

# PROJECT AGREEMENT FOR THE HEALTH AND HOSPITALS FUND - 2011 REGIONAL PRIORITY ROUND PROJECT IN KYABRAM



An agreement between

- the Commonwealth of Australia and
- Victoria

The output of this project will be the establishment of the Health and Wellbeing Centre at Kyabram.

# Project Agreement for the Health and Hospitals Fund – 2011 Regional Priority Round Project in Kyabram

## INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

### PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements.
2. The objectives of the Health and Hospitals Fund, whilst not replacing state and territory effort, are to invest in major health infrastructure programs that will make significant progress towards achieving the Commonwealth's health reform targets, and make strategic investments in the health system that will underpin major improvements in efficiency, access or outcomes of health care.
3. The Commonwealth contribution is conditional on the achievement of outputs and milestones by the State, which will be assessed by the Commonwealth through the provision of a Project Plan by the State and standard quarterly project status reports as outlined in Part 4.
4. This Agreement will support the delivery of the Health and Hospitals Fund – 2011 Regional Priority Round Project in Kyabram through the establishment of the Health and Wellbeing Centre resulting in expanded primary care services provided by Kyabram and District Health Service and delivering support facilities for general practitioners, visiting specialists, nursing and allied health services.
5. This Agreement constitutes the entire agreement for this project.

### PART 1 – FORMALITIES

#### Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) represented by the Minister for Health, and the State of Victoria (Victoria) as represented by the respective State Minister with portfolio responsibility for health.

#### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Victoria sign the Agreement and will expire on 30 June 2016 or completion of the project as outlined in the Project Plan, including the acceptance of final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

8. The Project Plan to be developed and agreed by senior Commonwealth and Victorian officials, is expected to be a flexible document that may be varied over time to accommodate changed circumstances. However, variations to the Project Plan that directly affect payment milestones and their achievement are subject to written agreement between the Ministers.

## PART 2 – PROJECT OUTPUTS

### Outputs

9. The outputs of this Agreement, as described in the 2011 Regional Priority Round of the Health and Hospitals Fund project application, and in the Project Plan dated 13 October 2011, will be the extension and refurbishment of the existing community health facility to establish the Health and Wellbeing Centre in Kyabram. The redevelopment includes:
  - (a) 14 consulting rooms;
  - (b) 2 treatment rooms;
  - (c) 2 treatment/clinical/minor procedure rooms;
  - (d) 4 bed student and medical accommodation;
  - (e) group activity space, teaching and learning facilities, including training room;
  - (f) relocation of existing pathology services; and
  - (g) car parking.

## PART 3 – ROLES AND RESPONSIBILITIES

### Role of the Commonwealth

10. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against payment milestones in the delivery of the establishment of the Health and Wellbeing Centre, Kyabram, under this Agreement and in accordance with the project milestones specified in the Project Plan to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a consequent financial contribution to Victoria to support the implementation of this Agreement.

### Role of Victoria

11. Victoria will be responsible for:
  - (a) providing an in-kind contribution to support the implementation of this Agreement;
  - (b) developing and providing to the Commonwealth a Project Plan that would typically include details on scope, project schedule, budget, project stakeholders, governance arrangements, communication plan, high level design plans and a risk management plan;
  - (c) all aspects of delivering on the project outputs set out in the Project Plan and in this Agreement; and

- (d) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.
12. Victoria will also be responsible for ensuring that, for the purposes of the practical completion of a milestone, the project will:
- (a) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that Victoria cannot reasonably fix, or by fixing, will significantly inconvenience users of the works;
  - (b) not cause any legal or physical impediment to the use and occupation of the property and the works for the designated use; and
  - (c) be fit for use for the designated use.

### Shared roles

13. Both Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## PART 4 – PAYMENT MILESTONES, REPORTING AND PAYMENTS

14. The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made, once a report certifying that milestones have been met is received and accepted. Detailed project milestones are included in the Project Plan.

Table 1: Payment milestones, reporting and payment summary

Output	Milestones <sup>1</sup>	Date due	Relevant Report due	Payment
Health and Wellbeing Centre, Kyabram (consistent with the requirements specified at clause 9).	Acceptance by the Commonwealth of the Project Plan, including details of the site and building/s to be redeveloped or constructed.	30 Aug-13	13 Sep-13	\$1.0 m
	Consultant engagement complete	30 Aug-13	13 Sep-13	\$0
	Schematic Design Complete	30 Aug-13	13 Sep-13	\$0
	Design Development Complete	31 Oct-13	13 Dec-13	\$0
	Tender Documentation complete	31 Jan-14	14 Mar-14	\$0
	Award of Tender and construction start	30 Apr-14	16 Jun-14	\$1.5 m
	Ground slab complete	31 Jul-14	12 Sep-14	\$0.5 m
	Façade complete	31 Dec-14	13 Mar-15	\$0
	Fit-out complete	30 Apr-15	15 Jun-15	\$0
	Practical completion of the project and acceptance by the Commonwealth of the Final Report <sup>2</sup>	30 Jun-15	14 Sept-15	\$ 0.48 m

<sup>1</sup> Where payment milestones do not align with quarterly reports, the Commonwealth may request additional information from the State to demonstrate that the milestone has been satisfactorily met.

<sup>2</sup> The final payment is subject to the Commonwealth's acceptance of the final report that demonstrates that all milestones have been met in accordance with the Project Plan and all reporting arrangements have been met.

