

Minister's Office RecFind No:	
Department RecFind No:	Progressed by PMSU
Division/District:	DCHO
File Ref No:	

Briefing Note for Approval

Director-General

Requested by: Chief Health Officer

Date requested: 3 May 2012

Action required by:

SUBJECT: Cessation of the Redlands Adolescent Extended Treatment Unit Capital Program

Proposal

That the Director-General:

Approve the cessation of the Redlands Adolescent Extended Treatment Unit (RAETU) capital program.

Provide this brief to the Minister for noting.

Urgency

1. Critical. A Cabinet Budget Review Committee (CBRC) Submission has been prepared on the *Project Agreements for capital projects approved for Queensland health under the Health and Hospitals Fund 2010 Regional Priority Round (HHF)*, and is potentially to be submitted in the week beginning 14 May 2012 – the strength of this CBRC Submission is reliant on the information in this Brief being approved and noted.

Headline Issues

2. The top three issues are:

- The RAETU capital program has encountered multiple delays to date and has an estimated budget over run of \$1,461,224. Additionally, recent sector advice proposes a re-scoping of the clinical service model and governance structure for the Unit.
- There is an anticipated capital funding shortfall of \$3.1 million for the regional mental health HHF projects, relating to Information Communications Technology (ICT), escalation and land acquisition. It is proposed to fund this shortfall through cost savings resulting from the cessation of the 15-bed RAETU which has been funded under Stage 1 of the *Queensland Plan for Mental Health 2007-17 (QPMH)*.
- The HHF projects are critical in the reform of Queensland mental health services. The HHF projects focus on building community mental health service infrastructure in regional areas to facilitate a more integrated approach to service delivery in these areas – a key priority in the government's health reform agenda. This investment will address some of the inequities that exist for remote and rural consumers including lack of coordinated, integrated services that are close to their home.

Key Values

3. The key values that apply are the following:

- Better service for patients
- Improved community health
- Valuing Queensland Health employees and empowering its frontline staff
- Empowering local communities with a greater say over their hospital and local health services
- Value for money for taxpayers
- Openness

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Key issues

4. In 2011, \$73.5 million in Commonwealth infrastructure funding was announced for eight mental health projects for 134 new mental health beds in regional areas of Queensland, under the HHF including:
 1. **\$40.4 million for 69 regional mental health CCU beds** including: 20 bed CCU at Bundaberg; 20 bed CCU at Rockhampton; 24 bed CCU at Toowoomba; and 15 bed CCU at the Sunshine Coast; and
 2. **\$33.1 million for 46 beds in regional acute/sub-acute/extended inpatient mental health services** including: 16 older persons extended treatment beds at Toowoomba; eight older persons subacute beds at Maryborough (as part of a 17 bed unit which includes nine acute beds); four bed adult acute unit at Bundaberg; and an 18 bed adult acute unit at Hervey Bay.
5. The HHF projects are complimentary to, but also essential components of, the continuum of care required in a balanced integrated care system. These will expand on the investment in Stage 1 of the QPMH and increase the capacity of the relevant Local Health and Hospital Networks to provide appropriate mental health services, including rehabilitation services, to consumers in regional and remote Queensland.
4. Information and Communication Technology (ICT) costs estimated at \$2.5 million were not included in the HHF funding, and the indicative costing for the Bundaberg project included in the HHF applications for land purchase was underestimated by approximately \$0.6 million.
5. It is proposed to fund the shortfall (estimated at \$3.1 million) of the high priority HHF projects through cost savings resulting from the cessation of the 15-bed RAETU (funded under Stage 1 of the QPMH).

Background

6. The RAETU is one of the 17 projects funded under Stage 1 of the Queensland Mental Health Capital Works Program, and is intended to replace the Barrett Adolescent Centre, which is currently located at The Park Centre for Mental health (The Park).
7. Ceasing the 15-bed RAETU capital program will necessitate a review of the existing adolescent centre at The Park, and should give consideration to the benefits and disadvantages of this model of care. Limited sector consultation supports this review.

Consultation

8. Consultation regarding this Brief has included Health Planning and Infrastructure Division, Queensland Health (QH); limited consultation within the mental health sector; and the Intergovernmental Funding and Policy Coordination Unit, Strategic Policy, Funding and Intergovernmental Relations Branch, QH.
9. Further consultation will be conducted upon approval to proceed.

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Financial implications

10. The potential cost saving of not proceeding with the RAETU project is \$15,150,524 in capital, and \$1,824,979 in recurrent operating costs (from 2014-15). These savings can be re-allocated to fund the shortfall associated with the HHF projects.

Legal implications

11. There are no legal implications.

Attachments

12. Nil.

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Recommendation

That the Director-General:

Approve the cessation of the Redlands Adolescent Extended Treatment Unit (RAETU) capital program.

Provide this brief to the Minister for noting.

APPROVED/NOT APPROVED **NOTED**



DR TONY O'CONNELL
Director-General

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To Minister's Office for Approval

Director-General's comments

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Division of the Chief Health Officer

4 May 2012

4 May 2012

12 May 2012