

Implementation Plan for Commonwealth Contribution to the construction of the Women's and Children's Hospital in Hobart

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 on Health Infrastructure is to improve the health and wellbeing of Australians through the provision of high quality physical and technological health infrastructure.
2. This Project is for the Commonwealth to provide a financial contribution to Tasmania to enable the commencement of construction of the Women's and Children's Hospital in Hobart as part of the Tasmanian Government's \$565 million redevelopment of the Royal Hobart Hospital.

TERMS OF THIS IMPLEMENTATION PLAN

3. 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.
4. 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 benchmarks specified in this Implementation Plan.
5. This Implementation Plan may be varied by written agreement between Ministers.
6. 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 benchmarks achieved by Tasmania by the date of effect of termination of this Implementation Plan.
7. 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

8. The objective of this Implementation Plan is to provide a financial contribution to Tasmania to enable the commencement of construction of the Women's and Children's Hospital in Hobart as part of the redevelopment of the Royal Hobart Hospital.

PROJECT OUTPUTS

9. Project plan for construction, identifying construction milestones, timeframes and estimated completion dates.
10. Commencement of construction of a Women's and Children's Hospital in Hobart.

ROLES AND RESPONSIBILITIES

Role of the Commonwealth

11. The Commonwealth is responsible for providing a financial contribution of \$100 million and for reviewing Tasmania's performance against the project milestones specified in this Implementation Plan.

Role of Tasmania

12. Tasmania is responsible for all aspects of project implementation, including:
 - (a) ensuring that the Commonwealth financial contribution of \$100 million is put towards the construction of a Women's and Children's Hospital in Hobart;
 - (b) fully funding the construction of the Women's and Children's Hospital after accounting for financial contributions from the Commonwealth and any third party;
 - (c) completing the project and delivering the specified outputs in accordance with this Implementation Plan;
 - (d) 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
 - (e) all aspects of delivery, management and performance of the project including the management of all risks.

PERFORMANCE MILESTONES AND PAYMENTS

13. The maximum financial contribution to be provided by the Commonwealth for the project is \$100 million, payable in accordance with performance milestones set out in Table 1. GST is not payable on the funding provided in this Implementation Plan.

Table 1: Performance milestones and associated payments

| Performance milestones | Due date | Amount |
|--|------------------|---------------|
| (i) Agreement to the Implementation Plan by Ministers. | 26 November 2010 | \$50 million* |
| (ii) Submission of a progress report to the satisfaction of the Commonwealth, including a project plan identifying the construction timeframes, significant construction milestones, estimated project completion dates, and evidence that construction has commenced. | 31 March 2011 | \$50 million |

* This milestone payment is to assist with the initial costs of progressing the project.

14. The 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

Table 2: Overall project budget (\$100 million)

| (\$ million) | 2010-11 | 2011-12 | 2012-13 | Total |
|--|---------|---------|---------|-------|
| Commonwealth contribution for construction | 100.0 | 0.0 | 0.0 | 100.0 |

Note: This contribution forms part of the Tasmanian Government's \$565 million redevelopment of the Royal Hobart Hospital.

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

REPORTING

16. Tasmania will provide project reports to the Commonwealth twice annually (timing to be agreed between the Parties) from 2010-11 to 2012-13 to demonstrate progress has been made in the construction of the Women's and Children's Hospital in Hobart.
17. Project reports will contain the following information:
- a) a description of actual performance of Tasmania in the period to date against the performance milestones;

- b) details of any matter(s) that have arisen which could impact on the construction of the Women's and Children's Hospital in Hobart, 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 work that will be undertaken to complete the construction and any expected promotional opportunities during the next reporting period.
18. The final project report is due by 30 June 2013 or within 60 Business Days of the completion of construction, or on termination of this Implementation Plan whichever is the earlier.
19. The final project report will be a stand-alone document that can be used for public information dissemination purposes regarding the project and must:
- 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 Tasmania should be included in the final project report at least 30 days before it is due.