

Minister's Office RecFind No:	
Department RecFind No:	CDPS0074
Division/District:	HPID
File Ref No:	CAPW000306 HPID01108

Briefing Note

Director-General

Requested by: Executive Director
Office of the Director-
General

Date requested: 26 September 2011

Action required by: 15 November 2011

Action required

For approval

For meeting

For Information

With correspondence

Other attachments for consideration

Speaking points

Draft media release

Ministerial Statement

Cabinet related document

SUBJECT: Queensland Plan for Mental Health 2007-2017 Capital Works Program Stage 1 Letter to the Premier and Minister for Reconstruction

Proposal

That the Director-General:

Provide this brief to the Minister to:

Note the delayed delivery dates for mental health infrastructure projects as noted by CBRC (Attachment 1).

Note the outcomes of the program delivery review undertaken by Savills (Attachment 2).

Sign the attached letter to the Premier and Minister for Reconstruction advising of delays to the *Queensland Plan for Mental Health 2007-2017 (QPMH)* Capital Works Program Stage 1 and the outcomes of the program delivery review undertaken by Savills (Attachment 3).

Note that Health Planning and Infrastructure Division has recently revised the governance arrangements for this program of works and have appointed a new Mental Health Program project team dedicated to the delivery of all the current mental health infrastructure projects.

Urgency

1. Routine approval of this brief is required to advise the Premier of progress in planning, construction and project delivery timeframes for the *QPMH* Capital Works Program.

Background

2. On 5 April 2007, Cabinet Budget Review Committee approved the allocation of \$353.5 million over four years to commence implementation of the first four years of the Mental Health Plan as part of the 2007-08 State Budget.
3. On 30 May 2007, the then Premier, the then Deputy Premier and Treasurer, and the then Minister for Health announced State Budget funding of \$121.5 million over four years from 2007-08 to deliver 17 infrastructure projects in support of the implementation of the *QPMH* (Ministerial Media Statement Attachment 4).
4. The 2007-08 State Budget provided a total of \$131,660,000 (GST exclusive) for the delivery of Mental Health projects (Attachment 5). This included \$11,236,000 for community mental health capital funding as outlined in the memo from Mental Health Branch (Attachment 6) and \$120,424,000 to deliver the 17 infrastructure projects in support of the implementation of the *QPMH* (Attachment 7).

Minister's Office RecFind No:	
Department RecFind No:	CDPS0074
Division/District:	HPID
File Ref No:	CAPW000306 HPID01108

5. GIC approval was received on 13 December 2007 for the *QPMH* Capital Works Program totalling \$144,826,000 GST inclusive (\$131,660,000 GST exclusive) Executive Council Minute 1266. (Attachment 8)
6. Ministerial approval was received on 1 August 2008 for additional expenditure of \$753,500 GST inclusive (\$685,000 GST exclusive) on the *QPMH* Capital Works Program (Attachment 9).
7. The 2008-09 State Budget shows a total budget for the *QPMH* Capital Works Program Stage 1 to deliver 17 infrastructure projects of \$121,109,000 (GST exclusive) which includes the original allocation of \$120,424,000 and the additional expenditure approval of \$685,000 (Attachment 10).
8. On 24 April 2009, \$2,000,000 (GST exclusive) was transferred from the *QPMH* Capital Works Program to the Emergent Works Program budget as a part contribution to purchase of land at 30 Weippin Street, Cleveland as the site for the 15 Bed Adolescent Extended Treatment Unit.
9. On 3 March 2010 \$300,000 (GST exclusive) was allocated from the Emergent Works Program to the Queensland Mental Health Plan Capital Works Program for land purchases on the Logan Community Care Unit project.
10. In April 2010 Commonwealth funding from the Mental Health Reform Funds, Australian Health Care Agreement of \$1,800,000 (GST exclusive) was allocated to the Queensland Mental Health Plan Capital Works Program towards land acquisition for the Princess Alexandra Hospital Community Care Unit project (Attachment 11).
11. The 2010-11 State Budget identified total funding of \$121,209,000 (GST exclusive) which is \$100,000 more than the 2009-10 budget. This comprises the original \$121,109,000 for the *Queensland Mental Health Plan* Capital Works Program plus the additional \$300,000 from Emergent Works and the \$1,800,000, from the Commonwealth minus the \$2,000,000 transfer for land acquisition.
12. On 27 May 2010 Queensland Treasury approved (Attachment 12) the conversion of \$12,642,000 (GST exclusive) of Mental Health output revenue to equity of which \$2,500,000 was allocated to the Consumer Integrated Mental Health Application (Attachment 13) with the remaining \$10,142,000 (GST exclusive) funding being allocated specifically to the *QPMH* Capital Works Program. The \$10,142,000 (GST exclusive) allocation was not reflected in the 2010-11 State Budget.
13. On 13 December 2010 the Health Infrastructure and Projects Executive Committee (HIPEC) endorsed the allocation of \$17,000,000 (GST exclusive) from the Priority Capital Program (Attachment 14) for the *QPMH* Capital Works Program to address a funding shortfall in the program.
14. The 2011-12 State Budget identified total funding of \$148,351,000 (GST exclusive) for the *QPMH* Capital Works Program. This includes the \$121,209,000 (GST exclusive) from the 2010-11 State Budget plus the \$10,142,000 output to equity swap and the \$17,000,000 from the Priority Capital Program.
15. Health Planning and Infrastructure Division are currently seeking a revised GIC approval for \$148,351,000 million (GST exclusive) for the Mental Health Capital Works Program Stage 1.

