meng Heang TAK: Thank you, Chair. Thank you, Minister, for the presentation, and officials. Our community in the south-east has been very lucky to have so many developments, from the Monash Children's Hospital to the heart hospital, which you opened not long ago. Minister, budget paper 4, page 63, outlines the \$535 million for, again, the Monash Medical Centre development. What will this project deliver for my community in the south-east?

Mary-Anne THOMAS: Mr Tak, thank you so much for your question, and can I say what a delight it has been to be able to visit the Monash Medical Centre so many times with you. Can I thank you for your unwavering strong advocacy for your community and also for your support of all of our healthcare workers in Melbourne's south-east who meet the needs of your constituents every single day. Every family in Melbourne's south-eastern suburbs has a story about visiting the Monash Medical Centre and receiving exceptional care at that centre. Whether it is for sickness, for injury or for the birth of a baby, Monash Medical Centre has been there for our community, and now with this additional investment, it will only be able to further meet the needs of this rapidly growing and diverse community.

We have already delivered an expanded emergency department – we did that back in 2022 – and now we are continuing to do what matters and investing in the Monash Medical Centre to make it even better for generations to come. For more than 30 years Monash Medical Centre has been a trusted teaching and research hospital for families in Melbourne's south-eastern suburbs, and again, this investment of \$535 million will enable us to expand this fantastic facility.

It is a major hospital. In fact it is the biggest hospital in our network, Monash Health, providing a range of specialist surgical, medical, allied health and mental health services to the people of south-eastern metro Melbourne. This latest investment builds on previous capital investments, which included \$63.2 million for the refurbishment of the existing ED – delivering an additional 28 emergency department beds and six additional short-stay beds and a six-bed mental health and alcohol and other drugs crisis hub – as well as additional structural futureproofing to enable vertical expansion on the Monash Medical Centre tower, \$12.8 million to install a large water retention system to increase the capacity of the hospital's current flood management system and \$477,000 from the Mental Health and Alcohol and Other Drugs Facilities Renewal Fund for a new adult mental health unit, activities and sensory room. You have asked me about the services that this project will deliver, and I can tell you that the expansion will include a new seven-storey tower above the newly expanded ED, with new operating suites, birthing suites and pre- and post-op beds.

Meng Heang TAK: Thank you, Minister. What planning work has been done to date with the funding that was announced at the last budget?

Mary-Anne THOMAS: Thank you; that is an excellent question. When you have a health infrastructure pipeline as big as the one we have – \$15 billion – and when you have been investing year on year in building the health infrastructure that Victorians need, you learn a few things along the way. When you have delivered

the number of major projects that our government has, we work to get better and better at it every single year. That is why, having made a commitment to deliver seven either new or substantially redeveloped hospitals at the 2022 election, our first step in order to deliver on these was to establish the health infrastructure delivery fund, which was funded in last year's budget to the tune of \$320 million. That is really best practice in the delivery of massive capital projects like this, enabling us to take the time to get the planning right so that we can deliver maximum benefit to the people of Victoria and maximum value to hardworking Victorian taxpayers.

Now, I might underline the importance of planning, which I might say unfortunately seems to be dismissed by those on the other side; the Liberal and National parties seek to denigrate our investments in planning. This is really unfortunate from a party that, to be frank, has never delivered a major project in their lives. Indeed the only hospital that they sought to build when they were last in government, the royal eye and ear hospital, has frankly been a bit of a debacle. It cost more than twice what it was estimated to cost – talk about cost overruns – and took three times longer to deliver. So again, thank you. Planning is vitally important. It is why we invested in the health infrastructure development fund and why we are very proud of what we are working to achieve for the people of Melbourne's south-east.

Again, Mr Tak, I do want to particularly acknowledge you, because I have lost count of the number of times that I have been able to join you. We know this is a rapidly growing population. The Monash Children's Hospital, for instance, is the busiest children's hospital in the state, and the Monash Medical Centre serves an ever expanding and growing community. The delivery of this new seven-storey tower will be an absolute game changer for the people of Melbourne's south-east.

