

PROJECT AGREEMENT FOR THE COMMUNITY HEALTH AND HOSPITALS PROGRAM TASMANIA'S 2018-19 INITIATIVES

An agreement between:

- the Commonwealth of Australia; and
- the State of Tasmania.

Project Agreement for the Community Health and Hospitals Program Tasmania's 2018-19 Initiatives

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:
 - (a) support the delivery of the Tasmanian Government's initiatives under the Community Health and Hospitals Program;
 - (b) improve access to elective surgery and endoscopy procedures for all Tasmanians, focussing on procedures with the highest clinical need, as determined through clinical consultation; and
 - (c) provide additional capacity to meet future demand for radiation oncology services in north west Tasmania.

Reporting Arrangements

3. The Tasmanian Government will report against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to Tasmania of \$9.4 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

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

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of Tasmania.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Tasmania sign it and will expire on 30 June 2019 or on completion of the project, including 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 OUTPUT(S)

Output(s)

8. The outputs of this Agreement will be:
 - (a) Additional elective surgery and endoscopy procedures in Tasmania from 2019-20 onwards.
 - (b) The purchase and installation of a Linear Accelerator for the North West Regional Hospital from 2019-20 onwards.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

9. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against milestones in the delivery of Tasmania's initiatives under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - (b) providing a consequent financial contribution to Tasmania to support the implementation of this Agreement.

Role of Tasmania

10. Tasmania will be responsible for:
 - (a) all aspects of delivering on the project outputs as set out in this Agreement; and
 - (b) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

11. 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.

PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

12. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made.

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Due	Payment
Additional elective surgery and endoscopy procedures in Tasmania from 2019-20 onwards.	On signing the Project Agreement	30 June 2019	\$5,000,000
Purchase and installation of a Linear Accelerator for the North West Regional Hospital from 2019-20 onwards.	On signing the Project Agreement	30 June 2019	\$4,400,000

13. If a milestone is met in advance of the due date, 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

14. Tasmania will provide performance reports in accordance with Table 1 during the operation of the Agreement.

PART 5 – FINANCIAL ARRANGEMENTS

15. The Commonwealth will provide an estimated total financial contribution to Tasmania of \$9.4 million in respect of this Agreement. All payments are GST exclusive.
16. The Commonwealth's funding contribution will not be reduced where Tasmania secures funding from other activity partners.
17. The Commonwealth's and Tasmania's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to Tasmania paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: Estimated financial contributions

(\$ million)	2018-19	Total
Estimated total budget	9.4	9.4
Less estimated National Partnership Payments	9.4	9.4

18. Having regard to the agreed estimated costs of projects specified in this Agreement, Tasmania 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, Tasmania 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 Tasmania to deliver projects cost effectively and efficiently.
19. To avoid double funding, Tasmania will not be entitled to receive Activity Based Funding under the National Health Reform Agreement (NHRA) for elective surgery and endoscopy procedures funded by this agreement.
20. For the avoidance of doubt, funding provided through this agreement is not National Health Reform funding and therefore is not included in the calculation of either the Australian Government's 6.5 per cent annual funding cap or Tasmania's entitlement to a guaranteed minimum level of annual growth in National Health Reform funding as provided by the bilateral *Agreement for minimum Commonwealth funding for public hospital services in Tasmania*.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

21. 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

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

Delegations

24. 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

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

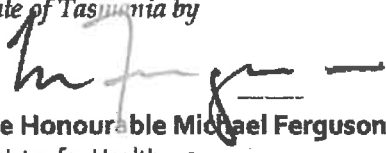
The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth
of Australia by*

The Honourable Greg Hunt MP
Minister for Health

Date _____

*Signed for and on behalf of the
State of Tasmania by*



The Honourable Michael Ferguson MP
Minister for Health

Date 19/6/2019

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

*Signed for and on behalf of the Commonwealth
of Australia by*



The Honourable Greg Hunt MP
Minister for Health

Date _____ **27 JUN 2019**

*Signed for and on behalf of the
State of Tasmania by*

The Honourable Michael Ferguson MP
Minister for Health

Date _____