

# Implementation Plan for the Capital Region Cancer Care Centre

## 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 of 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 HHF's Regional Cancer Centres (RCC) initiative. The aim of the RCC initiative is to deliver improved services and health outcomes for rural and regional cancer patients. The 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. This project is for the construction of Stage 1 of the Capital Region Cancer Care Centre on the grounds of The Canberra Hospital, as described in the HHF application dated 16 January 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 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 reassessment of the Advisory Board should proposed variations require the Board's consideration
5. A subsequent HHF application, dated 7 January 2010, to establish accommodation facilities for cancer patients and their carers, was approved for funding to the value of \$1.789 million.
6. Planning for this accommodation project is still being undertaken by the Australian Capital Territory. Once the planning process has been finalised, the project outputs, milestones, payments and reporting in this Implementation Plan will be renegotiated to incorporate the funding for the accommodation project.

## TERMS OF THIS IMPLEMENTATION PLAN

7. 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 Australian Capital Territory, represented by the Minister for Health.
8. 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.
9. This Implementation Plan may be varied by written agreement between the Ministers.
10. 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 the Australian Capital Territory is limited to payments associated with performance milestones achieved by the Australian Capital Territory by the date of effect of termination of this Implementation Plan.
11. 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

12. The objective of this project is the construction a 5,350 m<sup>2</sup> facility over four levels adjacent to the Linac building and Building 3 at the Canberra Hospital.

## PROJECT OUTPUT

13. This facility will comprise:
  - Ambulatory services;
  - Medical Oncology;
  - Cancer psychosocial and rehabilitation services;
  - Clinical haematology and immunology; and
  - Teaching and research facilities.

Cancer patient and carer accommodation units will be included in a renegotiated Implementation Plan, following the completion of planning by the Australian Capital Territory.

## ROLES AND RESPONSIBILITIES

### Role of the Commonwealth

14. The Commonwealth is responsible for:
  - a) reviewing the Australian Capital Territory's performance against the project milestones specified in this Implementation Plan; and
  - b) providing financial assistance to the Australian Capital Territory for its performance against project milestones specified in this plan.

## Role of the Australian Capital Territory

15. The Australian Capital Territory 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 in accordance with this Implementation Plan; and
  - (d) all aspects of the delivery, management and performance of the Capital Region Cancer Care Centre project, including the management of all risks.

## FINANCIAL ARRANGEMENTS

16. The maximum financial contribution to be provided by the Commonwealth for the project is \$27.863 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	On Ministerial agreement	\$1.363 million
(ii) Appointment of principal consultant, completion of project definition plan and the submission of a performance report to the satisfaction of the Commonwealth	28 February 2011	\$3.361 million
(iii) Completion of detailed design and submission of a performance report to the satisfaction of the Commonwealth	15 March 2011	\$4.0 million
(iv) Construction contract awarded, construction schedule developed, and arrangement for third party certification of achievement of each milestone and submission of a performance report to the satisfaction of the Commonwealth.	30 April 2011	\$6.0 million
(v) Performance milestones for the 2011-12, 2012-13 and 2013-14 financial years will be negotiated between the parties following awarding of the contract, completion of a construction schedule and prior to the start of the 2011-12 financial year. Construction will be finalised in November 2013.	To be agreed	Payments totalling \$13.139 million
<b>TOTAL</b>		<b>\$27.863 million</b>

Notes: The Project Definition Plan 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.

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

## BUDGET

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

Table 2: Overall project budget (\$27.863 million)

	2009-10 Year 1	2010-11 Year 2	2011-12 to 2013-14	Total
(i) Commonwealth contribution		14.724	13.139	27.863
(ii) Australian Capital Territory in-kind land contribution	Land value (approx \$1.4 million)			Land value (approx \$1.4 million)
TOTAL		14.724	13.139	27.863+ Land value (approx \$1.4 million)

Note: The Australian Capital Territory will contribute the cost of the Project Director and the preparation of the Project Definition Plan (\$0.60 m) for this project.

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

## PERFORMANCE REPORTING

20. The Australian Capital Territory will provide performance reports to the Commonwealth to demonstrate its achievement of the performance milestones set out in Table 1.
21. Each performance report is to contain the following information:
- a description of actual performance of the Australian Capital Territory in the period to date against the performance milestones and project budget;
  - promotional activities undertaken in relation to, and media coverage of, the project during the reporting period;
  - 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; and
  - details of any matter(s) that have arisen which could impact on the achievement of the Project Objective, and how the Australian Capital Territory proposes to resolve this/these matter(s).

22. Where the Australian Capital Territory is required to report against a significant construction milestone specified in Table 1, the performance report must include a declaration from an independent third party verifying that the milestone has been achieved.
23. Other evidence<sup>1</sup> that may be submitted to the Commonwealth to demonstrate that a milestone has been met includes:
  - dated photographs of the site;
  - development approvals;
  - schematic designs;
  - tender advertisements;
  - letters to offer contracts;
  - letters of contractor acceptance;
  - certificates of practical completion; and/or
  - contractor/project director's reports.
24. The final project report is due within 60 Business Days of the completion of the project or termination of this Implementation Plan.
25. 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.
26. The final project 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 24.

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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 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.