Of course – I know this is also important to you – when we make these commitments, when we invest this money in the delivery, we also create great local jobs, and this will deliver an additional 1500 jobs in the construction phase. Once again, I know that that is something that will be welcomed by your community.

Meng Heang TAK: Thank you, Minister.

The CHAIR: Thank you, Minister. We will go to the Deputy Chair.

Nick McGOWAN: Thank you, Chair. Thank you, Minister. Minister, I cannot let the occasion pass without at least reminding you of your own press releases. There is 'Community hospital program full steam ahead', dated 30 June 2022. That is well after COVID, but you still seem to be hiding behind this COVID excuse for just about any problem in your portfolio – in fact all problems in your portfolio. So what is your message to the people of Eltham now that it looks like they will not even get their hospital, ever?

Mary-Anne THOMAS: Well, thank you for your question, Mr McGowan. I have really got to call you up on the way in which you dismiss COVID. You may not know that right now we have – how many people in hospital, Secretary, with COVID?

Euan WALLACE: Nearly 400.

Nick McGOWAN: No, it is your press release, Minister. Minister, it is your press release – 'full steam ahead'. Toot, toot.

The CHAIR: Excuse me, Minister. Deputy Chair, I will not tolerate those kinds of verbal noises coming from you beside me.

Nick McGOWAN: Arguably they are my finest, but nonetheless.

Danny O'BRIEN: Are they unparliamentary verbal noises?

Nick McGOWAN: They may be unparliamentary.

The CHAIR: Deputy Chair –

Nick McGOWAN: I was trying to illustrate the 'steam ahead'.

The CHAIR: Could you please ask your question. I believe the minister was just about to start answering it.

Mary-Anne THOMAS: Thank you. Mr McGowan, you did reference COVID in your question, and I need to remind you, if you are not aware, that as of today there are 400 people in our hospitals with COVID. The impacts of COVID –

Nick McGOWAN: I am not sure how that is relevant, Minister.

Mary-Anne THOMAS: The impacts of COVID continue to be felt in our healthcare system. Now, of course when we announced the delivery of our community hospitals program it was before the pandemic and it was a new modality of care, one that had not been delivered before. It was designed to take the pressure off our busy hospitals, and indeed –

Nick McGOWAN: Your press release is years later, Minister – years later.

Danny O'BRIEN: June 2022.

Nick McGOWAN: June 2022 – that is your press release.

The CHAIR: Would you like the minister to proceed with her answer?

Danny O'BRIEN: Only if she chooses to answer the question.

Nick McGOWAN: Not really, because it is not an answer to the question.

The CHAIR: I am assuming you would like the answer. The minister can proceed in answering the question.

Nick McGOWAN: Perhaps I will move on to the Secretary. Secretary, did you do at any point a costbenefit analysis?

Mary-Anne THOMAS: Mr McGowan, you asked me a question, and I would appreciate the opportunity –

Nick McGOWAN: I would appreciate an answer, Minister.

Mary-Anne THOMAS: Well, I would appreciate the opportunity to be able to answer it uninterrupted.

Nick McGOWAN: The people of Eltham would appreciate the answer.

The CHAIR: Excuse me, Mr McGowan. The minister will answer the question without interjections.

Mary-Anne THOMAS: Thank you. Our community hospitals are designed to give people who are not critically unwell better access to everyday health services closer to home.

Nick McGOWAN: That is what you said in the press release.

Mary-Anne THOMAS: That includes services like after-hours care for minor injuries and illnesses, day hospital services, including dialysis and paediatric services, and strong links to specialist community health providers and social support services. It is important to note that since the announcement of our community hospital program we have stood up 29 priority primary care centres, which of course are delivering that urgent but non-emergency care and indeed are meeting the needs of Victorians right around our state. As I have already indicated, delivery is well underway at seven sites, and each project is at a different stage of the project life cycle. We are very clear that the project budget has experienced some pressure. As a consequence of the need to deliver a new modality of care in an environment where we have to have a greater focus and attention on infection control, including upgrades to our heating and cooling systems, ensuring that we are physically separating clinical spaces leading to —

Nick McGOWAN: Minister, I am sorry, I am going to have to interrupt you there. I have only got limited time. The heating and cooling systems are important, but I just do not have time for that at the moment, I am afraid. Secretary, has any cost—benefit analysis been performed into the scrapping of these three hospitals — that is, Torquay, Eltham and Emerald Hill?

