

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2026–27 Budget Estimates**

Melbourne – Thursday 21 May 2026

### **MEMBERS**

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak



**WITNESSES**

Melissa Horne MP, Minister for Health Infrastructure; and

Priscilla Radice, Chief Executive Officer, Victorian Health Building Authority.

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

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

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

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

I welcome the Minister for Health Infrastructure the Honourable Melissa Horne as well as Ms Radice from the Victorian Health Building Authority. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time the committee will ask you some questions. Your time starts now.

**Melissa HORNE:** Thank you, Chair. I would like to begin by acknowledging the traditional owners of the land on which we meet today and pay my respects to elders past, present and emerging.

**Visual presentation.**

**Melissa HORNE:** Chair, this budget is focused on delivering life-saving health infrastructure so that Victorians can access world-class public health care closer to home. It builds on our record. We have invested more than \$19 billion in health infrastructure, delivering hundreds of health infrastructure upgrades and expansions across Victoria. Since 2022 we have delivered 14 major hospital expansions, 25 ambulance branches, seven residential aged care centres and nine early parenting centres.

Looking at what we have achieved in the last 12 months, I think the committee will share my view that this last financial year has been very successful. We have delivered projects right across Melbourne's growing suburbs that are now open and providing expert care, from the new Footscray Hospital in the west to the Frankston Hospital redevelopment down on the peninsula. We have also substantially completed the expansion of the emergency department at the Werribee Mercy Hospital, which will double the ED's capacity, and the Angliss Hospital will soon reach practical completion, where we are delivering a new multistorey building with a new inpatient unit and four operating theatres. In the regions, communities are receiving the health care they need closer to home. We have completed the redeveloped Maryborough and District Hospital and the new emergency department and community building in Swan Hill. The Bendigo day rehabilitation centre is also substantially complete, with the final stage of the project delivering a brand new green space in the heart of the city for healthcare workers, patients and the wider community.

But there is more to do. We are currently delivering more than 60 projects across Victoria. Major construction of the \$900 million new Melton hospital is underway. I was recently onsite, in April this year, at Melton, and it was really great to see the lift claws starting to come out of the ground. Likewise, major works have also started on our redevelopment of Victoria's busiest metropolitan hospitals: the Northern, the Monash Medical Centre and the Austin Hospital. At the Northern works to deliver a new four-storey ambulatory care centre are approaching completion, which will enable construction to commence on the new emergency department and inpatient unit. At the Monash Medical Centre works have commenced to deliver a seven-storey tower on top of the recently redeveloped emergency department. These works will deliver a new operating theatre complex, intensive care unit, maternity services ward and two floors of maternity beds. At the Austin works have started to deliver a new emergency department, including more beds, a new short-stay unit and a dedicated paediatric emergency zone. Works will continue to futureproof the Alfred, and these are progressing well. This complex project has involved careful planning as we need to move the services to enable refurbishment works. We have also made significant progress to deliver the Parkville precinct redevelopment. Teams have been relocated from

the material-handling building as we prepare for demolition works to commence later this year. In regional Victoria work is powering on the Barwon women's and children's and the redevelopment of Ballarat Base Hospital, both of which have reached structural completion, and major works have commenced at Warrnambool hospital, where we are delivering the critical scope needed by the community.

The 2026–27 state budget builds on our record health infrastructure investment to continue delivering for Victorians. We are investing \$305 million to upgrade Dandenong Hospital, delivering new operating theatres, an intensive care unit and an improved, modern emergency department, along with upgraded day surgery and admission places. In addition, we are making it easier for families across West Gippsland and the Bass Coast to get their care they need, with a \$65 million investment to deliver major upgrades to West Gippsland Hospital and Wonthaggi Hospital.

This budget also tops up our vital grants program, which enables health services to deliver small but important infrastructure projects across the state, with an additional \$145 million across the Regional Health Infrastructure Fund, the Metropolitan Health Infrastructure Fund and the medical equipment replacement and engineering infrastructure replacement fund, which brings our total investment to \$865 million in the regions and in metropolitan Melbourne \$280 million.

**The CHAIR:** Thank you very much, Minister. The first 7 minutes are going to Mr Pesutto.

**John PESUTTO:** Thank you, Chair. Thank you, Minister and official. Minister, in 2022 this Labor government promised \$675 million to build West Gippsland Hospital and stage 2 of the Wonthaggi Hospital. You have been in the chamber, Minister, along with many of us, and you have heard the Member for Narracan Wayne Farnham literally lose his voice advocating for the construction of the West Gippsland Hospital. In October 2022 then Premier Daniel Andrews said this:

This –  
as in the hospital project –

has been properly costed, planned and funded – further detailed design work will begin next year, construction will begin in 2024, it will be completed by 2028, patients and staff would move into that brand new hospital in 2029.

Further, on 27 January 2024 the now health minister said publicly, 'This year's budget funds the work to progress the planning, and the hospital could not be more excited about it. As you will recall from our announcement, commencement will begin in 2026.' Now, Minister, neither of those statements has proved correct. The Member for Narracan has been right all along. Can you understand, Minister, why the people of Gippsland feel like this government has lied to them?

**Melissa HORNE:** Thank you for your question, Mr Pesutto. Certainly I have had many conversations with the Member for Narracan about this important piece of health infrastructure which he is so passionate about. If I can explain to you, though, it comes out of a fund which is called the Hospital Infrastructure Delivery Fund. That was a commitment to deliver seven hospital upgrades across the state, including the Austin; the Monash Medical Centre; the Northern; Dandenong, which was most recently announced; Maroondah or QE II, depending on what you would like to call it; Warragul; and Wonthaggi. As you can appreciate, to do this breadth of work has required careful consideration and planning along the way, and indeed –

**John PESUTTO:** Sorry to interrupt, Minister, but can you explain to the people of Gippsland, the people of Wonthaggi and the people of East Melbourne, affected by Maroondah in particular, why then those promises were made, why the commitments have been stated but the projects have not been delivered? You can understand their deep frustration.

