



Victorian Healthcare Association

5 September 2008

Tiernan Humphreys
Manager Environmental Sustainability
Capital Management Branch
Department of Human Services
GPO Box 4507
Melbourne 3001

“Building a Sustainable Future”

The Victorian Healthcare Association Submission on: Sustainability in Healthcare Capital Works Issues Paper

The Victorian Healthcare Association welcomes the opportunity to respond to the “Sustainability in Healthcare Capital Works Issues Paper” (*the paper*).

The Victorian Healthcare Association

The Victorian Healthcare Association (VHA) is the major peak body representing the interests of the public healthcare sector in Victoria. Our members are public hospitals, rural and regional health services, community health services and aged care facilities. Established since 1938, the VHA promotes the interests of its members.

In preparing this submission, the VHA has consulted its members and distilled a shared position aimed at improving the health of Victorians. This submission remains the position of the VHA and does not supersede any submission or position stated by any member agency.

Health and the Environment

“In the context of large-scale environmental change, including climate change, we call for urgent and immediate action to achieve a just and sustainable society as the greatest health priority this century.”

Declaration of Population Health Congress 2008; Brisbane

The VHA lends its support to the declaration made at the Population Health Congress 2008 identifying the integral link between environmental sustainability and the health of the population.

The World Health Organization calls the destruction of the physical environment ‘the greatest single detractor to the fullest attainment of health’. Public health depends on safe drinking water, sufficient food, secure shelter, and good social conditions. A changing climate is likely to affect all of these factors.

Rapid growth, increased per capita consumption, depletion of mineral resources, over-fishing, climate disruption, a global economy based on growth, widening inequity and the embracing of materialism are all leading to a unsustainable future for the planet.

The VHA believes the State Government must be committed to reducing society’s impact on the environment as a moral responsibility of being a world citizen. More acutely Victoria faces a future under an emissions trading scheme, reductions in viable fossil fuels and if changes are not made soon further water shortages and food availability will occur.

Further, the VHA agrees with *the paper’s* comment about the importance of reducing environmental deprivation alongside environmental degradation. Humans are psychologically dependent on nature (biophilia). Contact with nature has been



Victorian Healthcare Association

demonstrated to decrease recovery times, improve social capital and community cohesion and reduce risk factors associated with chronic disease.

The VHA welcomes the Department of Human Services decision to review how the Department addresses sustainability in healthcare capital works.

A Sustainable Strategic Plan

In June 2008, the VHA Board of Directors endorsed a position statement: 'Capital Expenditure in the Victorian Healthcare System'. The principle recommendation of this document was for the development of a ten-year strategic plan for capital investment in Victoria's healthcare infrastructure. Such a plan will ensure capital investment is:

- Aligned with current policy
- Appropriate for its intended use
- **Environmentally Sustainable**
- Governed by a transparent process

The VHA calls on the Department of Human Services to move rapidly towards a ten-year capital investment plan. Environmental Sustainability should be a key driver for this.

Scope of Sustainability Guidelines

The VHA commends the State Government for their intention to reduce the overall impact of service provision on the environment. In particular the whole-of-government approach taken by the Department of Treasury and Finances through 'financial reporting direction 24C'; requiring departmental accountability for environmental sustainability, is welcomed. However, for healthcare facilities to contribute to this 'whole-of-government approach' they must be supported financially.

One concern of the VHA with the Environmental Sustainability Guidelines (ESGs) is that they are only applied when funding for capital works is received from the Capital Management Branch. Our membership believe that where services are in receipt of funding for capital works, all steps must be taken to ensure the viability and sustainability of the investment.

The VHA believe the ESGs should be applied to projects regardless of their size or cost. The issues paper states that an Environmentally Sustainable Development (ESD) consultant is required for projects over \$20 million and an engineer or architect 'may' provide these services for smaller projects. The VHA is concerned that many capital projects in small health services and community health centres would not exceed \$20 million and therefore the level of input into environmental sustainability for the project would be minimal.

Environmental Sustainability in Existing Capital Works

The VHA believes that there needs to be a method of funding sustainable capital work in existing healthcare facilities. The VHA's Capital Development Position Statement identified that inefficient buildings and infrastructure are not only detrimental to the environment but are also costly to use and maintain. It is in the Government's best interests to ensure these buildings are energy-efficient and fit for their purpose.

