Final Business Case Evaluation Summary

# Children's Hospital at Westmead Stage 2 Redevelopment

October 2022

Infrastructure NSW

# Contents

# About this report

This document summarises the final business case (FBC) for the Children's Hospital at Westmead Stage 2 Redevelopment (CHW Stage 2) (the project).

CHW Stage 2 will benefit patients, families and carers, hospital and precinct staff, the NSW Government and the broader community through:

- increased safety, productivity and efficiency of resources
- improved health and well-being outcomes for children and young people through greater capacity/access to services
- an improved and safer environment resulting in
    - a better experience for children, young people and their families/carers
    - a better experience for workforce that promotes closer working, interaction and belonging
- equity of access and improved quality of care through service models that meet consumers' expectations and provide choice.

The FBC was developed by NSW Health Infrastructure (HI) for the Ministry of Health (MoH) and approved by the NSW Government. This business case evaluation summary has been prepared by Infrastructure NSW, the Government's independent infrastructure advisory agency.

# Strategic context

The project builds on the CHW Stage 1 Redevelopment project currently completed in the Westmead Precinct Central Acute Services Building (CASB), which includes a new children's emergency department, paediatric short stay unit, pharmacy and medical imaging facilities. The CASB has been operational since early 2021 along with the CHW Stage 1 in-scope services.

CHW Stage 2 is the next phase of CHW's master plan. It will deliver:

- a new Paediatric Services Building (PSB), which will collocate specialist acute paediatric services, comprehensive cancer unit, virtual care centre and associated clinical/non-clinical support services
- a new multi-storey car park
- refurbishment of existing facilities.

In the strategic context, it will:

- Contribute to meeting the priorities outlined in the CHW Clinical Services Plan 2018-2031 (CSP)
- Support contemporary models of care
- Further embed education and research into clinical practice
- Bring together acute paediatric services in the central zone of the health core of the Westmead Precinct.

CHW Stage 2 will also contribute towards broader plans for the Westmead Precinct, including creating space for the future relocation of CHW clinical services on 'Lot 3' as part of the Parramatta North Program, with vacated land to be used for the delivery of new tertiary education infrastructure, collocated with the health core of the Westmead Precinct. There is also the potential to develop an integrated research and education facility known as the 'KIDSPARK Development' which includes a new integrated building, providing a redefined frontage to CHW (and front entry statement for CHW) to support expansion for the Children's Medical Research Institute (CMRI) and Kids Research (KR) alongside CHW education and conference facilities.

The project is consistent with the directions outlined in national, state and local government planning documents and strategies, including:

- Greater Sydney Region Plan: A Metropolis of Three Cities (NSW Government, 2018)
- Westmead 2036 Place Strategy (Department of Planning, Industry and Environment (DPIE), December 2020)
- NSW Premier's Priorities (NSW Government, 2019)
- NSW State Health Plan: Towards 2021 (NSW Health, 2014)
- NSW Health 20-Year Health Infrastructure Strategy (NSW Health, 2020)
- Sydney Children's Hospitals Network Strategic Plan 2017-2022 (SCHN, 2017)
- Westmead Health Core Master Plan (Billard Leece Partnership on behalf of Health Infrastructure, 2020)
- Living Well: A Strategic Plan for Mental Health 2014-24 (NSW Mental Health Commission, 2014)
- NSW Kids + Families: A Strategic Health Plan for Children, Young People and Families (NSW Health, 2014)
- NSW Youth Health Framework 2017-24 (NSW Health, 2017).

# Project need

Three key factors are placing increased demand on services at CHW.

- The significant paediatric population growth expected in Western Sydney (an additional 57,000 children aged 0-15 years between 2011 and 2031.
- The increasing demand for acute paediatric services arising from the changing health profile of the paediatric population.
- The increasing complexity of care required.

The CHW CSP 2018-2031 projects 51% growth in day-only and 39% growth in overnight activity at CHW by 2031-32.

There are a number of challenges associated with the existing CHW built environment that support a strong case for change for CHW Stage 2; these are summarised in Table 1 below.

