

**CABINET - SUBJECTS FOR CONSIDERATION, 25 JUNE 2007 11:00 AM**

1 **New Initiatives/Policy Matters**

Not relevant



104      HEACS/07/199      Minister for Mental Health and Substance Abuse's  
Item (Gail Gago)  
**WITHDRAWN DELAYED UNTIL MONDAY,  
9/7/2007**

Not relevant



CABINET COVER SHEET

10/01/11  
10/4

1. **TITLE:** GLENSIDE HOSPITAL CAMPUS MASTER PLAN PROPOSAL FOR MENTAL HEALTH SERVICES

2. **MINISTER:** Hon Gail Gago MLC  
Minister for Mental Health and Substance Abuse

3. **PURPOSE:** To seek Cabinet approval:

For the Glenside Hospital Campus Master Plan (the 'Master Plan') as the basis for redeveloping the Glenside Hospital Campus as a centre for specialist mental health services. The Master Plan proposes that parts of the current site will be sold to incorporate a housing development, a commercial development, and a retail centre. The Government will retain land for the development of a new hospital, supported accommodation and a stormwater retention basin (wetlands). The redevelopment of Government facilities on the site will be funded through the disposal of a portion of the land, as well as from existing approved capital investment.

4. **IDENTIFY THE RELEVANT GOVERNMENT POLICY AND/OR SA's STRATEGIC PLAN TARGET:**

A Government 2006 Election commitment was that the Glenside Hospital Campus would have a continued and significant role in mental health service provision in South Australia.

The Social Inclusion Board's Report recommended redeveloping the Glenside Hospital Campus as a centre for specialist mental health services.

This submission contributes to the following objects and targets in South Australia's Strategic Plan:

- Growing Prosperity: T1.5, T1.9, T1.11
- Improving Wellbeing: T2.7
- Attaining Sustainability: T3.7, T3.9
- Fostering Creativity: T4.1, T4.10
- Building Communities: T5.9
- Expanding Opportunity: T6.1, T6.7, T6.10

5. **ICT COMPONENT:** Does the submission have a material ICT Component?   
No

**6. RESOURCES  
REQUIRED FOR  
IMPLEMENTATION:**

The financial and budgetary impacts associated with the preferred Option 3 are contained in the following table:

	06-07 \$m	07-08 \$m	08-09 \$m	09-10 \$m	10-11 \$m	Total \$m	outyear s
Net Operating Balance		-9.92	-2.49	-3.58	-0.64	-16.63	-0.05
Net Investing Transactions	1.05	3.37	48.40	-35.02	-10.20	7.6	-1.84
Net Lending Impact	1.05	-6.55	45.91	-38.60	-10.84	-9.02	-1.89
Non impacting operating statement impacts		-11.02	38.04		0.50	27.52	nil

**7. COMMUNITY AND ENVIRONMENTAL IMPACT:**

The Glenside Hospital Campus Master Plan proposal has been developed in accordance with the Social Inclusion Board's recommended principles for the development of the Campus.

A Ministerial Plan Amendment Report (PAR) will be required to achieve the proposed land uses under the Master Plan proposal.

The Master Plan proposes that approximately 48.5% of the site will be retained as open space including an expansion of the stormwater retention basin and a 'wetlands development'. The identification and survey of significant trees located throughout the site has been completed. The successful developer will be required to work in partnership with the Department for Environment and Heritage in planning the developments proposed for the site.

The development of the Campus with Rural and Remote services will have a positive impact on South Australian rural clients and families.

The development of Affordable Housing on the Campus will meet the Affordable Housing objectives, namely to achieve an affordable housing target of 15% for all new significant developments, including 5 % high needs housing.

Does the submission have an impact on business?  Yes

The project provides a significant State development opportunity with construction, industry development, retail and commercial business development.

**8. RISKS:**

The following issues have been identified as potential risks associated with this proposal:

- Project marketability and costs
- Inherent risks involved with the provision of client services
- Capital works programming
- Site due diligence.

**9. CONSULTATION:**

Consultation has occurred with the following Departments and organisations:

Inter-agency consultation has occurred with the following:

- Commissioner for Social Inclusion
- Department of the Premier and Cabinet (Arts SA, Social Inclusion Unit)
- Department for Families and Communities
- Department of Trade and Economic Development
- Department of Treasury and Finance
- Department of Transport, Energy and Infrastructure
- Planning SA
- Office for Infrastructure Development
- Department of Health.

External consultation.

In preparing its report, the Social Inclusion Board undertook extensive consultations with a wide variety of interest groups including consumers, carers, advocacy groups, professional associations, industrial organisations, non-government organisations and government departments. These consultations have informed the Glenside Hospital Master Plan proposal.

Consultation undertaken by the Social Inclusion Board for the preparation of its Report has informed the Glenside Hospital Campus Master Plan proposal.

Development of the Glenside Campus will require ongoing consultation with relevant agencies.

**10. COMMUNICATION STRATEGY:**

A communication plan is currently being developed that informs staff, community, and relevant stakeholders of the Glenside Hospital Campus Master Plan proposal.

A public consultation program is required for the Ministerial PAR. This will form part of the communication strategy.

**11. URGENCY:**

Urgent

**12. RECOMMENDATIONS:** It is recommended that Cabinet:

- 4.1 Approve the Glenside Hospital Campus Master Plan (the 'Master Plan') as the basis for redeveloping the Glenside Campus as a centre for specialist mental health services. The Master Plan proposes that parts of the current site will be sold to incorporate a housing development, a commercial development, and a retail centre. The Government will retain land for the development of a new hospital, supported accommodation and a stormwater retention basin (wetlands). The redevelopment of Government facilities on the site will be funded through the disposal of a portion of the land, as well as from existing approved capital investment.
- 4.2 Approve the development of the Glenside Hospital Campus in line with the Master Plan through a Private Investment Funded Model and expenditure authority changes associated with the projected financial and budgetary impacts as outlined below:

	06-07 \$m	07-08 \$m	08-09 \$m	09-10 \$m	10-11 \$m	Total \$m	outyears
<b>Net Operating Balance</b>		-9.92	-2.49	-3.58	-0.64	-16.63	-0.05
<b>Net Investing Transactions</b>	1.05	3.37	48.40	-35.02	-10.20	7.6	-1.84
<b>Net Lending Impact</b>	1.05	-6.55	45.91	-38.60	-10.84	-9.02	-1.89
<b>Non impacting operating statement impacts</b>		-11.02	38.04		0.50	27.52	nil

- 4.3 Approve that the Department of Health proceed with the implementation of the Master Plan proposal including release of a public tender. Approval will be sought from Cabinet for the preferred tender submission at a later date.
- 4.4 Approve a Targeted Voluntary Separation Package scheme for the Glenside Hospital workforce. The already underway reconfiguration of mental health services and the consolidation of hospital beds into one building (as proposed in this submission) require fewer non-clinical staff than the current disparate Glenside Campus. This scheme will be offered to surplus ancillary staff and budget impacts are incorporated in the Table in Recommendation 4.2 above.
- 4.5 Approve that the Master Plan proposal for the Glenside Hospital Campus be exempt from the requirements of the Department of the Premier and Cabinet Circular 'PC: 114 - Government Real Property Management'.
- 4.6 Approve that the Department of Health take lead responsibility for overall management of the Glenside Hospital Campus development and work in partnership with relevant agencies in relation to the following sub-projects including:
- 4.6.1 Retail Development in Precinct 4 (Frewville Shopping Centre & Road Realignment) - Department of Transport, Energy and Infrastructure.

- 4.6.2 Affordable Housing within Precinct 5 - Department of Families and Communities.
- 4.7 Approve that the Department of Health negotiate and proceed with the sale of portion of that land described in the Master Plan as Precinct 4 - Retail Development, to the Ekaton Corporation Pty Ltd, subject to:
- 4.7.1 the resolution of existing site constraints (including zoning);
  - 4.7.2 sale price based on the higher of two independent property valuations based on the rezoned land valuation;
  - 4.7.3 satisfactory legal documentation; and
  - 4.7.4 the transfer of land owned by Ekaton Corporation Pty Ltd, the subject of Road Re-alignment, to the Minister for Transport, Energy and Infrastructure.
- 4.8 Note that approval for the commencement of a Ministerial Plan Amendment Report will be sought from the Minister for Urban Development and Planning for the Master Plan and, subject to approval of this proposal, note that approval to amend Schedule 10 of the Development Regulations under the Development Act will be sought by the Minister for Urban Development and Planning to make the Development Assessment Commission the relevant authority for applications within the area covered by the Glenside Master Plan.
- 4.9 Note that professional advice from property consultants Quantity Surveyors - Rider Hunt and Property Valuers - Southwick Goodyear, has been obtained for the spatial requirements and costing of the Master Plan. These spatial requirements for the new hospital component of the Master Plan have been independently reviewed by external hospital planners 'Aurora Pty Ltd'. Aurora representatives advise that, in their opinion, the spatial requirements as costed by the Quantity Surveyors exceeds the actual spatial requirements needed for the hospital. It is considered appropriate to maintain the costings for the higher of the two spatial estimates to allow for final review by clinicians following announcement of the Master Plan. After tenders (contracts) are finalised there is a potential that the eventual cost to Government may be reduced.
- 4.10 Note that Housing SA intends to transfer adjacent land to the project, and that in return 10% of house and land packages in Precinct 5 will be transferred to Housing SA for sale as affordable housing, once the redevelopment process is complete. These transfers will occur for no consideration and the financial impacts associated with the transfer are contained in the table included in 4.2 above.

- 4.11 Note that in the event that the Master Plan proposal is not supported, additional recurrent costs of approximately \$3.42 million per annum (indexed) commencing 2007-08 will be incurred by the Department of Health as a result of staffing inefficiencies associated with the current configuration of the Glenside Hospital.
- 4.12 Note that projected operational savings achieved will be redirected towards the provision of mental health services in other locations, in line with the mental health bed plan contained in the Cabinet submission regarding the Government's response to the Social Inclusion Board's report into Mental Health Reform.
- 4.13 Note that the Master Plan proposal incorporates the provision of a 'Cultural and Arts' hub as part of the Glenside Hospital Campus development, which will be the subject of further investigation with Arts SA and DTED which will need to be presented as a separate Cabinet Submission.
- 4.14 Note that costs associated with the proposed wetlands/stormwater retention basin do not form part of the budget impacts outlined in 4.2 above and that it is envisaged that funding will be sought from the Burnside Council and the Stormwater Management Authority. If funding is not provided, the land will form part of the natural open space of the Glenside Campus.

