

QUEENSLAND HEALTH

DEPUTY DIRECTOR-GENERAL

BRIEF FOR DECISION

Our Ref: CAPW000252 P1000924

Date: 7 May 2010

TO Deputy Director-General Health Planning and Infrastructure Division

FROM A/Program Director, Capital Delivery Program - South, Health Planning and Infrastructure Division

SUBJECT Financial Approval for Principal Consultant Fee Increase – Redland 15 Bed Adolescent Extended Treatment Unit, Day Centre and School

Requested by A/Director Statewide Projects, Capital Delivery Program - South, Health Planning and Infrastructure Division

Decision Required by: 28 May 2010

RECOMMENDATION(S)

- That you exercise recurrent financial delegation in accordance with the Queensland Health Financial Management Practice Manual (FMPM) and approve expenditure of \$933,281 (including GST) for Principal Consultant Fees for Project Definition to Post Construction stages for the Redland 15 Bed Adolescent Extended Treatment Unit, Day Centre and School.
- That you note that:
 - In accordance with the Queensland Health Financial Management Practice Manual (FMPM) Circular 05/2010, 'If Governor-in-Council has previous approved the incurrence of expenditure against a project, Officers of the Department, who have received the necessary financial delegation by the Director-General, may approve the Incurrence of expenditure with respect to a contract which is a component of the approved project expenditure up to a limit of \$5.00 M.'
 - For Departmental purposes, the delegation in relation to expenditure with respect to a contract which is a component of the approved project expenditure is a recurrent expenditure delegation. Limited by the preceding dot point;
 - In accordance with the Queensland Health financial delegations register, the Deputy Director-General, Health Planning and Infrastructure Division has unlimited recurrent expenditure delegation;
 - \$99,000 (including GST) has been approved previously for Principal Consultant fees for a Site Options Study and to progress the Project Definition and Schematic Design stages of the project;
 - The Principal Consultant fee increase (attachment 1) is based on the estimated total project cost of \$18,360,936 (including GST) and an estimated construction budget of \$8,935,894 (including GST) in line with the Partnering Agreement between the Department of Public Works, Project Services and Queensland Health;

EXHIBIT 241

- The current budget allocated to the Redland 15 Bed Adolescent Extended Treatment Unit, Day Centre and School project is \$13,520,800 (including GST). There is currently a funding shortfall for this project of \$4,840,136 (including GST);
- A submission requesting approval for the conversion of \$13,906,200 (including GST) of Mental Health output funding to equity funding is currently seeking approval by Queensland Treasury. Queensland Treasury have already advised verbally that this will be approved.
- Following approval the remaining funding shortfall for the overall Queensland Mental Health Capital Works Program would be \$2,338,513 (including GST); and
- A revised Governor In Council expenditure approval will be sought for the Queensland Mental Health Capital Works Program, including the realignment of specific project budgets within the overall program.

BACKGROUND SUMMARY

- The Redland 15 Bed Adolescent Extended Treatment Unit, Day Centre and School is 1 of the 17 Projects funded under the Queensland Mental Health Capital Works Program.
- A Site Options Study was undertaken in 2007 to identify the most appropriate location for the 15 Bed Adolescent Extended Treatment Unit, Day Centre and School which included an extensive review of The Park – Centre for Mental Health, Wacol and other possible sites.
- The Site Options Study identified a new site adjacent to the current Redland Hospital site, Lot 30 Weippin Street, Cleveland as the most appropriate site which is where the current facility is to be relocated to.
- Queensland Health acquired Lot 30 Weippin Street, Cleveland in March 2009 which has been partially assigned to the relocation of the 15 Bed Adolescent Extended Treatment Unit, Day Centre and School with the remainder of the land earmarked for future Redland Hospital expansion.
- The site designation process has commenced for the new Redland site. However, this is currently on hold awaiting the outcomes of a review on Child and Youth Model of Service Delivery.
- The Redland 15 Bed Adolescent Extended Treatment Unit, Day Centre and School project is currently in the Project Definition and Schematic Design phase.