**Melissa HORNE:** In relation to Warragul, we are doing it on a greenfield site. Now, this is a complex piece of work, and if you compare it to, say, the building of the Melton hospital, which required us to build a couple of roads, put in our own substation to be able to cater for the power needs of that, this is the planning work that has been going on out at Warragul. But also what we are doing there – and you can see it in the budget papers – is a no-regrets spend in terms of doing some upgrades on the existing Warragul hospital.

**John PESUTTO:** Minister, in the time I have, can I just quickly go through the hospitals I have mentioned. Can you or your official take us to where in either budget paper 3 or budget paper 4 – in budget paper 4 I think it is page 56 and in budget paper 3, page 59 – the funding has been allocated for actual construction of each of

West Gippsland Hospital, Queen Elizabeth II – Maroondah – and the Wonthaggi redevelopment. Take those three.

**Melissa HORNE:** So in BP4 – Priscilla, maybe you can supplement this so that I can continue to talk – there is money allocated to both Wonthaggi and to Warragul, as I mentioned. The way that this fund works is that as projects move into delivery, they then become line items in the budget. As you will see, a few pages previously in BP4, Dandenong becomes its own standalone item. But Priscilla, can you –

**Priscilla RADICE:** Certainly. The original \$320 million for the HIDF was for a planning fund to work through those seven hospitals and work through the sequencing and the planning for them. We have now moved into \$1.9 billion being announced against Monash, against Austin, against the Northern Hospital and now the Dandenong Hospital. In parallel, the next stage of Wonthaggi has been funded in this budget –

**John PESUTTO:** Sorry, official, can I ask where we can find that and where the figure is?

**Priscilla RADICE:** Wonthaggi, in budget paper 4, is under the West Gippsland Hospital upgrade. It is page 54, and it is in relation to both Wonthaggi and Warragul. For Wonthaggi it is a pharmacy upgrade, a morgue upgrade and the most priority clinical needs –

**John PESUTTO:** Sorry, just in the interests of time – that I think corresponds with the budget paper 3 reference I was talking about before, I think, of \$65 million over four years. What I have been informed is that that is not for construction of the promises made in recent years; rather that is for plant and equipment upgrades and other upgrades across those two hospitals. Isn't that the case?

**Priscilla RADICE:** I can only speak to budget paper 4, which is the capital funding. That is \$65 million. It is for Wonthaggi, for scope, for pharmacy and morgue and other upgrades which were part of the announcement for Wonthaggi, and that is the next stage as we sequence this work. The Warragul funds in that \$65 million are for the existing hospital, which are for critical infrastructure upgrades and a roof replacement. Noting that that hospital still needs to continue to service the community while we are doing the detailed planning and moving forward on the greenfield hospital, we are very conscious of the paralleling.

**John PESUTTO:** I do appreciate the explanation. I have just got about 30 seconds, so I just want to clarify: in 'Asset initiatives' in BP3 on page 59, it says that we have – and I take your point about the money going to Wonthaggi – \$3.7 million next financial year, \$5.3 million the year after, \$36.9 million in 2028–29 and \$19.1 million in 2029–30. Now, what I think that says to the people of Gippsland, including Wonthaggi and also Maroondah, is that these hospitals, these new builds, are not coming anytime soon.

**Melissa HORNE:** I would not necessarily phrase it that way. I think we are committed to delivering these hospitals.

**The CHAIR:** Thank you. We are going to Mr Hilakari.

**Mathew HILAKARI:** Thank you, Minister, for your attendance this afternoon and into this evening. It is going to be a very exciting time, and I appreciate that we are going to move through this rather rapidly. I would like to take us through to budget paper 4 and pages 55, 56, 58 and 59, and I apologise – I am going to give you a fairly longwinded intro to this and talk about some of the hospitals in the western suburbs because of their importance to me.

**Melissa HORNE:** You are a proud westie.

**Mathew HILAKARI:** That is right. We have a great deal of pride in everything that we are doing in the western suburbs at the moment, and I know that the Member for Laverton would share that as well. The community hospital that we both visited recently in Point Cook has been topped out with extraordinary work done by all the construction workers there, and I just want to say thanks to them. Your most recent visit prior to that was to see the foundations going in around the lift shaft, and since that time it has just gone up and up and up and been topped out in absolutely no time at all. I will draw your attention to budget paper 4, page 55. There it outlines the estimated expenditure to date but also that expenditure in 2026–27: \$116,000 over the course of the year coming up, or \$117,000 really, and very little expenditure after that, which tells me very directly that this hospital will be finished off over the course of this upcoming financial year, which is just so great to see.

We will have services like public dental, chemotherapy, dialysis – all those services that we need close to home. I just want to touch on as well the program at Werribee Mercy, the expansion there, as well as a new Melton hospital and also the recently opened Footscray Hospital. Minister, I am keen to know how all these investments are supporting us in our western suburbs.

**Melissa HORNE:** Thank you very much, Mr Hilakari. Yes, it was a great day to go out there to Point Cook community hospital and check out just how quickly that has come up out of the ground. I think it is a case in point around the detailed planning that we needed to do around this. It is not like just banging up a medic tent in an episode of *M\*A\*S\*H*. It is that detailed land acquisition. It is making sure that the roads are there and there are services there. What is happening out in Melton is truly amazing. Can I also say too, because it is just up the road from me, that the new Footscray Hospital is truly astonishing. I was there on the first day that that was open to patients, and it went absolutely seamlessly. Western Health managed to move 108 patients on that morning into the new hospital. I was speaking to the first patient that went in there, and he said, ‘Oh my goodness, this is like a hotel. I don’t want to go home.’