Mary-Anne THOMAS: There has been no scrapping of hospitals.

Nick McGOWAN: The permanent deferment of these two hospitals – what has that done for the budget?

Mary-Anne THOMAS: Well, I am sorry, Secretary, if I may. Let me be clear, Mr McGowan: our government made a commitment across 10 communities to deliver services to meet their everyday healthcare needs, and that commitment stays.

Nick McGOWAN: Just like the emergency department at Maroondah Hospital – that same commitment? The Maroondah Hospital emergency –

Bev McARTHUR: So they are all going ahead, Minister?

Nick McGOWAN: Minister, the emergency department for children promised by your government in 2018 – where is that?

Mary-Anne THOMAS: We are on a different topic, is that right?

Nick McGOWAN: That is right.

Mary-Anne THOMAS: The Royal Children's Hospital?

Nick McGOWAN: No, the Maroondah Hospital.

Mary-Anne THOMAS: Okay. Firstly, in 2022 we made a commitment to deliver either new or substantial upgrades at seven hospital sites, including at Maroondah. Last year's budget funded the Health Infrastructure Delivery Fund, which is helping us plan and prepare for the delivery of each of those government commitments. This year's budget has delivered in full on three of those projects. Planning remains for the delivery of the QE2 at Maroondah, and indeed an obvious decision was made once this commitment had been given to incorporate the building of the emergency department at Maroondah into the major project.

Nick McGOWAN: Minister, that was in 2018. By the way, it is disrespectful. You have talked today a lot about our Indigenous population, and I agree with what you have said. But to continue to call it QE2 you know is disrespectful to the Indigenous communities. It was made clear to the Premier at the time. We have raised this issue with the Premier. I do not know why you continue to call it that. You should be calling it Maroondah Hospital.

Mary-Anne THOMAS: Was that a question?

Nick McGOWAN: Why do you persist in calling it QE2 when it should be called Maroondah Hospital?

Mary-Anne THOMAS: Again, that was a decision that was taken. That is its name at the moment.

Nick McGOWAN: Right. So you are going ahead with the Alfred hospital, are you?

Mary-Anne THOMAS: Our government has made commitments to deliver for the Alfred hospital. We have made some substantial investments this year, and if you just bear with me –

Nick McGOWAN: That is fair. While I am bearing with you, the budget revealed delays to a number of hospital infrastructure projects, including the Alfred's. In fact – secretaries, you know this – there were urgent infrastructure upgrades that were highlighted in the 2018–19 budget for completion in 2023–24. We are here now.

Mary-Anne THOMAS: Okay. I am happy to explain it to you, Mr McGowan.

Nick McGOWAN: Please.

Mary-Anne THOMAS: That money was there; it was available to Alfred Health. Because of a number of issues at the time, the Alfred did not want to go ahead with the project. This year we have invested more money into Alfred Health so that the Alfred can continue the critical role that it plays in our health services.

The CHAIR: Thank you, Minister. We will go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister and officials. Can I ask about what infrastructure funding this budget is delivering to address the emergency demand in the health system?

Mary-Anne THOMAS: I am sorry –

Lauren KATHAGE: To address the emergency demand in the health system – the funding in this budget.

Mary-Anne THOMAS: Thank you very much, Ms Kathage, for that question. As the Member for Yan Yean you know full well about the increasing demand on our healthcare system from the many growing communities in Melbourne's north. That is why I am delighted, as I am sure you are as well, that this budget delivers on our government's commitment to expanding access to care at both Northern Hospital and at the Austin hospital.

