

# Implementation Plan for Townsville and Mt Isa Integrated Regional Cancer 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) 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, 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 purpose of this project is to enhance the existing regional cancer services provided at Townsville and Mt Isa hospitals, in line with the HHF RCC initiative funding application dated 7 January 2010 and additional advice provided on 14 January and 23 February 2010.
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 Queensland, 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 Queensland is limited to payments associated with performance milestones achieved by Queensland 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 enhance the Townsville Cancer Centre's provision of integrated care across Townsville, Cairns, Mackay and Mt Isa by expanding the physical infrastructure and existing regional cancer services provided by the Townsville and Mt Isa Hospitals.

## PROJECT OUTPUTS

11. Mt Isa:
  - construction of an outpatient facility that includes the following major elements:
    - entrance / reception and patient waiting area;
    - three treatment chairs;
    - one Multi-Disciplinary Team / videoconferencing / telehealth room;
    - one specialist consultation room;
    - staff offices, administrative and clinical support areas;
    - patient and staff amenities; and
    - two external car parks.
12. Townsville:
  - three radiotherapy bunkers;
  - two new linear accelerators;
  - additional clinics, radiation treatment planning and medical physics capacity;
  - a brachytherapy suite;
  - twenty three additional day therapy treatment places (including clinics and triage area) for chemotherapy and procedures for medical oncology and haematology services;
  - construction of physical space and infrastructure for paediatric oncology services (includes consultation and clinic rooms and three chemotherapy treatment places and support facilities for families and carers);
  - construction of physical infrastructure to house a PET service;
  - expansion of space to increase the capacity of clinical trials at Townsville Cancer Centre.

## 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 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.

## FINANCIAL ARRANGEMENTS

15. The maximum financial contribution to be provided by the Commonwealth for the project is \$70.106 million payable in accordance with performance milestones set out in Tables 1a and 1b. All payments are exclusive of GST.

## MILESTONES AND REPORTING

Table 1A: Mount Isa - Performance milestones and associated payments

| Performance milestone   | Expected due date | Amount   |
|---|-------------------|----------|
| (i) Agreement to the Implementation Plan  | 15 December 2010  | \$0.10m  |
| (ii) Final project work plan approved for Mt Isa and submission of a progress report to the satisfaction of the Commonwealth  | 31 January 2011   | Nil      |
| (iii) Commence construction work at Mt Isa Hospital and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan. | 31 July 2011      | \$1.253m |
| (iv) Handover and commissioning of Mt Isa Hospital and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.  | 31 March 2012     | \$1.253m |

Table 1B: Townsville - Performance milestones and associated payments

| Performance milestone  | Expected due date | Amount    |
|--|-------------------|-----------|
| (i) Agreement to the Implementation Plan   | 15 December 2010  | \$0.10m   |
| (ii) Submission of a project work plan to the satisfaction of the Commonwealth   | 28 February 2011  | \$0.64m   |
| (iii) Commence construction of Radiation Therapy, Day Chemotherapy Unit and Brachytherapy suite and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.    | 31 August 2011    | \$2.354m  |
| (iv) Commence construction of and shell space for PET/CT scanner and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.                                   | 30 November 2011  | \$3.747m  |
| (v) Purchase of, and fit-out of shell space for, PET/CT scanner and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.                                    | 29 February 2012  | \$2.12m   |
| (vi) Installation and commissioning of PET/CT scanner and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.  | 31 March 2012     | \$2.593m  |
| (vii) Completion of purchase of major medical equipment and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.  | 31 July 2012      | \$7.055m  |
| (viii) Complete construction of Radiation Therapy, Day Chemotherapy Unit and Brachytherapy suite and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.   | 30 September 2012 | \$8.055m  |
| (ix) Submission of a progress report to the satisfaction of the Commonwealth   | 31 January 2013   | Nil       |
| (x) Completion of Installation and commissioning of two linear accelerators and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.                        | 31 March 2013     | \$7.055m  |
| (xi) Completion of expansion of day treatment places and refurbishment of paediatric oncology ward and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan. | 31 March 2013     | \$12.055m |
| (xii) Completion of expansion of space for clinical trials and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.   | 31 August 2013    | \$4.726m  |
| (xiii) Completion of all capital works and installation of equipment and submission of a progress report to the satisfaction of the Commonwealth, in line with approved project work plan.                               | 30 November 2013  | \$8.5m    |
| (xiv) Submission of a final report to the satisfaction of the Commonwealth   | 31 March 2014     | \$8.5m    |

Notes: The Project Work Plans must set out the timing for the project, including 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.

16. Any Commonwealth financial contribution payable will be processed by the Commonwealth Treasury and paid to 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 2A: Overall project budget – Mount Isa

| Expenditure item                               | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | Total |
|--|-----------|-----------|-----------|-----------|-----------|-------|
| (i) Commonwealth contribution for construction |           | 0.1       | 2.506     |           |           | 2.606 |

Table 2B: Overall project budget – Townsville

| Expenditure item   | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | Total |
|--|-----------|-----------|-----------|-----------|-----------|-------|
| (ii) Commonwealth contribution for construction - Townsville |           | 0.74      | 10.814    | 34.22     | 21.726    | 67.5  |

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

## REPORTING

19. Queensland will provide progress reports to the Commonwealth to demonstrate its achievement of performance milestones set out in Table 1a and 1b.
20. 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.
21. Where Queensland is required to report against a significant construction milestone as specified in Table 1a and 1b, the performance report must include a declaration from the contractor to Queensland Health indicating that the milestone has been achieved.

22. 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
  - contractor / project director's reports.
23. The final progress report is due within 90 Business Days of the completion of the project or termination of this Implementation Plan.
24. 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.
25. 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 22.

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<sup>1</sup> Evidence to demonstrate that the milestone has been achieved is not limited to the information provided at paragraph 22. 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.