

# Implementation Plan for Acute Medical and Surgical Service Unit, Launceston General Hospital

## NATIONAL PARTNERSHIP AGREEMENT ON HEALTH INFRASTRUCTURE

### PRELIMINARIES

1. This Implementation Plan is created subject to the provisions of the National Partnership agreement on Health Infrastructure and should be read in conjunction with that Agreement. The objective in the National Partnership Agreement is to improve the health and wellbeing of Australians through the provision of high quality physical and technological health infrastructure.
2. The funding for this project has been allocated from the Health and Hospitals Fund (HHF). The objectives of the HHF, whilst not replacing State and Territory effort, are to:
  - invest in major health infrastructure programs that will make significant progress towards achieving the Commonwealth's health reform targets; and
  - make strategic investments in the health system that will underpin major improvements in efficiency, access or outcomes of health care.
3. This project is to construct an acute medical and surgical service unit at Launceston General Hospital, Tasmania.
4. This Implementation Plan replaces the funding agreement between the Commonwealth and the State of Tasmania made on 24 June 2009.
5. The project outputs outlined in this Implementation Plan have been assessed by the Health and Hospitals Fund Advisory Board. Consistent with the *Nation-building Funds Act 2008* any proposed variation from this project as assessed by the Advisory Board requires the re-assessment of the Board. The Commonwealth funding contribution for the project is also subject to the re-assessment of the Advisory Board should proposed variations require the Board's consideration.

### TERMS OF THIS IMPLEMENTATION PLAN

6. This Implementation Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Minister for Health and Ageing, and the State of Tasmania, represented by the Minister for Health.

7. This Implementation Plan will cease on completion of the project as specified in this Implementation Plan, including the acceptance of final performance reporting and processing of final payments against performance benchmarks specified in this Implementation Plan.
8. This Implementation Plan may be varied by written agreement between the Ministers.
9. Either Party may terminate this agreement by providing 30 days notice in writing. Where this Implementation Plan is terminated, the Commonwealth's liability to make payments to Tasmania is limited to payments associated with performance benchmarks achieved by the State by the date of effect of termination of this Implementation Plan.
10. The parties to this Implementation Plan do not intend any of the provisions to be legally enforceable. However, that does not lessen the parties' commitment to this Implementation Plan.

## PROJECT OBJECTIVE

11. The objective in this Implementation Plan is to construct an acute medical and surgical service unit at Launceston General Hospital in line with the HHF initiative funding application dated 18 January 2009.

## PROJECT OUTPUTS

12. The project will include:
  - an acute medical unit, integrated and co-located with the Department of Emergency Medicine;
  - a Department of Emergency Medicine;
  - a Surgical Day Procedure Unit;
  - a medical day procedures unit, incorporating infusion and other services;
  - surgical suites, including expanded recovery areas;
  - an Intensive Care Unit;
  - a Neonatal Intensive Care area;
  - refurbishment of LGH wards to address modern standards of fire control, infection control, patient and staff safety;
  - increased patient centred Allied Health areas;
  - increased infrastructure towards advanced Telehealth capability; and
  - associated equipment for each area.

## ROLES AND RESPONSIBILITIES

### Role of the Commonwealth

13. The Commonwealth is responsible for:
  - reviewing Tasmania's performance against the project benchmarks specified in this Implementation Plan; and
  - providing financial assistance to Tasmania for its performance against project benchmarks specified in this plan.

## Role of Tasmania

14. Tasmania is responsible for all aspects of project implementation, including:
- fully funding the project, after accounting for financial contributions from the Commonwealth and any third party;
  - completing the project in a timely and professional manner in accordance with this Implementation Plan;
  - meeting all conditions including providing reports in accordance with this Implementation Plan; and
  - all aspects of the delivery, management and performance of the acute medical and surgical service unit, including the management of all risks.

## PROGRESS REPORTING AND FINANCIAL ARRANGEMENTS

15. The maximum financial contribution to be provided by the Commonwealth for the project is \$40 million payable in accordance with performance benchmarks set out in Table 1. All payments are exclusive of GST.