**I declare that I have no actual or potential conflict of interest in relation to the proposals contained in this submission.**

  
**HON GAIL GAGO MLC**  
**MINISTER FOR MENTAL HEALTH AND SUBSTANCE ABUSE**

Date: 15/6/07

TO: THE PREMIER FOR CABINET

RE: GLENSIDE HOSPITAL CAMPUS MASTER PLAN PROPOSAL FOR MENTAL HEALTH SERVICES

## 1. PROPOSAL

It is proposed that Cabinet:

- 1.1 Approve the Glenside Hospital Campus Master Plan (the 'Master Plan') as the basis for redeveloping the Glenside Campus as a centre for specialist mental health services. The Master Plan proposes that parts of the current site will be sold to incorporate a housing development, a commercial development, and a retail centre. The Government will retain land for the development of a new hospital, supported accommodation and a stormwater retention basin (wetlands). The redevelopment of Government facilities on the site will be funded through the disposal of a portion of the land, as well as from existing approved capital investment.
- 1.2 Approve the development of the Glenside Hospital Campus in line with the Master Plan through a Private Investment Funded Model and expenditure authority changes associated with the projected financial and budgetary impacts as outlined below:

	06-07 \$m	07-08 \$m	08-09 \$m	09-10 \$m	10-11 \$m	Total \$m	outyears
Net Operating Balance		-9.92	-2.49	-3.58	-0.64	-16.63	-0.05
Net Investing Transactions	1.05	3.37	48.40	-35.02	-10.20	7.6	-1.84
Net Lending Impact	1.05	-6.55	45.91	-38.60	-10.84	-9.02	-1.89
Non impacting operating statement impacts		-11.02	38.04		0.50	27.52	nil

- 1.3 Approve that the Department of Health proceed with the implementation of the Master Plan proposal including release of a public tender. Approval will be sought from Cabinet for the preferred tender submission at a later date.
- 1.4 Approve a Targeted Voluntary Separation Package (TVSP) scheme for the Glenside Hospital workforce. The already underway reconfiguration of mental health services and the consolidation of hospital beds into one building (as proposed in this submission) require fewer non-clinical staff than the current disparate Glenside Campus. This scheme will be offered to surplus ancillary staff and budget impacts are incorporated in the Table in Recommendation 1.2 above.

- 1.5 Approve that the Master Plan proposal for the Glenside Hospital Campus be exempt from the requirements of the Department of the Premier and Cabinet Circular 'PC: 114 - Government Real Property Management'.
- 1.6 Approve that the Department of Health take lead responsibility for overall management of the Glenside Hospital Campus development and work in partnership with relevant agencies in relation to the following sub-projects including:
  - 1.6.1 Retail Development in Precinct 4 (Frewville Shopping Centre & Road Realignment) - Department of Transport, Energy and Infrastructure.
  - 1.6.2 Affordable Housing within Precinct 5 - Department of Families and Communities.
- 1.7 Approve that the Department of Health negotiate and proceed with the sale of portion of that land described in the Master Plan as Precinct 4 - Retail Development, to the Ekaton Corporation Pty Ltd, subject to:
  - 1.7.1 the resolution of existing site constraints (including zoning);
  - 1.7.2 sale price based on the higher of two independent property valuations based on the rezoned land valuation;
  - 1.7.3 satisfactory legal documentation; and
  - 1.7.4 the transfer of land owned by Ekaton Corporation Pty Ltd, the subject of Road Re-alignment, to the Minister for Transport, Energy and Infrastructure.
- 1.8 Note that approval for the commencement of a Ministerial Plan Amendment Report will be sought from the Minister for Urban Development and Planning for the Master Plan and, subject to approval of this proposal, note that approval to amend Schedule 10 of the Development Regulations under the Development Act will be sought by the Minister for Urban Development and Planning to make the Development Assessment Commission the relevant authority for applications within the area covered by the Glenside Master Plan.
- 1.9 Note that professional advice from property consultants Quantity Surveyors - Rider Hunt and Property Valuers - Southwick Goodyear, has been obtained for the spatial requirements and costing of the Master Plan. These spatial requirements for the new hospital component of the Master Plan have been independently reviewed by external hospital planners 'Aurora Pty Ltd'. Aurora representatives advise that, in their opinion, the spatial requirements as costed by the Quantity Surveyors exceeds the actual spatial requirements needed for the hospital. It is considered appropriate to maintain the costings for the higher of the two spatial estimates to allow for final review by clinicians following announcement of the Master Plan. After tenders

(contracts) are finalised there is a potential that the eventual cost to Government may be reduced.

- 1.10 Note that Housing SA intends to transfer adjacent land to the project, and that in return 10% of house and land packages in Precinct 5 will be transferred to Housing SA for sale as affordable housing, once the redevelopment process is complete. These transfers will occur for no consideration and the financial impacts associated with the transfer are contained in the table included in 1.2 above.
- 1.11 Note that in the event that the Master Plan proposal is not supported, additional recurrent costs of approximately \$3.42 million per annum (indexed) commencing 2007-08 will be incurred by the Department of Health as a result of staffing inefficiencies associated with the current configuration of the Glenside Hospital.
- 1.12 Note that projected operational savings achieved will be redirected towards the provision of mental health services in other locations, in line with the mental health bed plan contained in the Cabinet submission regarding the Government's response to the Social Inclusion Board's report into Mental Health Reform.
- 1.13 Note that the Master Plan proposal incorporates the provision of a 'Cultural and Arts' hub as part of the Glenside Hospital Campus development, which will be the subject of further investigation with Arts SA and DTED which will need to be presented as a separate Cabinet Submission.
- 1.14 Note that costs associated with the proposed wetlands/stormwater retention basin do not form part of the budget impacts outlined in 1.2 above and that it is envisaged that funding will be sought from the Burnside Council and the Stormwater Management Authority. If funding is not provided, the land will form part of the natural open space of the Glenside Campus.

## **2. BACKGROUND**

- 2.1 At the 2006 state election, the Government made a commitment that the Glenside Hospital Campus would have a continued and significant role in mental health service provision in South Australia. This election commitment was based on a vision that would transform Glenside into a hub for mental health services and broader, related health care services into the future.
- 2.2 This election commitment announced a new future for the Glenside Hospital Campus as a hub for the best practice care of vulnerable people that would complement community mental health services and those mental health services provided in mainstream acute hospitals. This would see the Glenside Hospital Campus used in tandem with the new specialist psychiatric facilities being built at major hospital sites. These new facilities include the Flinders Medical Centre's new 40 bed

Margaret Tobin Centre, the new 30-bed aged acute mental health unit at the Repatriation General Hospital, and the new 50-bed mental health unit underway as part of the Lyell McEwen Health Service Stage B redevelopment.

2.3 The Social Inclusion Board's Report into mental health services also concluded that South Australia has an imbalanced mental health system. The Board found that limited options in community based care - not level of demand - resulted in people with sub-acute mental health needs being cared for in more expensive hospital beds. This challenge not only impacts on hospital emergency departments, but also in the community mental health sector and has resulted in a 'top-heavy' acute based mental health system. The Board's report found that South Australia:

- Has acute mental health beds at levels above the national average at 23 per 100,000 population compared with the national average of 19.9 and the Victorian level of 19.5.
- Spends at above national average levels on clinical community mental health services.
- Spends well below national average levels on community non-clinical care for people with mental illness (usually provided through Non-Government Organisations).
- Has an undersupply of supported accommodation places for people with mental illness.

2.4 The development of a Master Plan responds to:

- The recommendations of the Social Inclusion Board on Mental Health and in particular the requirement to redevelop the Glenside Hospital Campus.
- The key issues being faced by the mental health system (and the Health Portfolio) in the provision of alternative models of mental health care and the need to redevelop the site to reduce current inefficient operating costs.
- The opportunity to provide for the delivery of whole of Government policy (South Australia's Strategic Plan targets).

### 3. DISCUSSION

#### The Master Plan

3.1 The Master Plan was developed in response to the Social Inclusion Board's Report on Mental Health, with reference to South Australia's Strategic Plan objectives and targets.

- 3.2 The Master Plan addresses future development opportunities for the total campus. The Glenside Hospital Campus offers a significant opportunity to support the vision and policy directions for future mental health services in South Australia.
- 3.3 The Glenside Hospital Campus is set on 29.6 hectares of land with 64 separate buildings in various states of condition. A number of buildings are closed and in very poor condition and do not provide a clinical environment in which efficient service delivery can be achieved.
- 3.4 The Master Plan entails a redevelopment of the site, realignment of services and divestment of assets to:
  - enhance the campus as a place that maximises health and well being for the patients, staff and the community;
  - supports State Government policy on urban consolidation, affordable housing, promotion of environmental initiatives; and
  - provides a funding mechanism for the development of the campus.
- 3.5 As part of the Master Plan, a Structure Plan (Attachment 2) has been developed that establishes 5 key precincts for development of the site. This sets out the planned development of the current site.
- 3.6 The types of developments outlined in the Structure Plan's five precincts are consistent with the Social Inclusion Board's Report recommendations that focus on broader community integration and the de-stigmatisation of the Glenside Hospital Campus as a continuing psychiatric facility. In preparing its report, the Social Inclusion Board undertook extensive consultations with a wide variety of interest groups including consumers, carers, advocacy groups, professional associations, industrial organisations, non-government organisations and government departments.
- 3.7 The Structure Plan has been designed to enhance the movement and integration of persons through the site, the integration of mental health clients and the local community and maximisation of open space.
- 3.8 The Master Plan proposes that both public and private development opportunities can be realised through the release of land identified as surplus to Mental Health requirements. The Structure Plan sets out the proposed precinct developments, with Precincts 1 and 2 to be retained in government ownership, Precincts 3 and 4 for private development, and Precinct 5 for a combination of government (supported accommodation) and private (residential housing) ownership.

Table 1. Glenside Campus Planned – Precincts

<p><b>Precinct 1: Health Facilities and Wetlands (Land retained by Government)</b> Includes a 'new' hospital, an Intermediate care facility, a 20 Supported Accommodation units &amp; an 'open space' – wetlands development.</p>
<p><b>Precinct 2: Arts / Cultural Hub (Land retained by Government)</b> For Art &amp; Culture initiatives.</p>
<p><b>Precinct 3: Commercial Office Accommodation (Land for private development with lease back to Government)</b> Site for DASSA Outpatient Clinic and other commercial development.</p>
<p><b>Precinct 4: Allied Health and Retail (Land for private development)</b> Shop front services including the Frewville Shopping Centre.</p>
<p><b>Precinct 5: Residential ((Land for private development /Some supported accommodation owned by Government)</b> Mixed Housing with an affordable housing component and 20 Supported Accommodation units.</p>

## Development Component

### Precinct 1: Health Facilities & Wetland (Land retained by Government)

- 3.9 Precinct 1 will be retained as a significant land holding (approximately 10 hectares) by the Department of Health. It is proposed to purpose-build a 129-bed mental health hospital in this precinct. These mental health beds will be a combination of Rural and Remote mental health beds, secure rehabilitation beds, perinatal beds, drug and alcohol inpatient beds, acute and intensive mental health beds. The new hospital will also accommodate mental health administration.
- 3.10 In recognition of the link between mental illness and substance abuse, it is proposed that Drug and Alcohol Services South Australia (DASSA) be consolidated onto the Glenside Hospital Campus, which will enable better integration of these services. This will comprise a DASSA outpatient clinic, which will be incorporated into the new mental health hospital.
- 3.11 It should be noted that capital expenditure has previously been approved for the development of the DASSA outpatient clinic, but the funds allocated are only sufficient for the outpatient services, and are subject to adoption of the development of the new hospital. It is proposed that DASSA administration be located in Precinct 3.
- 3.12 As part of the Government's response to the Social Inclusion Board's Report on Mental Health, funding was allocated to build 90 new intermediate care beds across the State. It is proposed that a 16-bed intermediate care facility be developed on Precinct 1 of the Glenside Hospital Campus site.