I know the Northern Hospital is, again, very close to your heart, and like Mr Tak, can I thank you. It has been my real pleasure to join you on a number of occasions at the Northern Hospital, whether it be celebrating the extraordinary impact that the Victorian Virtual Emergency Department has had or indeed looking at our government's commitment to expand the emergency department there. These are projects, both at the Austin and the Northern, designed specifically to address emergency demand in the north.

As I indicated earlier, the Northern Hospital was the first hospital that I visited upon being appointed Minister for Health, and I visited the emergency department. That was certainly one way to be welcomed to the health portfolio. It is by and large Victoria's busiest emergency department, and I want to take this opportunity to thank the healthcare workers at the Northern for the work that they do every single day. We said we would deliver better care for families in our northern suburbs with a billion-dollar hospital plan for the north, and this budget delivers on that. We are getting on with delivering this important commitment through \$813 million at the Northern Hospital to build a new ED, including a dedicated paediatric zone; a mental health, alcohol and other drugs hub; and additional inpatient beds.

Nick McGowan interjected.

The CHAIR: Excuse me, Deputy Chair.

Mary-Anne THOMAS: Thank you, Chair. What we know, and as the way in which we deliver care —

Nick McGOWAN: This government lies.

Mary-Anne THOMAS: Excuse me, Chair. Would it be possible for you to – Mr McGowan continues to interrupt me, which I am finding off-putting.

The CHAIR: Please, Deputy Chair, I have asked you to cease the interjecting multiple times this morning. Could you just control yourself, please, for the 5 minutes to get through to the next session. Thank you. Minister.

Mary-Anne THOMAS: Thank you very much, Chair. Ms Kathage, you know full well, as I said, models of care continue to change and evolve to meet the needs of our communities, and indeed the way in which we design and deliver emergency departments is changing significantly. Our paediatrics hub will be central to the delivery of the expanded ED at the Northern, because we want to make sure that we decrease as much stress as we can for children and families who are presenting for emergency care. As I am at pains to remind CEOs when I am out visiting them, it is always important to remember that when people present at a hospital they are frightened. This is particularly the case for little children and their families. So having a dedicated paediatrics hub is really, really important. It is about ensuring that we can keep children safe, that we can keep eyes on those children at all times and that we create an environment that is calming for them and their families.

We also know that alcohol and drug presentations to our emergency departments are a very important part of what our health service teams deliver every year. Again, these are presentations that can be very distressing for those patients themselves and indeed for other patients seeking care. The delivery of a dedicated hub will ensure that people who are experiencing poor health and require emergency care who are affected by alcohol and drugs will be able to receive that care appropriately. The hub and a behaviour assessment room are also about ensuring that we keep our hardworking healthcare workforce safe. Again, emergency departments are dynamic environments. You can never predict from one day to the next what will be faced in the emergency

departments. I am really delighted to see this emphasis on improving the design of emergency departments. They are patient-centric first and foremost, but ensuring the safety and wellbeing of our hardworking healthcare workers is also very critical in the design and delivery of those projects.

Lauren KATHAGE: Thank you, Minister. I can see funding for each of those hospitals you mentioned, on page 63. We are beyond excited in the north, and seeing the artist's impression on the screen this morning made it seem even more real. I know this money in this year's budget is building on last year – there was some money there. What was that money used for? And then this money in this year's budget – when will that lead to construction starting on our projects?

Mary-Anne THOMAS: Okay. Thank you. I might just go straight to your service at the Northern. At the Northern Hospital the investment will deliver a new ED with up to 70 extra treatment spaces, as well as a new tower for inpatients with more than 100 beds. That ED, as I have explained, will include an AOD hub providing a dedicated treatment space. It will be relocated to Cooper Street, taking the number of treatment spaces for emergency patients to almost 200, which is going to be an absolute game changer. I have already talked to you about the importance of those dedicated spaces. This crucial investment – and I know, again, you, with Mr Tak, also share the importance of creating good jobs in your local community – will create an additional 3000 jobs, but importantly, treatment for more than 85,000 extra patients in the north will be able to be delivered as a consequence of our government's investments.

