

Special Commission of Inquiry into Healthcare Funding

Statement of Emma Skulander

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Occupation: Acting Chief Executive, Health Infrastructure NSW

1. This statement made by me accurately sets out the evidence that I would be prepared, if necessary, to give to the Special Commission of Inquiry into Healthcare Funding as a witness. The statement is true to the best of my knowledge and belief.

A. INTRODUCTION

2. My name is Emma Skulander. I am the Acting Chief Executive of Health Infrastructure NSW (**HI**), a role I have held since May 2024. Prior to this, I was the Chief Operating Officer at HI since 2021. Previous to HI, I held various roles in the consulting sector and led project teams delivering major government projects in health, research, and education infrastructure. A copy of my curriculum vitae is exhibited (**MOH.0010.0698.0001**).
3. In my role as Acting Chief Executive, I am responsible for overseeing the delivery of sustainable infrastructure solutions and services to support the healthcare needs of NSW communities now and into the future. Established in 2007, HI oversees the planning, design and construction of NSW Government health capital projects and programs over \$10 million.

B. KEY HEALTH WORKER ACCOMMODATION

4. The Key Health Worker Accommodation Program (**KWA Program**) is a NSW Government initiative that aims to provide modern and sustainable short-term and long-term housing accommodation to health workers in regional and rural areas across NSW. The need has arisen due to slow development rates, increasing demand, and limited supply of housing options in these areas.
5. The NSW Government is investing \$45.3 million over the period 2022 to 2026 to deliver the KWA Program in three regions: the Far West Region (\$15.3 million), Murrumbidgee Region (\$15 million), and Southern NSW Region (\$15 million). NSW Treasury allocated funding for the project to the Ministry of Health in State Budget 2022-23. Ministry of Health subsequently directed HI to oversee and deliver the program's capital works in

collaboration with Far West LHD (**FWLHD**), Murrumbidgee LHD (**MLHD**) and Southern NSW LHD (**SNSWLHD**).

6. This investment is separate to and in addition to the NSW Government's \$27.9 million investment (as part of a \$35 million Regional Housing Package) which delivered health worker housing units to the Hunter New England and Western NSW Local Health Districts (**LHDs**).
7. The \$45.3 million KWA Program will feature both newly constructed units and acquisition of existing properties.
8. The newly constructed units will be modular accommodation units, constructed off-site. There are associated site preparation works, delivery and on-site installation, which includes the connection of services, fencing and landscaping. Off-site modular manufacturing achieves time and cost efficiencies, particularly considering the remote locations of the sites. If required in the future, the units can easily be disassembled, and the modules relocated, to meet any changes in future demand.
9. Sustainability has also been considered in the design of the units, which will be fully electrified and solar ready, with fixtures and fittings selected to provide efficiency for both water and energy use. The KWA Program complies with the NSW Government Resource Efficiency Policy (**MOH.0001.0324.0001**).
10. The role of HI in relation to the KWA Program, as the capital delivery agency, is to lead and oversee the planning, design and construction of the units under the KWA Program. The role of the LHDs is to provide project resources and internal decision-making mechanisms to inform site selection and scope, and non-clinical requirements. HI, the NSW Ministry of Health, and the LHDs each play a role in the governance of the KWA Program. Hutchinson Builders are the off-site manufacturers of the modular accommodation units. Site works across the KWA Program are overseen by Hutchinson Builders and undertaken with local contractors.
11. The current status of the construction component of the KWA Program is as follows:
 - a. FWLHD – Balranald (4 units) and Broken Hill (20 units). The Broken Hill accommodation is expected to become available to key health workers in early 2025. The KWA program was delivered differently at Balranald, with the LHD purchasing 2 cabins (4 units) with enabling works and installation managed by HI and completed by Joss Constructions (completed June 2024).

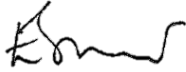
- b. MLHD – Finley (6 units), Leeton (3 units), Narrandera (3 units), and West Wyalong (3 units). West Wyalong will be complete in October 2024. Accommodation for the other three sites is expected to become available to key health workers in late 2024 and early 2025.
 - c. SNSWLHD – Cooma (12 units), a Communal Room and Deck. The accommodation is expected to become available to key health workers in early 2025.
12. In addition to the manufacture and installation of the modular units, HI is investigating the acquisition of existing housing stock in the Murrumbidgee and Southern NSW region as part of the KWA Program.
13. Outside of the \$45.3 million program, HI has delivered KWA as part of the scope of some hospital redevelopments in regional areas including Tumut, Molong, Tumbarumba, Yass, Murrurundi, Cobar, Braidwood and Harden.

C. COST PER UNIT

14. Based on averages across three LHDs and six site locations, the pure manufacturing cost per unit is approximately \$250,000.
15. The total cost per unit, incorporating the Builder's design finalisation, preliminaries, margin, on-site work including infrastructure upgrades on several sites, delivery and furniture and fixtures, is approximately \$520,000.
16. There is some variation, due to the variable amount of site work required for each project, as well as variable delivery costs. For example, when a larger number of units are delivered to a single site, such as the 20 units to Broken Hill, then the average cost will usually be lower due to efficiency of scale.
17. Other costs are shared across the KWA Program to maximise value for money, including fees for design (with all units based on a similar design), planning approvals and contractor procurement management.
18. The \$45.3 million KWA Program also holds 15% contingency within its budget to ensure successful delivery, which is in accordance with the NSW Health *Capital Contingency Management Framework (MOH.9999.0891.0001)*. Once all final KWA Project costs are closed out, any unexpended contingency remaining in the KWA Program will be returned to the Centralised Contingency Pool. Subject to review and approval by the NSW Health Capital Strategy Group, this may be used to deliver more KWA stock.

D. FUTURE OPPORTUNITIES

19. The NSW Government has committed an additional \$200.1 million in the 2024-25 NSW Budget to further increase accommodation for health workers in rural and regional areas.
20. Ministry of Health as system manager is leading the \$200.1 million KWA Program. The NSW Government has advised it will secure approximately 120 dwellings which may include the building of new accommodation, refurbishment of existing living quarters, and possible purchase of suitable properties such as motels. A copy of the media release published 17 June 2024 is exhibited to this statement (**MOH.0010.0690.0001**).
21. If further KWA units are to be constructed by NSW Health, HI will aim to utilise the existing KWA experience, designs and methodologies to drive further efficiencies in program delivery to maximise value for future investments. There are also ongoing discussions across Government as to whether it is feasible to leverage the needs across other agencies to create a pipeline at such a scale that further manufacturing cost efficiencies can be achieved. This will be a focus for the NSW Government as it seeks to deliver on its housing targets in coming years and HI would hope to achieve some benefit from this for its future KWA programs.



 Emma Skulander

 15 October 2024

Date



 Witness:

 15 October 2024

Date