- 3.13 It is further proposed that a portion of Precinct 1 will be an expansion of the current stormwater retention basin. This entails that the retention basin be developed as wetlands' area as an environmental initiative. Retaining substantial open space around the proposed new hospital is an important component of this precinct. This land forms a key aspect to the rehabilitation and health services provided at the Campus and will contribute to the open space requirements for the hospital and its clients and visitors. It also forms a critical component of the overall development of the Campus, enabling the 'environmental initiatives' proposed for the site to be achieved. (As there are a substantial number of significant trees on the site that will be removed as part of the redevelopment it is proposed to develop a wetlands and re-planting area to off-set the loss of these trees on the campus.)

**Precinct 2: Arts/ Cultural Hub (Land retained by Government)**

- 3.14 It is proposed to develop a 'Cultural and Arts' hub utilising the heritage listed administration buildings in the heart of the Glenside Hospital Campus. This will help to create an environment that supports an integrated community for the Glenside Campus that promotes health and well-being, culture and arts, environmental and community services in line with the recommendations of the Social Inclusion Board's Report on mental health.
- 3.15 This proposal, which will largely occupy the heritage buildings that are recognised by the public as "Glenside Hospital", would significantly assist in de-stigmatising the site. If these buildings were not retained in Government ownership there is a risk that this would be perceived as "selling Glenside".
- 3.16 This proposal is also consistent with the vision of Roseanne Heggarty (Thinker in Residence) for the Glenside site that saw the heritage buildings converted into "studios for artists, editing facility for filmmakers and a vocational training centre in film for High School students".
- 3.17 Precinct 2 is currently being investigated as the location of the South Australian Film Corporation. This will need to be the subject of a separate Cabinet submission.

**Precinct 3: Commercial Precinct (Land for private development with lease back to Government)**

- 3.18 It is proposed that commercial office accommodation will be built on this precinct, which can then be leased to Drug and Alcohol Services for administration offices.

- 3.19 Drug and Alcohol Services SA (DASSA) is proposed to be relocated and consolidated on the site, and will comprise inpatient beds (in the hospital), an outpatient clinic and DASSA administration. A Business Case has been completed for the relocation of the Administration and outpatient clinic (the clinic has previously been approved and funds allocated for its development at Glenside). The benefits in relocating the DASSA Administration from private rental accommodation are both financial and client service related. The financial benefit can be realised from including a secure government lease option in the sale program proposed for the Glenside Hospital Campus that will increase the sale value of the commercial land to be offered. From a services perspective the co-location of the DASSA outpatient clinic with the DASSA Administration will provide support to the clinicians and staff resourcing the clinic.

**Precinct 4: Allied Health and Retail Complex (Land for private development)**

- 3.20 It is proposed to redevelop and expand the adjoining Frewville Shopping Centre with potential allied health tenancies. The retail development is a proposed 'village style' centre that will provide a focus point for the broader community, supporting the integration of the community in this locality, and the destigmatisation of the site. This development is discussed further from 3.45 below.

**Precinct 5: Mixed Residential (Land for private development)/Some supported accommodation owned by Government)**

- 3.21 A mixed residential development including affordable housing and supported accommodation is proposed for Precinct 5.
- 3.22 Affordable housing has been included in the development of the Glenside Hospital Campus to comply with Government policy that all new significant development shall include at least 15% affordable housing including 5% for high needs (Housing Plan of SA, March 2005). This target has also been set in the SA Infrastructure Plan (April 2005) and the updated Planning Strategy (August 2006).
- 3.23 In relation to Government land, the target is also referred to in item 57 of Department of Premier and Cabinet Circular 'PC: 114 - Government Real Property Management' - Clause 57 which states:

*'In addition to the requirements listed for setting the value for surplus property, where the highest and best use of the property being valued is residential, the valuation shall take into account the need for any new development to conform with the Housing Plan for South Australia, in particular any applicable quota for affordable housing included in that plan.'*

- 3.24 The Glenside Campus site will be seen by the development industry and local government as a demonstration of the application of the Government's policy to achieve an affordable housing target of 15% for all new significant developments, including 5% high needs housing. It is proposed that the Government's commitment is met as follows:
- The 5% high need is met by virtue of the level of housing and services for people with high needs (mental health) on the site.
  - The remaining 10% will be met by making available 10% of the final yield available as affordable home ownership for low and moderate-income households. In practical terms this will mean transferring house and land packages to the South Australian Affordable Housing Trust at the \$203,000 affordable housing price point. The modelling in this submission is based on the transfer of 12 out of 120 houses, this may vary based on 10% of the final number of house blocks. Where the houses are proposed for affordable home ownership, a Statutory Covenant (as proposed in the Statutes Amendment (Affordable Housing) Bill) will be applied to avoid the perverse outcome of windfall gains to purchasers. In order to support a whole of Government approach to this site, and to support the achievement of the 15% affordable housing target on this site, the SA Affordable Housing Trust will transfer a site which they own on Greenhill Road (estimated value \$1.2 million) for no consideration to the project.
- 3.25 This is in line with Rosanne Haggerty's (Thinker in Residence) final report that sees Glenside's potential for "partial redevelopment as mixed income, mixed use supportive housing".
- 3.26 In response to the Social Inclusion Board's Report released earlier this year, the Government committed funding of \$20.46 million to increase supported accommodation places across the state. It is proposed to build 40 supported accommodation units in Precinct 5 of the Glenside Hospital Campus.
- 3.27 Other potential Government initiatives have been incorporated into the Master Plan proposal including:
- traffic management solutions for Glen Osmond Road, including road realignment;
  - 'workforce' development programs to strength the South Australia's training programs for apprentices as a result of the total proposed construction, the opportunity to mandate a 'training program' for apprentices will be explored.

## Business Case

- 3.28 A Business Case has been completed for the development of the Glenside Hospital Campus.
- 3.29 The Business Case assesses the capital and operational budget requirements and expected revenues from sales to derive a net budget position for the proposed development. The expected revenue yields from the sale of surplus Glenside Hospital Campus land has been derived based on the proposed future developments to be realised in the 'Precincts Plan':
- 3.30 A development strategy including financial modelling for a proposed redevelopment of the Glenside Hospital Campus is premised on maximising the return to Government for the delivery of key objectives. Accordingly the best value approach to delivering these objectives has been the focus of the Business Case assessment.
- 3.31 Financial models have been prepared with three Options for comparison purposes:
- Option 1: Do Nothing / Sustain current policy directions.
  - Option 2: Public Sector Approach to the development.
  - Option 3: Private Investment Funding.
- 3.32 The Business Case reviewed different financial and procurement approaches in determining a recommended approach for development. The Business Case has been reviewed by Treasury and Finance.
- 3.33 The financial modelling has included the total approved budget funding and estimated sale receipts of the land proposed for sale in the development of the Glenside Hospital Campus. Capital budget funding of \$56.99 million has previously been approved as follows:
- the Capital forward estimates of \$40.468 million; and
  - the Social Inclusion Board budgeted initiatives for Glenside of \$16.52 million.
- 3.34 The Business Case concluded that:
- the development of the Glenside Hospital Campus in accordance with the principles for development can be best achieved through a Private Investment Funding approach; and
  - private investment funding would provide a favourable capital budget impact of approximately \$4.6 million.

- 3.35 Under a Private Investment Funding approach, the Department of Health would release a tender for the development of the Glenside Hospital Campus in accordance with a set of agreed deliverables, including construction of the new hospital, Intermediate Care facility and Supported Accommodation, the Tenderer would in return 'purchase' the commercial and residential precincts. Subject to actual cost the State can partially fund the development of the hospital with the approved budget funding of \$56.99 million.
- 3.36 The Department of Health has obtained professional advice from property consultants Quantity Surveyors - Rider Hunt and Property Valuers - Southwick Goodyear, the budget position is a forecasted net surplus capital of \$4.56 million.
- 3.37 To ensure the reasonableness of these initial costings, the 'spatial' requirements for the new hospital have been independently reviewed by external hospital planners 'Aurora Pty Ltd'. Aurora representatives advise that, in their opinion, the current spatial plan as costed by the Quantity Surveyors exceeds the actual spatial requirements required for the new hospital. The review was based on a service plan 'Model of Care' that has been drafted for the new hospital. The Department of Health will further liaise with key stakeholders including clinicians regarding the findings of the spatial requirements review after the Master Plan is announced, however it does not expect the spatial requirements to exceed that of the original business case. This Cabinet Submission seeks approval for the capital cost of the of the original business case which, based on the independent review would represent the upper limit of capital cost requirements.

### **Optimal Approach to the Master Plan**

#### Tender Process for Precincts 1, 3 & 5

- 3.38 The objective for development of the Glenside Hospital Campus is to adopt a "market process" that provides the capacity for Government to transparently determine:
1. The most cost effective construction proposal for core facilities to be retained by Government,
  2. The optimal land sale offer that incorporates all infrastructure development, total project management and achievement of the Master Plan.
- 3.39 Professional property consultants Realty Solutions advise that there are three (3) options available for Government in 'offering' the redevelopment of the Glenside Hospital Campus to the market:

Alternative 1 Single Party Facilitation – Seeking a single proposal from an organisation/consortium that is able to deliver the total integrated project,

Alternative 2 Precinct by Precinct Strategy – Seek separate proposals for the construction or purchase of individual "Precincts",

Alternative 3 Elemental Strategy – Seek separate proposals for construction projects and sale of land for development.

3.40 To enable Government to concurrently assess if the net benefits from selecting separate bids for the Master Plan components outweigh the benefits from a single entity solution, it is recommended that competitive bids are sought for the delivery of the total project with two discrete elements, namely:

- The construction of all facilities to remain in the ownership of Government; and
- The purchase of commercial and residential precincts (including all infrastructure delivery).

3.41 This proposed tender method described has been discussed with representatives of the Land Management Corporation who support this approach.

Potential Screen Hub Development in Precinct 2

3.42 The proposed redevelopment of the Glenside Hospital Campus provides a timely opportunity to resolve the issue of a permanent location for the South Australian Film Corporation, and to support South Australia's film industry in consolidating traditional and digital elements of an increasingly convergent industry within one precinct.

3.43 The South Australian Film Corporation (SAFC) is required to relocate from the existing leased facilities at Hendon. The facilities are old and are compromised in terms of OHS&W and environmental issues, which severely curtail the Corporation's ability to exploit business opportunities. The SAFC lease ends in June 2008 however a one-year lease extension is being sought to enable a smooth transition to new facilities.

3.44 A proposal for the development of a 'Cultural and Arts' hub as part of the Glenside Hospital Campus development will be the subject of further investigation with Department of the Premier and Cabinet (Arts SA) and a separate Cabinet submission will be needed for this option.

