

# Implementation Plan for the Rockhampton Hospital Expansion Project

## 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, while 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 expand the facilities at Rockhampton Hospital, including inpatient bed stock, operating theatres, clinical training areas and services accessibility options.
4. This Implementation Plan supersedes the funding agreement relating to the Rockhampton Hospital expansion project between the Commonwealth and the State of Queensland made on 24 June 2009.
5. The project outputs outlined in this Implementation Plan have been approved by the Health and Hospitals Fund Advisory Board. Consistent with the *Nation-building Funds Act 2008* any proposed variation from the project as assessed the Advisory Board requires the re-approval 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 Queensland, 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 milestones 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 Queensland is limited to payments associated with performance milestones achieved by Queensland 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 of this Implementation Plan is to expand Rockhampton Hospital.

## PROJECT OUTPUT

12. The objective will be achieved through the construction of:
  - 2 operating theatres;
  - 2 procedure rooms and recovery area;
  - 30 inpatient beds;
  - provision for 2 linear accelerator spaces; and
  - clinical education and research space.

## ROLES AND RESPONSIBILITIES

### Role of the Commonwealth

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

### Role of the Queensland

14. Queensland 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

15. The maximum financial contribution to be provided by the Commonwealth for the project is \$76 million payable in accordance with performance milestones set out in Table 1. GST is not payable to Queensland on the funding provided in this Implementation Plan.

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

Performance milestone	Expected due date	Amount
(i) Signing of funding agreement on 24 June 2009.	24 June 2009*	\$19.0m
(ii) Approval of the project work plan in accordance with the funding agreement.	24 November 2009*	\$5.0m
(iii) Commence construction of early works in accordance with the funding agreement.	26 February 2010*	\$22.0m
(iv) Agreement to the Implementation Plan and submission of a progress report to the satisfaction of the Commonwealth	On agreement	\$2.0m
(v) Finalisation of project definition planning and schematic design documentation, incorporating regional cancer centre facilities and submission of a progress report to the satisfaction of the Commonwealth	31 March 2011	\$8.0m
(vi) Commencement of ground works at Rockhampton and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.	31 July 2011	\$20.0m
(vii) Submission of a progress report to the satisfaction of the Commonwealth, in-line with Rockhampton Regional Cancer Centre project Implementation Plan.	31 October 2011	-
(viii) Submission of a progress report to the satisfaction of the Commonwealth, in-line with Rockhampton Regional Cancer Centre project Implementation Plan.	30 April 2012	-
(ix) Submission of a progress report to the satisfaction of the Commonwealth, in-line with Rockhampton Regional Cancer Centre project Implementation Plan.	31 October 2012	-
(x) Submission of a progress report to the satisfaction of the Commonwealth, in-line with Rockhampton Regional Cancer Centre project Implementation Plan.	30 May 2013	-
(xi) Practical completion achieved	15 July 2013	-
(xii) Submission of final report to the satisfaction of the Commonwealth, in-line with Rockhampton Regional Cancer Centre project Implementation Plan.	Within three months of practical completion	-

Notes: \* These milestone payments have been made to Queensland under the original funding agreement which expired on 30 June 2010.

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

## BUDGET

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

**Table 2: Overall project budget (\$150 million)**

Expenditure item	Previous years	2008-09	2009-10	2010-2011	2011-2012	2012-2013	Total
(i) Commonwealth contribution for construction	-	19.0	27.0	10.0	20.0		76.0
(ii) Queensland contribution towards construction	11.0	24.0	23.0	15.075	-	-	73.075
<b>Total</b>	11.0	43.0	50.0	25.075	20.0	-	149.075

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

## PERFORMANCE REPORTING

18. Queensland will provide progress reports to the Commonwealth to demonstrate its achievement of performance milestones set out in Table 1
19. 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 milestones and project budget;
  - details of any matter(s) that have arisen which could impact on the achievement of the Project Objective, and how Queensland 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 milestones and any expected promotional opportunities during the next reporting period.
20. Where Queensland is required to report against a significant construction milestone as specified in Table 1, the performance report must include third party certification which is provided to Queensland Health indicating that the milestone has been achieved.
21. 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

<sup>1</sup> Evidence to demonstrate that the milestone has been achieved is not limited to the information provided at paragraph 23. 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.

- contractor / project director's reports.
22. The final progress report is due within 90 Business Days of the completion of the project or termination of this Implementation Plan.
  23. If either party becomes aware of any matter which would affect the submission of the final report, this must be raised at least 30 days before it is due.
  24. The final progress 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 23.