

The Advertiser, February 9th, 2009



MARK HAMILTON Government must abandon the Marj project

SINCE the publication of my article "The Royal Adelaide Hospital fights back" (*The Advertiser*, 9/12/08), growing public disquiet and debate has emerged regarding the Government's announced decision to build a new Marjorie Jackson-Nelson Hospital. New facts have also become apparent.

We have learned the extraordinary fact that the recommendation was developed as a confidential project by an officer in the Department of Health, and subsequently adopted by the Government, without any consultation with the public or the myriad of relevant stakeholders at any stage of the process.

It transpires that after all the proposed expenditure, let alone real economic cost, a grand total of 120 extra beds would be created, even though these could be provided at the Royal Adelaide Hospital site as part of an upgrade.

We have now been reminded that no consideration had been given by the Government to the immeasurable and irreplaceable brand equity built up in the iconic Royal Adelaide Hospital brand over the past 150 years.

The Royal Adelaide Hospital is a well-recognised, world-class facility with a long history. **18** *The Advertiser* www.adelaidenow.com.au

tory and reputation as a clinical, treatment, teaching and training facility providing world-class, cutting-edge medical solutions in a number of areas, including the craniofacial unit.

What would you say if the owners of Penfolds, another iconic South Australian brand name, decided to change its name? Madness, I suggest.

It appears the upgrade of the Royal Adelaide Hospital is, in fact, far more advanced than previously understood - notwithstanding the Rann Government's apparently unpublicised decision to halt the upgrading project in its tracks in 2001.

In my December article, I estimated the real economic cost to the state of the new hospital project was between \$3.5 billion and \$4.5 billion when one took into account all the costs, including construction (reportedly \$1.7 billion), the loss of the existing hospital investment, the need to provide new infrastructure in association with the new hospital, the loss of the value of the existing infrastructure and the cost of the "free" public space on which the proposed new hospital is to be located.

In addition, if the Government's proposal was to proceed, extensive soil-contamination remediation works would be necessary on both sites - at a possible cost of \$200 million.

Given the Royal Adelaide Hospital's long-term role as a teaching hospital for the University of Adelaide's medical school, it is also reported that medical students and staff widely oppose the plan because it would result in the medical school being moved "off" campus - effectively disconnecting medical students from university life. This would be a serious negative for our state's premier university.

Given the global financial crisis, now more than ever infrastructure projects must demonstrate they can deliver long-term economic activity, measured in jobs and export income. Economists call this the economic multiplier effect of government expenditure.

This proposed expenditure simply replaces one set of existing infrastructure with another at huge cost and does not create new jobs or generate any new economic wealth for the state.

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