Off-Market sale of land for retail development in Precinct 4

3.45 Precinct 4 provides for the development of a retail/shopping complex. The precinct adjoins the existing Frewville Shopping Centre (Ekaton Corporation Pty Ltd) which is planned for redevelopment.

- 3.46 Since 2002, Ekaton Corporation Pty.Ltd (the Chapley Group) has been endeavouring to secure additional land from the adjoining Glenside Hospital site (Precinct 4) to facilitate building a new and larger shopping centre at Frewville on Glen Osmond Road. These negotiations were complicated by the future widening of Glen Osmond Road that requires a 1500 sq metre strip of land from the Frewville Shopping Centre and the preservation of a heritage listed wall.
- 3.47 In August 2006, advanced negotiations with the Chapley Group were put on hold to allow the Department of Health to complete the Glenside Master Plan proposal. These negotiations have considered the sale of 7,800 sq metres of land from the Glenside Hospital site and the Government purchasing approximately 1,500 sq metres of land fronting Frewville Shopping Centre for road widening purposes.
- 3.48 In light of the Chapley Group's interests, there are two principal options to deliver the best planning and commercial outcomes for Precinct 4 – Retail:
- to facilitate a total redevelopment of the existing Frewville Shopping Centre and sell to the Chapley Group the land identified as retail; or
  - to include the Retail precinct in the total portion of the site to be tendered to the open market.
- 3.49 Preliminary discussions with representatives of the Chapley Group on the redevelopment of Frewville Shopping Centre and Government's desire to facilitate an integrated retail campus development which complies with the development principles for the Glenside Hospital Campus have been positive. To progress this approach will require further negotiation to work through the issues to the point of an agreed plan, followed by an agreed mechanism to establish commercial terms, including contract price and agreed liabilities and responsibilities.
- 3.50 It is proposed that an 'off-market' transaction be negotiated with the Chapley Group to enhance the economic objectives that are presented as part of a total redevelopment of the shopping centre. Procurement guidelines will be adhered to in regard to the ethical treatment of the transaction, however it is proposed that determination of actual sale price is via the highest value as determined by two independent valuations for the land using the 'willing buyer willing seller' principle.
- 3.51 An initial valuation commissioned by the Department of Health determined on a 'land swap basis' (allowing for the land required for road widening purposes) and based on the assumption that all existing site constraints (i.e. road access, relocation of easements and provision of services have been resolved and the zoning is supportive of the proposed development) provides an indicative net value of \$9.75 million (which incorporates the acquisition of land for the realignment of Glen Osmond Road) for the Government.

- 3.52 After considering all the relevant planning and commercial issues, there are a number of reasons why the Government should deal exclusively with the Chapley Group including:
- Seamless integration of the land in Precinct 4 with Frewville Shopping Centre, achieving integrated urban design outcomes, integrating traffic access, car parking areas and making better use of pedestrian and public access spaces such as the proposed 'village square'.
  - Provision of a retail precinct that enhances the overall development of the Glenside Hospital Campus (clients, families, and the wider community).
  - Facilitating the future road widening requirements impacting on the Frewville Shopping Centre to be managed through a land exchange rather than the potentially more complex and expensive compulsory acquisition process.
  - Ensuring Government will achieve commercial return for the land based on the highest price that a willing and informed purchaser could reasonably be expected to pay for the land.
- 3.53 It is proposed that subject to the resolution of existing site constraints, appropriate rezoning of the land, the price based on two independent valuations and subject to satisfactory documentation, that the negotiated sale of the portion of the Glenside Hospital Campus for the development of a retail shopping village as an off-market transaction be supported.

### **Economic Benefits**

- 3.54 The process for procurement of the new facilities and divestment of the surplus land has been discussed with the Land Management Corporation. A proposal to package the total project for development and sale is supported by LMC, as the magnitude of this type of development in South Australia would be keenly pursued by the major development companies in Australia.
- 3.55 It is proposed that by offering the Glenside Hospital Campus redevelopment as a whole development opportunity and land parcel divestment, the following benefits should be achieved:
- Obtain the lowest possible price for construction of the Hospital, because the Development Partner will be able to take into account its overall profit margin from the whole of the development, rather than its margin on construction alone, when providing its quote for construction.

- Provide significant economies of scale in construction through the integration of all aspects of the development (health and arts) of the Glenside Hospital Campus, including the residential and commercial land. This should have a positive impact on the overall return to the Government.
- Ensure consistency in the overall approach to the development of the Glenside Hospital Campus, particularly in the development of 'infrastructure', maximum integration of all infrastructure, building and construction works across the total site.

3.56 To ensure that Government receives the maximum benefit from both procurement for construction and the sale of the surplus portions of the site, it is proposed that the tender process require that individual components be bid for as well as a total pricing regime for the whole development of the Campus. (This excludes the offering of Precinct 4 the Retail development.)

**3.57 Economic, financial and budgetary implications**

The financial and budgetary implications for the development of the new Health facilities have been determined on individual assessment of precincts and do not represent any 'overall' financial benefit that may accrue as a result of the total package of development to be tendered.

The tables below summarise the results of the economic analysis undertaken based on a redevelopment of the Glenside Campus, excluding the proposed new 'Screen and Arts Hub' project.

The results of the Net Present Value analysis are outlined in the following table (Table 2).

**Table 2 - Summary Results of Financial Analysis – Glenside Hospital Campus**

	Investment Funding Model
	\$
Total Capital Costs	101,680,599
Total Capital Realisations	(49,261,618)
Net Capital Funding Requirement	52,418,981
Capital Budget Impact - Favourable / (Unfavourable)	4,573,019
Recurrent Operating Budget	45,786,654
Net Present Value (total) @ 4%	(691,382,924)
Net Present Value (total) @ 7%	(571,141,497)
Net Present Value (total) @ 10%	(483,836,606)

With regards to operating expenditure, the financial analysis is based on the premise that the existing approved operating budget of Glenside Hospital will be sufficient to fund both the operations of the new hospital and services that will be relocated from the Glenside Campus (as part of the mental health reforms already underway). Apart from an estimated additional \$1.0 million p.a. (indexed cost) that will be required to fund higher leasing costs under the 'private investment funding' option, it has been assumed that no additional operating funding will be required. This also excludes additional funding required to meet one off transitional costs of Glenside (which are accounted for in Table 3 below).

Projected operational budget savings identified from the current operational budget are to be redirected towards the provision of mental health services 'off' Glenside to other settings. This is in line with the mental health bed plan that was contained in the Cabinet submission regarding the Government's response to the Social Inclusion Board's report into Mental Health Reform.

### 3.58.1 Required Resources

The financial and budgetary impacts associated with the preferred Option 3 are contained in Table 3 below. Costs and benefits associated with the 'write down' of current balance sheet values on demolition of existing non-heritage buildings associated with the proposed redevelopment and profits from sale of land at amounts exceeding current carrying values in the balance sheet have also been determined.

These calculations will also be recognised in the operating statement and these are outlined in Table 3 below. These costs and revenue however, do not impact on the Net Operating Balance fiscal target or on the Net Lending fiscal target.

**Table 3 - Financial and Budgetary impacts**

	06-07 \$m	07-08 \$m	08-09 \$m	09-10 \$m	10-11 \$m	Total \$m	Outyear
<b>Operating</b>							
Leasing costs – DASSA					-1.05	-1.05	-1.08 p.a.
Transition costs (refer below)		-9.92	-2.49	-3.58	-0.79	-16.78	1.03 p.a.
Contributed asset revenue					1.2	1.2	nil
<b>Net Operating Balance</b>		-9.92	-2.49	-3.58	-0.64	-16.63	-0.05
<b>Investing</b>							
Proposed new projects		-8.18	-26.56	-48.98	-16.12	-99.84	-1.84
Existing approved capital projects	1.05	11.55	24.02	13.96	6.4	56.99	Nil
Sale of Glenside land			50.94			50.94	Nil
Cost of assets for sale to SAHT					-1.68	-1.68	nil
Sale of properties to SAHT					2.4	2.4	Nil
<b>Net Investing Transaction</b>	1.05	3.37	48.40	-35.02	-9.00	8.81	-1.84
Adj: contributed Assets revenue					-1.2	-1.2	nil
<b>Net Lending Impact</b>	1.05	-6.55	45.91	-38.60	-10.84	-9.02	-1.89

<b>Non impacting operating statement impacts</b>							
Write off asset on demolition		-11.02				-11.02	
Revaluation of assets disposed			38.04		0.50	38.54	

### 3.58.2 Staffing Implications

A preliminary review of the impact on the Glenside Hospital workforce has been included in the Business Case and outlined in Table 4 below in relation to required resources.

A 'Service Plan' for the new Health facilities is underway and subject to the final design of the hospital a further report on staffing levels and efficiencies will be submitted to Cabinet.

Table 4 below outlines the transition cost for funding 147 TVSPs and 20 workers compensation redemptions to reduce staff numbers by 2010-11.

**Table 4 - Health Inefficiencies**

	06-07 \$m	07-08 \$m	08-09 \$m	09-10 \$m	10-11 \$m	Total \$m
<b>Operating</b>						
Glenside fixed costs		-3.42	-3.54	-3.66	-1.89	-12.51
TVSPs		-5.0		-1.0		-6.0
Contracting out savings			1.05	1.08	1.10	3.23
Workers compensation redemptions		-1.5				-1.5
<b>Total operating costs</b>		<b>-9.92</b>	<b>-2.49</b>	<b>-3.58</b>	<b>-0.79</b>	<b>-16.78</b>

If the strategy for a TVSP scheme is not supported, the Department of Health will not be able to achieve the contracting out savings identified in the above table and transition costs of up to \$3.42 million (indexed) will be required on a recurrent basis until such time as all staffing issues can be resolved.

Table 5 below summarises the operational impacts for Health if this Submission is not supported.

**Table 5 - Health Transition Cost**

	06-07 \$m	07-08 \$m	08-09 \$m	09-10 \$m	10-11 \$m	Total \$m
<b>Operating</b>						
Glenside fixed costs		-3.42	-3.54	-3.66	-3.79	-14.41
<b>Net Operating Balance</b>		<b>-3.42</b>	<b>-3.54</b>	<b>-3.66</b>	<b>-3.79</b>	<b>-14.41</b>

The option to proceed without the 'Arts Hub' project at this time can occur without material impact on the Master Plan Business Case. Heritage buildings currently occupied by the Mental Health administrative unit could be made available to arts groups, other heritage buildings not occupied and in poor condition would remain closed. However, there is a significant risk that public acceptance of the divesting of land would not be as well received without an iconic project of this nature being announced as part of the Master Plan.

### 3.58 South Australia's Strategic Plan

The Glenside Hospital Campus Master Plan proposal provides comprehensive reference to the objectives and targets of South Australia's Strategic Plan including the contributions to achieving the targets as outlined in Attachment 3.

### 3.59 Information and Communication Technology Requirements

The Glenside Hospital Campus Master Plan proposal recommends the development of new State Government facilities, which encapsulate ICT components. These have been costed in the overall project budget and can be identified in the Business Case – Mental Health.