## Reporting arrangements

15. Victoria will provide the Commonwealth with standard quarterly project status reports with reference to the project outputs (Part 2), milestones (Part 4, Table 1) and Project Plan, due by the 10<sup>th</sup> business day in March, June, September and December each year. Each performance report is to contain the following information:
  - (a) a description of actual performance of Victoria in the period to date against the project milestones;
  - (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how Victoria proposes to resolve this/these matter(s); and
  - (c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.
16. These reports are required to be submitted via the Commonwealth Department of Health and Ageing's Health and Hospitals Fund Capital Projects Reporting Online system. All quarterly

reports must be certified by an appropriate Victorian delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.

17. Victoria will also prepare a final Project Report within 90 days of the date of practical completion of the final element of the project as specified in the Project Plan. The final Project Report will be a stand-alone report that can be used for public information and dissemination purposes. The final Project Report will:
  - (a) describe the conduct, benefits and outcomes of the Project;
  - (b) evaluate the Project from Victoria's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and
  - (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance, which the Commonwealth notifies Victoria should be included in the final project report at least 60 days before it is due.
18. Quarterly project status reports will follow the template at Schedule A.

## PART 5 — FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide a total financial contribution to Victoria of \$3.48 million in respect of this Agreement. All payments are GST exclusive.
20. The Commonwealth's funding contribution will not be reduced where Victoria secures funding from other activity partners through innovative and collaborative partnerships.
21. The Commonwealth's and Victoria's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Victoria paid in accordance with *Schedule D — Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

**Table 2: Estimated financial contributions**

(\$ million)	2013-14	2014-15	2015-16	Total
<b>Estimated total budget</b>	<b>1.00</b>	<b>2.00</b>	<b>0.48</b>	<b>3.48</b>
Less estimated National Partnership payments	1.00	2.00	0.48	3.48
Balance of non-Commonwealth contributions <sup>(a)</sup>	0.00	0.00	0.00	0.00

(a) Notes: There is also (not included in this total funding) an in-kind contribution of \$2.27 million from the Kyabram and District Health Service

22. Having regard to the agreed estimated costs of the project specified in this Agreement, Victoria will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, Victoria bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Victoria to deliver the project cost effectively and efficiently.

## **PART 6 – GOVERNANCE ARRANGEMENTS**

### **Enforceability of the Agreement**

23. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### **Variation of the Agreement**

24. The Agreement may be amended at any time by agreement in writing by the Parties.
25. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

### **Delegations**

26. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### **Dispute resolution**

27. Either Party may give notice to the other Party of a dispute under this Agreement.
28. Officials of both Parties will attempt to resolve any dispute in the first instance.
29. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
30. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to relevant First Ministers.

The Parties have confirmed their commitment to this agreement as follows:

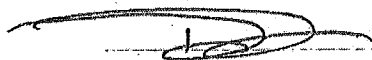
Signed for and on behalf of the  
Commonwealth of Australia by



The Honourable Tanya Plibersek MP  
Minister for Health

5.8.2013

Signed for and on behalf of the  
State of Victoria by



The Honourable David Davis MP  
Minister for Health

5.8.2013



**Project Status Report:**

Project Status Report

Report Month:

Submission Status:

Submission Date: xx/xx/20xx

Current Forecast Completion Date: xx/xx/20xx

Actual Date of Project Completion: xx/xx/20xx

Current Project Stage:

Key Activity Undertaken Since Previous Report:

Significant achievements in next 3 months:

**Progress Status**

Schedule: Green/Amber/Red

Cost: Green/Amber/Red\*

Compliance: Green/Amber/Red

Scope: Green/Amber/Red

Slippage Comments:

Corrective Action Taken:

Risk: Green/Amber/Red

**Financial\***

Original Project Cost: \$xx,000,000.00

Current Project Cost: \$xx,000,000.00

Forecast Final Cost: \$xxx,xxx,xxx.00

Actual Total Cost at Completion: \$0.00

**Expenditure of Commonwealth funds\***

Budgeted to Date: \$xx,xxx,xxx.00

Actual to Date: \$xx,xxx,xxx.00

Actual to Date as a % of budgeted: xx.00%

## Expenditure of co-contributor funds\*

Budgeted to Date: \$x,xxx,xxx.00

Actual of Date: \$x,xxx,xxx.00

Actual to Date as a % of budgeted: xx.00%

## Milestones\*

Name	Completion Date		Completion Cost (\$)						
	(%)								
	Compl	Original	Current	Forecast	Actual	Original	Current	Forecast	Actual
Acceptance by the Commonwealth of the Project Plan*	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Commence construction	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Ground Floor complete	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Base building complete	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Fit out, finishes and fittings complete	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Practical completion of the project and acceptance by the Commonwealth of the final project report	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-

\* Note: This information is reported by non-government organisations in the Department of Health and Ageing's Health and Hospitals Capital Projects Reporting Online system. Completion of the shaded areas is optional for States and Territories.

### **Scope**

Is the project scope still consistent with the agreed project scope?: Yes/No

### **Compliance**

Is project compliant with all relevant Commonwealth, State and Local government legislation?: Yes/No

Is project compliant with all relevant building codes in your State or Territory?: Yes/No

Is project compliant with all relevant Commonwealth building codes?: Yes/No

Please confirm that your Construction/Procurement includes a requirement for the proponent to comply with any changes in Legislation which may be relevant to the Project: Yes/No

Please confirm that the Project complies with all Commonwealth, State, Territory and/or Local Authority statutory planning and zoning restrictions: Yes/No