Table 1: CHW key challenges

| | |
|---|---|
| **Insufficient capacity to meet current and projected growth and complexity** | CHW is currently operating at an average occupancy level of 94 per cent. Given the significant population growth expected in Western Sydney and the increasing demand for acute paediatric services, there will be additional pressure on demand for services, particularly acute services at CHW.<br>There is a need for close observation beds to support stepped-down care to a lower level of acuity and additional isolation capacity is required within wards, neonatal and paediatric intensive care units (**NICU and PICU**).<br>Insufficient capacity to meet future demand may result in poorer health outcomes for children due to increased waiting times for services, increased travel costs where patients are required to seek access to services further from their home, and reduced access to specialised care. |
| **Existing infrastructure does not support contemporary models of care** | Research and innovation are driving change in the way healthcare is delivered. As models of care are evolving and changing, the built environment needs to be flexible and agile to support the delivery of the most appropriate and contemporary care available. Currently, the existing CHW built environment limits the delivery of contemporary models of care as:<br>• There is a gap in provision of appropriate facilities and spaces for patients and families<br>• There is insufficient space to expand the integration of research and education with clinical care<br>• Infrastructure is not designed for care supported by virtual means. |
| **Ageing and non-compliant infrastructure** | The built environment for the delivery of hospital services is changing. It is driving an increased focus on the importance of incorporating innovation, flexibility and redundancy into the design and construction of hospitals. The CHW built environment is approaching the end of its design life and a number of spaces are no longer compliant with contemporary health facility standards, in particular:<br>• There is a lack of physical capacity to flex in response to changing demand for PICU and NICU beds and space for the increasing number and range of bed-side technologies<br>• The operating theatre suite is over 20 years old and the size and configuration of the operating rooms no longer support the increasing number and complexity of surgical procedures.[6] |
| **Achieving alignment of acute services** | A number of acute services remaining within the existing CHW facility are distant from the services being delivered in the CASB from March 2021. In particular, PICU, NICU, medical day unit, surgical inpatient units, and the existing operating theatres are physically distant from key functional adjacencies such as the paediatric ED, medical imaging and the centralised suite of digital operating theatres. These distances are expected to result in some inefficiencies in the delivery of paediatric healthcare at CHW, including operating inefficiencies, complex patient flows, limited ability to share equipment and duplication of services and staff. |
| ***Investment in CHW to address the above key challenges presents a unique opportunity to enable advances in paediatric healthcare and further establish the Westmead Precinct as a beacon of clinical excellence, research and education, with a strong national and international impact.*** | |

*Source: SCHN (2020), The Children's Hospital at Westmead Clinical Services Plan 2018 – 2031, Final, August 2020 (Appendix B)*

# Project objectives and design

## Objectives

A set of objectives for CHW Stage 2 were identified through consideration of the Sydney Children's Hospitals Network (SCHN) vision, Westmead Precinct vision, and the vision for the CHW Stage 2 project.

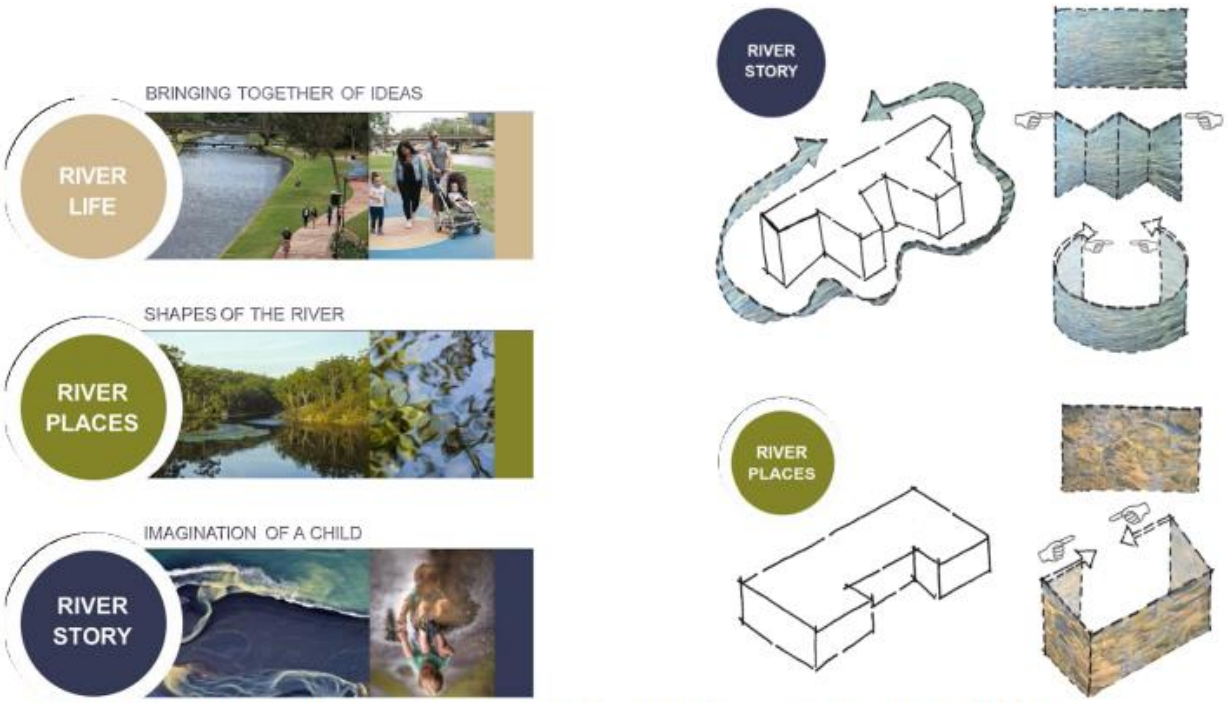
- SCHN vision: 'Helping children and young people live their healthiest lives'.
- Westmead Precinct vision: 'as a workable, loveable and accessible health city with a focus on integrated healthcare, teaching and research, that promotes patient, carer and staff well-being and community engagement, and attracts staff, students, residents, researchers and visitors from all over the world'.
- CHW Stage 2 vision: 'Transforming Kids' Health'.