Minister's Office RecFind No:	
Department RecFind No:	CDPS0074
Division/District:	HPID
File Ref No:	CAPW000306 HPID01108

Key issues

Delays

16. The Mental Health Capital Works Program Stage 1 is delivering 17 infrastructure projects in support of the implementation of the Queensland Plan for Mental Health 2007-2017. Of these, 10 projects will be completed by July 2012.
17. To date,
- five projects have been completed;
 - three projects are currently under construction;
 - two projects are under development as part of larger hospital redevelopments;
 - two projects are awaiting final planning approvals from local and state government departments;
 - three projects are awaiting tender assessment by Project Services;
 - one project is part way through a Community Infrastructure Designation process; and
 - one project was part of a mental health service review by the Health Service District and is now proceeding to complete schematic design.
18. Stage 1 will deliver 277 additional new or upgraded inpatient beds for acute and extended stay treatment. This will result in a net increase of 146 additional new inpatient beds across Queensland, a further 131 existing beds will be upgraded or redeveloped at existing or new locations.
19. In total, 79 per cent of the new additional inpatient beds (116 out of 146) are to be completed by June 2012. When looking at total beds (additional new beds and upgraded/redeveloped beds), 61 per cent are to be completed by June 2012.
20. Delivery of the program has been continuously delayed due to a series of delays associated with site options analysis; meeting Koala Conservation Regulations requirements; securing suitable sites; resolving local community and elected representatives concerns; and incorporating two projects into other site redevelopment projects have contributed to the delays to the building program.
21. Health Planning and Infrastructure Division have commissioned Savills Project Management to undertake an assessment of the potential to accelerate projects as part of the mental health program (Attachment 3).
22. Four projects that have not commenced construction or gone to tender have been identified by Savills as being able to be brought forward as follows:

Project	Completion date as per CBRC advice	Accelerated delivery date
Logan Community Care Unit	December 2012	October 2012
West Moreton Gailles Community Care Unit	August 2013	July 2013
Redlands Adolescent Extended Treatment Unit	November 2013	October 2013
Townsville Secure Rehabilitation Unit	September 2013	August 2013

23. The projects identified for acceleration continue to experience key project risks that have been identified by Savills. These projects continue to threaten the delivery dates of these projects. These key risks include;
- a. development consent being provided by the Department of Communities Services for Community Care Units,

Minister's Office RecFind No:	
Department RecFind No:	CDPS0074
Division/District:	HPID
File Ref No:	CAPW000306 HPID01108

- b. continued operation, security and complex decanting process that will be experienced when refurbishing within an operational secure mental health facility,
- c. outstanding Community Infrastructure Designation and community consultation processes, and,
- d. local council planning approvals process.

24. On 9 October 2011 CBRC was updated on the progress of the *QPMH* including an update of the delivery of the capital component (Attachment 1).