### 3.60 Impact on the Community and the Environment

The Master Plan proposal has been developed in accordance with the Social Inclusion Board recommended principles for development of the Glenside Hospital Campus. These include specific reference to:

- strengthen community support and acceptance of the importance of the range of health services provided on the Glenside Campus; and
- maintain and enhance the relationships with neighbours to the site.

#### 3.60.1 Regulatory Impact

A Plan Amendment Report (PAR) with amendments to policy areas contained in the planning 'land use' guidelines for the campus will be required to achieve the proposed land uses under the Master Plan proposal.

The initiation of the PAR as a planning process for the development of the campus fulfils the necessary requirements for the development of the site. Accordingly approval for a Ministerial PAR will be sought from the Minister for Urban Development and Planning.

#### 3.60.2 Environmental Impact

The Glenside Campus has a significant number for trees located throughout the site. The successful developer will be required to work in partnership with the Department for Environment and Heritage in planning the developments proposed for the site.

A report by independent arborist (Arborman Tree Solutions) has been completed for the purposes of identifying and surveying significant trees on the campus site. The following extract is noted:

*'Of the 1487 trees surveyed only 299 or 20% had a trunk circumference greater than two metres, regulating them under the current provisions of the significant tree legislation. Of the 299 Significant Trees 191 achieved at least one of the six aesthetic and environmental criteria under the act that suggest they are worthy of retention. 165 of the 191 trees to achieve any criteria were also categorised as "A" trees within the TreeAZ framework. The remaining trees had one or more characteristic or problem that categorised them as 'Z' trees or trees not worthy of being a material constraint'*

Burnside Council Administration has proposed that there be a further development of the wetlands/retention basin (existing on the Glenside Campus) that Burnside Council manages in partnership with the Glenside Hospital. The estimated cost of the development of the 'wetlands' referred to in the Burnside Council's report on 'stormwater management' is in the vicinity of \$7.0 million. These costs do not form part of the Business Case. It is envisaged funding will be sought from the Burnside Council and the Stormwater Management Authority. If funding is not provided, the land will form part of the natural open space of the Glenside Hospital Campus.

Recently, the Adelaide Park Lands Authority recommended "the inclusion of temporary flood storages within Glenside Hospital Grounds in the Master Plan to minimise the size of any temporary flood storages required in the South Parklands."

Subject to approval of the Glenside Master Plan, a formal proposal will be sought from Burnside Council in relation to the development and management of the wetlands as an extension of the current retention basin. This would also address the 'stormwater' issues and provide a solution to a maximum of a 100 year flood risk identified in the Glenside area.

A number of State heritage listed buildings are located on the Glenside Hospital Campus. The Glenside Master Plan proposal recommends significant conservation work on the State heritage listed buildings. The advice of the Department for Environment and Heritage will be sought in relation to these works.

### **3.60.3 Regional Impact**

Rural and Remote services being retained and upgraded in the new Hospital will have a positive impact on those clients and families of clients of these services in rural South Australia.

### 3.60.4 Business Impact

The magnitude of the total project provides a significant State development opportunity, with construction, industry development, retail and commercial business development. The development of the residential component will provide growth for the construction industry.

The development of a commercial and a retail shopping centre will provide significant economic development and employment opportunities for South Australians.

### 3.60.5 Impact on Families and Society

The development of new world class facilities will have a positive impact for consumers, families of consumers, clinicians and the workforce of the Glenside hospital.

The development of 'value-adding' facilities on the site such as a retail shopping centre that fronts the Campus and specific open space (village green) and the wetlands will provide both aesthetic and environmental improvements that are positive for the community.

The development of Affordable Housing on the Campus will meet the Affordable Housing objectives, namely to achieve an affordable housing target of 15% for all new significant developments, including 5% high needs housing. The Glenside Campus site will be seen by the development industry and local government as a demonstration of the application of the Government's policy and provide an opportunity for low income earners to access affordable home ownership.

## 3.61 Risk Management Strategy

### 3.62.1 General project risks

The proposed tender process and Private Investment Funding partnership has the potential to deliver significant financial benefits to Government. Management of different aspects of the projects proposed for Mental Health, Affordable Housing and ancillary development will be critical in achieving a cohesive integration of the projects and the necessary infrastructure links required.

It is proposed that the project management of the total development of the Glenside Hospital Campus is via a single agency in partnership with the relevant Agencies to ensure a seamless approach to the development of the Glenside Hospital Campus.

To ensure the proposed development of the Glenside Hospital Campus can be achieved, a Ministerial Planning Amendment Report (PAR) will be required to establish approved land uses for the types of developments proposed.

### 3.62.2 *Project costs*

The economic analysis is based on the determination of the development plan for the Glenside Hospital Campus as contained in the Business Case (in particular the five precincts which have been proposed and financially analysed). Fundamental to the analysis has been the costing provided by Quantity Surveyors for the capital works based on the scope of required facilities as determined by representatives of the Department of Health and in consultation with representatives of the Social Inclusion Unit in the Department of the Premier and Cabinet.

The private investment funding model relies on the interest of the 'Development Market' to respond to the scope of requirements. The modelling has been comprehensively costed and sales receipts determined by professional property valuers, however until the actual development is tendered the true position will not be known.

A significant portion of the potential divestment value is derived from Precinct 5 - Residential Development. The basis for determining the highest and best value has been premised on a hypothetical subdivision for a residential development that accords to the current adjoining residential land allotment sizes and the statutory planning requirements for 12.5% open space. The actual land area to be available for the residential precinct is still to be quantified as this requires a survey to be undertaken and proposed land division.

The projected completion of the development of new Health facilities is 2010. The Department of Health is undertaking a review of the service model for these new facilities. Operating cost impacts have been based on the best estimates to date and will be subject to refinement of the service plan.

The new hospital presents a real opportunity to rationalise service delivery and improve the efficiency of the services on the Campus. Accordingly costs associated with the inefficiencies at Glenside have been identified totalling \$16.63 million. Failure to address these inefficiencies will result in a recurrent operating impact of \$3.40 million (indexed).

All financial modelling for the Master Plan has been premised on an exemption from Department of Premier and Cabinet Circular 'PC: 114 - Government Real Property Management' as it relates to the disposal of Government land specifically declaring land surplus for other Government Agencies, retention of 50% of the sales receipts and the use of other Government Agencies in the sale and management of the sale and development process.

### 3.62.3 Community

The site is an historical icon set within the Glenside community. The community use of the site for recreation purposes (particularly as a walking trail and social groups use of the Glenside oval) has been considered in the Master Planning. In developing the Precincts for the proposed development of the Campus, considerable open space has been retained (approximately 48% of the site has been left as open space). Space has been established that provides a link through the total Campus (reinforcing a village style development with a village green, village square and a 'wetlands' area). Space has been proposed that will meet both active and passive activity.

Four groups which use the oval regularly; Mercedes College (cricket and football throughout the school year); Exiles soccer team; Unley United soccer; and Cavaliers Cricket Club will be affected by the loss of the oval and will not be able to conduct their activity in the village 'green' space. Alternative options including the Adelaide Parklands will need to be explored by these groups. The Department of Health will assist these groups in this if required.

The development offers a significant opportunity to improve the overall aesthetics of the Glenside Hospital Campus, as it is envisaged that the design of the new hospital (comprising 129 beds) will be a modern design that meets world class standards, replacing a number of buildings that are in poor condition.

The retail development is a proposed 'village style' centre that will provide a focus point for the broader community, supporting the integration of the community in this locality.

The loss of significant trees will need to be managed, with the advice of the Environmental Protection Authority and the Department for Environment and Heritage. An arborist report shows that there 299 significant trees on site, 191 trees worthy of retention. (Until the development footprints are known, it is unclear as to how many trees will be subject to removal.)

#### 3.62.4 DASSA

Drug and Alcohol Services SA (DASSA) will establish their offices, outpatient services (pharmacological drug treatment program) for clients. Local residents may be concerned about the impact of a newly established clinic for people needing support and treatment for drug and alcohol problems. Drug and Alcohol Services SA will monitor the impacts of the service and clients that attend the clinic to mitigate any potential significant issues.

#### 3.62.5 Capital Works Program

The development of the Glenside Hospital Campus supports the objectives and direction as recommended by the Social Inclusion Board's report on Mental Health and the "Case for Change" project. All design and development of facilities on the Glenside Hospital Campus will be in accordance with crime prevention approaches through environmental design principles.

While a due diligence report has been completed for the Glenside Hospital Campus, the identification of site contamination is unknown without a comprehensive soil testing program. Given the total area of the Campus 29.6Ha and the historical use of the site, the potential identification of contamination is considered low.

#### 3.62.6 Workforce issues

The ability of the Department of Health to achieve the required outcomes of mental health reforms relies on additional 'one-off' transition funding to address staffing issues and fixed costs from Glenside that are unable to be transferred until the proposed new facility is operational. The transition costs are outlined in Table 4 'Health Inefficiencies' and were included in the recent Cabinet Submission relating to the Social Inclusion Board's recommendations.

The transition costs include the provision of funding for 147 TVSPs and 20 workers compensation redemptions, which will reduce staffing numbers by 2010-11. The employees to be targeted include those whose positions will be redundant as a result of the reforms and are predominantly non-clinical positions relating to the provision of Hotel services. Staff in this category includes; catering, cleaning, and engineering and building services staff. It is important to note that the skills of these employees are not considered transferable to other health services.

Workers Compensation redemptions are required to address long term work cover claims where it has been determined that staff cannot return to their substantive positions and/or can no longer work in mental health. The employee related savings generated have been recognised as part of the reform assumptions to enable contracting out of services, which will generate cost savings and will enable the Department of Health to extract fixed costs of Glenside Hospital Campus once the new facility/hospital is operational. The value of employee related savings to be generated by the TVSP and workers compensation redemption funding will increase to around \$8.0 million by 2010-11. It should be noted that these are existing workers compensation claim pressures for the Glenside Hospital.

#### 3.62.7 *Affordable Housing*

The inclusion of Affordable Housing in the Glenside Hospital Master Plan proposal is in accordance with the Department of Premier and Cabinet Circular 'PC: 114 - Government Real Property Management' (Cause 57), that any new development conforms with the Housing Plan for South Australia an applicable quota of Affordable housing product to be included in that plan. The Glenside Hospital Campus will be a positive example for the development industry and local government as a demonstration of the application of the Government's policy.

#### 3.62.8 *Retail precinct*

The proposed development of a retail/shopping centre would be 'best' delivered through a partnership with the existing Frewville Shopping Centre located on the southern boundary of the Glenside Hospital Campus. This will necessitate an exemption from procurement policy and an 'off-market' negotiation undertaken. Independent valuations have been completed by the Department of Health for each component of the land proposed for sale. An additional valuation would be commissioned to check the market value of the land identified for the retail precinct.

If Ekaton Corporation Pty Ltd is not given access to the land in Precinct 4 it will impact negatively on the company's redevelopment plans; particularly after it loses critical road frontage for future road widening. This also exposes the Government to having to acquire the land through its compulsory acquisition powers rather than a land exchange.