The CHAIR: Thank you, Minister. We will go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good morning, everyone. How much of the Metropolitan Health Infrastructure Fund and the Regional Health Infrastructure Fund was allocated to community health services in 2023–24?

Mary-Anne THOMAS: Okay. Well, thank you very much for that question. The Regional Health Infrastructure Fund is now worth \$790 million since it began, and it has delivered more than 670 projects right across rural and regional Victoria. The Metropolitan Health Infrastructure Fund has delivered – I might check with Ms Bourke-O'Neil.

Aiv PUGLIELLI: Yes, that is okay. And it can be on notice if need be.

Megan BOURKE-O'NEIL: The Regional Health Infrastructure Fund was funded last year or the budget before for \$300 million over four years, and it is in its third year of delivery. In terms of community health organisations, they are eligible to apply. We have had 113 different health agencies since the fund commenced that have received allocations from the RHIF, the Regional Health Infrastructure Fund.

Aiv PUGLIELLI: Thank you. And do you have like a dollar figure for what that would proportionally be?

Megan BOURKE-O'NEIL: I do not have the specifics around community health.

Aiv PUGLIELLI: Are you able to get that on notice?

Megan BOURKE-O'NEIL: Yes.

Aiv PUGLIELLI: Thank you.

Mary-Anne THOMAS: But could I make the point of course that this is a fund that is open for community health services to apply for.

Aiv PUGLIELLI: Sure.

Mary-Anne THOMAS: And I would say that one of the highlights for me was a more than \$10 million investment in Sunbury and Cobaw Community Health that was made very early in our government's tenure to deliver a brand new community health facility in Kyneton. But we are very happy to follow up.

Aiv PUGLIELLI: I appreciate you taking the opportunity to highlight that. Just moving forward on limited time, I want to ask about the Albury hospital redevelopment. It is a campus of the cross-border Albury—Wodonga hospital, which is co-funded by the New South Wales and Victorian governments.

Mary-Anne THOMAS: Correct.

Aiv PUGLIELLI: I understand that hospital is so busy that utilisation of medical and surgical bed stock is now over 100 per cent compared to the Victorian benchmark of 85 per cent. How does Victoria calculate its point-of-care projections?

Mary-Anne THOMAS: Thank you very much for the question, Mr Puglielli. This is a project that I know very well, and I have had the opportunity to visit only recently to open the new and expanded emergency department at Albury Wodonga Health. It is a very busy health service. It is why it is really important that we get on with delivering our more than half-a-billion-dollar commitment to deliver a new clinical services building on the existing Albury site. This makes sense for so many reasons. It is more sustainable. It will make use of existing health infrastructure onsite, including the current Albury base hospital, the new emergency department and the Albury Wodonga cancer centre that was opened only in 2016. Of course it is also adjacent to the University of New South Wales medical school and close to the airport, so it makes sense to build it onsite.

Aiv PUGLIELLI: Sorry, just on time, I appreciate that absolutely, but how does Victoria calculate its point-of-care projections?

Mary-Anne THOMAS: Well, I might ask one of my officials to answer that question.

Euan WALLACE: The department itself has an infrastructure planning team, and we look at population projections, including total populations, including age profiles, and we look at existing trends in healthcare utilisation, so we use all of those. We obviously involve the local health service, in this case Albury Wodonga Health. As the minister said, in this particular case we consider the health assets we have on either side of the border; as you know, we have got a hospital in Wodonga and new acute services being consolidated in Albury. So we take all of that into account in planning with the local health service to then estimate points of care.

Aiv PUGLIELLI: Thank you. I appreciate that response. It has been raised with me that the New South Wales government continues to reduce the scope for the Albury hospital redevelopment to fit it into their available budget. Given that this is a border community between the states, Minister, what representations have you made to the New South Wales government for services that must not be revised out?