Other Mental Health Projects

25. Inpatient services will also be boosted by a further 154 beds in partnership with the Australian Government (through the Health and Hospitals Fund) and the National Partnership on Improving Public Hospital Services.
26. Nine projects have been announced from this funding for the mental health capital works Stage 2. Five projects are Community Care Units (CCU) to be located in Nambour, Bundaberg, Toowoomba, Rockhampton and Cairns. Four projects are additional acute care beds at Maryborough, Bundaberg, Hervey Bay and Toowoomba.
27. These investments will increase Queensland's inpatient bed numbers and contribute to the plan's 2017 target of 40 beds per 100,000 of total population.
28. The Stage 2 projects are being delivered as nine individually funded projects under the National Partnership Agreement and the Regional Priority funding rather than as a combined program of works.

Consultation

29. Where required Health Service Districts were consulted and endorsement of key deliverables were obtained and recorded at the Mental Health Capital Works Working Group Steering Committee Meetings.

Financial implications

30. HPID are currently seeking a revised GIC approval for \$148,351,000 million (GST exclusive) for the Mental Health Capital Works Program Stage 1.

Legal implications

31. There are no legal implications.

Elected representative

32. Statewide program.

Remedial action

Minister's Office RecFind No:	
Department RecFind No:	CDPS0074
Division/District:	HPID
File Ref No:	CAPW000306 HPID01108

33. Queensland Health has implemented strategies to address the delays in Stage 1 including the appointment of a Mental Health Program project team dedicated to the delivery of the Mental Health Infrastructure.
34. This role would continue for the delivery of the Stage 2 Mental Health Plan projects as well as changes that have been made to the governance structure for the delivery of Mental Health Infrastructure under the Mental Health Plan.
35. Queensland Health has implemented a continuous improvement process that is being undertaken to ensure efficiencies in future works. This will consist of:
- a. A review of Stage 1 completed facilities commencing with the Community Care Unit located at Coorparoo.
 - b. Expedition of the decision making process by instituting the request of key decision makers progressively to aid in the timely resolution of emerging issues at steering group level.
 - c. Budget containment improvements by removing authority from the Department of Public Works for expenditure of contingency and placing responsibility solely with the Queensland Health Project Director.
 - d. Time/programme containment by utilising dedicated managers where appropriate and undertaking more frequent reviews of staging.
 - e. Improved cost containment by aligning the project management and controls with suitable industry experienced organisations.
36. Since the original budgets were created, HPID has implemented the Capital Planning Tool and the cost estimate categories from the Capital Works Management Framework to minimise the probability that projects would overrun.

Attachments

37. Attachment 1 – CBRC noted program update
- Attachment 2 – Program delivery review undertaken by Savills
- Attachment 3 – Letter to Premier and Minister for Reconstruction
- Attachment 4 – Ministerial Media Statement 30 May 2007
- Attachment 5 – State Budget BP3 Mental Health Capital Statement 2007-08
- Attachment 6 – Community Mental Health Capital Funding Memo
- Attachment 7 – Queensland Plan for Mental Health 2007 - 2017
- Attachment 8 – GIC Approval 13 December 2007
- Attachment 9 – Ministerial financial approval 1 August 2008
- Attachment 10 – State Budget BP3 Mental Health Capital Statement 2008-09
- Attachment 11 – Mental Health AHCA \$1.8m Memo
- Attachment 12 – Treasury approval 27 May 2010 converting output to equity

EXHIBIT 265

Page 6 of 7

Minister's Office RecFind No:	
Department RecFind No:	CDPS0074
Division/District:	HPID
File Ref No:	CAPW000306 HPID01108

Attachment 13 – Output to equity allocation
email

Attachment 14 – HIPEC \$17m approval

Minister's Office RecFind No:	
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Recommendation

That the Director-General:

Provide this brief to the Minister to:

Note the delayed delivery dates for mental health infrastructure projects as noted by CBRC (Attachment 1).

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Sign the attached letter to the Premier and Minister for Reconstruction advising of delays to the *Queensland Plan for Mental Health 2007-2017 (QPMH)* Capital Works Program Stage 1 and the outcomes of the program delivery review undertaken by Savills (Attachment 3).

Note that Health Planning and Infrastructure Division has recently revised the governance arrangements for this program of works and have appointed a new Mental Health Program project team dedicated to the delivery of all the current mental health infrastructure projects.