**Mathew HILAKARI:** The CEO I met with some time before that was talking about the challenges of that big lift of patients from one hospital, the old Footscray Hospital, to the new Footscray Hospital, and they did an amazing job. The Member for Laverton, our Chair, also just talked so glowingly about the establishment there and the high quality of the build and facility there.

**Melissa HORNE:** Absolutely – without a doubt. Most recently I was also out at the expansion of the Werribee emergency department with the Member for Werribee John Lister, and the care and the thought that have been put into making sure that people feel comfortable in the space, making sure that people have got the dignity in place and being able to direct, say, people who are presenting with psych issues away from paediatrics – it is really quite well thought out. The wayfinding that is through there as well not only assists patients but also clinicians and the nursing staff.

**Mathew HILAKARI:** What I particularly loved when I was last there was the care that they have taken about building for the future. As you walk through the building you see some blank walls, which actually have treatment spaces behind them. As the community and the need expand, they will be able to be opened up without having to build a new hospital, because we know that hospitals do take a long time from the point in time when they are funded to planning and all the way through to opening. It was great to see that the building authority have really thought through, ‘We’re in a growing community. We don’t want to be building new buildings all the time in these spaces. We can actually build some of that in.’ I thought that was a really amazing thing.

**Melissa HORNE:** We certainly saw that in the ambulance bays. I know, Priscilla, you talk about it as being warm shells.

**Priscilla RADICE:** Yes, that is right.

**Melissa HORNE:** Explain for the committee what a warm shell is.

**Priscilla RADICE:** A warm shell is where you put everything behind the walls or in the slab, ready to go and be fitted out, rather than having to come back in and drill into the floor and interrupt operations that are happening underneath or drill into the ceiling. It can cost you more money to warm shell something, but it is less disruptive to the hospital when you come back to do that fit-out later. But it means you need to design the detail ahead of, even if you are not fully committing to those next stages yet. We also have to design for those next stages because that allows us to make all of the no-regret decisions for those hospital builds, which also comes back to standardisation and how we ensure that we are taking an approach that means we can grow in contemporary and we have those design principles in place because if things are too bespoke, it can be difficult to come back and then expand over time.

**Mathew HILAKARI:** There will be no regrets in terms of those extra rooms being available in Werribee Mercy, because we have just got a huge and growing population in Melbourne’s west. I know that the Member for Melton is just so pleased about the initial stages of the Melton hospital build, something that he has been just a real champion of. I appreciate all the work that is going on to make sure that we can deliver the hospital facilities we need in western Melbourne.

**Melissa HORNE:** It will be quite transformative I think to see Victoria's first fully electric hospital actually come into operation out at Melton.

**The CHAIR:** Thank you. We will go to Mr Riordan.

**Richard RIORDAN:** Thank you, Chair. Thank you, Minister. On the theme of promised hospitals that we can no longer deliver, my colleague Mr Pesutto talked about West Gippsland and the Queen Elizabeth. I want to turn to the smaller community hospitals, the 10 that were also promised back in 2018. You have now dropped three of them, and we discussed with the health minister earlier today the Torquay community health centre, which is basically confirmed as gone from the books. Can you confirm that Emerald Hill and Eltham have also gone from the books?

**Melissa HORNE:** Thank you very much for your question, Mr Pesutto – Mr Riordan, apologies.

**Richard RIORDAN:** We look alike.

**Melissa HORNE:** Don't make me laugh.

**The CHAIR:** All men of a certain age do, Mr Riordan.

**Richard RIORDAN:** Rocky and Balboa here.

**Melissa HORNE:** As you can appreciate, in the service system and planning that occurs the Department of Health is our client, so we build to the Department of Health is saying, 'This is what our system's priorities are.'

**Richard RIORDAN:** When you are given the money to do 10 – in fact you are given \$675 million to build 10 – but you are only building seven for \$870 million, is it your fault that there is \$200 million more spent and you have got three less hospitals? It is a lot of money. It is a lot less hospitals.

**Melissa HORNE:** Not at all. We have completed the Cranbourne Community Hospital.

**Richard RIORDAN:** I know what you have completed; I am just worried about the ones that have evaporated. Ironically, your social media managers at the health building authority or whatever it is called have failed to pull down the signs. Do you realise you have still got massive, big, overgrown signs in Torquay telling people that the hospital is coming soon? Is it appropriate that such misleading information is left out in the community?

**Melissa HORNE:** I cannot talk to what VIDA health collateral is out there. Priscilla may well be able to do that.

**Priscilla RADICE:** The community hospitals program is an \$800 million program of work, and it is a live program of work. As we work through with the Department of Health, who are doing continued service planning, we have sequenced the hospitals to their priorities.

**Richard RIORDAN:** But the health minister told us earlier that certainly Torquay has been dropped, and as the others do not appear anywhere, we can only assume they have suffered the same fate. That is the case.

**Melissa HORNE:** Mr Riordan, we continue to work with the health department in terms of delivering what their priorities are.

**Richard RIORDAN:** But the health minister told us it is not a priority. You are not actively planning for Eltham, Emerald Hill and Torquay.

**Melissa HORNE:** I only heard a little bit of her witness testimony, but my understanding is that she was very much saying there are a number of additional services there. That is the purview of the Minister for Health.

**Richard RIORDAN:** I appreciate that, but I am just wanting to confirm. It seems you have had 50 per cent added to your budget for three less hospitals. Has it now been chopped off your radar? You are not actively working on it.

**Priscilla RADICE:** The Victorian Health Building Authority is not actively working on those three projects because the Department of Health continue to do detailed service planning.

**Richard RIORDAN:** Who would be responsible for removing signs that are giving people false hope? Would those signs belong to you, or do they belong to the minister?