Mary-Anne THOMAS: Okay. Thanks for the question. This is jointly funded by New South Wales and Victoria. The delivery of the project is, as you have indicated, being managed by NSW Health. So the project scope and master plan is informed by planning recommendations of the Albury Wodonga Health clinical services plan. The information on the clinical services outlined in the 2023 master plan is indicative only at this early stage of planning, so works will now continue to finalise that scope. But this investment will deliver more medical beds. It will deliver more surgical beds. It will deliver a new intensive care unit. It will consolidate maternity care on one site, which has been a key concern of clinicians at Albury Wodonga Health. It will deliver for the people of Albury–Wodonga sooner, which is vitally important for this fast-growing regional community.

Aiv PUGLIELLI: Thank you, Minister. Could you provide an assurance to this committee that no services will be revised out of the hospital's scope from the redevelopment?

Mary-Anne THOMAS: We are about expanding the services that are available to the people of Albury Wodonga Health. So while this project continues and we work with NSW Health, who have the lead role in delivering this project, my department has already commenced entity planning for the Wodonga site, because it is important also that while we consolidate acute care at Albury the Wodonga site continues to deliver hospital services. This is a massive, more than half a billion-dollar, commitment that will deliver increased access to care for the people of the Albury Wodonga community, and we are very proud to have made this investment. I might say that right now it would be great to see a focus on delivering this project so that we can get more care delivered to the people of Albury Wodonga Health sooner.

Aiv PUGLIELLI: Minister, just for time, you mentioned water fluoridation earlier. Is there money in the budget for construction of a fluoride treatment plant?

Mary-Anne THOMAS: My department obviously works with the water authorities around the state to deliver fluoridation wherever we can.

The CHAIR: Thank you, Mr Puglielli. We will go to Mr Hilakari.

Mathew HILAKARI: Thank you, Minister and officials. We appreciate your time still this morning for just a couple of minutes more, but we will get over the midday time during this question no doubt. I am going to keep us in regional Victoria and take us to budget paper 4, page 70, which goes into 'Building a bigger and better Latrobe Regional Hospital' in Traralgon. I am just hoping you can talk about when this will be completed and some of those project outlines.

Mary-Anne THOMAS: Thank you so much for asking me that question, Mr Hilakari. It has been an absolute pleasure to visit Latrobe Regional Hospital. In fact I was there only recently with the Premier and with Member for Eastern Victoria Harriet Shing as we celebrated the opening of the final stages of the redevelopment of this hospital. The \$223.5 million upgrade is really delivering for the people of the Latrobe Valley and the region more broadly. Of course, as the Premier noted on the day, you can only deliver stage 3 if you have delivered stages 1 and 2, and they have all been delivered by our government.

Danny O'BRIEN: Who funded stage 1?

The CHAIR: Excuse me, Mr O'Brien.

Mary-Anne THOMAS: Might I say also that this was a hospital that the Bracks and Brumby governments had to purchase back because it had been sold off by the Liberal–National government. They sold the Latrobe Regional Hospital to the private sector. Our government had to buy it back in order to bring it into public hands.

Members interjecting.

Mary-Anne THOMAS: Of course we have a record of bringing private hospitals back into public hands. I note the interjection. The Member for Gippsland South continues to denigrate the healthcare workers at Latrobe Regional Health by –

Danny O'BRIEN: On a point of order, Chair, I take personal offence at the minister's comments. We can have a debate about how health care is delivered. We do not need that sort of rubbish.

The CHAIR: Mr O'Brien, this is not a debate, it is a parliamentary inquiry. The minister is giving evidence and responding to the question asked by Mr Hilakari. She is being relevant to the question –

Danny O'BRIEN: I ask the minister to withdraw the fact that I allegedly denigrate public health workers.

The CHAIR: Minister, do you withdraw?

Mary-Anne THOMAS: I withdraw.

The CHAIR: Thank you. Let us move on.

Mary-Anne THOMAS: Thank you. But our government's investment in Latrobe Regional Hospital has delivered it expanded maternity services, a new ED and new theatres. Catering to the region's population, the hospital's maternity ward now includes two new birthing suites, six maternity beds, six special care nursery cots and a kids play area, ensuring more local mums can give birth closer to home. As I said, the expansion has delivered three new operating suites and 14 new medical and surgical beds to support an additional 6200 surgeries every year. Our government will always invest in the health needs of people in rural and regional Victoria. We are absolutely committed to delivering more care close to home as soon as possible.