### 3.62 Consultation

Inter-agency consultation has occurred with the following:

- The Commissioner for Social Inclusion
- Department of the Premier and Cabinet (Arts SA, Social Inclusion Unit)
- Department for Families and Communities
- Department of Trade and Economic Development
- Department of Treasury and Finance
- Department of Transport, Energy and Infrastructure
- Planning SA
- Land Management Corporation
- Office for Infrastructure Development
- Department of Health.

#### *External consultation.*

In preparing its report, the Social Inclusion Board undertook extensive consultations with a wide variety of interest groups including consumers, carers, advocacy groups, professional associations, industrial organisations, non-government organisations and government departments. These consultations have informed the Glenside Hospital Master Plan proposal.

Development of the Glenside Hospital Campus will require ongoing consultation with relevant agencies.

### 3.63 Implementation Plan

A project plan including timeframes for key stages of implementation has been created. Next steps for the delivery of the project is to develop the detailed plan and design briefs for the Health components and investigate the optimal use for Precinct 2, in particular, the Arts sector. These will be developed concurrently with seeking approval for the Planning Amendment Report for the Master Plan development.

It is proposed that this work be completed by September 2007 at which stage the tender documentation will be released to the market:

A Submission will be presented to Cabinet recommending the preferred Tenderer and detailing the development program. It is expected that appointment of the successful Tenderer will occur in early 2008.

Concurrently, the Department of Health in partnership with the Department of Transport, Energy and Infrastructure will (subject to the approval of this Submission) and independent to the tender of the Glenside Hospital Campus Master Plan proposal, conduct negotiations with the Ekaton Corporation for the sale of the Retail precinct.

### 3.64 Communication Strategy

A Communication Plan is currently being developed which informs the staff, the community and other stakeholders of the Master Plan proposal. A public consultation program is required as part of the Ministerial PAR process and this will form part of the communication strategy.

### 3.65 Executive Council

This proposal does not require the approval of Her Excellency the Governor in Executive Council.

## 4. RECOMMENDATIONS:

It is recommended that Cabinet:

- 4.1 Approve the Glenside Hospital Campus Master Plan (the 'Master Plan') as the basis for redeveloping the Glenside Campus as a centre for specialist mental health services. The Master Plan proposes that parts of the current site will be sold to incorporate a housing development, a commercial development, and a retail centre. The Government will retain land for the development of a new hospital, supported accommodation and a stormwater retention basin (wetlands). The redevelopment of Government facilities on the site will be funded through the disposal of a portion of the land, as well as from existing approved capital investment.
- 4.2 Approve the development of the Glenside Hospital Campus in line with the Master Plan through a Private Investment Funded Model and expenditure authority changes associated with the projected financial and budgetary impacts as outlined below:

	06-07 \$m	07-08 \$m	08-09 \$m	09-10 \$m	10-11 \$m	Total \$m	outyears
Net Operating Balance		-9.92	-2.49	-3.58	-0.64	-16.63	-0.05
Net Investing Transactions	1.05	3.37	48.40	-35.02	-10.20	7.6	-1.84
Net Lending Impact	1.05	-6.55	45.91	-38.60	-10.84	-9.02	-1.89
Non impacting operating statement impacts		-11.02	38.04		0.50	27.52	nil

- 4.3 Approve that the Department of Health proceed with the implementation of the Master Plan proposal including release of a public tender. Approval will be sought from Cabinet for the preferred tender submission at a later date.
- 4.4 Approve a Targeted Voluntary Separation Package scheme for the Glenside Hospital workforce. The already underway reconfiguration of mental health services and the consolidation of hospital beds into one building (as proposed in this submission) require fewer non-clinical staff than the current disparate Glenside Campus. This scheme will be offered to surplus ancillary staff and budget impacts are incorporated in the Table in Recommendation 4.2 above.
- 4.5 Approve that the Master Plan proposal for the Glenside Hospital Campus be exempt from the requirements of the Department of the Premier and Cabinet Circular 'PC: 114 - Government Real Property Management'.
- 4.6 Approve that the Department of Health take lead responsibility for overall management of the Glenside Hospital Campus development and work in partnership with relevant agencies in relation to the following sub-projects including:
  - 4.6.1 Retail Development in Precinct 4 (Frewville Shopping Centre & Road Realignment) - Department of Transport, Energy and Infrastructure.
  - 4.6.2 Affordable Housing within Precinct 5 - Department of Families and Communities.
- 4.7 Approve that the Department of Health negotiate and proceed with the sale of portion of that land described in the Master Plan as Precinct 4 - Retail Development, to the Ekaton Corporation Pty Ltd, subject to:
  - 4.7.1 the resolution of existing site constraints (including zoning);
  - 4.7.2 sale price based on the higher of two independent property valuations based on the rezoned land valuation;
  - 4.7.3 satisfactory legal documentation; and
  - 4.7.4 the transfer of land owned by Ekaton Corporation Pty Ltd, the subject of Road Re-alignment, to the Minister for Transport, Energy and Infrastructure.
- 4.8 Note that approval for the commencement of a Ministerial Plan Amendment Report will be sought from the Minister for Urban Development and Planning for the Master Plan and, subject to approval of this proposal, note that approval to amend Schedule 10 of the Development Regulations under the Development Act will be sought by the Minister for Urban Development and Planning to make the Development Assessment Commission the relevant authority for applications within the area covered by the Glenside Master Plan.

- 4.9 Note that professional advice from property consultants Quantity Surveyors - Rider Hunt and Property Valuers - Southwick Goodyear, has been obtained for the spatial requirements and costing of the Master Plan. These spatial requirements for the new hospital component of the Master Plan have been independently reviewed by external hospital planners 'Aurora Pty Ltd'. Aurora representatives advise that, in their opinion, the spatial requirements as costed by the Quantity Surveyors exceeds the actual spatial requirements needed for the hospital. It is considered appropriate to maintain the costings for the higher of the two spatial estimates to allow for final review by clinicians following announcement of the Master Plan. After tenders (contracts) are finalised there is a potential that the eventual cost to Government may be reduced.
- 4.10 Note that Housing SA intends to transfer adjacent land to the project, and that in return 10% of house and land packages in Precinct 5 will be transferred to Housing SA for sale as affordable housing, once the redevelopment process is complete. These transfers will occur for no consideration and the financial impacts associated with the transfer are contained in the table included in 4.2 above.
- 4.11 Note that in the event that the Master Plan proposal is not supported, additional recurrent costs of approximately \$3.42 million per annum (indexed) commencing 2007-08 will be incurred by the Department of Health as a result of staffing inefficiencies associated with the current configuration of the Glenside Hospital.
- 4.12 Note that projected operational savings achieved will be redirected towards the provision of mental health services in other locations, in line with the mental health bed plan contained in the Cabinet submission regarding the Government's response to the Social Inclusion Board's report into Mental Health Reform.
- 4.13 Note that the Master Plan proposal incorporates the provision of a 'Cultural and Arts' hub as part of the Glenside Hospital Campus development, which will be the subject of further investigation with Arts SA and DTED which will need to be presented as a separate Cabinet Submission.

- 4.14 Note that costs associated with the proposed wetlands/stormwater retention basin do not form part of the budget impacts outlined in 4.2 above and that it is envisaged that funding will be sought from the Burnside Council and the Stormwater Management Authority. If funding is not provided, the land will form part of the natural open space of the Glenside Campus.

  
**HON GAIL GAGO MLC  
MINISTER FOR MENTAL HEALTH AND SUBSTANCE ABUSE**

Date: 15/6/07

Attachment 1 - Glenside Hospital Campus Redevelopment Business Case Proposal (Executive Summary).

Attachment 2 - Glenside Hospital Campus Precinct Plan

Attachment 3 - South Australia's Strategic Plan - Glenside Hospital Campus

**GLENSIDE HOSPITAL CAMPUS  
REDEVELOPMENT  
BUSINESS CASE**

## 1. EXECUTIVE SUMMARY

The development of a Master Plan for the Glenside Campus was initiated as a result of the future directions of Mental Health highlighted by the Social Inclusion Boards Report on Mental Health and the need to address the functionality of the facilities on the campus which are generally in poor to very poor condition. The facilities are spread across the entire site (29.6 hectares) and do not provide an environment in which efficient operating targets could be met.

The Master Plan requires two key components

1. A Business Case (based on a development concept – Concept Plan)
2. Master Planning Report (a detailed Plan & Design of the Concept Plan)

The Business Case component has been completed and is presented for consideration. The Business Case has been developed from the 'Concept Plan'; it proposes the development of the Glenside Campus as an environment that supports the provision of world class specialist mental health services as part of a state wide integrated system of care for people with mental illness and drug and alcohol dependencies. This entails a redevelopment of the site, realignment of services and divestment of assets to:

- (a) Enhance the campus as a place that maximises health and well being for the patients, staff and the community and
- (b) Provide a funding mechanism for the development of the campus.

The Glenside Campus offers a significant opportunity to support the vision and policy directions for future mental health services in South Australia. The 'Concept Plan' has been developed from a review of the current Glenside Hospital Campus site, facilities and has incorporated the policy directions of the Department of Health and the Social Inclusion Board Report on Mental Health.

Accordingly the concept for future development aligns to a set of core principles for the redevelopment of the Glenside Campus. (These principles are referenced in the SIB report on Mental Health).

The Concept Plan details five (5) core precincts for development on the Glenside Campus:

1. Health
2. Arts & Culture
3. Commercial
- 3(a) Supported Accommodation
4. Retail Allied Health
5. Residential

Significant issues have been considered in the development of the Concept Plan including;

- The creation of a new campus which encapsulates a sense of well being,
- Environmental (open space – both active and passive),
- The physical aspects (State heritage listed buildings)
- Value-adding aspects of development and
- Integration of the campus with the surrounding community.

Other potential initiatives have been incorporated into the concept planning stage that deliver 'whole of government' initiatives and projects, including:

- Affordable Housing,
- Stormwater management of First Creek, including development of a 'wetlands' area,

- Community Health services
- Development of an Arts hub
- Traffic Management solutions for Glen Osmond Road

In preparing a Business Case for the Concept Plan, a model incorporating funding initiatives has been developed. The significance of the project presents an opportunity for the development of the campus to be partnered with private investors in a 'turn key' development approach.

By offering of the Glenside Campus redevelopment as a whole development opportunity and land parcel divestment the following benefits may be achieved:

- Obtain the lowest possible price for construction of the Hospital, because the Development Partner will be able to take into account its overall profit margin from the whole of the development, rather than its margin on construction alone, when providing its quote for construction;
- Provide significant economies of scale in construction through the integration of all aspects of the development of the Campus. Including the residential and commercial land This should have a positive impact on the overall return to the Minister;
- Ensure consistency in the overall approach to the development of the Campus, and simplify the project management process for the Department and cost to Government;
- Achieve better integration of all building and construction works throughout the Campus.

The different Options (Option 2 and 3.) reflect the cost implications of applying a traditional State Government approach and the cost benefit of projected \$12.0M savings if a Private Sector Approach was adopted.