**Priscilla RADICE:** Those signs do belong to us. If there is a direction that a different decision has been made –

**Richard RIORDAN:** So would you require this minister or the health minister to tell you –

**Melissa HORNE:** It would be through the health minister.

**Priscilla RADICE:** The health minister.

**Richard RIORDAN:** Okay. So we need to follow that up. On further broken promises to the Armstrong Creek Surf Coast region. I mean, this community has had promises of Commonwealth Games, cancelled; hundreds of houses, cancelled; swimming pools, cancelled; hospital, cancelled – there are a lot of broken promises. You could almost wallpaper this room with the amount of photos that Labor politicians took in front of promises at the 2022 election. But let us now move to the Armstrong Creek ambulance station, which was promised a long time ago and has not progressed. You have only spent a portion of the budget. Can you guarantee this committee that the nearly 30-odd million dollars that are on the books are not going to continue to creep through the budget pages into future periods? Is that an active project that you can guarantee this committee and the people of Armstrong Creek that you will actually get underway?

**Melissa HORNE:** One of the challenges that we have had, Mr Riordan, with Armstrong Creek – and work is still continuing with that – has been around land acquisition and identifying the appropriate –

**Richard RIORDAN:** How long ago did you buy the land?

**Melissa HORNE:** Oh, before my time in the portfolio. But, Priscilla, maybe you can talk us through a little bit more detail.

**Priscilla RADICE:** It was also before my time in the portfolio, but I believe that it was designated for an emergency services precinct in 2014, when it was set aside for the ambulance station. I am –

**Richard RIORDAN:** So it really has not been a land acquisition problem.

**Priscilla RADICE:** It is actually a privately owned area of land. The developer had thought that they would take it forward as a full development site and the ambulance would be one element of that. There are no services on the site, there are no roads on the site, and the developer does not want to move forward with only one proponent.

**Richard RIORDAN:** So that is still the developer's problem, so you have still actually got this as a live problem?

**Priscilla RADICE:** We are looking at alternative sites in parallel as we work through with that developer. We are working with Ambulance Victoria to resolve, in Armstrong Creek –

**Richard RIORDAN:** So there is no way then that you are delivering a \$30 million ambulance station by the end of this next financial year.

**Priscilla RADICE:** We are very live on land; it depends on the site and how we take it forward. But what we have been working through is rather than staying on one site and continuing to only have one option, we have opened up other options –

**Richard RIORDAN:** What I am hearing is you actually have not got a deal for the land yet.

**Priscilla RADICE:** There is a site allocated. We are working with that developer. We are looking for alternative sites –

**Richard RIORDAN:** No, but you said you allocated that in 2014. That was –

**Priscilla RADICE:** that might be able to come forward soon.

**Richard RIORDAN:** 12 years ago.

**Priscilla RADICE:** The site was set aside with that developer for emergency services at that time.

**Richard RIORDAN:** But the reason after all this time we have not got anything is you still have not got a final deal. You have not got a title to build on.

**The CHAIR:** Thank you, Mr Riordan. We are going to Mr Galea.

**Michael GALEA:** Thank you, Chair. Good evening, Minister. It is good to see you. And good evening, Ms Radice, as well. Thank you for coming back. Minister, it is certainly true to say that there have been a huge amount of new and upgraded hospitals built already and in fact delivered, if I just look around my own electorate. We have already tonight discussed the Cranbourne Community Hospital, which is up and running new services and in this budget is going to be providing an urgent care clinic as well, which has been extremely well welcomed by the local community. And of course the single largest investment in a hospital outside of central Melbourne in the state's history, formerly the Frankston Hospital, now Peninsula University Hospital, which I have had the chance to be out at with you to see the incredible work there – and some of the smaller things, a very special level pedestrian crossing at the front too, which some delightful primary school students opened with us.

But I want to talk about some of the initiatives in this budget, particularly as they relate to something that you mentioned earlier, which is the health infrastructure delivery fund. This continues the investment into major capital upgrades of hospitals in metro Melbourne and indeed broader Victoria. Specifically if I can call out from budget paper 4, page 54, and also from your presentation, the Dandenong Hospital redevelopment with a TEI of \$305 million – \$86 million of which was in a couple of budgets ago – which is about to progress and take up very quickly. But also the Austin Hospital emergency department upgrade in Heidelberg, with a TEI of \$275 million, which is on page 55 of budget paper 4.

Budget paper 4, page 57, has another project that is close to my heart, which is the Monash Medical Centre redevelopment in Clayton, and I know the Member for Clarinda, just two seats away from me, is very excited as well. We were actually just talking about it yesterday – the seven-storey tower, as part of a very exciting, dynamic medical precinct that is only going to continue to grow. And the SRL station that is going to be nearby will support that precinct as well. And then as well, in budget paper 4, page 58, the Northern Hospital redevelopment in Epping, and I feel some excitement from my right. Minister, I believe the Northern Hospital also includes Victoria's virtual ED, which we had the opportunity to explore with the Minister for Health this morning. Again, that has been dramatically expanded, and we are seeing the awareness of the program, the virtual ED, go in leaps and bounds. It is not so long ago we had to explain to some of my Liberal colleagues in committee hearings that it already existed, but certainly the awareness is growing now. But there is a significant TEI of \$812.5 million in budget paper 4 here for the Northern Hospital redevelopment. Can you talk to me about the status of these investments and how the Health Infrastructure Delivery Fund is supporting these projects and others like them, as you talked about, through the pipeline of projects and particularly through the lens of these four projects? I might be slightly more interested in the south-east ones, but I would love to hear across the board from you on how the Health Infrastructure Delivery Fund is delivering these major upgrades for Victorians.