These objectives are illustrated in Figure 1.


Figure 1: CHW Stage 2 project vision and objectives

## Design

The schematic design process identified 3 overarching design principles to inform all design, including built form and its materiality, as presented in Figure 2.




*Source: Billard Leece Partnership (2021) CHW Stage 2 Schematic Design Report, Volume 1, Draft, March 2021*

Figure 2: Stage 2 design principles

Consumer engagement workshops were held to engage patients, families and children and to gather insights and ideas about design opportunities for CHW Stage 2. The outcomes of this consumer engagement process are a set of consistent themes that have informed schematic design.

- **Access to green space:** families believe the redevelopment team should prioritise green spaces. We know they can improve recovery time, reduce overstimulation from the hospital environment, allow for quiet spaces to unwind and provide for connections to other cultures.
- **Better access to food and drink including fresh food and produce:** as families can be at the hospital for long periods, they want the ability to eat healthy food at affordable prices, including at times outside of business hours.
- **Mental and physical health of parents:** having a child in hospital can be stressful and traumatic for parents and being in close proximity to their child is of paramount importance.
- **Culturally appropriate areas:** resounding need from families to prioritise cultural inclusivity in our spaces - particularly for larger families, and also considering the significance of the landscape surrounding CHW.
- **Spaces for arts and play that are age appropriate:** creating spaces and opportunities for kids and their siblings to express themselves through art is seen as a high priority.
- **Better wayfinding around the hospital:** ensuring that the pedestrian journey supports clear wayfinding from key public access points will create a sense of identity and arrival and encompass opportunities for play, distraction, information, food, beverage and respite.
- **Welcoming and homely family spaces:** development of spaces that respond to varying cultural, physical, intellectual and sensory needs of the community.
- **Development of unique and innovative IPU configuration** to allow for efficient clinical care and accessibility.

# Options identification and assessment

In response to current and future demand pressures, SCHN has implemented and will continue to invest in, a broad range of demand management and non-capital initiatives and alternative clinical strategies to address demand in a patient-focused manner. Despite the success of these non-capital initiatives, CHW is still operating at or close to capacity (94% occupancy) and the significant population growth in Western Sydney is expected to place additional pressure on demand for services at CHW, requiring capital investment to meet the future demand needs.

During the planning of Stage 1, CHW Stage 2 was identified as the number 1 priority in the *SCHN Asset Strategic Plan* (**ASP**) (Appendix C). The *CHW CSP 2018-2031* was developed followed by an investment decision document (**IDD**) for CHW Stage 2, which was endorsed in April 2019 and subsequently included as 'new works' in the 2018-19 NSW State Budget with a capital cost of $619 million.

In September 2020, the strategic business case for CHW Stage 2 assessed a short-list of options that met the project objectives.

