

ISSUE 1908

“In Support of Progress”

Newsletter

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State of the State

State Parliament resumed last week, and the highlight – apart from two new members - was the Premier’s State of the State Address.

Now the “State of the State” address is designed to provide a snapshot of the present state of play, and to provide some indication of what lies ahead. As such, it should be a comprehensive document. And this one did not disappoint – it covered most areas of government activity. It is an optimistic document, and presents the government as getting on with the job.

As part of the address the Premier released a 36-page document, entitled Agenda 2019, detailing some 286 separate projects and initiatives which will be commenced or completed within the next 12 months, by quarter. Now some of these are a bit woolly, such as “setting up a panel to devise a plan for...” or “to proceed with a plan to...”, or to “commence planning for...” etc., but the important point to make is that the government is now willing to be held to account against its list of actions. And for that they should be congratulated.

Health

The Royal Hobart Hospital (RHH) continues to receive attention. It is stating the obvious to say the hospital is under severe pressure, and it is also stating the obvious that the government is hoping that the opening of the new “K” block will resolve many of its current problems.

The redevelopment of the hospital has gone through several iterations, the last of which occurred in 2014, after a “Rescue TaskForce” reported in late 2014.

As a result, in a statement released in August 2015:

“Construction is underway for the \$657 million redevelopment of the RHH in hopes of delivering better facilities for patients. The current refurbishment plans aim to relocate the hospital B-Block so that it can be demolished in favour for a new K-Block to be built within its place.

And in Nov 15, 2016:

Significant progress has been made on the RHH Redevelopment project that is aiming to provide Tasmanians with a state of the art health service facility. ...As part of the \$689 million RHH Redevelopment, the Government’s safe decanting strategy will see the general medicine unit be the first ward to relocate to J-Block from Tuesday, November 22.

So, it seems the plan was to ensure that the construction of K block was done in sync. with other alterations to ensure a continuing operation at the hospital, for a total sum of \$657m, which had seemingly slipped by \$32 million to \$689m.

K block, the monolithic construction on Campbell Street, was an integral part of this development. It has been beset with problems during its construction, and the construction delays and variations surrounding the project have become the stuff of legend. So when the government boasts that its completion will be on time and on budget it simply beggars belief.

Now, in 2019, it would appear we have a new masterplan for the RHH. This masterplan was released on the same day as the State of the State address, and its purpose is "to update the 2011 plan". On Saturday, a 2-page presentation appeared in the local paper promoting the plan, and this presentation suggested the plan was to have a minimum of 3 stages and beyond, K block being Stage 1.

What is of interest is that Stage 2 involves a 3-year \$91 million upgrade to the RHH beyond the completion of K block. Without going into further detail, it seems to me that the redevelopment is in reality 3 years behind completion and \$91 million over budget. And this has now been dressed up as a Stage 2 development.

To add insult to injury, the 2-page advertisement (oops, presentation) had an aerial shot of the Royal and surrounding city blocks. Unfortunately, the picture was inverted, a mirror image of the real layout. Which is rather symbolic of the smoke and mirrors behind the telling of the RHH story.

I really hope K block works, when it is complete. It's a lot of wasted money if it doesn't.

Contracts

The Minister for Building and Construction recently released a statement promoting the government's "Buy Local" policy. Quoting last quarter's figures, The Minister stated:

"A total of 92.19% of contracts (being 59) were awarded to Tasmanian businesses, with a total value of \$68.54 million." The Minister then said "the government was committed to growing the number of businesses awarded government contracts to 90% by 2022".

If one is not careful, statistics can end up being a 2-edged sword. In the first instance, it would be exceedingly difficult to "grow" 92.19% to 90%!

Second, if 92.19% equals 59 (interesting to quote the figure to 2 decimal places, considering the low actual number), then 100.00% would equal 64, which means 5 contracts were not awarded to Tasmanian businesses. Which then opens up a new set of questions. For example, which 5, and how much were they worth?

I wrote to the Minister along those lines, asking two questions "What was the value of all contracts let?", and "Do these figures include contracts let by GBE's?"

One would have assumed that such detail would be at her fingertips – after all she is the responsible Minister and she released the media statement. But alas, at the time of writing, I have received no response, other than a formal courtesy letter saying my note had been received.

For now, I will simply quote the Minister:

"Our Buy Local Policy for government procurement means the benefits to the wider community, such as job creation and social benefits, must be taken into account when decisions are made on awarding contracts. The more the state government could (do) to promote local spending, the better it was for all Tasmanians."

Laudable sentiments Minister, but I am concerned that it be more than words. Can you also "walk the walk"? Are your Cabinet colleagues also aware of this policy? And your agencies?