APPROVED/NOT APPROVED

NOTED

DR TONY O'CONNELL
Director-General

/ /

To Minister's Office For Noting
For Approval

Director-General's comments

Author: Michelle Walter Manager Mental Health Program Capital Delivery Program South Health Planning & Infrastructure Division 1 November 2011	Cleared by: Alan Mayer Director Mental Health Program Capital Delivery Program - South Health Planning and Infrastructure Division 1 November 2011	Cleared by: (SD/Dir) Jason Flenley Program Director Capital Delivery Program - South Health Planning & Infrastructure Division	Content verified by: Glen Rashleigh Executive Director Capital Delivery Program Health Planning & Infrastructure Division	Endorsed by: John Glaister Deputy Director- General Health Planning & Infrastructure Division
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EXHIBIT 265

MInumber

The Honourable Anna Bligh MP
Premier and Minister for Reconstruction
Member for South Brisbane
PO Box 15185
CITY EAST QLD 4002

Dear Premier

The Mental Health Capital Works Program Stage 1 is delivering 17 infrastructure projects in support of the implementation of the *Queensland Plan for Mental Health 2007-2017*.

The total budget for these projects as outlined in BP3 2011-12 is \$148.351 million funded under the Queensland Health Capital Acquisition Program.

To date, five projects have been completed; three projects are currently under construction; two projects are under development as part of larger hospital redevelopments; two projects are awaiting final planning approvals from local and state government departments; three projects are awaiting tender assessment by Project Services; one project is part way through a Community Infrastructure Designation process; and one project was part of a mental health service review by the Health Service District and is now proceeding to complete schematic design.

A series of land use and location issues have delayed the delivery of the Mental Health infrastructure projects. These include changes to site locations, land use concerns, Koala Conservation Regulation requirements and the incorporation of two projects into other hospital redevelopment projects.

Other issues that have delayed the delivery of these projects include the extended time frame taken to develop appropriate models of care and the development of appropriate scopes of work prior to the standard architectural design processes commencing.

Ongoing and extended community consultation has also occurred on a number of projects that were not anticipated as part of the program schedule.

You can be assured that recent changes to the project delivery team within Queensland Health and changes that have been undertaken to streamline the governance and approvals process will limit any further unnecessary delays to the delivery of this program of works. As a majority of these projects enter the construction phase of delivery, the risk of further pre-construction delays is reduced significantly.

A continuous improvement process is being undertaken to identify efficiencies in future works. This will consist of:

- a. a review of completed facilities commencing with the recently opened Community Care Unit located at Coorparoo;
- b. expedite the decision making process by instituting the request of key decision makers progressively to aid in the timely resolution of emerging issues;
- c. budget containment improvements by removing authority from the Department of Public Works for expenditure of contingency;
- d. time/programme containment by employ of dedicated managers where appropriate; and
- e. cost containment by aligning the project management with suitable industry experienced organisations with an interest in developing longer standing relationships with Queensland Health and Government.

Health Planning and Infrastructure Division have commissioned Savills Project Management to undertake an assessment of the potential to accelerate projects as part of the mental health program.

Four projects that have not commenced construction or gone to tender have been identified by Savills as being able to be brought forward as follows:

Project	Completion date as per CBRC advice	Accelerated delivery date
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The projects identified for acceleration continue to experience key project risks that have been identified by Savills. These project risks continue to threaten the delivery dates of these projects. These key risks include:

- a. development consent being provided by the Department of Communities Services for Community Care Units,
- b. continued operation, security and complex decanting process that will be experienced when refurbishing within an operational secure mental health facility,
- c. outstanding Community Infrastructure Designation and community consultation processes, and,
- d. local council planning approvals process.

Should you have any queries regarding my advice to you, Mr Cameron Crowther, Principal Advisor, will be pleased to assist you and can be contacted on telephone [REDACTED]

Yours sincerely

EXHIBIT 265

GEOFF WILSON MP
Minister for Health

DRAFT

EXHIBIT 265

Prepared by: Michelle Walter
Manager Mental Health Program
Capital Delivery Program – South
Health Planning & Infrastructure Division
[REDACTED]

1 November 2011

Submitted through: Alan Mayer
Director, Mental Health Program
Capital Delivery Program – South
Health Planning & Infrastructure Division
[REDACTED]

1 November 2011

Jason Flenley
Program Director
Capital Delivery Program – South
Health Planning & Infrastructure Division
[REDACTED]

3 November 2011

Content verified by: Glenn Rashleigh
Executive Director
Capital Delivery Program
Health Planning & Infrastructure Division
[REDACTED]

3 November 2011

Endorsed by: John Glaister
Deputy Director-General
Health Planning & Infrastructure Division
[REDACTED]

// November 2011 [REDACTED]