

Minister's Office RecFind No:	
Department RecFind No:	
Division/District:	HIO
File Ref No:	HPID02654

Briefing Note for Noting

Director-General

Requested by: Chief Health
Infrastructure Officer

Date requested: 26 July 2012

Action required by: 17 August 2012

SUBJECT: Projects for Capital Savings

Proposal

That the Director-General:

Note the Brief and that the System Manager recommends that:

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 2013/14

Deferral of Hervey Bay and Bundaberg Oral Health Centres until 2013/14

Deferral of the Hervey Bay and Bundaberg Regional Cancer Care Centres until 2013/14.

Provide this brief to the Minister for

Noting that no consultation has occurred with the relevant Hospital and Health Services.

Request direction on whether this is to occur prior or after approval of this brief.

Consideration and approval.

Urgency

1. Urgent by 17 August 2012 as funds are being considered to be utilised for infrastructure issues at 12 rural health facilities.

Headline Issues

2. The top issues are:
 - Confirmation required for proposed capital saving strategies.
 - Note that no known consultation has occurred with the relevant Hospital and Health Services and their Boards, including identification of service impacts.

Key issues

3. The current identified capital savings totalling \$63.2 million as outlined in the July 2012 Cabinet Budget Review Submission (Attachment 1).
4. These savings include the deferral of the state funded Bundaberg Oral Health Centre and Hervey Bay Oral Health Centre. Both oral health facilities are being built to provide operational and infrastructure efficiencies with the Commonwealth funded (Health and Hospital Fund Round 2) Regional Cancer Care Centres at Hervey Bay and Bundaberg.
5. Options have been analysed in regard to deferral only of the two Oral Health projects or deferral of the two Oral Health projects with the Regional Cancer Care projects. Following consideration of the impact on the site, program and costs, it is more cost-effective to defer the Regional Cancer Care Centres with the Oral Health projects until 2013/14 (Attachment 2).

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6. Advice has been received at officer level from the Department of Health and Ageing (DOHA) that they are supportive of deferring funding for the Hervey Bay and Bundaberg Regional Cancer Care projects until 2013/14.
7. The \$63.2 million capital savings includes disposal of the land acquired for the Sunshine Coast and Caboolture Health Precincts. Both projects were deferred for two years by the previous government in 2009 and there has been no progress since.
8. In addition to the \$63.2 million capital savings identified, further potential savings totalling \$41 million have been identified as outlined in Attachment 3.
9. These further potential savings includes the unspent and uncommitted funds remaining for the Health Precincts at Caboolture and Sunshine Coast.
10. A ministerial brief has been progressed by the Mental Health Branch seeking approval for the cessation of the replacement Adolescent Extended Treatment Unit project.
11. The Townsville Medium Secure Rehabilitation Unit project is for a significant refurbishment of the unit to provide enhanced functionality and to enable the unit to accommodate females. In 2006 following an external review of the design, 10 of the existing 30 beds were and remain closed. The current arrangements are that the unit only accommodates males with females being accommodated in similar units in south east Queensland.
12. There are current considerations for this \$41 million to fund infrastructure upgrades at the 12 rural sites as identified in Option 1 in the infrastructure planning undertaken in 2010 (BR054344). The intent of Option 1 is to maintain the status quo with the current health service arrangements with minimal construction work to meet safety and legislative requirements for their function.

Background

13. To meet proposed Government saving targets, a range of saving strategies were identified totalling \$63.2 million.
14. This includes the \$28.2 million from the Area Demand Management projects and the \$35 million from the sale of five properties (Attachment 1).

Consultation

15. 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 of the Townsville Medium Secure Unit refurbishment project.
16. There has been no known consultation with the relevant Hospital and Health Services and their Boards, including identification of service impacts.

Attachments

17. Attachment 1 - \$63.2M Capital Savings
Attachment 2 – Oral Health Centres and Regional Cancer Care Centres, Bundaberg and Hervey Bay
Attachment 3 - Proposed Saving Strategies

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Recommendation

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Deferral of Hervey Bay and Bundaberg Oral Health Centres until 2013/14.

Deferral of the Hervey Bay and Bundaberg Regional Cancer Care Centres until 2013/14.

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Consideration and approval.

APPROVED/NOT APPROVED

NOTED

DR TONY O'CONNELL

Director-General

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To Minister's Office For Noting

Director-General's comments

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2 August 2012

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