

# Implementation Plan for Tasmanian Cancer Care 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) 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 the country. The broader 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 whole-of-state public and private partnership project will coordinate and link Tasmania's three regions and three major public hospitals: the Southern Tasmania Area Health Service (Hobart), Northern Area Health Service (Launceston), and North Western Area Health Service (Burnie); as well as the Menzies Research Institute, Cancer Council Tasmania and other key stakeholders, as described in the Health and Hospitals Fund Regional Cancer Centres application dated 14 May 2010. Following new policy commitments relating to the development of the Cancer Centre at the North West Regional Hospital (NWRH) during the 2010 Federal Election, a supplementary application has been submitted in respect of the NWRH. This implementation plan addresses only the Launceston General Hospital and Royal Hobart Hospital developments. The elements of the application relating to the NWRH will be addressed in a variation to this Implementation Plan following the completion of the assessment of the supplementary application.
4. 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 reassessment 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

5. 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.
6. 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.
7. This Implementation Plan may be varied by written agreement between the Ministers.
8. 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 milestones achieved by Tasmania by the date of effect of termination of this Implementation Plan.
9. 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

10. The objective in this Implementation Plan is to establish state-wide, networked cancer services with cancer centres located at Hobart and Launceston (with Burnie to be covered through a subsequent variation to this Implementation Plan) by bringing together currently fragmented and disjointed treatment approaches enabling cancer care to be provided to patients closer to where they live.

## PROJECT OUTCOMES

11. The HHF funding will contribute to:

Southern Area (Hobart)<sup>1</sup>:

- the reconfiguration of existing wards to enable the development of;
  - a multi-disciplinary Outpatient Cancer Care Centre,
  - a third radiotherapy bunker; and,
  - a new patient support services centre;
- infrastructure for a Tissue Bank;

Northern Area (Launceston):

- the expansion of the medical oncology unit;
- a patient support centre;
- an education and research centre;
- 4 palliative care beds in district hospitals;

North Western Area (Burnie): to be addressed in a variation to this Implementation Plan.

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<sup>1</sup> Final construction details to be confirmed after detailed service modelling (expected due date: 30 July 2011). Any changes to the scope of the original proposal approved by the HHF Advisory Board will require re-assessment by the HHF Advisory Board.

## ROLES AND RESPONSIBILITIES

### Role of the Commonwealth

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

### Role of Tasmania

13. 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 and evidence to demonstrate the achievement of performance milestones and project completion in accordance with this Implementation Plan; and
  - all aspects of the delivery, management and performance of the project including the management of all risks.

## FINANCIAL ARRANGEMENTS

14. The maximum financial contribution to be provided by the Commonwealth for the project is \$18.7 million payable in accordance with performance milestones set out in Table 1. All payments are exclusive of GST.

## MILESTONES AND REPORTING

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

	Performance milestone	Expected due date	Amount
i	Agreement to the Implementation Plan	30 January 2011	\$2.29375 million
	Completion (and submission to the Commonwealth) of design development, pre-tender documentation and construction schedule/work plan for the Northern Area Education and Research centre and Medical Oncology upgrade		
	Commencement of construction works at the Northern Area facility.		
	Submission of a progress report to the satisfaction of the Commonwealth, in line with the relevant construction schedule/work plan.		
ii	Completion of Northern Area Education and Research Centre.	15 July 2011	\$1.19 million
	Completion of installation of histological and DNA preparation equipment in the Histology Laboratory at the Menzies Research Institute Southern Area		
	Completion (and submission to the Commonwealth) of design development, pre-tender documentation and construction schedules/work plans for the Northern Area Patient Support Centre and Palliative Care bed upgrades		

	Completion (and submission to the Commonwealth) of design development and pre-tender documentation for all components of the Southern Area facility.		
	Commencement of construction works at Southern Area.	31 January 2012	\$1.35 m
	Submission of a progress report to the satisfaction of the Commonwealth, in line with the relevant construction schedules/work plans for the Southern and Northern Area facilities.		
iii	Completion of the Northern Area Medical Oncology Upgrade.	30 April 2012	\$5.15 million
	Completion of the Northern Area Palliative Care bed upgrade.		
	Completion of the Southern Area Radiation Oncology Bunker.		
	Submission of a progress report to the satisfaction of the Commonwealth, in line with the relevant construction schedules/work plans for the Southern and Northern Area facilities		
iv	Completion of the Northern Area Patient Support Centre.	31 July 2012	\$0.4862 million
	Commissioning of the building and initiation of services (Northern Area).		
	Submission of a progress report to the satisfaction of the Commonwealth, in line with the relevant construction schedules/work plans for the Southern and Northern Area facilities.		
v	Commencement of construction of Oncology Upgrades (Southern Area).	31 October 2012	\$1.65 million
	Submission of a progress report to the satisfaction of the Commonwealth, in line with the relevant construction schedules/work plans for the Southern Area facility.		
vi	Completion of construction of Outpatient Cancer Centre including Patient Support Centre (Southern Area).	15 May 2013	\$1.1 million
	Submission of a progress report to the satisfaction of the Commonwealth, in line with the relevant construction schedules/work plans for the Southern Area facility.		
vii	Commissioning of building and initiation of services (Southern Area).	15 July 2013	\$0.7 million
	Submission of a final report for Northern and Southern Areas to the satisfaction of the Commonwealth.		
viii	Further milestones will be negotiated to incorporate NWRH component.	30 January 2013	Payments totalling \$4.779-

Notes: The Project Work Plans 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.

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

## BUDGET

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

**Table 2: Overall project budget (\$36.419 million)**

Expenditure item	2009- 2010	2010- 2011	2011- 2012	2012- 2013	2013- 2014	Later Years	Total
(i) Commonwealth contribution (excluding NWRH)	-	2.29375	7.69	3.23625	0.700	-	13.920
(ii) NWRH component			TBC	TBC			\$4.779
(iii) Tasmanian contribution (excluding NWRH)		1.281	10.222	5.017			16.520
(iv) Tasmanian in-kind contribution (excluding NWRH)		1.200					1.200
<b>Total</b>		<b>4.77475</b>	<b>17.912</b>	<b>8.25325</b>	<b>0.700</b>	<b>\$4.779</b>	<b>36.419</b>

17. Having regard to the estimated costs of the project 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 the project exceed the estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Tasmania to deliver the project cost-effectively and efficiently.

## REPORTING ARRANGEMENTS

18. Tasmania will provide progress reports to the Commonwealth to demonstrate its achievement of performance milestones set out in Table 1.

19. 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.

20. Each progress report will contain comprehensive information on the following:

- a) a description of actual performance of Tasmania 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 Tasmania 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. Where Tasmania is required to report against a significant construction milestone as specified in Table 1, the performance report must include third party certifications which are provided to Tasmania.

21. Other evidence<sup>2</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.
22. The final progress report is due within 60 Business Days of the completion of the project or termination of this Implementation Plan.
23. 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.
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.

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<sup>2</sup> Evidence to demonstrate that the milestone has been achieved is not limited to the information provided at paragraph 21. 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.