**Melissa HORNE:** Thank you for your question. As we discussed a little earlier, the Health Infrastructure Delivery Fund is very much about allocating as projects are moved into delivery, getting those projects up and going. In relation to the Austin, the construction firm Built was recently appointed as the early works contractor, and they started in 2024. What they did was upgrade the engineering infrastructure to support the Austin Hospital and the Mercy Hospital. It is quite a complicated build out there because they are building between two existing hospital spaces, and it was really interesting to go out there and have a talk to the builders to see how they are going to manage the construction disruption without impacting patient care. And the thought and the care that they have put into that, particularly with one of those towers being very close to the neonatal facilities as well – the planning that was involved in making sure that they could actually get on with

the construction of that whilst not interrupting that patient flow was pretty impressive. Once that is completed, that expanded emergency department will treat 30,000 more patients every year.

More recently, though, I was down at the Monash Medical Centre, and I actually met one of Victoria's newest babies, because it was Mother's Day, which was very cute. I do not believe you, Mr Tak, were there. You were ill on that day.

**Meng Heang TAK:** Yes.

**Melissa HORNE:** Not a problem. We will arrange for you to get back out there. It is not only going out there and seeing the build that occurs but it is going out there and talking to the doctors, the nurses, the clinicians, who actually can really start imagining the new spaces that they will continue to work in and see that investment by a Labor government into new hospitals. In relation to the Northern – I know, Ms Kathage, you and I have been up there many times; you are very passionate about it – that is really well progressing. You may have actually been up there more recently than me.

**Lauren KATHAGE:** It is so close.

**Melissa HORNE:** So close. Okay. I am just wondering, Priscilla, is it topped out yet, the Northern?

**Priscilla RADICE:** The ambulatory care centre? Yes, it is. It is coming along very well indeed. John Holland Group has been appointed for the emergency department expansion, which I believe might be the largest in Australia, but if it is not the largest, it is very close. It is one of the busiest emergency departments certainly in Victoria, so it is good to see that ambulatory care centre getting up and out of the ground to make way.

**Lauren KATHAGE:** 340 patients at the ED at the Northern last week, or the other day. And they were celebrating that they got through it. So we are looking forward to the new ED for sure.

**Melissa HORNE:** It will be terrific, and it will have things like that dedicated paediatric zone. You have got little ones, making sure that they are in a safe space is good.

**Michael GALEA:** Thank you, Minister.

**The CHAIR:** Thank you. We are going to Ms Benham.

**Jade BENHAM:** Thank you, Chair. Evening, Minister. I do feel for you. I want to talk about Albury Wodonga Health, and we will get to Mildura and the master plan shortly. The 'Budget Overview', page 25, 'Modernising our hospitals' – during the 2022 campaign, as we know, the then Premier committed \$225 million to that project, and the business case was to be done by NSW Health. Can the Minister confirm that the business case has been received and accepted by the Victorian government?

**Melissa HORNE:** That is not a project that I have got a lot of oversight for, because it is being built by New South Wales. In relation to the business case, do you have any advice?

**Priscilla RADICE:** It would have been with the Department of Health. My understanding is that \$558 million has been committed to that project, and NSW Health Infrastructure are taking that project forward.

**Jade BENHAM:** Has Victoria handed over the \$225 million?

**Melissa HORNE:** Look, we would need to take some advice from the Department of Health on that.

**Priscilla RADICE:** It is committed by the Victorian government.

**Jade BENHAM:** Yes, it is committed, but has it been handed over, because we cannot find it in the budget papers. Can you direct us to where it might be within the budget papers?

**Priscilla RADICE:** It is a Department of Health issue. It does not sit with the Victorian Health Building Authority. There will be a schedule and a timeline that is connected to that in the same way as Commonwealth funding, but I do not have visibility of it.

**Jade BENHAM:** So you do not have oversight on it. Okay. No worries. The Mildura master plan was done years ago; we have been waiting on it. Any danger that you might release that soon so the public can see it?

**Priscilla RADICE:** Master plans do sit with the Department of Health, but they are operational documents, and they change and adapt and are worked through over time. The Department of Health are going through their new 12 network plans. I did not have the opportunity to hear the briefing this morning, but my assumption is they would have spoke to that new network planning and how they are bringing that together. That will inform the position the Department of Health will take on master planning. As investment decisions are made through the normal way, then we would become part of that conversation at that time.

I have visited Mildura. I have been out with the CEO Terry Welch and walked around the site. I have understood it so that I have full awareness of the deliverability issues, buildability issues, what the options might be as we work that forward in understanding their concerns and being able to provide that advice if it is being sought from us from the Department of Health.

**Jade BENHAM:** Did he also run through the initiatives that the management there have taken themselves with moving the allied health and outpatients to the Eleventh Street site, which then saves infrastructure capital spending really with the model that they have done? Do you agree that that is an amazing move by them?

**Priscilla RADICE:** I do not like to talk to operations, but Terry was very passionate – and the team. I think the evidence and the data would show that they are doing a good job in working through that asset and their operations in that location. They were very passionate and went through a lot of detail. We also went through the things that had been funded there – they are upgrading their kitchen and there was a large central energy plant upgrade. So there are ongoing investments that do work through the Regional Health Infrastructure Fund.

**Jade BENHAM:** That Eleventh Street build is going to be delivered before time and under budget too, I might add. But again it is delivered by the private sector. The model is brilliant, and the initiative that they took was great to be able to free up room within the hospital while we are waiting on the master plan and probably a brownfield site, I gather. Minister, you said earlier that building on a greenfield site is quite complicated. Why is that? Would that not be easier?

**Melissa HORNE:** Both of them are complicated.

**Jade BENHAM:** No doubt. It is hospitals.

**Melissa HORNE:** I think, as I outlined before, it is making sure that there is the access, but also that there are the services there. There are the telecommunications, there is the sewerage, there is the water, there is the power supply – all those sorts of things. As I said, we had to go and build our own substation out at Melton in order to be able to facilitate a fully electric hospital.

