

PROJECT AGREEMENT FOR THE FORMER HEALTH AND HOSPITALS FUND – PROJECT IN GOVE AND ALICE SPRINGS

An agreement between:

- n the Commonwealth of Australia; and
- n the Northern Territory.

The outputs of this project will be the redevelopment of the Emergency Department at Gove District Hospital and construction of a new multi-purpose facility at Alice Springs Hospital.

Project Agreement for the Health and Hospitals Fund – 2010 Regional Priority Round Project in the Northern Territory

OVERVIEW

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

Purpose

2. This Agreement will support the delivery of the *Health and Hospitals Fund – 2010 Regional Priority Round Projects in the Northern Territory* through the redevelopment of the Emergency Department at Gove District Hospital and the construction of a new multi-purpose facility at the Alice Springs Hospital campus.
3. This Agreement replaces *the Redevelopment of the Emergency Department – Gove District Hospital* project from the previous *Project Agreement for Five Health and Hospitals Fund – 2010 Regional Priority Round Projects in the Northern Territory* dated 28 May 2012.

Reporting Arrangements

4. The Northern Territory will provide bi-annual Project Performance Reports against the agreed Project Plan during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

5. The Commonwealth will provide an estimated total financial contribution to the States of \$13 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

6. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

7. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Northern Territory.

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and the Northern Territory sign it and will expire on 30 June 2017, or completion of the project as outlined in the Project Plan, including the final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUTS

Outputs

9. The outputs of this Agreement, as described in the 2010 Regional Priority Round of the Health and Hospitals Fund project application dated 2 December 2010, and in the Project Plan, will be:
 - (a) redevelopment of the Emergency Department – Gove District Hospital, which will include:
 - i. a reception/registration area;
 - ii. a triage area;
 - iii. consulting rooms;
 - iv. dedicated nursing/medical station;
 - v. a low stimulus room;
 - vi. a clinical nurse manager's/doctors office;
 - vii. upgraded treatment cubicles;
 - viii. improved resuscitation area;
 - ix. storage; and
 - x. fit-out.
 - (b) construction of a new multi-purpose facility at Alice Springs Hospital, which will include two functionally linked service provision areas comprising:
 - i. an inpatient area which has capacity for ten beds and capacity for up to two bariatric beds or as required; and
 - ii. general facilities area, which will include a meeting room, activity room; fully equipped treatment and consultation room; a residential lounge, dining and kitchenette area; and, a secured outdoor area.

PART 3 – ROLES AND RESPONSIBILITIES

Role of the Commonwealth

10. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against milestones in the delivery of the project under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to the Northern Territory to support the implementation of this Agreement;
 - (c) in accordance with the *Fair Work (Building Industry) Act 2012*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted; and

- (d) ensuring that compliance with *the Building Code 2013* is a condition of Australian Government funding.

Role of the Northern Territory

- 11. The Northern Territory will be responsible for:
 - (a) developing and providing a Project Plan to the Commonwealth in accordance with clauses 13 to 15 of this Agreement;
 - (b) all aspects of delivering on the project outputs set out in this Agreement;
 - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (d) ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
 - (e) ensuring that compliance with *the Building Code 2013* is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.

Shared roles

- 12. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, 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.

Project Plans

- 13. A Project Plan is required for this Agreement. It will be agreed by senior Commonwealth and the Northern Territory officials and submitted to the Commonwealth Department of Health.
- 14. Project Plans typically include details on scope, project schedule, budget, project stakeholders, governance arrangements, communication plan, high level design plans and a risk management plan. The Northern Territory has the flexibility to determine how to meet this requirement and can make use of any existing information or document prepared for another purpose.
- 15. The Project Plan 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 senior Commonwealth and Northern Territory officials.

PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

16. Table 1 summarises the milestones for the projects, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. Details of the project milestones are included in the Project Plan. The Commonwealth will make payments subject to evidence certifying the relevant milestone has been met.

