

Implementation Plan for the Narrabri District Health Service

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. The project is to establish an integrated district health service in Narrabri through the construction of a single storey building for Narrabri hospital and primary and community health services.

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 New South Wales, 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 New South Wales is limited to payments associated with performance milestones achieved by New South Wales 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 project is to construct a single storey integrated district health service facility, co-located with the ambulance service on the current Narrabri District Hospital site, including:

- 24 overnight acute beds;
- 4 overnight sub-acute beds;
- 6 day stay surgical beds;
- 1 birthing suite;
- 3 emergency treatment places;
- community health facilities;
- staff accommodation; and
- associated facilities.

The facility will provide a range of integrated health care services including co-located primary health, imaging and community services.

ROLES AND RESPONSIBILITIES

Role of the Commonwealth

10. The Commonwealth is responsible for reviewing New South Wales performance against the project milestones specified in this Implementation Plan.
11. Providing financial assistance to New South Wales for its performance against project milestones specified in this plan.

Role of New South Wales

12. New South Wales 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 Narrabri District Health Service, including the management of all risks.

PERFORMANCE MILESTONES AND FINANCIAL ARRANGEMENTS

13. The maximum financial contribution to be provided by the Commonwealth for the project is \$27 million payable in accordance with performance milestones 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) Agreement to the Implementation Plan	30 April 2010	\$1 million
(ii) Completion of detailed design and award of contract for the construction, and submission of progress report to the satisfaction of the Commonwealth	30 April 2010	\$5 million
(iii) Site established and ground works completed and submission of progress report to the satisfaction of the Commonwealth	30 June 2010	\$8 million
(iv) 50% completion of the new hospital, and submission of a progress report to the satisfaction of the Commonwealth	30 Jan 2011	\$7 million
(v) 50% completion of staff accommodation and ambulance facility, and submission of a progress report to the satisfaction of the Commonwealth	30 April 2011	\$3 million
(vi) Completion of construction, commissioning of the new hospital, demolition of the old hospital, and submission of progress report to the satisfaction of the Commonwealth	31 January 2012	\$2.5 million
(vii) Submission of a final report to the satisfaction of the Commonwealth	31 March 2012	\$0.5 million

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

15. The Commonwealth acknowledge that Expected due dates, identified in Table 1 may be extended as a result of a cause beyond the reasonable control of the State. Should this occur the Commonwealth will be notified in accordance with Clause 6 of this Implementation Plan.

BUDGET

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

Table 2: Overall project budget (\$41.7 million)

	2009-10	2010-11	2011-12	Total
	Year 1	Year 2	Year 3	
(i) Commonwealth contribution for construction	14.0	10.0	3.0	27.0
(ii) New South Wales contribution for construction and project management	6.0	5.0	1.0	14.7 [#]
TOTAL	20.0	15.0	4.0	41.7[#]

[#] Pre 2009-10, NSW Health invested \$2.7 million into the assessment of the health service need and developing the business case for the project.

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

PERFORMANCE REPORTING

18. New South Wales will provide performance reports to the Commonwealth to demonstrate its achievement of performance milestones set out in Table 1, with the exception of performance milestone (i).
19. Each milestone report is to contain the following information:
 - a) a description of actual performance of New South Wales in the period to date against the performance milestones and project budget;
 - b) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period;
 - c) a description of the work that will be undertaken to complete the remaining performance milestones and any expected promotional opportunities during the next reporting period; and
 - d) details of any matter(s) that have arisen which could impact on the achievement of the Project Objective, and how New South Wales proposes to resolve this/these matter(s).
20. The final project report is due within 60 Business Days of the completion of the project or termination of this Implementation Plan.
21. 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) be in plain language to 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) discuss any other matters relating to the project, which are agreed to between the two parties for inclusion in the final project report at least 30 days before it is due.