**Jade BENHAM:** Fully powered by renewables, I assume?

**Melissa HORNE:** That would be a question for the Minister for Climate Action.

**Jade BENHAM:** You might need your own substation; I think all hospitals will. Just going back to Albury–Wodonga for a second. I know this sits with the Department of Health. I am just trying to get my head around – and you might be able to offer some sort of insight – if that \$225 million for the build is not contained within this budget, how is it accounted for?

**Melissa HORNE:** Ms Benham, I think you need to direct this to the Minister for Health, because that will be a funding agreement between NSW Health and Department of Health.

**Jade BENHAM:** Department of Health, and not health infrastructure?

**Melissa HORNE:** Yes.

**Jade BENHAM:** Okay. In the couple of minutes that I have left, ambulance stations out in rural areas are really suffering. In particular Sea Lake ambulance station, which has had many PINs – the electrical work in there is unsafe. There has been scope to move next door to what was the early childhood learning centre. That

seems to have been held up. The lease was very, very minimal. Do you have any oversight on that ambulance station, the upgrades, the maintenance needed because it is falling down?

**Melissa HORNE:** I do not have any visibility of Sea Lake.

**Priscilla RADICE:** Ambulance Victoria have an infrastructure team for refurbishments and upgrades and work that through, so we have been responsible for the new ambulance stations but they have their own infrastructure team for that. So I cannot speak to their ongoing asset maintenance.

**Jade BENHAM:** If it is not going to be a brand new one, there is no oversight from you.

**Melissa HORNE:** Correct.

**Jade BENHAM:** Okay. If we can talk about, really quickly, the master plan or concept designs for the Parkville precinct redevelopment.

**Melissa HORNE:** Yes.

**Jade BENHAM:** Is there one?

**Melissa HORNE:** There has been so much work that has gone on down there. It has been quite remarkable. Indeed we are about ready to get underway with –

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

**Meng Heang TAK:** Thank you, Chair, Minister and official. You have a very good memory, Minister. I missed that day at the Monash hospital, at the unveiling of a new project there. I would like to take you back to the south-east, to Dandenong Hospital. I was fortunate enough to accompany you with the Minister for Health and many of our colleagues in the south-east. Dandenong Hospital is a fantastic place. Many of the residents in the south-east have used that hospital for many, many years. Minister, this budget includes \$305 million to deliver a major redevelopment of the Dandenong Hospital. Could you please explain once again to the committee what this will entail? I mean, I had the benefit of joining you.

**Melissa HORNE:** No, it was great. Thank you very much for that, Mr Tak. And it was great to have that announcement of Dandenong underway, and certainly going out there, I think that, talking to the clinicians, they had said that the last real bit of work that had been done on that hospital was about 17 years ago. The ICU and the theatre spaces were very confined. They did not have the sort of contemporary sightlines of what you would have in a modern hospital to be able to keep clinicians safe but also patients safe as well. One of the things in this portfolio that I have really got to learn is preserving patient dignity, so that \$305 million out there will upgrade the ICU and expand the operating theatre suite as well to make it really contemporary and, you know, a lovely place for people to work in. But without a doubt the excitement of the staff out there was absolutely palpable.

**Priscilla RADICE:** Yes, the scope at Dandenong Hospital is very much about patient dignity and safety as well. At the moment there is not any separation of flows for patients that are on beds and public access. New theatres, a new ICU, but we will also separate those patient flows from back-of-house flows, which is really important for patients when you are in those really vulnerable situations. But it also improves efficiency and means that the hospital will run more efficiently, and that is good for safety and good for operations. There will also be upgraded –

**Mathew HILAKARI:** Is that part of the modern design of hospitals that we are building from here on in –

**Priscilla RADICE:** That is right.

**Mathew HILAKARI:** so that we do not have that issue in the future?

**Priscilla RADICE:** It is standard to have that separation now. But we do often deal in brownfield hospitals, so what you are able to deliver against contemporary designs and the *Australasian Health Facility Guidelines* – you cannot always meet those. They are guidelines, but you cannot always provide those contemporary models of care in older buildings, so this redesign and expansion will allow for that.

**Mathew HILAKARI:** Is that supportive then of staff at the hospital as well with the back of the house? But also I imagine it is challenging if you have got patients not separated from the general community, or have I misunderstood that?

**Priscilla RADICE:** No, that is right. At the moment patients are sharing the same public corridor as people that are going to visit family and friends or going to the vending machine, so that separation will occur. The other upgrade as part of that hospital is the central sterilisation services department, so CSSD, which is really, really important for throughput for surgeries. If you are upgrading theatres or ICUs, there is generally a lot of support services that also need to be upgraded to enable that.

**Mathew HILAKARI:** Sorry to interrupt. Pardon me.

**Meng Heang TAK:** Fantastic. Moving to my next question, Minister, these projects are not the only initiatives that the government is delivering. Minister, could you explain to the committee the size and the scale of the current health infrastructure pipeline?

**Melissa HORNE:** Certainly, Mr Tak. It is a massive pipeline. I think we have delivered \$19 billion worth of health infrastructure so far, as outlined in my presentation, with still more to go. Picking up the piece that Ms Benham raised around her curiosity with the Parkville site, and this is just one of the cases in point for the work that we have got going on, that will enable us to really have a look at the complexity of that site. We have got a number of different health services on there, including some research services as well, with CSL, there is the University of Melbourne and there is WEHI as well, Walter and Eliza –

**Priscilla RADICE:** Walter and Eliza Hall Institute.

**Melissa HORNE:** Yes. We have been working really, really hard to be able to say how do we reimagine that site. It is making sure that we have got one of Melbourne's busiest hospitals continuing to operate at the same time that we are continuing to start the work. The work that we are going to kick off very soon is the demolishing of the –

**Priscilla RADICE:** Materials handling building.

**Melissa HORNE:** materials handling building. And what does that do, please?

**Priscilla RADICE:** It basically houses all the services that make the operations of a hospital work, so engineering, linen – there are a range of support services that operate out of that building with logistics, engineering. Under the building are all of the tunnels that move across that entire campus. Many people would not understand that underneath the RMH the engineering, linen supply – that is how things move around the hospital. They are older tunnels, and that building is designed to come down into those tunnels, and everything services from there. It is a 70-year-old building on the most congested hospital campus in an inner-city location, so we have actually had to design the demolition very carefully.