Currently, health services have minimal avenues for accessing funds for capital/infrastructure improvement for existing services. One suggestion is that environmental sustainability considerations could be included into the annual capital funding cycle that provides services with small amounts of funding for capital works or equipment (usually applied to Occupational Health and Safety or clinical risk issues).



Responses to Submission Questions

Please find below the VHA's response to the questions outlined in the feedback form included with the issues paper.

- Question 1: Are the DHS Sustainability Guidelines core key sustainability elements/principles still relevant?
The VHA supports the elements and principles of the ESGs; but reinforces the comments made around scope in the previous section of the submission.
- Question 2: Should the policy of when and if to engage an independent ESD consultant be reviewed?
The VHA supports engaging independent ESD consultants for all capital works and believes that funding for this should be delineated from capital project funding to ensure consistency of services across project sizes and scopes.
- Question 3: Should DHS have a pre-qualification system for ESD (and other) consultants?
The VHA believes that whatever pre-qualification system is used, it should be the same for specialised ESD consultants, engineers and architects (if used on smaller scale projects).
- Question 6: Do the sustainability targets need to be reviewed and updated?
The VHA believes that with recent research and report findings (like those in the Gaurat review) these targets must be revised. With increasing rates of greenhouse gas emissions, services must urgently work to reduce their impact on the environment.
- Question 7: Is allocating a percentage of overall budget the best way to ensure ESD initiatives are funded in capital works? Is 2.5% a sufficient allocation?
The VHA believes that 2.5% is not an adequate allocation. On page 15 of the issues paper it is noted that an additional 2-4% of budget is required to meet 5-star "Green Star" rating. Government should at least be aiming for this as a benchmark.
- Question 14: How should public healthcare facilities best utilise the Green Star Healthcare rating tool?
The VHA believes that there must be a way for health services to be rated and benchmark their environmental sustainability against each other. Which ever tool is selected it must be applicable to new and existing buildings and must be replicable across Victorian health services, regardless of size.

However, implementation of such a tool must consider and fund the cost of implementation and monitoring. Where existing buildings are found to have a poor environmental rating, plans and funding to address these issues should be created. The outcomes of such a system should be fed into capital planning priorities.
- Question 16: Should the proposed Framework extend to, or be made available to healthcare capital works delivered outside of the Capital Management Branch, such as housing, CRU's, private hospitals, DHS Partnership/ Major Projects?
Yes, the VHA firmly believes in a whole-of-health approach in improving the health of the population; a consistent approach across the DHS is required. See comments in the general observations section.



Victorian Healthcare Association

- Question 17: Is the DHS Environment Policy sufficient and specific enough for providing high level support for sustainability in healthcare facilities? Should other options (e.g. MOU, agency specific policies) be considered?
Comments from the VHA's membership suggest that services are interested in receiving this guidance and policy, but that current information is not well presented. Of the three options suggest, the VHA believe that a hybrid version would be most appropriate for the greatest range of services.
- Question 19: Are the use of sustainability targets helpful in improving sustainability outcomes?
Sustainability targets are a useful tool for services, but they cannot stand alone. Services require support and funding to achieve benchmarks.
- Question 27: Will the support tools identified in the Framework be of use to stakeholders? Are there any other support tools needed?
The VHA believes that practical tools are always useful for assisting with the enablement of policy. Services must be supported with training and online guidance to use tools effectively.
- Question 29: How should the Framework interact with ResourceSmart Healthcare?
There must be articulation of policies across government to achieve effective long-lasting change. This is at the core of a whole-of-government approach.
- Question 30: How would you like to receive information on changes to the sustainability guidelines and/or new support tools?
The VHA believe that a structured communications plan needs to be developed for the guidelines. This should be developed alongside the audience being targeted and the VHA can assist with sourcing and disseminating information as it becomes available.

Conclusion

The VHA supports the review of the Environmental Sustainability Guidelines and welcomes the opportunity to provide further information and to represent the public healthcare sector as the review continues.

Please contact David Towl on 03 9094 7722 or david.towl@vha.org.au for clarification or assistance on any of the points made in this response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Trevor Carr', with a long horizontal flourish extending to the right.

Trevor Carr
Chief Executive