

Implementation Plan for New State Rehabilitation Service at Fiona Stanley 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 on Health Infrastructure 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 will construct a new State Rehabilitation Service at the Fiona Stanley Hospital in Murdoch, Western Australia.

TERMS OF THIS IMPLEMENTATION PLAN

4. 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 Western Australia, represented by the Minister for Health.
5. 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 milestones specified in this Implementation Plan.
6. This Implementation Plan may be varied by written agreement between the Ministers.
7. 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 Western Australia is limited to payments associated with performance milestones achieved by Western Australia by the date of effect of termination of this Implementation Plan.

8. 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

9. The objective in this Implementation Plan is the construction of a new State Rehabilitation Service of approximately 15,000-20,000 sq metres, with 140 beds, built in one stage, located on the Fiona Stanley Hospital health campus as described in the Health and Hospitals Fund application dated 2 April 2009. The State Rehabilitation Service will provide rehabilitation services for patients with:
 - acquired brain injuries – 30 beds;
 - spinal injuries – 40 beds;
 - major trauma/complex pain – 25 beds;
 - neurological conditions such as stroke and chronic and progressive neurological conditions such as motor neurone disease – 30 beds; and
 - amputees – 15 beds.

ROLES AND RESPONSIBILITIES

Role of the Commonwealth

10. The Commonwealth is responsible for reviewing Western Australia's performance against the project milestones specified in this Implementation Plan.
11. The Commonwealth will provide financial assistance to Western Australia for its performance against project milestones specified in this plan.

Role of Western Australia

12. Western Australia is responsible for all aspects of project implementation, including:
 - (a) fully funding the project, after accounting for financial contributions from the Commonwealth and any third party;
 - (b) completing the project in a timely and professional manner in accordance with this Implementation Plan;
 - (c) meeting all conditions including providing reports in accordance with this Implementation Plan; and
 - (d) all aspects of the delivery, management and performance of the new State Rehabilitation Centre, including the management of all risks.

PERFORMANCE REPORTING AND FINANCIAL ARRANGEMENTS

13. The maximum financial contribution to be provided by the Commonwealth for the project is \$255.7 million payable in accordance with performance milestones set out in Table 1. GST is not payable on the funding provided in this implementation plan.

Table 1: Performance milestones and associated payments

| Performance milestone | Expected date | Amount |
|--|-----------------------------|---------------|
| (i) Acceptance of Funding Offer (exchange of letters) | Paid 7 December 2009* | \$5.6 m |
| (ii) Completion of concept design and award of Stage 1 contract and submission of a progress report to the satisfaction of the Commonwealth. | 31 May 2010 | \$14.4 m |
| (iii) Completion of schematic design and detailed design, submission of Stage 2 offer to Managing Contractor to commence site works and construction, and submission of a progress report to the satisfaction of the Commonwealth. | 31 August 2010** | \$50 m |
| (iv) Completion of the lower ground slab and in ground services, and submission of a progress report to the satisfaction of the Commonwealth. | 31 May 2011** | \$80 m |
| (v) Completion of site works and submission of a progress report to the satisfaction of the Commonwealth. | 30 November 2011** | \$50 m |
| (vi) Completion of main building structure and level 4 (of 5 levels) of the decked car-park, commencement of base building fitout and submission of a progress report to the satisfaction of the Commonwealth. | 28 February 2012** | \$50 m |
| (vii) Submission of a progress report to the satisfaction of the Commonwealth. | 15 August 2012** | Nil |
| (viii) Submission of a progress report to the satisfaction of the Commonwealth. | 15 February 2013** | Nil |
| (ix) Completion of ground works, construction and commissioning, and submission of a progress report to the satisfaction of the Commonwealth. | 15 August 2013** | \$5 million |
| (x) Final completion and end of performance evaluation activities and provision of the final report to the satisfaction of the Commonwealth. | 15 May 2014** | \$0.7 million |

Notes: * The amount of \$5.6 million was paid to Western Australia in December 2009 as a result of the agreement for an initial payment made on 13 November 2009.

** Subject to review pending negotiation of Stage 2 contract with the Managing Contractor expected July/August 2010.

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

BUDGET

15. The overall project budget (exclusive of GST) is set out in Table 2.

Table 2: Overall project budget (\$255.7 million)

| Expenditure item | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | Total |
|--|-------------|--------------|--------------|------------|------------|--------------|
| (i) Commonwealth contribution for construction | 20.0 | 130.0 | 100.0 | 0.0 | 5.7 | 255.7 |
| (ii) Western Australia co-contribution for construction and project management | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 20.0 | 130.0 | 100.0 | 0.0 | 5.7 | 255.7 |

Notes: ** Subject to review pending negotiation of Stage 2 contract with the Managing Contractor expected July/August 2010.

16. Having regard to the estimated costs of projects specified in the overall project budget, Western Australia 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, Western Australia bears all risk should the costs of a project exceed the estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Western Australia to deliver projects cost-effectively and efficiently.

PERFORMANCE REPORTING

17. Western Australia will provide performance reports to the Commonwealth to demonstrate its achievement of performance milestones set out in Table 1.
18. Each performance report is to contain the following information:
- a) a description of actual performance of Western Australia in the period to date against the performance benchmarks
 - b) details of any matter(s) that have arisen which could impact on the achievement of the Project Objective, and how Western Australia proposes to resolve this/these matter(s);
 - c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period; and
 - d) 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.

19. The final project report is due within 60 Business Days of the completion of the project or termination of this Implementation Plan.
20. The final project report will be a stand-alone document that can be used for public information dissemination purposes regarding the project and must:
 - a) describe the conduct, benefits and outcomes of the project as a whole;
 - b) 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
 - c) include a discussion of any other matters relating to the project, which the Commonwealth notifies Western Australia should be included in the final project report at least 30 days before it is due.