### Option 0: base case ($15 million)

- The base case represents a 'do minimum' scenario to keep CHW safe and operating.
- This option includes critical maintenance requirements for the existing CHW facility only.

### Option 1a: affordable scope including interstitial expansion zone ($619 million)

- This option was the preferred option from the value management process.
- It includes the construction of a new PSB, future-proofed (through the inclusion of an interstitial expansion zone for four acute inpatient units) up to the maximum building height.
- At the time, this option represented the scope best aligned to meet the objectives of the project within the available budget.

### Option 1b: affordable scope plus LFIs to fit-out shell space ($644.4 million)

- This option includes the scope of option 1a but with locally funded initiatives (LFIs) supporting the fit out of shelled areas.

### Option 2: alternative future-proofing strategy ($620.6 million)

This option was the second highest ranked option through the value management process

It includes the construction of a new PSB (like option 1a) but with an alternative future-proofing strategy with the interstitial expansion zone enclosed (to form cold shell) and additional clinical areas shelled to substantially offset the additional cost.

The final business case was then developed to further develop the preferred option (option 1a) identified through the strategic business case process.

This further development sought to accelerate SCHN's Virtual Care program, maximise the clinical scope delivered on opening of CHW Stage 2 and minimise future costs and inefficiencies through the collocation of acute overnight beds and operating rooms within the PSB.

As part of this process, 2 additional options were identified: a final business case preferred option (option 4) and a fall-back option (option 5).

The scope of each of the project options and its associated capital investment are presented in Table 2.

Table 2: short-list options for final business case

| Option | Description and scope | Capital Cost |
|---|---|---|
| **Option 0 - Base Case** | The base case represents a 'do minimum' scenario to keep CHW safe and operating.<br>This option includes critical maintenance requirements for the existing CHW facility only. | **$15 million** |
| **Option 1a - Strategic Business Case Preferred Option** | This option was the preferred option in the Gate 1 Strategic Business Case and includes the construction of a new PSB, future-proofed through the inclusion of an interstitial expansion zone for four acute IPUs up to the maximum building height. | **$619 million** |
| **Option 4 - Final Business Case Preferred Option** | This option is the preferred option for the Gate 2 Final Business Case. It includes maximal clinical fit-out, optimised clinical adjacencies and future proofing through two shelled floors in the PSB to the maximum building height of 13 storeys plus future helipad. It also includes around 800kW of solar panels on the MSCP delivered through additional funding of $3.8 million from the Solar Panels Program. | **$619 million** |
| **Option 5 - Fall Back Option** | This option is the same as Option 4 but with reduced future proofing, with potentially no shelled floors. Given the site constraints, this option would likely prohibit future expansion due to site constraints and significant disruption. Further IPU expansion would there be via PSB Stage 3 (i.e. master-planned expansion over the adjacent on-grade car park as outlined in the Lot 3 IDD).<br>This option remains tabled as part of the short-list, but is no longer required due to the outcome of the endorsed CSG brief (February 2022). | **$619 million** |

Note: Option 4 and 5 have a total capital costs of $622.8 million ($619 million plus $3.8 million for MSCP solar panels through separate funding source)

## Preferred option

The preferred option for the final business case for CHW Stage 2 is option 4.

This option has the following benefits.

- Best addresses SCHN's strategic vision, clinical priorities and project objectives, as demonstrated through the value management process.
- Maximises the fit-out of clinical space and extent of acute services within the PSB and CASB, enabling the priority services identified in the CSP to be brought on-line with minimal further investment (if any) in line with forecast demand. This fit-out is enabled through a range of cost savings associated with the removal of the interstitial void removal and deletion of the imaging link and helipad.
- Provides optimisation of clinical and back of house adjacencies through a restack of the PSB.
- Enables the most efficient future location of IPUs and realisation of the 'acute services zone' developed via the CASB and PSB as per the CHW Master Plan, through the future-proofing of 2 shell floors to accommodate future IPUs, providing decant capacity for Lot 3 services impacted by the PNPBC and enabling road and land use changes associated with the Westmead Health Core Master Plan.
- Provides future proofing for a helipad on top of the PSB, which requires the PSB to be at the equivalent height of the CASB to ensure safe and complaint helipad operations.
- Provides reduced energy costs through the installation of solar panels on the new MSCP funded through the NSW Health Solar Panels Program and supporting the overall ESD strategy for the CHW Stage 2 project.