Table 1: Performance requirements, reporting and payment summary

Output	Milestone	Date due	Relevant Report due	Payment
Redevelopment of the Emergency Department – Gove District Hospital <i>(consistent with the requirements specified at clause 9)</i>	Agreement to the initial Project Plan	Jun- 12	Jun- 12*	\$2.6m*
	Agreement to a revised Project Plan in accordance with clauses 13 – 15 Commence Construction (early works) in Gove	Apr-16	May-16	\$3.5m
	Practical Completion	Nov– 16	Nov-16	\$1.5m
	Final bi-annual Report	Feb– 17	May - 17	\$0.1m

* Payment made under the previous Project Agreement

Output	Milestone	Date due	Relevant Report due	Payment
Construction of a new multi-purpose facility at Alice Springs Hospital <i>(consistent with the requirements specified at clause 9)</i>	Agreement to the Project Plan developed in accordance with clauses 13 - 15	Feb-16	May-16	\$0.5m
	Commence Construction in Alice Springs	Jul-16	Nov- 16	\$3.5m
	Practical Completion	Mar- 17	May- 17	\$1.0m
	Final bi-annual Report	May- 17	May-17	\$0.3m

17. If a milestone is met in advance of the due date, where the relevant Project Performance Report or other evidence demonstrate that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

18. The Northern Territory will provide Project Performance Reports in accordance with Table 1 and Schedule A.
19. Bi-annual Project Performance Reports are required to be submitted via the Commonwealth Department of Health's Capital Works Reporting Online System. These reports are due on the 10th business day of May and November each year during the operation of the Agreement. All bi-annual reports must be certified by an appropriate Northern Territory Delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.
20. The final bi-annual Project Performance Report can be used for public information and dissemination purposes and will include a description of the conduct, benefits and outcomes of the project.

PART 5 – FINANCIAL ARRANGEMENTS

21. The Commonwealth will provide an estimated total financial contribution to the Northern Territory of \$13 million in respect of this Agreement. All payments are GST exclusive.
22. The Commonwealth's funding contribution will not be reduced where the Northern Territory secure funding from other activity partners.
23. The Commonwealth's financial contribution to the operation of this Agreement, including through National Partnership payments to the Northern Territory paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: Estimated financial contributions

(\$million)	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Estimated total budget	2.6	0.0	0.0	0.0	4.0	6.4	13.0
Less estimated National Partnership Payments	2.6	0.0	0.0	0.0	4.0	6.4	13.0
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

24. Having regard to the agreed estimated costs of projects specified in this Agreement, the Northern Territory 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, the Northern Territory 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 the Northern Territory to deliver the project cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

25. 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

26. The Agreement may be amended at any time by agreement in writing by the Parties.
27. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

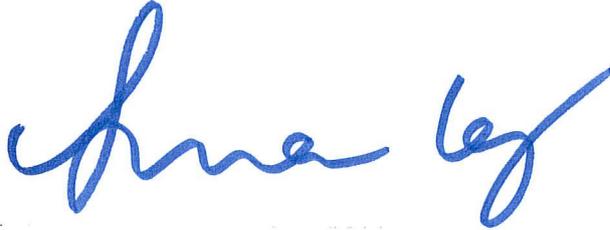
28. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

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

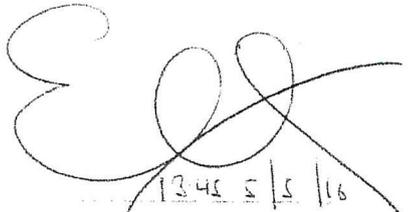
Minister for Health

Minister for Aged Care

Minister for Sport

6 May 2016

Signed for and on behalf of the Northern Territory by



The Honourable John (John) Wessel Elferink MLA

Attorney-General and Minister for Justice

Minister for Children and Families

Minister for Health

Minister for Disability Services

Minister for Mental Health Services

Minister for Correctional Services

2016

Schedule A

Project Performance Report:

Project Performance 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 6 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

Milestones

Name	(%) Completion	Completion Date			
		Original	Current	Forecast	Actual
Redevelopment of the Emergency Department – Gove District Hospital					
Revised Project Plan developed in accordance with Clauses 13 - 15					
Commence Construction (early works) in Gove					
Practical Completion					
Final bi-annual Report					

Construction of new multi-purpose facility – Alice Springs Hospital					
Project Plan developed in accordance with Clauses 13 - 15					
Commence Construction in Alice Springs					
Practical Completion					
Final bi-annual Report					