ISSUES

- The existing facility currently located at The Park – Centre for Mental Health has been identified as being inadequate and unsafe. A recent review by an Australian Council on Health Care Standards recommended an urgent replacement of this facility.
- Statewide Mental Health Child and Youth services are currently finalising a review of the Child and Youth Model of Service Delivery. The outcomes of this review are expected in early May 2010, at which time the design requirements for the 15 Bed Adolescent Extended Treatment Unit, Day Centre and School will be considered further.

EXHIBIT 241

- As part of the site designation process, there is a requirement to meet the Koala Conservation State Planning Regulatory Provisions. Due to the need to meet these planning provisions, as at March 2010, \$550,000 (including GST) has been factored into the project estimated cost which is now \$18.91 million (including GST) increased from \$18.36 million (including GST). The impact of this requirement is unable to be fully determined until the design for the new facility has progressed to the point where the location of the buildings can be confirmed. Work on the facility design will progress once the outcomes of the Child and Youth Model of Service Delivery Review are available.

CONSULTATION WITH STAKEHOLDERS

- Project Services and Health Planning and Infrastructure Division.
- Queensland Mental Health Capital Works Working Group.
- Queensland Health has been liaising closely with Queensland Treasury to obtain approval for the conversion of Mental Health output funding to equity funding.

FINANCIAL IMPLICATIONS

- The total capital funding approved for the Queensland Mental Health Plan is \$145,579,500 (including GST) which includes the Queensland Mental Health Community capital funding of \$12,359,600 (including GST).
- Governor-in-Council (GIC) approval was received on 13 December 2007 for the Queensland Mental Health Plan for \$144,826,000 (including GST) (attachment 2).
- An additional Ministerial approval was received on 1 August 2008 for the Queensland Mental Health Plan for \$753,500 (including GST) (attachment 3).
- Current expenditure and commitments against the Queensland Mental Health Capital Works Program are provided in Attachment 4.
- The current budget allocated to the Redland 15 Bed Adolescent, Extended Treatment Unit, Day Centre and School project is \$13,520,800 (including GST). There is currently a funding shortfall for this project of \$4,840,136 (including GST).
- A brief requesting approval for the conversion of \$13,906,200 (including GST) of Mental Health output funding to equity funding has been prepared by Queensland Treasury and has been put forward for consideration. Latest advice from Queensland Treasury is that the brief has been well progressed within Treasury and an outcome on this brief is anticipated in the near future.
- It is anticipated that the remaining funding shortfall of \$2,338,513 (including GST) can be addressed by reviewing projects within the Queensland Mental Health Capital Works Program to identify opportunities to achieve project savings and through favourable tender outcomes.
- Following Queensland Treasury approval, a revised Governor In Council expenditure approval will be sought for the Queensland Mental Health Capital Works Program, including the realignment to specific project budgets within the overall program.

EXHIBIT 241

- Overall Queensland Mental Health Plan Capital Works Program expenditure to date is \$16,783,214 (including GST) with a further \$18,165,720 (including GST) currently committed. There is currently \$96,070,966 (including GST) of uncommitted budget remaining within the program. A breakdown of the financial status of the program is provided within Attachment 4.

ATTACHMENTS

- Attachment 1: Project Services request for approval of Principal Consultant Fees Increase.
- Attachment 2: Governor In Council approval 13 December 2007 – Queensland Health’s Capital Works Program.
- Attachment 3: Ministerial approval 1 August 2008 for additional funding of \$735,500 (including GST) for the Queensland Mental Health Plan.
- Attachment 4: Financial Statement Queensland Mental Health Plan Capital Works Program.

<p>NOTED or APPROVED / NOT APPROVED</p> <p>Deputy Director-General</p> <p>Comments</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
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Failéen James
A/Deputy Director-General
Health Planning and Infrastructure
Division

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EXHIBIT 241

Author: Darren Williams A/Director Statewide Projects Capital Delivery Program - South Health Planning and Infrastructure Division	Signed on: 7 May 2010	Cleared by: (DM/SD/Dir) Rosemary Hood Acting Program Director Capital Delivery Program – South Health Planning and Infrastructure Division	Signed on: 10 May 2010
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