**Meng Heang TAK:** Thank you, Minister.

**The CHAIR:** Thank you, Mr Tak. We are going to Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good evening. I am on budget paper 4, page 60. Can you take the committee through what funding there is in the budget for ACCHO health infrastructure, particularly for the 2026–27 year?

**Melissa HORNE:** Certainly. Thank you very much for your question. I have got to say that this has been one of the most rewarding parts of the portfolio, to be able to work with Aunty Jill Gallagher about understanding what ACCHOs need and their voyage to self-determination and being able to provide those vital health services to First Nations people. One of the really pleasing things to come out of this year's budget was Wathaurong, down in Geelong. Now, that provides \$15 million in output funding, and that is going to support the \$44 million Wathaurong Dreaming Project, which is a new purpose-built facility for the Wathaurong Aboriginal Co-operative down in North Geelong. I think that will deliver health and wellness services, and I sort of need to give a bit of a shout-out to the Member for Geelong as well, Christine Couzens, who has been such a passionate advocate in this space as well. Some of the stuff that it will deliver down there is a new purpose-built facility that will replace facilities that are really no longer fit for purpose. That will enable

integrated primary care. It will have dental services, allied health and community services. But one of the things we also did last year as well in the budget, which has now been handed over, was the Dandenong Aboriginal and district co-op, to be able to start that journey of delivering for ACCHOs down there.

**Aiv PUGLIELLI:** Thank you. Can I ask: for the year just gone, is there a figure you can provide for how much was spent maintaining and upgrading ACCHO infrastructure?

**Priscilla RADICE:** I can talk to that, if you like.

**Melissa HORNE:** Sure.

**Priscilla RADICE:** A total of 14 projects were funded for ACCHOs and community health organisations through the last RHIF grant funded. That is 22.5 per cent of all projects, and it is at \$7.14 million, so considering that the Regional Health Infrastructure Fund is servicing the whole of Victoria and all of our regional assets, I think we are heading in the right direction for our support into that space.

**Aiv PUGLIELLI:** Okay. Thank you. I am going to look now at Maroondah Hospital, in my electorate. Over the past few years the government has announced \$1.05 billion to redevelop and expand that hospital. A new paediatric emergency department was to be built. You just said earlier, Minister, that how this fund works is as projects move into delivery they then become line items in the budget. The works were due to begin last year. Can I confirm: are they still proceeding?

**Melissa HORNE:** We have been doing an enormous amount of planning works in that space, and it is a complicated and very constrained space. I can get Priscilla to take you through some of the detail on that. But in relation to the paediatrics, which you raised, we have got a delivery program now in place for the paediatric emergency department, which is fully funded. We have worked with the health service to be able to deliver that and progress that emergency department project, and I understand it will shortly go out to tender. So that will kick the process off there.

**Aiv PUGLIELLI:** Is there money in this year's budget for those upgrades to proceed?

**Priscilla RADICE:** The Maroondah paedics is in the budget, yes. Correct. It is listed under 'Building emergency departments kids and families' – let me just check where it is in the paper. I will not be a sec.

**Melissa HORNE:** Is that BP 4, page 56?

**Priscilla RADICE:** It is in the BP, page 56.

**Aiv PUGLIELLI:** I am on limited time. Do you want to get back to us? Is that all right?

**Priscilla RADICE:** It is in there. It is under 'Building emergency departments kids and families can count on'.

**Aiv PUGLIELLI:** Okay. Thank you. Moving on to the Collingwood Cohealth building, is there funding committed in this budget for that specific site?

**Priscilla RADICE:** From an infrastructure perspective? No.

**Aiv PUGLIELLI:** That is a no? Okay. Since 2019, I understand a plan has been on the table to develop a health and housing hub at the Hoddle Street site. Is the government considering this?

**Melissa HORNE:** That is not part of my remit.

**Aiv PUGLIELLI:** It is not? Okay. On another matter, picking up on Parkville – can you confirm a master plan of concept designs has been completed for that precinct redevelopment?

**Melissa HORNE:** Yes. There is certainly that work that has got – excuse me; I have got to hand over to Priscilla.

**Priscilla RADICE:** We are working through all of the staging of the Parkville precinct redevelopment. It enables, as I said, that really detailed demolition of that building, which is the first move to be able to make

room for then building the western building. But we need to take that site down and build a new materials handling and logistics building, and then we can move into the western building. We are working around all of that long-term staging around the service needs for the RMH, the service needs for the Women's and obviously the more than 40 major research stakeholders throughout that precinct, to ensure that that staging allows us to take a 50- to 100-year view for Parkville.

**Aiv PUGLIELLI:** Yes. Okay. Maybe speaking more broadly, can you tell us how many projects are in the VIDA Health pipeline?

**Priscilla RADICE:** I think that was in the presentation, which I do not have on me, but it is quite a few. It is more than –

**Melissa HORNE:** We can come back to you with a precise number.

**Priscilla RADICE:** I will have to come back to you. Sorry, I should know that off the top of my head. It comes and goes on a regular basis, as we are opening lots of them.