It is anticipated that the market will provide a number of different approaches to the type of Tender, various consortia may submit together to provide the necessary skill base required to integrate the various components of the development. On a total project basis a number of bidders will involve consortia that included a combination of residential property developers, commercial property developers, builders, financiers, accountants, planners and architects. The benefit to the State is that it will obtain the best and most cost effective solution for the overall development. The projected financial impacts have been determined on assessment of precincts individually and do not represent any 'overall' financial benefit that may accrue as a result of the total package of development to be tendered.

The proposed tender will be established to enable respondents to bid for the total project (including construction and acquisition for land development) or for individual components.

Financial Models have been prepared with 3 Options for comparison purposes:

- Option 1 - Do nothing / Sustain current policy directions
- Option 2. - Public Sector Approach to the development.
- Option 3 - Private Investment Funding

As a reference point the current capital and operating budget of the Glenside Hospital has been included in the modelling.

Option 1 is representative of the current policy directions for mental health and the approved forward estimates. This includes SIB funding for Glenside Hospital Campus capital works program of \$59.99 million.

Option 2 is based on a Public Sector Model, i.e. represents a traditional State Government project approach. The project has been costed to achieve the same outcomes on the campus redevelopment. The cost implications in this model have been identified in the construction approach, e.g. consultants and contingencies - risk and time. Operating costs will be the same as Option 1 except that a portion of costs will be redirected as services shift off the Glenside campus. The inclusion of a DASSA office facility and Clinic as part of a public build program is premised on the existing approval for the capital funded construction of the DASSA Clinic.

Option 3 represents a Private Investment Funding approach to the delivery of the 'Concept Plan'. Financial analysis of the development of the Campus on the basis of a private developer 'developing the Master Plan' to the requirements specified by Government has been undertaken. Premised on the Department of Health releasing a tender for the development of the Campus in accordance with a set of agreed deliverables, including construction of the new hospital, Intermediate Care facility and the Supported Accommodation the Tenderer would in return 'purchase' the commercial and residential precincts. It is proposed that an off market transaction be negotiated with the existing owners of the adjoining Frewville Shopping Centre in Precinct 4. Similarly with Option 2, apart from higher leasing and accommodation costs, operating costs will be same as Option 1 except that a portion of costs will be redirected as services shift off the Glenside campus.

Specialist property consultants, Quantity Surveyors Rider Hunt and Property Valuers Southwick Goodyear provided cost and valuation advice respectively for these two approaches.

Based on the concept plan financial analysis has been undertaken on the operating cost for all options. It should be noted that an initial savings in hospital administration / operation cost was determined, however to ensure the quantum of services are still provided it is proposed that any savings in the hospital operation cost are required to be redirected for the provision of additional mental health services that are necessary to supplement services that are required to compensate for the reduction in bed numbers at the Glenside Hospital.

Additional operating funds are required for costs associated with current inefficiencies at Glenside Hospital that will be required to be met until construction and commissioning of the new hospital is completed. Additionally the impact of a commercial lease associated with the relocation to the Glenside site of DASSA (Outpatient Clinics and Administration) will require additional operating expenditure of approximately \$0.820 million per annum from 2010/11 plus cost associated with Support Accommodation of approximately \$0.230 million. One off cost of approximately \$17.0 million relates to Glenside inefficiencies and will be used for TVSP's, workers compensation redemptions and, short term un-transferable costs associate with fixed costs of operating Glenside).

Based on the financial analysis the total net capital cost implications can be accommodated within the Department of Health's current approved capital funding (forward estimates budget and SIB approved funding) and with the total 'receipts of sales' derived from the divestment of surplus land and assets. Subject to testing the assumptions (cost and sales) with the market via a public tender, it is not anticipated that any further capital funding would be required to deliver the core Health facilities (hospital, heritage 'Health' buildings upgraded, intermediate care facility and 40 supported accommodation units), on Glenside. This also assumes no expenditure on an Arts and Cultural Centre.

In evaluating the economic analysis of the options the Private Investment Model provides a favourable capital budget impact of approximately \$4.56 million, compared with Option 2 which has an unfavourable capital budget impact of approximately \$37.04 million.

In terms of operational budget impact Option 3 provides a favourable recurrent budget impact of approximately \$1.0 million, compared with Option 1 and Option 2 which provides a favourable recurrent budget impact of approximately \$4.53 million. The primary difference between Options 2 and 3 is the commercial lease costs for DASSA as budgeted in Option 3.

A variation model – 'Model – B' has been presented for the inclusion of the "Screen-Hub" project. A separate report is to be submitted for this project by the Department of Trade & Economic Development. Financial assumptions have been made by DH concerning the Screen Hub project which are subject to finalisation of DTED's business case.

In summary, in financial terms Option 3 appears to be the most favourable of the options reviewed, particularly given that a 'do nothing' option is unsustainable in the medium to longer term.

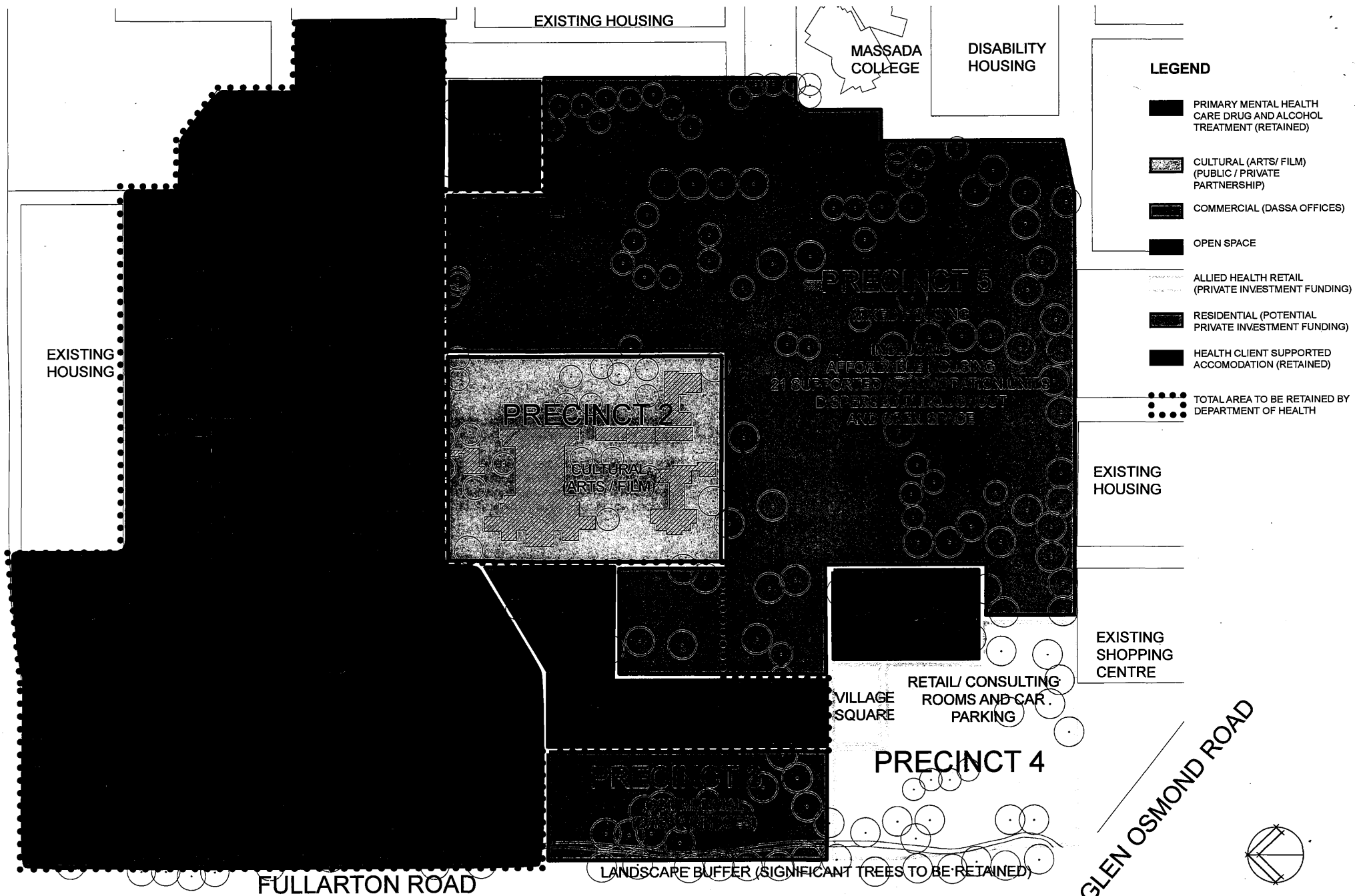
It is therefore recommended that:

- o **The Business Case for the development of the Glenside Master Plan be noted.**
- o **That Model A – Option 3. Private Investment Funding partnership is preferred**
- o **That in principle support be given to the 'Screen Hub' Project to be developed in Precinct 2. subject to a separate Business Case.**

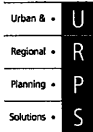
**Attachment 2**

**Glenside Hospital Master Plan**

**Structure Plan**



swanbury penglase  
 Architecture  
 Landscape Architecture  
 Interior Design  
 244 Gilbert Street Adelaide SA 5000 Australia  
 T +61 8 8212 2679 space@swanburypenglase.com  
 F +61 8 8212 3162 swanburypenglase.com



# DRAFT CABINET IN CONFIDENCE

STRUCTURE PLAN  
 GLENSIDE HOSPITAL MASTERPLAN

APRIL 2007

DWG : 06284 - SK01M

**SITE AREA CALCULATIONS**

<b>TOTAL SITE AREA</b>	<b>296,000 m2</b>
<b>TOTAL BUILT AREA</b>	<b>152,420 m2</b>
<b>TOTAL OPEN SPACE</b>	<b>143,580 m2 (48.5%)</b>

<b>PRECINCT 1 - TOTAL AREA</b>	<b>127,500 m2</b>
NEW HOSPITAL TOTAL FLOOR AREA	17,000 m2
- ACUTE SECURE	
- RURAL AND REMOTE	
- SECURE REHABILITATION	
- HELEN MAYO	
- DASSA	
- NURSING HOME STYLE FACILITY (ACUTE & INTENSIVE CORE (RAH) 10 YEAR LEASE PLUS RIGHT OF RENEWAL)	
- SECOND STOREY TO PROVIDE SPACE FOR ADMINISTRATION AND SUPPORT SERVICES	
NB: SERVICE FUNCTIONS INCLUDE:	
- EARLY PSYCHOSIS 18-25 YEAR OLDS	
- ABORIGINAL MENTAL HEALTH UNIT	
INTERMEDIATE CARE	5,800 m2
- 7 UNITS PLUS ANCILLARY / ADMIN SPACE	
SUPPORTED ACCOMMODATION (DISABILITY AND HIGH NEEDS RESIDENTS)	8,500 m2
TOTAL OPEN SPACE	83,700 m2
- NEW HOSPITAL LANDSCAPED AREA	
- WETLANDS / OPEN SPACE AT WESTERN END OF PRECINCT	
- OPEN SPACE AT EASTERN END OF PRECINCT	
- VILLAGE GREEN	12,500 m2
HERITAGE BUILDINGS RETAINED FOR HOSPITAL SUPPORT SERVICES	
<b>PRECINCT 2 - TOTAL AREA</b>	<b>25,000 m2</b>
CULTURAL (ARTS/ FILM) BUILDINGS (ESTIMATED AT 30% OF PRECINCT AREA)	7,500 m2
TOTAL OPEN SPACE	17,500 m2
<b>PRECINCT 3 - TOTAL AREA</b>	<b>13,000 m2</b>
- DASSA OFFICES AND CLINIC (OVER 2 LEVELS)	1,800 m2
- SAAS (OVER 6 LEVELS)	6,000 m2
TOTAL OPEN SPACE	5,200 m2

