

10 April 2026

Townsville City Council  
153 Charters Towers Road,  
Rosslea QLD 4812  
(07) 4727 9000

**Re: Other Change Application, Weststate Private Hospital**

Dear Townsville City Council,

CHPF South Bunbury Pty Ltd, as developer and fund manager for the Weststate Private Hospital project, respectfully submits this needs assessment to support an Other Change application to the current Development Approval over the site at 37 Ingham Road, West End QLD 4810.

We seek Council's approval to increase the overnight bed capacity from 22 beds to 50 beds. This expansion is essential to meet demonstrated regional healthcare demand and ensure the long-term viability and sustainability of critical health infrastructure for North Queensland.

This submission is informed by comprehensive operator feedback from multiple experienced healthcare providers who have conducted detailed service planning, business modelling, and operational analysis for the Townsville market.

**Regional Context**

Townsville serves as the healthcare hub for North Queensland, providing essential services to the city's population and the broader regional catchment. The city services a local catchment of over 250,000 people and a wider referral corridor of more than 700,000 residents across regional and remote communities.

The Townsville region is experiencing consistent population growth of approximately 1.35% annually, with projections indicating a 30% increase over the next two decades. This growth trajectory places increasing pressure on both public and private healthcare infrastructure, demanding forward-looking capacity planning.

Despite sustained population growth and increasing healthcare demand, there has been a notable lack of new hospital facilities delivered in Townsville since 2020, placing additional strain on both public and private health facilities.

**Public Hospital Capacity Constraints**

Townsville University Hospital consistently operates at or above safe occupancy benchmarks, particularly across surgical and inpatient wards. Despite significant public investment, capacity remains constrained.

The hospital is currently undergoing a major expansion project, with costs escalating from an initial \$530 million to approximately \$1 billion, and completion delayed from 2026 to 2029. The project has been subject to significant review and rescoping under Queensland's Hospital Rescue Plan. Even with this substantial investment, elective surgery demand continues to outstrip capacity.

As recently as October 2025, the Queensland Government announced it had "stabilised" the Townsville elective surgery waitlist, underscoring ongoing system pressure. Waitlist pressures are particularly acute across general surgery, orthopaedics, urology, and related surgical specialties.

**Queensland's Strategic Reliance on Private Sector Capacity**

In response to persistent public hospital backlogs, the Queensland Government has significantly increased investment in private hospital partnerships through programs such as Surgery Connect. These initiatives recognise that the private sector plays a vital role in absorbing demand overflow and providing surge capacity during peak periods.

For Weststate to meaningfully participate in Surgery Connect and similar programs, the facility must be designed at sufficient scale to:

- Absorb overflow from the public system
- Accommodate multi-day surgical cases
- Provide genuine surge capacity during public hospital peak demand periods
- Support a sustainable, diversified case mix

## Operator Feedback

Multiple experienced hospital operators and prospective tenants who have conducted detailed service planning and business modelling for Weststate have consistently identified a fundamental mismatch between theatre capacity and overnight bed allocation under the current (limited) approval.

Key concerns raised by operators include:

- As theatre lists grow and surgeon recruitment stabilises, inpatient bed demand will quickly exceed 22 beds. This creates bottlenecks that suppress throughput, constrain revenue, and compromise financial viability from commencement.
- Industry experience demonstrates that surgical hospitals require appropriate theatre-to-bed ratios to ensure efficient hospital operation.
- Undersizing inpatient capacity creates immediate financial constraints that undermine the business case and commercial viability of the facility. This limits operators' willingness to take on Weststate Private Hospital under its current limitations.
  - Without adequate beds, the hospital cannot achieve the throughput required to support specialist recruitment, maintain service quality, and deliver a return on investment.

## Strategic Significance

This project represents far more than a standalone private hospital. It is critical health infrastructure for North Queensland. The integrated model presented through the co-located specialist consulting suites within the Heritage School building reinforces Weststate as a comprehensive multi-speciality precinct, improving accessibility and operational efficiency.

Both public and private healthcare systems in Townsville are under sustained demand pressure. Delivering a constrained 22-bed facility risks under-serving the regional population and limits operator willingness to take on the space, noting the commercial constraints.

## Conclusion

CHPF South Bunbury Pty Ltd requests Townsville City Council's support for this modification to increase overnight bed capacity from 22 to 50 beds. In doing so, it will ensure that Weststate Private Hospital can deliver sustainable, high-quality surgical services for the Townsville region and meaningful relief for the public hospital system through Surgery Connect and similar partnerships.

We appreciate Council's consideration of this submission and remain available to provide any further information or clarification required to support this assessment.

Yours Sincerely,



Rory Bestic  
Senior Development Manager