Importantly, the hospital also includes a new six-bed emergency department mental health, alcohol and other drugs hub, and I have already outlined the many reasons why these hubs are so important and why they will continue to be a feature in the way in which we deliver healthcare projects into the future. It will meet the region's increasing and complex health needs and is part of our ongoing, unwavering commitment to the people of rural Victoria.

As I have said, unlike those on the other side of the chamber, unlike the Liberal–National parties, our government is in the business of buying, building and expanding our hospitals. We do not cut, close or privatise.

Danny O'Brien interjected.

Mary-Anne THOMAS: We will not be closing any regional and rural hospitals; that is what the Liberal Party did when they were in government. We will continue to invest in our regional health services.

Mathew HILAKARI: I appreciate that, Minister. So we brought it back, stage 1, stage 2, and now stage 3 is almost completed. I am just hoping you could talk me through stage 1 and stage 2.

Danny O'Brien interjected.

Mary-Anne THOMAS: I am sorry?

Mathew HILAKARI: I am hoping you could talk me through – and, sorry, I know there are a lot of interjections in this period –

Danny O'BRIEN: Well, I would just like you to be factual when you are –

Mathew HILAKARI: because it is -

The CHAIR: Mr O'Brien.

Danny O'BRIEN: You actually would not have a hospital –

The CHAIR: Mr O'Brien, cease the interjections, please.

Mathew HILAKARI: I know it is difficult for some members to not be talking about regional health care because of their record on it, but I would like to hear some of our record on those stages that we have already built.

Danny O'BRIEN: If you are going to be making these sorts of comments, you are going to have to put up with interjections. If the government just wants to –

The CHAIR: Mr O'Brien, there is one Chair at this table.

Danny O'BRIEN: No, seriously. Both the minister and the member are asking questions —

The CHAIR: If you have a point of order to raise, raise it. Otherwise cease the interjections, please.

Danny O'BRIEN: I am not going to cease the interjections when we are hearing rubbish from both the minister and the member at the table.

The CHAIR: Mr O'Brien!

Danny O'Brien interjected.

The CHAIR: Mr O'Brien! Mr Hilakari.

Mathew HILAKARI: Thank you. I am hoping you got that question.

Mary-Anne THOMAS: I think you wanted me to outline some of our previous Labor government investments.

Danny O'Brien interjected.

Mathew HILAKARI: Thank you very much.

Mary-Anne THOMAS: Okay, thank you. Our previous stage, which was funded by this Labor government, provided better access, more services and state-of-the-art medical equipment to meet the growing

needs of the Gippsland community. It delivered the first cardiac cath lab for Gippsland. The new cath lab has been providing life-saving treatment for people experiencing heart disease, meaning that they do not need to be transferred to Melbourne, because of course this is what our government is about: delivering more care, closer to home. We do not want to see people being transferred to Melbourne, or indeed to our large regional hospitals, unless they absolutely need to be. We want to deliver more care, closer to home as soon as possible.

Additionally, Latrobe Regional Hospital is Gippsland's base for orthopaedic, medical oncology, radiology and pathology services. The expansion increased the capacity to provide more health services, including complex medical and surgical services, providing and maintaining access to a network of visiting Melbourne-based specialists. Mr Hilakari, I want to see our health service system work as a system that puts patients at the centre of care. Frankly, I am not interested in politics —

Members interjecting.

Mary-Anne THOMAS: I am interested in patients being at the centre of all the decisions that we make. Our focus has to be on delivering the best care to patients wherever they live.

The CHAIR: Thank you, Minister.

Members interjecting.

The CHAIR: Excuse me. Those to my left will cease the interjections.

Minister and officials, thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

Those on my left will be very happy to hear that the committee is now taking a short break before beginning its consideration of the ambulance services portfolio at 12:15.

I declare this hearing adjourned.

Witnesses withdrew.