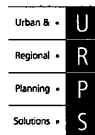
<b>PRECINCT 4 - TOTAL AREA</b>	<b>19,500 m2</b>
- RETAIL / CONSULTING ROOMS (OPTION FOR GP PLUS) AND CARPARKING	
TOTAL OPEN SPACE (ASSUMED 30%)	5,800 m2
- VILLAGE SQUARE	1,800 m2
<b>PRECINCT 5 - TOTAL AREA</b>	<b>110,600 m2</b>
- MIXED HOUSING (INCLUDING NGO'S)	
TOTAL OPEN SPACE (ASSUMED 30%)	31,380 m2
- INCLUDES OPEN SPACE PARCEL IN SOUTH WEST CORNER OF PRECINCT	5,600 m2

NOTE:  
AREAS ARE ESTIMATIONS ONLY AND WILL REQUIRE FURTHER  
INVESTIGATION AND CONFIRMATION

OPEN SPACE INCLUDES RECREATION SPACE, LANDSCAPING, ROADS, CARARKING,  
STORMWATER INFRASTRUCTURE, SERVICE EASEMENTS  
WHERE 30% OF SITE AREA HAS BEEN ASSUMED FOR OPEN SPACE,  
THIS DOES NOT INCLUDE PRIVATE OPEN SPACE



swanbury penglase  
Architecture  
Landscape Architecture  
Interior Design  
244 Gilbert Street Adelaide SA 5000 Australia  
T +61 8 8212 2679 space@swanburypenglase.com  
F +61 8 8212 3162 swanburypenglase.com



**DRAFT**  
**CABINET IN CONFIDENCE**

**STRUCTURE PLAN KEY**  
**GLENSIDE HOSPITAL MASTERPLAN**

APRIL 2006  
DWG : 06284 - SK02F

### Attachment 3

#### South Australia's Strategic Plan - Glenside Hospital Campus

SA Strategic Objective	Opportunities delivered through Glenside Hospital Campus Master Plan proposal
<p><b>Growing Prosperity</b></p> <p>T1.11 Unemployment: maintain equal or lower than the Australian average through to 2014.</p> <p>T1.5 Business Investment: exceed Australia's ratio of business investment as a percentage of the economy by 2014.</p> <p>T1.9 Performance in the public sector – administrative efficiency: increase the ratio of operational to administrative expenditure in state government by 2010, and maintain or better that ration thereafter.</p>	<p>Provide a service environment that contributes to attracting and retaining high calibre mental health professionals.</p> <p>Explore the potential for private sector investment in a public private partnership that optimizes the social and economic value of the site.</p> <p>Site design that supports efficient functional relationships and reduces the costs of managing services.</p>
<p><b>Improving Wellbeing</b></p> <p>T2.7 – Psychological wellbeing: equal or lower than the Australian average for psychological distress by 2014</p>	<p>The wellbeing of the most vulnerable people in our community is a key indicator of a just and compassionate society. The State Government's commitment to developing Glenside to improve mental health and drug and alcohol services and facilitating housing solutions that match people's circumstances will contribute to achieving these targets.</p> <p>Providing the full range of support services from outpatient clinical treatment and acute and secure inpatient treatment on the Glenside Campus, could contribute to lowering the level of psychological distress for a number of different client groups.</p> <p>Services and facilities will be improved for the most vulnerable people in the community with a primary focus on people with a mental illness, drug and alcohol addictions including Aboriginal people and young people experiencing their first episode of psychosis.</p>
<p><b>Attaining Sustainability</b></p> <p>T3.7 Ecological footprint: reduce South Australia's ecological footprint by 30% by 2050.</p>	<p>The demolition of ageing (non-heritage) buildings on the site would enable siting and design of new buildings to optimise energy and water conservation.</p>

<b>SA Strategic Objective</b>	<b>Opportunities delivered through Glenside Hospital Campus Master Plan proposal</b>
<p>T3.9 Sustainable water supply: South Australia's water resources are managed within sustainable limits by 2018.</p>	<p>It is proposed to develop the existing wetland system to better manage stormwater, to create a pleasant environment for relaxation and recreation and to generate water that could be used on site to replace mains water use.</p>
<p><b>Fostering Creativity</b></p> <p>T4.1 Creative industries: increase the number of South Australians undertaking work in the creative industries by 20% by 2014.</p> <p>T4.10 Australian Government Resources: secure Australian government research and development resources to 10% above South Australia's per capita share by 2010 and increase this share to 25% by 2014, for both public and private spheres.</p>	<p>The Glenside Hospital Campus is ideally located to provide space to accommodate education and learning sessions related to mental health, drug and alcohol treatment or other health and wellbeing studies. It can be a Centre of Excellence in Mental Health that attracts interstate and international participation.</p> <p>Build partnerships with other Government agencies in the proposed development and encourage positive engagement of the private and non Government sectors to optimise the economic benefits of their investment in accordance with the core principles of the plan.</p>
<p><b>Building Communities</b></p> <p>T5.9 Regional population levels: maintain regional South Australia's share of the State's population (18%).</p>	<p>There is a strong relationship between crime, drug and alcohol addictions and poorly managed mental illness. The lack of support services in regional areas means that the criminal justice system is often the first place where these people receive help.</p> <p>Glenside has a role to play through the Rural and Remote Unit and early intervention programmes for young people.</p> <p>Having drug and alcohol services co-located on the site with mental health will provide more integrated treatment responses for the proportion of clients experiencing mental illness and drug and alcohol dependency.</p>
	<p>While the facilities at Glenside do not represent infrastructure in the regions, they do play a valuable role in supporting sustainable communities. Early intervention and appropriate treatment for mental illness and drug and alcohol dependency reduces stress in families and communities. The social cohesion and viability of regional communities will be strengthened by the collocation of a range of services in a central, easily accessible location.</p>
<p>T6.1 Aboriginal wellbeing: improve the overall wellbeing of Aboriginal South Australians.</p>	<p>A specialist Aboriginal mental health service has been provided for within the planned hospital. Better links between mental health and drug and alcohol services may assist in appropriate diagnosis and treatment that increases</p>

SA Strategic Objective	Opportunities delivered through Glenside Hospital Campus Master Plan proposal
	the level of social integration and rehabilitation.
<p><b>Expanding Opportunity</b></p> <p>T6.10 Housing for people with disabilities: double the number of people with disabilities appropriately housed and supported in community based accommodation by 2014.</p>	<p>Changing the institutional nature of Glenside to create a more human scale environment will enable community based accommodation options including Supported accommodation and Intermediate care facilities on the Glenside Campus.</p>
<p>T6.7 Affordable Housing: increase affordable home purchase and rental opportunities by 5 percentage points by 2014.</p>	<p>The Glenside Campus has the potential to accommodate a range of housing types suited to people at different ages and stages in their lives. As the Government owns the land, it can establish the criteria that must be met by developers and housing providers. This will ensure that affordable housing outcomes are achieved.</p>

105

walked-in

**4TH COMMONWEALTH STATE TERRITORY DISABILITY AGREEMENT  
SOUTH AUSTRALIAN GOVERNMENT FUNDING OPTIONS**

	Base Funding	4th CSTDA					Total
		2007/08	2008/09	2009/10	2010/11	2011/12	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>OPTION 1 - POPULATION GROWTH FUNDING ONLY</b>							
<b>a) All Disability Services</b>							
2.2% Growth Funding (2.2% pop.)	256.1	261.7	267.5	273.4	279.4	285.5	1,367.5
Increase Over Base (indexed by 3.6%)		5.8	11.8	17.9	24.2	30.7	90.5
State Dollar for Dollar Matching Commitment		2.9	5.9	9.0	12.1	15.3	45.2
<b>b) Accommodation and Respite Services</b>							
2.2% Growth Funding (2.2% pop.)	174.1	178.0	181.9	185.9	190.0	194.2	929.9
Increase Over Base (indexed by 3.6%)		4.0	8.0	12.2	16.5	20.8	61.5
State Dollar for Dollar Matching Commitment		2.0	4.0	6.1	8.2	10.4	30.8
<b>OPTION 2 - POPULATION GROWTH AND PRIORITY ONE UNMET NEED</b>							
<b>a) All Disability Services</b>							
4.8% Growth Funding (2.2% pop. ; 2.6% unmet need)	256.1	268.4	281.3	294.8	308.9	323.8	1,477.1
Increase Over Base (indexed by 3.6%)		12.7	26.1	40.2	54.9	70.5	204.4
State Dollar for Dollar Matching Commitment		6.4	13.1	20.1	27.5	35.2	102.2
<b>b) Accommodation and Respite Services</b>							
4.8% Growth Funding (2.2% pop. ; 2.6% unmet need)	174.1	182.5	191.3	200.4	210.1	220.2	1,004.4
Increase Over Base (indexed by 3.6%)		8.7	17.8	27.3	37.4	47.9	139.0
State Dollar for Dollar Matching Commitment		4.3	8.9	13.7	18.7	24.0	69.5
<b>OPTION 3 - POPULATION GROWTH AND ALL UNMET NEED</b>							
<b>a) All Disability Services</b>							
6.3% Growth Funding (2.2% pop. ; 4.1% unmet need)	256.1	272.2	289.4	307.6	327.0	347.6	1,543.8
Increase Over Base (indexed by 3.6%)		16.7	34.5	53.5	73.7	95.3	273.8
State Dollar for Dollar Matching Commitment		8.4	17.3	26.8	36.9	47.6	136.9
<b>b) Accommodation and Respite Services</b>							
6.3% Growth Funding (2.2% pop. ; 4.1% unmet need)	174.1	185.1	196.8	209.2	222.4	236.4	1,049.8
Increase Over Base (indexed by 3.6%)		11.4	23.5	36.4	50.1	64.8	186.2
State Dollar for Dollar Matching Commitment		5.7	11.7	18.2	25.1	32.4	93.1

1. Base Funding is projected 2006/07 CSTDA expenditure based on latest end of year projections (State \$187.7m; C/W \$68.4m).
2. State Base Funding excludes \$5.7m in one-off equipment funding.
3. Existing State CSTDA Budget for 2010/11 and 2011/12 are extrapolations based on 3% increase over previous year.
4. The budget impact of any decision to maintain or increase SRF funding beyond 2007/08 (when current funding runs out) is not included in the above figures.
5. Accommodation and respite funding is assumed to be 68% of total disability funding.