

Minister's Office RecFind No:	
Department RecFind No:	BR054989
Division/District:	HPID/SSS
File Ref No:	HPID02710

Briefing Note for Approval
 The Honourable Lawrence Springborg MP
 Minister for Health



RECEIVED
 17 AUG 2012

Requested by: Vaun Peate, Office of the Minister for Health / SDLO Date requested: 10 August 2012 Action required by: 17 August 2012

SUBJECT: 12 Rural Infrastructure Projects

Recommendation

That the Minister:

Approve the planned strategy for the targeted rectification of the prioritised infrastructure issues and subsequent planning for 12 rural hospitals.

Note the recommended \$41 million funding strategy for 2012-2013 for the rural infrastructure rectifications from the Capital Program, of:

- Cessation of the Sunshine Coast Health Precinct and Caboolture Health Precinct projects;
- Cessation of the Replacement Adolescent Extended Treatment Unit, Redlands project;
- Deferral of the Townsville Medium Secure Rehabilitation Unit refurbishment project until 2013-2014.

Note that a further \$10.58 million is being allocated from "Closing the Gap" funding.

Note consultation will occur following approval of the recommended funding strategy.

Note that the 2010 planning at 12 rural hospitals identified infrastructure issues.

Note that the funding strategy identified within existing capital program with minimum expenditure for targeted prioritised infrastructure rectification to improve safety and functionality in the short term.

Note that detailed planning will follow for medium and longer term solutions.

Note that the funding strategy relates to cessation and/or deferral of projects for replacement/collocation of existing services and not service expansion.

APPROVED/NOT APPROVED

NOTED

NOTED



Minister for Health



Chief of Staff

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Minister's comments

16 AUG 2012

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URGENT

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Briefing Note for Approval

Director-General

Requested by: Vaun Peate, Office of the Minister for Health / SDLO

Date requested: 10 August 2012

Action required by: 17 August 2012

SUBJECT: 12 Rural Infrastructure Projects

Proposal

That the Director-General:

Note the planned strategy for the targeted rectification of the prioritised infrastructure issues and subsequent planning for 12 rural hospitals.

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- Deferral of the Townsville Medium Secure Rehabilitation Unit refurbishment project until 2013-2014.

Note that a further \$10.58 million is being allocated from "Closing the Gap" funding.

Note consultation will occur following approval of the recommended funding strategy.

Provide this brief to the Minister for approval.

Urgency

1. Urgent - as proposed announcement by the Minister on 19 August 2012.

Headline Issues

2. The top issues are:

- 2010 planning at 12 rural hospitals identified infrastructure issues.
- Funding strategy identified within existing capital program with minimum expenditure for targeted prioritised infrastructure rectification to improve safety and functionality in the short term.
- Detailed planning will follow for medium and longer term solutions.
- Funding strategy relates to cessation and/or deferral of projects for replacement/collocation of existing services and not service expansion.

Key Values

3. The key values that apply are the following:

- Better service for patients
- Better healthcare in the community
- Valuing our employees and empowering its frontline staff
- Empowering local communities with a greater say over their hospital and local health services
- Value for money for taxpayers
- Openness

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Key issues

4. As part of the Preliminary Evaluation for the 12 rural hospitals, an options analysis was undertaken with a focus on meeting their identified service profiles. Using the endorsed service profiles, the following three infrastructure options with associated costs for 2010 (Attachment 1) were developed for each hospital:
 - option 1 – status quo, current health service arrangements and minimal construction work for identified infrastructure risks for continuity of existing services;
 - option 2 – refurbishment or expansion at the existing site; or
 - option 3 – significant redevelopment.
5. An analysis of these options was then undertaken against pre-determined criteria with focus on the service profile. The preferred option for all sites in the medium to long term is Option 2 or Option 3 (Attachment 1).
6. Due to the required time for detailed planning and further consultation including with the Hospital and Health Services (HHS), plus ensuring value for money for any initial funds spent on identified infrastructure issues, planning has progressed around the prioritised requirements based from Option 1. This includes:
 - identification of work completed as identified in Option 1 (Attachment 2)
 - identification of other recently identified infrastructure issues (Attachment 2)
 - development of a list of high priorities for each site to ensure infrastructure is functional and continues to operate safely in the short term (one to three years) until planning and consultation progressed for medium to longer term options (Attachment 3).
 - expenditure following 2012-2013 for rectifications, and cost estimates for the medium to long term solutions of capital redevelopments (Attachment 3).
7. An initial low confidence cost estimate of \$51.58 million has been identified for expenditure this financial year. Following further scope finalisation and engineering assessments, there may be variations between the costs at each of the 12 sites.
8. Rectification works are targeted to the higher risk areas of the relevant building codes, for example, fire safety, electrical; and to ensure value for money, for example, replace the unsafe parts of a roof and not total roof when the building may need to be replaced in the medium to long term.

Background

9. Service profiles and infrastructure plans were prepared for the 12 sites (Atherton, Ayr, Biloela, Charleville, Charters Towers, Emerald, Kingaroy, Longreach, Mareeba, Roma, Thursday Island, Sarina) which informed the development of the Preliminary Evaluation, with all completed in 2010 (Attachment 4 BR054344 Service and Infrastructure Planning for Rural and Remote Areas).
10. The current identified capital savings totalling \$63.2 million as outlined in the July 2012 Cabinet Budget Review Submission is documented in Attachment 5.
11. In addition to the \$63.2 million capital savings, further potential capital savings have been identified totalling \$41 million (Attachment 6).
12. These \$14 million savings for 2012-2012 relate to cessation or deferral of projects for replacement/collocation of existing services and not service expansion.

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Consultation

13. Some consultation has occurred with the relevant Hospital and Health Services to identify current critical infrastructure issues.
14. Dr Bill Kingswell, Executive Director – Mental Health, Alcohol and other Drugs recommended the cessation of the replacement Adolescent Extended Treatment Unit at Redlands, plus has no objection to the deferral until 2013-2014 of the Townsville Medium Secure Rehabilitation Unit refurbishment project.

Attachments

15. Attachment 1: Recommended Option & Costs
- Attachment 2: Option 1 Completed work
- Attachment 3: Rural Sites Planning including priorities
- Attachment 4: BR054344 Service and Infrastructure Planning for Rural and Remote Areas
- Attachment 5: \$63.2 million Capital Savings
- Attachment 6: \$41 million Proposed Capital Savings.

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Provide this brief to the Minister for approval.

APPROVED/NOT APPROVED

NOTED



~~DR TONY O'CONNELL~~
Director-General

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To Minister's Office for Approval
for Noting

Director-General's comments

Author	Content verified by: (CEO/DDG/Div Head)
Rosemary Hood	Glenn Rashleigh
Director	Chief Health Infrastructure Officer
Health Infrastructure Office	Health Infrastructure Office
14 August 2012	14 August 2012