This option includes the establishment of a new PSB adjacent to the new CASB, with clinical links to the new CASB and the existing CHW facility. The scope of the final business case preferred option (option 4) is presented in Table 3.

Table 3: scope of final business case preferred option (option 4)

***Enabling Works (all completed at time of Business Case submission)***

- Development of Interim Car Park (P23)
- Demolition of existing P17 MSCP
- Campus infrastructure upgrades including sewer and cold-water connections and slip lanes for fire boosters and Medical Gas

*Paediatric Services Building*

- Placemaking and community initiatives including landscaped forecourt, entry canopy, Front of House, retail amenities, forecourt and rooftop gardens
- Back of House services including loading dock, waste, linen and security
- Staff Zones for Critical Care, Perioperative, Oncology and ED
- Perioperative Suite
- Critical **Care**
  - PICU and Close Observation Unit (**COU**)
  - NICU
  - A combination of fully-fitted out, warm shelled and cold shell spaces
- Comprehensive Cancer Unit
  - Inpatient Unit
  - Day Treatment
- Surgical Short Stay
  - Fit out of all beds
- Inpatient Units
  - Burns Inpatient Unit and Day Treatment Centre
  - General Surgery Inpatient Unit
  - Cardiac Inpatient Unit
  - Cardiac Day Services – cold shell
  - Levels 6 and 13 future proofed for up to 4x IPUs
- Medical Imaging – cold shelled
  - Future proofing of level 2 to enable future relocation of medical imaging and fit-out of this space as an interim car park
- Pharmacy – Main and satellite oncology pharmacy
- Parent accommodation

***Refurbishment Scope***

- Virtual Care Centre inclusive of relocation of departments from The Lodge
- Pathology – to support increase in activity provided in PSB
- Clinical Research and Gait Lab relocation (required due to Kid's Research breakthrough)
- Biomedical Engineering (**BME**)
- Kitchen

*Multi-storey Car Park Scope*

- Demolition of the Lodge and playground relocation
- Car parking – a new MSCP to replace demolished car parks and address g**rowth** associated with the new PSB
- Solar Panels (delivered with additional funds via Solar Panels Program)

# Economic evaluation

A cost benefit analysis (CBA) for CHW Stage 2 was prepared in accordance with NSW Treasury Guidelines for Economic Appraisal and NSW Health Guidelines for the Economic Appraisal of Capital Projects.

The CBA was applied across 2 project options: option 1a (strategic business case preferred option) and option 4 (final business case preferred option). These options were compared against the base case option.

## Economic costs of the project

### Capital costs

The CHW Stage 2 Cost Plan identified the capital cost of the preferred option (option 4) as $619.0 million plus $3.8 million for solar panels for the MSCP (nominal).

### Operating costs

Operating cost projections are based on the CHW Stage 2 Financial Impact Statement, which assessed the recurrent cost implications for the Project, including staff, incremental costs, revenues and the net cost of services (NCOS). The CHW Stage 2 Financial Impact Statement estimated the incremental ongoing cost of the preferred option as $36.7 million in 2024-25 (part-year impact) increasing to $105.7 million in 2031-32.

## Benefits

CHW Stage 2 will deliver benefits to patients, staff, and the broader community. Some of these benefits are quantifiable and have been monetised for inclusion in the CBA.

### Quantifiable benefits

**Health benefits from improved inpatient services**: A key objective of CHW Stage 2 is to improve the health outcomes of patients who otherwise would not receive treatment due to capacity constraints at the existing facilities. CHW Stage 2 is expected to improve patient health by facilitating the use of contemporary models of care that will improve the provision of health services.

**Improved cancer services:** A key outcome of CHW Stage 2 is to improve the health outcomes for cancer patients through the provision of additional services.

**Avoided operating inefficiencies:** The project is expected to avoid operating inefficiencies associated with providing greater transfer of services to the PSB. Health Infrastructure and CHW have estimated the cost of IPU services remaining in existing buildings under Option 1a compared to option 4. Comparatively, 1 IPU is not accommodated in the PSB under Option 1a. This creates a long-term dislocation that results in increased distance to services requiring additional porters and clinical team staffing as well as a reduction in the ability to share staff across patients.

**Car park benefits:** The car park will provide economic benefits to users. For the purpose of the CBA, the economic benefit of the car park for users has been estimated to be equivalent to the user payment.

