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| Guideline for Approval in Principle (AIP) – New Establishment |
| Health service establishments |

# Guideline for AIP application for development of new health service establishment

## When must an application be made?

To construct premises proposed to be used as either a private hospital or day procedure centre, an application must be made to the Department of Health and Human Services (the department) for an AIP.

It is an offence under section 115 of the *Health Services Act 1988* (the Act) for work to commence before an AIP has been granted and the Secretary to the Department of Health and Human Services (the Secretary) (or Delegate) has issued a Certificate of AIP.

An AIP is the first stage in the process for registration of a new private hospital or day procedure centre. The second stage is to apply for registration of the facility. A facility must not commence operation until it is registered.

Prior to submitting an application for AIP, it is recommended that you telephone the Private Hospitals Unit on (03) 9096 8873 to discuss the project.

## What is assessed when an application for AIP is made?

The assessment of an AIP application is made in accordance with the criteria detailed in section 71 of the Act. These criteria include:

* financial capacity of the proposed proprietor;
* fitness and propriety of the proposed proprietor;
* suitability of the design having regard to the type of facility;
* suitability of the location of the land or premises having regard to availability of other community services and the safety and amenity of the environment; and
* security of tenure.

## How to complete an AIP application

### 1. Schedule 2 form and prescribed fee

Applicants are required to complete Schedule 2 - Application for approval in principle of a private hospital or day procedure centre (available for download from [Private Hospitals - forms](https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides) <https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides>) and include the information outlined below.

The application must include the prescribed fee as indicated on the Private Hospitals website - [Private Hospitals - fees](https://www2.health.vic.gov.au/hospitals-and-health-services/private-health-service-establishments/fees) <https://www2.health.vic.gov.au/hospitals-and-health-services/private-health-service-establishments/fees>. Cheques or money orders should be made payable to the Department of Health and Human Services.

The department also requests other information and documents in order to assess an AIP application in accordance with the mandatory criteria detailed in section 71 of the Act.

### 2. Written description of the services and business plan

Provide a business plan that outlines the need for the health service establishment in the proposed location. The business plan should include:

* Details of all clinical specialities including the type and level of clinical service (i.e. acuity) to be provided.
* The proposed model of care for these clinical specialities.
* Any demographic research you may have done on the current availability of these services in the catchment area.

Applicants must complete the Proposed Bed Numbers form (available for download from [Private Hospitals - forms](https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides) <https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides>) .The AIP process only applies to premises that will be used for private hospitals and day procedure centres. The department therefore needs to consider whether the proposed facility falls within the scope of the Act.

### 3. Suitability of the design having regard to the type of facility

The suitability of the design of the facility will be assessed against the *Health Services (Health Service Establishments) Regulations 2013* (the Regulations) with particular reference to the Australasian Health Facilities Guidelines (AusHFG) and the Building Code of Australia (BCA).

In July 2018, the regulations were revised to include mandatory compliance with the AusHFG.

All new building proposals are assessed for compliance by a member of a panel of architects appointed by the department. The architectural assessment takes approximately ten working days and proprietors are notified in writing of any variances from the regulations, the AusHFG and the BCA which may require alterations to the drawings prior to the AIP application progressing to the delegate.

Applicants must submit:

* A copy of schematic design floor plan, drawn to a scale of 1:100 showing; the floor area of each room, name of each room and equipment, fittings, and furnishings.
* A copy of site plans drawn to a scale of 1:200 or 1:500. Please show the ambulance bay on the site plan.
* If the development includes an operating suite or procedure rooms, provide detail of the ‘clean’ and ‘dirty’ instrument flow, and staff and patient access to/from the clinical zone.
* Proposed floor finishes at 1:100 scale.
* Proposed detailed fit out plan at 1: 50 scale for major rooms (applicants can use generic Room Layout Sheets from the AusHFG).

Departures from the AusHFG, including fixtures and fittings, are to be noted on the Schedule of Accommodation. Any design that departs from the AusHFG will not be approved unless clear patient and/or service benefits can be justified.

### 4. Schedule of Accommodation

The Schedule of Accommodation lists the type, number and size of rooms and spaces required in the private hospital or day procedure centre. Please refer to the AusHFG and list ***all rooms*** in the Health Planning Unit for the type of clinical services being provided; include the total floor area of each proposed room in your facility.

### 5. Time frame

Provide an estimated time frame for the duration of construction of the proposed private hospital or day procedure centre including:

* proposed construction start date;
* project stages; and
* the date construction is due to finish.

### 6. Planning permit

A planning permit gives permission from a local council to develop or use land for a particular purpose.

The planning permit must be submitted with the AIP application to assist the department assess the suitability of the location of the proposed private hospital or day procedure centre.

NOTE: If a planning permit is not required, please provide a letter stating this from the relevant local council.

### 7. Fitness and propriety

The Act requires the Secretary to ensure proposed proprietors of health service establishments are fit and proper persons to operate such a facility. The following documents must be provided for the person or entity who is likely to be the proprietor of the health service establishment. This includes for sole proprietors, partnerships, all company directors and/or board members.

### 8. Probity

In order to assess the fitness and propriety of the proposed proprietor, the department requires the following documents to be completed for each person:

* A completed Statutory Declaration-Fitness and Propriety (available for download from [Private Hospitals - forms](https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides) <https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides>.
* A National Police Record Check issued within the past twelve (12) months (see Note 1 and Note 2).

#### (a) Natural person (sole trader or partnership)

Australian Securities and Investments Commission (ASIC) current business name extract showing business name holder details obtained in past 30 days.

