

Implementation Plan for North Coast Cancer Institute

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) under the Regional Cancer Centres (RCC) initiative. The RCC initiative aims to improve access to essential cancer services for as many people as possible living in rural, regional and remote areas, to help close the gap in cancer outcomes between the city and country. The broader 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 increase cancer treatment infrastructure and diagnostic capacity across the Lismore, Port Macquarie and Coffs Harbour hospital campuses of the North Coast Cancer Institute; as described in the Health and Hospitals Fund Regional Cancer Centres application dated 24 December 2009, and additional advice provided on 25 February 2010 and 26 February 2010.

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 of this project is to enhance and expand cancer services at three sites comprising the North Coast Cancer Institute including associated capital works and installation of:

PROJECT OUTPUTS

10. The project includes the associated capital works and installation of:
 - a magnetic resonance imaging scanner at Coffs Harbour Base Hospital;
 - a second linear accelerator at Lismore Base Hospital;
 - a positron emission tomography scanner at Lismore Base Hospital; and
 - a second linear accelerator at Port Macquarie Base Hospital.

ROLES AND RESPONSIBILITIES

Role of the Commonwealth

11. The Commonwealth is responsible for reviewing New South Wales's performance against the project milestones specified in this Implementation Plan and providing any consequential financial contribution to New South Wales for that performance.

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 and evidence to demonstrate the achievement of performance milestones and project completion in accordance with this Implementation Plan; and
 - (d) all aspects of the delivery, management and performance of the project 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 \$17.067 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 | Evidence to demonstrate that milestone has been met | Expected due date | Amount |
|--|---|-------------------|----------|
| (i) Agreement to the Implementation Plan. | Signed letter from NSW Health Minister agreeing to Implementation Plan. | 31 October 2010 | \$2.0m |
| (ii) Completion of schematic design and submission of a progress report to the satisfaction of the Commonwealth. | Schematic design. Progress Report as outlined under paragraphs 17 and 18. | 31 January 2011 | \$4.0m |
| (iii) Award of contract for construction, provision of a copy of the project plan to the Commonwealth, which clearly indicates the 50% and 75% construction milestones, and submission of a progress report to the satisfaction of the Commonwealth. | Tender advertisement. Letter to offer contract. Letter of contractor acceptance. Detailed project plan indicating 50% and 75% construction milestone. Progress Report as outlined under paragraphs 17 and 18. | 31 March 2011 | \$5.265m |
| (iv) 50% of construction complete and submission of a progress report to the satisfaction of the Commonwealth. | Dated photographs that demonstrate milestone has been met. Declaration from Contractor / Project Director that 50% of construction is complete and that the milestone has been met. Progress Report as outlined under paragraphs 17 and 18. | 30 September 2011 | \$1.5m |
| (v) 75% of construction complete and submission of a progress report to the satisfaction of the Commonwealth. | Dated photographs that demonstrate milestone has been met Declaration from Contractor / Project Director that 75% of construction is complete and that the milestone has been met Progress Report as outlined under paragraphs 17 and 18. | 31 January 2011 | \$2.0m |

| Performance milestone | Evidence to demonstrate that milestone has been met | Expected due date | Amount |
|---|---|-------------------|----------|
| (vi) Construction complete, commencement of equipment commissioning and submission of a final report to the satisfaction of the Commonwealth. | Dated photographs that demonstrate milestone has been met. Declaration from Contractor / Project Director that 100% of construction is complete and that the milestone has been met. Final Report as outlined under paragraphs 19 and 20. | 31 March 2012 | \$2.302m |

Notes: The Project Plan must set out the timing for the preparation of the site and as a minimum must also include and address the following:

- (a) floor plans including elevations;
- (b) schedule of accommodation;
- (c) cost plan; and
- (d) project program and cashflow.

Evidence to demonstrate that the milestone has been achieved is not limited to the information provided in this column. 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.

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 acknowledges that expected due dates identified in Table 1 may be extended as a result of a cause beyond the reasonable control of New South Wales. Should this occur, the New South Wales Minister for Health will write to the Commonwealth Health Minister as per Clause 6 to vary the Implementation Plan.

BUDGET

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

Table 2: Overall project budget (\$20.067 million)

| Expenditure item | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | Total |
|--|---------------|--------------|------------|------------|---------------|
| (i) Commonwealth contribution for construction | 11.265 | 5.802 | 0.0 | 0.0 | 17.067 |
| (ii) New South Wales contribution towards capital costs. | 3.0 | - | - | - | 3.0 |
| Total | 14.265 | 5.802 | 0.0 | 0.0 | 20.067 |

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.

REPORTING ARRANGEMENTS

18. New South Wales will provide project reports to the Commonwealth to demonstrate its achievement of performance milestones set out in Table 1.
19. Each project report will contain comprehensive information on the following:
 - a) a description of actual performance of New South Wales in the period to date against the performance milestones and project budget and including the provision of evidence which verifies the achievement of the performance milestone;
 - b) 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);
 - c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period; and
 - d) a description of the activities that will be undertaken to complete the remaining performance milestones and any expected promotional opportunities during the next reporting period.
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 comprehensively:
 - 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 New South Wales should be included in the final project report at least 30 days before it is due.