**Residual asset value:** New and refurbished assets have an economic life beyond the 20-year analysis period. The economic benefit is represented by the depreciated value of the new and refurbished assets at the end of the evaluation period.

### Non-quantifiable benefits

In addition to the quantifiable benefits identified for the project, there are a range of benefits that cannot be quantified. The benefits realisation plan, through consultation with SCHN stakeholders, identified the following benefits as arising from the project.

- **Increased safety, productivity and efficiency of resources, and maximised capability of stage 1 theatres and utilisation of the CASB:** By bringing services together, the benefits of stage 1 investment will be maximised by increasing the efficiencies of theatres and CASB with subsequent workforce efficiencies.
- **Improved health and well-being outcomes for children and young people** through greater capacity/access to services: Investing now to maximise the scale of the building to easily grow in the future.
- **An improved and safer environment resulting in a better experience for children, young people and their families/carers**: optimising the health, wellbeing and experiences for children and young people and their families.
- **Equity of access and improved quality of care** through service models that meet consumers' expectations and provide choice: Focus on equitable and timely access to diagnostics enabled by both the physical build and virtual tools.
- **A more research-intensive hospital** leading to improved health and well-being outcomes for children and young people.
- **An improved and safer environment resulting in a better experience for workforce that promotes closer working, interaction and belonging**: wellbeing comes from innovative workspaces for staff with balance of interaction and collaboration.

# The outcomes of the analysis

The results of the CBA, incremental to the base case, are presented in Table 4.

Table 4: CBA results, incremental to option 0 – base case, present value at 7% discount rate, 2020-2021 price in millions

| Present value ($m) | Option 1a | Option 4 |
|---|---|---|
| **Incremental costs** | | |
| Capital costs | 433.2 | 442.4 |
| Operating costs | 678.2 | 684.7 |
| Repairs, maintenance and replacement costs | 53.0 | 51.7 |
| Life-cycle capital maintenance costs | 21.2 | 21.2 |
| **Total incremental costs** | **1,185.5** | **1,200.0** |
| **Incremental benefits** | | |
| Incremental health benefits | | |
| Improved inpatient services | 1,381.5 | 1,435.1 |
| Improved cancer services | 84.5 | 84.5 |
| Car park benefits | 5.5 | 5.5 |
| Avoided operating inefficiencies | - | 4.7 |
| Residual value of assets | 84.8 | 86.8 |
| **Total incremental benefits** | **1,556.2** | **1,616.5** |
| Incremental NPV | **370.6** | **416.5** |
| **Incremental BCR** | **1.31** | **1.35** |

*Source: George Stanley (2021), CHW Stage 2 Cost Benefit Analysis (Appendix M)*

The positive economic return across all options is largely the result of the improvements in health outcomes from increased inpatient acute and cancer services. The CBA indicates that:

- option 4 would generate the highest incremental net present value (NPV) of $416.5 million and a benefit-cost ratio (BCR) of 1.35, with a capital cost of $619.0 million; and
- option 1a would generate an incremental NPV of $370.6 million and a BCR of 1.31, with a capital cost of $619.0 million.

The CBA for CHW Stage 2 supports a stand-alone investment decision.

However, CHW Stage 2 is part of a program of works across the Westmead Precinct, including Parramatta North Lot 3 and KIDSPARK. Separate economic analysis has been undertaken to support the Parramatta North Program Lot 3 and KIDSPARK Development contained in the investment decision documents produced for both projects.

The CHW Stage 2 project helps to enable these other projects and it is likely that the benefits across the program of works would be accentuated.

# Deliverability

## Procurement

The CHW Stage 2 Draft Delivery and Procurement Strategy is based on an integrated planning, design, procurement and delivery timeline, utilising benchmark and first principle delivery durations. It identifies the delivery packages for the project and provides a recommendation and supporting justification of the preferred procurement method for each package of works.

A risk assessment considered the following key risks during delivery:

- stakeholders live working requirements including sensitive receivers
- site conditions, including best practice contaminated material containment
- precinct requirements, including critical logistics movement
- works interfaces to achieve connection detailing to surrounding buildings
- market availability of a range of specialities.

The risk and mitigation process identified the benefit of 10 works packages to achieve the works with appropriate retainment and allocation of risk to the future contractors. Critical path established the preferred sequence to achieve the stakeholder's priorities, control overall cost and ensure sufficient time allocation for definition of operational requirement through consultation and responding design development and subsequent governance.