#### OR

#### (b) Company

ASIC current business name extract showing business name holder details obtained in past 30 days.

ASIC company extract search showing company office details and listing all directors and office holders obtained in past 30 days.

If a subsidiary company, a company structure chart.

Director, board or office bearer form for AIP (available for download from [Private Hospitals - forms](https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides)) <https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides>.  
OR

#### (c) Other body corporate

Director, board or office bearer form for AIP and any requested attachment (available for download from [Private Hospitals - forms](https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides)) <https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides>.  
  
Certificate of Incorporation or other document as evidence of the status of the incorporated association or body corporate

The most recent Annual Report or Annual Return.

NOTE 1 -The department will only accept a National Police Record Check (certified copy only) from any of the following agencies:

* Victoria Police NOTE: If a police check application is lodged through Victoria Police, they will only do checks for Victorian residents.
* Australian Federal Police **NOTE**: If there are directors or board members residing in other states, they must apply for their police check with that State or through a national accredited agency.
* A police force of another Australian State; or
* An agency accredited with Crimtrac (see Australian Criminal Intelligence Commission) for further information). It is recommended that police check applications are lodged on-line through a nationally accredited agency (e.g. http://www.fit2work.com.au/) as the turn-around time can be as little as one hour.

NOTE 2 - Certification of the National Police Check can be carried out by a: Justice of the Peace, registered nurse, accountant, bank Manager, barrister, solicitor, police officer, registered pharmacist, medical practitioner, dentist, chiropractor, physiotherapist, veterinary surgeon or optometrist.

### 9. Financial capacity

The Act requires the Secretary to ensure that a proposed proprietor of a private hospital or day procedure centre has the financial capacity to undertake the new development and to operate the facility.

Please arrange for an appropriately qualified independent certified practicing accountant (CPA) or associate chartered accountant (ACA) to review the proposed proprietor’s financial situation and its capacity to develop the private hospital or day procedure centre and complete the relevant form.

Complete the Statement by an Independent ACA or CPA (available for download from [Private Hospitals - forms](https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides) <https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides>. Any disclaimer, qualification or reservation to this statement must be attached.

You may also be asked to submit additional information to demonstrate financial viability.

This may include;

* evidence of financial support and ability to meet loan repayments.
* financial plan/operating budget plan, including repayments schedule.
* medical practice insurance and or general business insurance.

### 10. Security of tenure

The Secretary is required to consider whether the proprietor has security of tenure over the premises.

If the proprietor is the owner of the land, on which the private hospital or day procedure centre is conducted, then please provide a written statement to this effect.

If the proprietor is not the owner of the land, then provide a written statement detailing the commercial or leasing arrangements that are in place and confirm that these arrangements will continue for the period of registration, which is ordinarily two years.

### 11. Accuracy of information

It is an offence under section 151 of the Act to provide false or misleading information for the purposes of complying with this Act.

## What happens after an application is made?

### Maximum time frame for processing applications

The Secretary (or Delegate) has 60 days after receiving an application (comprising the scheduled form and prescribed fee) to inform the applicant of a decision. If the Secretary (or Delegate) requests the applicant to provide additional information, a decision must be made within 28 days of receipt of the information last requested or within the 60-day period, whichever is later. Applicants should keep these timeframes in mind when submitting an application for assessment.

NOTE: The department will endeavour to make a decision on complete AIP applications within 30 days.

### Certificate of AIP granted

After considering the application the Secretary (or Delegate) may grant the application and issue a Certificate of AIP. The AIP may be granted with conditions.

### Site visit following construction of the private hospital or day procedure centre

The applicant should contact the Private Hospitals Unit two to four weeks prior to the completion of construction to arrange a site visit. The Occupancy Permit must be received by the department prior to the site visit taking place.

At this visit all relevant certification of compliance with all relevant statutory authority and standards requirements must be submitted.

NOTE: If the Certificate of Occupancy is not provided to the department, the scheduled site visit will not take place and a new appointment will have to be made.

You may also request a pre-AIP Inspection to review progress of works and identify any regulatory issues prior to arranging the more formal final site visit once construction has been completed. The Architect Panel’s time for pre-AIP Inspections is charged to the facility. The final AIP site (one only) visit is paid for by the department.

At both visits, the Unit will inspect the premises to ensure compliance with the AusHFG and the Regulations. At the final AIP inspection any works, that do not comply with the AusHFG or the Regulations, may be required to be made compliant prior to registration of the facility.

Please complete the AIP Site Inspection Checklist which provides a list of compliance certificates that may be required. This document can be downloaded from the [Private Hospitals forms and checlists page](https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides). <https://www2.health.vic.gov.au/hospitals-and-health-services/private-hospitals/forms-checklists-guides>

### What if the plans change during construction or another person wants to take over?

Construction must be conducted in accordance with the Certificate of AIP and the planning permit. Should it become necessary to deviate from the approved plans or transfer the Certificate to another person, an application for variation of AIP must be submitted. Please refer to the relevant variation of AIP guidelines on our website.

**Send the completed form**

Please send the signed and completed form by [email Private hospitals](mailto:privatehospitals@dhhs.vic.gov.au) <privatehospitals@dhhs.vic.gov.au>

or by post to:

The Manager  
Private Hospitals  
Department of Health and Human Services  
GPO Box 4057  
MELBOURNE VIC 3001

If you require further information, please contact the Private Hospitals Unit on +61 (3) 9096 2164

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