



David Bartlett, MP

Premier

Lara Giddings, MP

Minister for Health

Monday, 18 May 2009

New Royal Hobart Hospital

Premier David Bartlett and Health Minister Lara Giddings today announced a series of key decisions made by Cabinet today on the new Royal Hobart Hospital project.

The four main decisions are:

- the Government remains committed to a new Royal but construction will be deferred until economic conditions improve due to the impact of the global financial crisis on the State Budget;
- a new hospital on the railyards site has been ruled out due to the prohibitive up-front cost;
- planning will continue on a new approach, with the Royal to be redeveloped on its current site over an extended period and possibly supplemented by a new building on a nearby site to provide additional space; and
- in the meantime \$100 million is to be spent over the next five years to keep the current site up to standard and provide improved operational efficiency and functionality.

Mr Bartlett said delaying the start of redevelopment on the current site was a difficult decision but strong leadership and budgetary restraint were required.

“We remain committed to a new Royal, and once State finances improve it will be one of our first priorities,” Mr Bartlett said.

“The simple fact is that at the moment Tasmania cannot afford a massive investment of between \$1.5 and \$2 billion.

“I am determined to keep making the tough decisions that will enable Tasmania to emerge from the current difficult economic circumstances in the best possible shape,” Mr Bartlett said.

Ms Giddings said to make a new Royal affordable the cost needed to be spread over an extended period, which ruled out the upfront cost required for the railyards site.

“The Business Case, which looked at options for both the railyards and the current site, found that a new hospital on the railyards would be quicker and cheaper,” Ms Giddings said.

“But we cannot afford such a huge upfront cost and the railyards site has therefore been absolutely and finally ruled out.

“Cabinet also took into consideration the negative impact on businesses in the immediate CBD of moving the hospital, as well as the community’s concern about the impact on the waterfront.

“Instead we will move ahead with a new approach, including a long-term redevelopment of the current site that would allow us to spread the cost over a number of years, and we will be seeking funding from the Commonwealth to assist us with that process.

“The problem remains that the current site is too small and redeveloping on site would be disruptive for both staff and patients.

“As a result the Government has been looking at options to build an additional new building on a site close to the current RHH.

“That would allow us to increase the Royal’s overall size, and the extra space could also help us to minimise disruption while buildings on the current site were being redeveloped.

“Further planning will be required to develop and compare the available options and consider the potential challenges to operating the proposed new health facility.

“The \$100 million to be spent on maintaining the current RHH site will ensure essential services such as electrics, fire safety and plumbing remain safe until the site can be redeveloped. It will also improve the operational functionality and efficiency of the existing buildings, and increase the size of the ICU and HDU.

“We will also deliver on our commitment to build the LGH’s new Emergency Department and car park.

“But the State Government’s Hospital Infrastructure Fund will have no further funds left for any major additional works and that means that in light of the GFC, the funding the Liberals were relying on for their proposed redevelopment of the RHH no longer exists and they will also need to seriously reconsider their proposal,” Ms Giddings said.

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