

Implementation Plan for Midland Health Campus

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 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 construct a new general hospital (the Midland Health Campus) in Clayton Street, Midland in line with the application for funding dated 2 April 2009.
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 the project as assessed by the Advisory Board requires the re-assessment 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 Western Australia, 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 Western Australia is limited to payments associated with performance milestones achieved by Western Australia 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 the construction of a new hospital located at Midland to be named the Midland Health Campus (MHC) that will form an integral part of the North Metropolitan Area Health Services (NMAHS).

PROJECT OUTPUT

11. The project will include:
 - 90 acute multi-day beds for acute / medical / surgical;
 - 28 obstetrics beds, birthing suites and 2A nursery including 6 neonatal cots;
 - 28 assessment / short stay beds;
 - 46 restorative rehabilitation / stroke beds;
 - 6 operating theatres with the capacity to perform annual contracted procedures;
 - 24 surgical same day beds
 - 56 acute mental health beds;
 - 12 critical care/ high dependency unit / coronary care beds;
 - 11 chemotherapy chairs;
 - acute and restorative aged care service;
 - an inpatient pharmacy to support inpatient and outpatient clinical requirements;
 - a Level 5 emergency department service (as defined in the WA Clinical Services Framework 2010-2020);
 - 12 emergency short stay care;
 - ambulatory care including home visiting services; and
 - diagnostic services (imaging and pathology).

ROLES AND RESPONSIBILITIES

Role of the Commonwealth

12. The Commonwealth is responsible for:
 - a. reviewing Western Australia's performance against the project milestones specified in this Implementation Plan and providing any consequential financial contribution to Western Australia for that performance
 - b. in accordance with the *Building and Construction Industry Improvement Act 2005*, ensuring the financial contributions to a building project or projects as defined under the Building and Construction Industry (Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and
 - c. ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Plan Guidelines for the National Code of Practice for the Construction Industry is a condition of Australian

Role of Western Australia

13. Western Australia 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 a performance milestone and project completion in accordance with this Implementation Plan;
 - (d) all aspects of the delivery, management and performance of the project including the management of all risks;
 - (e) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted and providing the necessary assurances to the Commonwealth; and
 - (f) ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work and providing the necessary assurances to the Commonwealth.

PERFORMANCE MILESTONES AND FINANCIAL ARRANGEMENTS

14. The maximum financial contribution to be provided by the Commonwealth for the project is \$180.1 million payable in accordance with performance milestones set out in Table 1. GST is not payable to Western Australia on the funding provided in this Implementation Plan.

Table 1: Performance milestones and associated payments

Performance milestone	Expected due date	Amount \$m
(i) Agreement to the Implementation Plan	On agreement	
(ii) Call for Expressions of Interest for Public Private Partnership (PPP) contract and submission of a progress report in line with WA reporting template to the satisfaction of the Commonwealth.	November 2011	\$5.5 million
(iii) Call for Request for Proposals for PPP contract and submission of a progress report in line with WA reporting template to the satisfaction of the Commonwealth.	November 2011	\$4.0 million
(iv) Submission of the most recent project director report (as provided to the Western Australian Government), and a progress report in line with WA reporting template to the satisfaction of the Commonwealth.	December 2011	\$4.0 million
(v) Submission to the Commonwealth of a detailed construction schedule, which clearly identifies in objective and measurable terms the 20%, 30%, 50%, and 75% construction milestones, and submission of a progress report in line with WA reporting template to the satisfaction of the Commonwealth	March 2012	\$59.1 million

(vi)	Ground work commenced, submission of the most recent project director report (as provided to the Western Australian Government), and submission and acceptance of a progress report to in line with WA reporting template to the satisfaction of the Commonwealth including detailed reference to the construction schedule.	September 2012	-
(vii)	20% of construction complete (as specified in the construction schedule), submission of the most recent contractor/project director report (as provided to the Western Australian Government) and submission and acceptance of a progress report in line with WA reporting template to the satisfaction of the Commonwealth including detailed reference to the construction schedule.	March 2013	-
(viii)	30% of construction complete (as specified in the construction schedule), submission of the most recent contractor/project director report (as provided to the Western Australian Government) and submission and acceptance of a progress report in line with WA reporting template to the satisfaction of the Commonwealth including detailed reference to the construction schedule.	September 2013	\$28.9 million
(ix)	50% of construction complete (as specified in the construction schedule), submission of the most recent contractor/project director report (as provided to the Western Australian Government) and submission and acceptance of a progress report in line with WA reporting template to the satisfaction of the Commonwealth including detailed reference to the construction schedule.	March 2014	\$28.0 million
(x)	75% of construction complete (as specified in the construction schedule), submission of the most recent contractor/project director report (as provided to the Western Australian Government) and submission and acceptance of a progress report in line with WA reporting template to the satisfaction of the Commonwealth including detailed reference to the construction schedule.	September 2014	\$26.5 million
(xi)	Construction complete and submission and acceptance of a progress report in line with WA reporting template to the satisfaction of the Commonwealth	March 2015	\$23.5 million
(xii)	Commissioning of facility and submission of final report in line with WA reporting template to the satisfaction of the Commonwealth.	August 2015	\$0.6 million

15. Any Commonwealth financial contribution payable will be processed by the Commonwealth Treasury and paid to Western Australia 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 (\$360.2 million)

	2009- 2010 (\$m)	2010- 2011 (\$m)	2011- 2012 (\$m)	2012- 2013 (\$m)	2013- 2014 (\$m)	2014- 2015 (\$m)	2015- 2016 (\$m)	Total (\$m)
Commonwealth contribution			72.6	0.00	56.9	50.0	0.6	180.1
Balance of non-Commonwealth contributions	1.088 ¹	5.3	5.362	30.0	68.1	50.0	20.25	180.1
Total	1.088	14.8	78.235	30.0	125.0	100.0	20.85	360.2

Notes: 1. Includes expenditure already incurred.

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

REPORTING ARRANGEMENTS

18. Western Australia will provide the Commonwealth with quarterly reports that detail the scope, schedule, risk, and cost of the project and compliance with relevant Commonwealth, State and local laws and regulations, with reference to the project outputs, milestones and Project Plan, due by the 10th business day in March, June, September and December each year.

(a) These reports are required to be submitted via the Commonwealth Department of Health and Ageing's Health and Hospitals Fund Capital Projects Reporting Online system.

(b) All quarterly reports must be certified by the chair of the governing body as being a true and accurate representation of the progress of the project for the relevant reporting period.

19. Western Australia will also prepare a final Project Report within 90 days on the completion of the project agreed under the Implementation Plan. The final Project Report will be a stand-alone document that can be used for public information dissemination purposes. The final Project Report will:

(a) describe the conduct, benefits and outcomes of the Project;

(b) evaluate the Project from the responsible Party's perspective, including assessing the extent to which the project milestones in this Agreement and the Project Plan have been achieved and why any aspect was not achieved; and

(c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance, which the Commonwealth notifies Western Australia should be included in the final project report at least 60 days before it is due.