

Hobart Maternity Services

FEDERATION FUNDING AGREEMENT – HEALTH

Table 1: Formalities and operation of schedule

Parties	Commonwealth Tasmania
Duration	This Schedule is expected to expire on 31 July 2026, or on completion of the initiative, including acceptance of final performance reporting and processing of final payments.
Purpose	<p>This Schedule will support an uplift in maternity service delivery capacity in Hobart through infrastructure and equipment upgrades in the Tasmanian Health Service and at Calvary Lenah Valley Hospital. This capacity uplift is required to support an expected increase in demand for maternity services across the Tasmanian Health Service and Calvary Lenah Valley Hospital of approximately 500 births per year following Healthscope's decision to stop providing maternity services at Hobart Private Hospital.</p> <p>The infrastructure and equipment upgrades will include:</p> <p><u>Tasmanian Health Service</u></p> <ul style="list-style-type: none"> Establishment of a four bed Intensive Residential Parenting Unit (with flex capacity up to six beds) at the Health and Wellbeing Precinct at St Johns Park in New Town (Hobart), relocating and replacing the mother and baby unit from the Royal Hobart Hospital. Establishment of a <i>Transition to Home model</i> at the Royal Hobart Hospital comprising three additional ensuite rooms with a shared lounge and kitchenette, to enhance capacity and patient flow through the existing twenty-nine bed inpatient maternity unit. <p><u>Calvary Lenah Valley Hospital</u></p> <ul style="list-style-type: none"> Renovation of an existing birthing suite to meet contemporary standards. Refurbishment of the step-down nursery that provides intermediate care between the special care nursery and general maternity to provide for up to nine babies to be accommodated between the special care nursery and step-down nursery. Reconfiguration and updates to the existing post-natal maternity rooms to improve their functionality and safety.

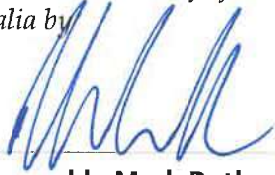
	<ul style="list-style-type: none">• Purchase of additional special care nursing equipment including cots, incubators, cardiotocography, ultrasound and other equipment to support an uplift in birthing capacity.																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to Tasmania of \$6.0m in respect of this Schedule.</p> <table><tr><th colspan="4">Table 1</th></tr><tr><th>(\$ million)</th><th>2024-25</th><th>2025-26</th><th>Total</th></tr><tr><td>Estimated total budget¹</td><td>4.0</td><td>2.0</td><td>6.0</td></tr><tr><td>Less estimated National Partnership Payments</td><td>4.0</td><td>2.0</td><td>6.0</td></tr><tr><td>Balance of non-Commonwealth contributions¹</td><td>-</td><td>-</td><td>-</td></tr></table> <p>¹Note: Tasmania is contributing funding to this initiative, but the specific amount is unknown.</p>	Table 1				(\$ million)	2024-25	2025-26	Total	Estimated total budget ¹	4.0	2.0	6.0	Less estimated National Partnership Payments	4.0	2.0	6.0	Balance of non-Commonwealth contributions ¹	-	-	-
Table 1																					
(\$ million)	2024-25	2025-26	Total																		
Estimated total budget ¹	4.0	2.0	6.0																		
Less estimated National Partnership Payments	4.0	2.0	6.0																		
Balance of non-Commonwealth contributions ¹	-	-	-																		
Additional terms	<p>Tasmania will establish appropriate contractual arrangements with Calvary Health Care to support the delivery of the infrastructure and equipment upgrades at Calvary Lenah Valley Hospital (see 'Purpose') with funding provided under this Schedule. In recognition that Tasmania is responsible for all aspects of delivering and reporting on the delivery of the outputs described in this Schedule, the arrangements with Calvary Health Care will establish appropriate governance and reporting arrangements for Tasmania to acquit these responsibilities.</p> <p>Tasmania will advise the Commonwealth as soon as practicable of any significant delays with potential to impact the delivery of the performance milestones described in Table 2. Where necessary Tasmania will provide the Commonwealth with updated delivery scheduling information that reflects any significant changes.</p> <p>Tasmania will provide an annual progress report in October of each year until all deliverables are complete. Annual progress reports will address progress towards achieving all elements described in the 'Purpose' of this Schedule in the context of Tasmania's delivery schedule and include photographic evidence of progress (as relevant).</p>																				

Table 2: Performance requirements, reporting and payment summary

Output	Performance milestones	Report due	Payment
Uplift in maternity service delivery capacity in Hobart.	<p>Finalisation of arrangements and commencement of activities for the infrastructure and equipment upgrades in the Tasmanian Health Service and at Calvary Lenah Valley Hospital (see 'Purpose') including:</p> <ul style="list-style-type: none"> • Completion of planning for the infrastructure upgrades in the Tasmanian Health Service (evidenced by provision of delivery schedules for all works), completion of schematic designs for all works (evidenced by provision of the design documents), and lodgment of a development application with Hobart City Council for the relocation of the mother and baby unit from the Royal Hobart Hospital to St Johns Park in New Town (evidenced by provision of the application); and • Establishment of contractual arrangements between the Tasmanian Department of Health and Calvary Health Care (evidenced by provision of the contract) for the delivery of the infrastructure and equipment upgrades at Calvary Lenah Valley Hospital including relevant performance expectations and milestones. 	15/06/2025	\$4.0m
	Completion of the infrastructure and equipment upgrades at Calvary Lenah Valley Hospital (see 'Purpose') evidenced by photographic and other appropriate evidence to confirm milestone is satisfied.	31/01/2026	\$1.0m
	Completion of the infrastructure upgrades in the Tasmanian Health Service (see 'Purpose') evidenced by certificates of practical completion (as relevant for construction works), photographic and other appropriate evidence to confirm milestone is satisfied.	30/04/2026	\$1.0m
	<p>Final Report confirming the delivery of all elements described in the 'Purpose' section, and including:</p> <ul style="list-style-type: none"> • Information confirming the uplift in maternity service delivery capacity adequately supports the expected increase in demand for maternity services across the Tasmanian Health Service and Calvary Lenah Valley Hospital associated with Healthscope's decision to stop providing maternity services at Hobart Private Hospital; • Information about the dates the infrastructure and equipment upgrades became operational (as relevant); and • An assessment of the impacts, benefits and outcomes (including lessons learned) of the activities undertaken under this Schedule. 	31/07/2026	Nil

The Parties have confirmed their commitment to this schedule as follows:

Signed *for and on behalf of the Commonwealth
of Australia by*



The Honourable Mark Butler MP

Minister for Health and Ageing; Minister for
Disability and the National Disability Insurance
Scheme

[Day] [Month] [Year]

05 06 2025

Signed *for and on behalf of the
State of Tasmania by*



The Honourable Jacquie Petrusma MP

Minister for Health; Minister for Aboriginal Affairs;
Minister for Veterans' Affairs

[Day] [Month] [Year]

5 June 2025