**Table 1: Performance milestones and associated payments**

Performance milestone	Expected due date	Amount
(i) Signing of funding agreement.	24 June 2009*	\$10.0m
(ii) Approval of the Project Work Plan in accordance with the funding agreement.	24 November 2009*	\$5.0m
(iii) Commence construction of early works	1 February 2010*	\$9.5m
(iv) Commence construction of Level 4 and 5		
Complete construction of Acute Medical Unit	31 March 2011	\$11.5m
Submission of a progress report to the satisfaction of the Commonwealth including detailed reference to the Project Work Plan.		
(v) Commence fit out of Level 4 and 5 and submission of a progress report to the satisfaction of the Commonwealth including detailed reference to the Project Work Plan	1 July 2011	\$3m
(vi) Practical completion of all works	30 September 2012	\$1m
(vii) Provision of a final report to the satisfaction of the Commonwealth.	Within 60 days of practical completion	Nil

Note: \* Funding already provided under Funding Agreement

16. Any Commonwealth financial contribution payable will be processed by the Commonwealth Treasury and paid to the State Treasury in accordance with the payment arrangements set out in Schedule D of the *Intergovernmental Agreement on Federal Financial Relations*.

## BUDGET

17. The maximum financial contribution to be provided by the Commonwealth for the project is \$40.0 million payable in accordance with performance milestones set out in Table 1. GST is not applicable to this transaction.

**Table 2: Overall project budget (\$40 million)**

Expenditure item	2008-09	2009-10	2010-11	2011-12	2012-13	Total
(i) Commonwealth contribution to construction and fit-out of acute medical unit	10.0	14.5	11.5	3.0	1.0	40.0
<b>TOTAL</b>	<b>10.0</b>	<b>14.5</b>	<b>11.5</b>	<b>3.0</b>	<b>1.0</b>	<b>40.0</b>

18. Having regard to the estimated costs of projects specified in the overall project budget, Tasmania will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, Tasmania bears all risk should the costs of a project exceed the estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Tasmania to deliver projects cost-effectively and efficiently.

## PROGRESS REPORTING

19. Tasmania will provide progress reports to the Commonwealth to demonstrate its achievement of performance benchmarks set out in Table 1.
20. In addition to the progress reports set out in Table 1, Tasmania will provide a quarterly progress report to the Commonwealth on 31 March, 30 June, 30 September and 31 December each year setting out progress against the relevant construction schedules / work plans for the project. Where a progress report under this paragraph coincides with the timing of a progress report required under Table 1, only one such report is required.
21. Each progress report is to contain comprehensive information on the following:
- a description of actual performance of the State in the period to date against the performance benchmarks and project budget;
  - details of any matter(s) that have arisen which could impact on the achievement of the Project Objective, and how Tasmania proposes to resolve this/these matter(s);
  - promotional activities undertaken in relation to, and media coverage of, the project during the reporting period; and
  - a description of the work that will be undertaken to complete the remaining performance benchmarks and any expected promotional opportunities during the next reporting period.
22. Where Tasmania is required to report against a significant construction milestone as specified in Table 1, the progress report must include third party certifications which are provided to Tasmania.

23. Other evidence<sup>1</sup> that may be submitted to the Commonwealth to demonstrate that a milestone has been met includes:
  - dated photographs;
  - schematic designs;
  - tender advertisements;
  - letters to offer contracts;
  - letters of contractor acceptance;
  - certificates of practical completion and occupancy; and/or
  - contractor / project director's reports.
24. The final report is due within 60 Business Days of the completion of the project or termination of this Implementation Plan.
25. Any matters which will affect the submission of the final report must be raised by either party at least 30 days before it is due.
26. The final report will be a stand-alone document that can be used for public information dissemination purposes regarding the project and must:
  - describe the conduct, benefits and outcomes of the project as a whole;
  - evaluate the project, including assessing the extent to which the objective in this Implementation Plan has been achieved and explaining why any aspects were not achieved; and
  - include a summary of the outcomes relating to the matters raised as per paragraph 24.

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<sup>1</sup> Evidence to demonstrate that the milestone has been achieved is not limited to the information provided at paragraph 22. This has been provided as guidance only. The Commonwealth, from time to time, may request additional information to ensure it is satisfied that the milestone has been met.