The proposed works packages/phases achieve the following benefits.

- Establishment of concurrent design and works phases, with early commencement of enabling works while the main building design is being finalised.
- Completion of precinct upgrade works, minimising disruption to hospital campus operations, logistics, including traffic flows, parking availability, facility access and way finding, particularly prior to Stage 1 go-live change in campus logistics paths.
- Establishment of principal's float between works phases to ensure prompt commencement of the main works package.
- Spread of delivery risk in developing smaller works packages, reducing principal contractor overheads for simpler works. Enabling close control of the delivery of in-ground services and civil works for the early works packages.
- Detailed definition of interface complexities and risks prior to the commencement of the main works packages.

## Timeframe

The CHW Stage 2 Delivery and Procurement Strategy includes a number of phases of works, with milestone dates that ensure clinical services can be provided aligned with CHW Stage 2 CSP 2018-2031, and the critical path to the building program is adequately de-risked.

The main phases are:

- early Works including demolition and site works, and infrastructure upgrades, completed April 2021
- early delivery of the Virtual Care Centre and Lodge decant (to enable development of the MSCP), forecast completion November 2021
- MSCP, forecast completion Q4 2023
- PSB, forecast completion Q2 2025

- refurbishment of in-scope vacated areas, forecast completion Q4 2025 (pending confirmation of PSB completion).

## Key risks and mitigation

In addition to the delivery phase risks outlined above, a summary of the key risks associated with CHW Stage 2 and the proposed mitigation strategies are presented in Table 5.

Table 5: key risks of CHW Stage 2

| Risk | Mitigation Strategy/Status |
|---|---|
| Distance of existing/ remaining services from the PSB including BME and Medical Imaging | • Cardiac – Preferred option now includes addition of Electro-physiology Studies lab shell in the Perioperative Suite and shell for Day Unit collocated with the Cardiac IPU.<br>• Medical Imaging – CASB Imaging has been commissioned, with SCHN funding addition of second MRI (via LFI). PSB will be serviced by the CASB Paediatric Imaging which provides ready access. L02 of PSB remains as future proofing for Medical Imaging, with Imaging service master plan near completion. |
| Funding of workforce required to operationalise growth in activity associated with PSB | • Comprehensive workforce plan developed and included within the Financial Impact Statement (**FIS**).<br>• Year to year budget negotiations between SCHN and MoH.<br>• Post implementation review to assess whether outcomes and benefits have been achieved. |
| ICT/Digital Strategy and Day 1 Scope. | • ICT Strategy has been further refined and costed within the *Digital Technology Blueprint and Draft Cost Plan*. This confirms ICT budget accommodates the essential and high priority items required for opening. |
| Coordination and interface with other precinct projects including Parramatta North Program, and KIDSPARK Development | • Lot 3 IDD endorsed by NSW Health and included by DPIE within Parramatta North Program Gate 1 Business Case. Funding confirmation expected in June 2021 with 21-22 NSW State budget.<br>• Memorandum of Understanding (**MOU**) signed between SCHN and CMRI and KIDSPARK Development IDD finalised seeking $230 million economic stimulus funding. A position on funding commitment is also expected in June 2021. |
| Clinician engagement and trust in the process, and impact on change management and programme | • Established of Network-level governance for the Design Development process, inclusive of Project User Group (**PUG**) leads and Executive Sponsors.<br>• Establishment of Change Management strategy, with a Change Working Group to commence in Q3 2021 and increasing project communications.<br>• Growth of SCHN project team with Stage 1 resources being added to the Stage 2 team to support change efforts. |

*Source: SCHN (2021), CHW Stage 2 Risk Management Plan, March 2021 (Appendix O)*

# The Infrastructure NSW view

Consistent with the NSW Government's Infrastructure Investor Assurance Framework, Infrastructure NSW routinely assesses business cases and provides advice to Government on the efficacy of their findings. A review, conducted by a panel of independent reviewers, was undertaken for the final business case for this project.

The final business case demonstrates the broader vision of the Westmead Precinct and the role of CHW Stage 2 in achieving the broader precinct objectives.

Infrastructure NSW found the need for investment is well articulated through evidence-based scientific studies and demonstrated alignment with government policies. The options have been well considered and the chosen option is deemed appropriate.