**Aiv PUGLIELLI:** That is all right. Could you tell us how many are due to be completed next year – is that a figure you can provide?

**Priscilla RADICE:** Yes.

**Aiv PUGLIELLI:** Okay. Fantastic. Then over the forwards, is that something you would also be able to look at – just looking at the pipeline in total, how many are to be completed next year and how many over the forwards?

**Melissa HORNE:** Yes, sure.

**Priscilla RADICE:** Yes. Projects and BP4 dates, they are all in the budget papers, but we can put a summary together for you. It is all on our website as well.

**Aiv PUGLIELLI:** Great. Just in terms of health infrastructure funding, going back to Collingwood, could you confirm which portfolio that would sit under?

**Melissa HORNE:** I am assuming it would sit under the Minister for Health.

**Aiv PUGLIELLI:** For infrastructure funding, for a physical site?

**Priscilla RADICE:** It depends on the Department of Health to determine what needs to be funded where.

**Aiv PUGLIELLI:** Okay. Thank you.

**The CHAIR:** Thank you. We are going to go to Mr Hilakari – sorry, Ms Kathage.

**Lauren KATHAGE:** Thank you, Chair, Minister and Ms Radice. I want to talk about regional health and the investments this government has made in regional health generally but also through the Regional Health Infrastructure Fund. My local hospital is the Kilmore hospital, which I know has benefited from various rounds of the fund. I think the most recent that we are expecting to see completed soon is the antenatal being moved over to the hospital, which is great, because I have personal experience of being very pregnant when they say, 'Oh, you need to go to the ward and have a test,' and waddling through the car park to get to the other side. Having antenatal and the birthing suites and all the midwives together makes absolute sense, so thank you for that investment in our community. It means a lot to us. And I can see that there are investments all over Victoria, from the smallest towns to our big regional centres. There is a list between pages 55 and 60 in BP4; I can see Ballarat, Maryborough and Warrnambool are some of those bigger town centres there. It is really good to see those investments to improve the health of Victorians living in the regions, to overcome any disparity there might be. Can you update the committee on the progress of these projects?

**Melissa HORNE:** Sure. Thank you very much. Without a doubt you are right – there is so much work going on across all of the state. In fact since 2015 regional Victoria has had the benefit of more than \$5 billion worth of funding – that is over a thousand grants projects – and approximately \$4.3 billion has gone into standalone

capital projects as well. Some of those hospitals that you touched on – Ballarat is pretty exciting. I have got to say, every time I go up there we have got the Member for Wendouree absolutely owning it. I think she knows most of the workforce on first-name terms. We have put \$655 million into that redevelopment of that new tower; the last time I was there that actually topped out. That is a really exciting milestone to reach, where the structure is now in place and they have started cladding the external part of the building. They were building the helipad as well. They were telling me this great story about some schoolkids that they have brought up there, some year 10 kids that were potentially interested in engineering as a career or something like that. It is the highest landmark in Ballarat, so kids were just blown away by what will be a really significant icon on the Ballarat horizon. Some of the benefits that it will deliver – it is going to have advanced operating theatre suites and procedure rooms. It will have a larger ICU and particularly, too, an ICU that, as people come in on the helipad, they can then go straight across into a dedicated lift well and straight down into ICU, which is quite transformative from the way it operates right here and now. It means, though, that the hospital can add more endoscopy suites and consulting rooms. It also means that the hospital can basically deal with about another 4000 surgeries every year, so it will be able to treat about 18,000 more emergency patients and about 14,500 inpatients every year.

Another hospital that we have got going on in regional Victoria – and I have not been down there for a while, actually – is the Barwon women’s and children’s. The 2022–23 budget invested more than \$500 million to deliver that main facility. Main work started in late 2024 to prepare that site. Construction is underway and, again, recently hit structural completion. I am starting to lose my voice, Priscilla, so I might hand over to you, if I may.

**Priscilla RADICE:** Sure. I think the minister was just going through Ballarat. What was the other regional hospital that you specifically –

**Lauren KATHAGE:** Warrnambool.

**Priscilla RADICE:** Warrnambool, yes. Warrnambool is now rocketing out of the ground with cranes there. We had to demolish a number of buildings and then build the new logistical centre for them, which is in an industrial estate offsite, and then we could come in and do all of the earthworks, the kilometres of piping, and the sewerage and water that we needed to do. We have been working through the design on Warrnambool. It is a regional project that has had some cost constraints, so we have been working that through to ensure that we are delivering the most important clinical scope. So there is a 32-bed inpatient unit being delivered there. There is the dedicated 10-bed paediatric unit. We are ensuring that the dialysis facilities are upgraded, and there will be a brand new medical imaging zone. That zone has been designed for a PET scanner. The Department of Health and the health services will make the decisions around equipment when they fit out the hospital. We are clearly still building the hospital, so that will come over time, and then there is a new suite of operating theatres. The team were down there recently talking to the community, so they are very excited about that project and how it is coming forward. There were conversations around what the scope was and getting clarity around scope, and there were conversations around parking, which we will uplift by about 11 per cent. It has taken us longer to get Warrnambool up and running, but it is up and running very well now and really coming out of the ground, which is great.

**Lauren KATHAGE:** If we head further north to Swan Hill, how are things looking there?

**Priscilla RADICE:** Swan Hill is a really beautiful project and the team there were really, really proud of it. That is open to patients now. That is that expanded ED separation, which is really important in emergency departments. They are getting more and more complex cohorts of people coming through. So yes, there was quite a bit of emotion for the local team attached to Swan Hill.

**Lauren KATHAGE:** Lovely.

**The CHAIR:** Thank you, Ms Kathage. Minister and Ms Radice, thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee’s request. The committee will take a short break before beginning its consideration of the portfolio of family violence at 6:10 pm. I declare this hearing adjourned.

**Witnesses withdrew.**