

# PROJECT AGREEMENT FOR THE DEVELOPMENT OF THE FUSSELL HOUSE ACCOMMODATION FACILITY

An agreement between:

- the **Commonwealth of Australia**; and
- New South Wales

The output of this project will be the development of the Fussell House accommodation facility that will be co-located on and operated by Concord Repatriation General Hospital CRGH.

# Project Agreement for the Development of the Fussell House Accommodation facility

## 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 Fussell House accommodation facility that is located on and operated by the Concord Repatriation General Hospital (CRGH) in Sydney. The accommodation facility will house veterans and their families who receive treatment at the National Centre for Veterans' Healthcare (NCVH), CRGH.

### Reporting Arrangements

3. New South Wales will report annually 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 New South Wales of \$6.7 million, exclusive of 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 New South Wales.

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and New South Wales sign it and will expire on 30 June 2020 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 OUTPUTS

### Outputs

8. The outputs of this Agreement will be:
  - (a) 7 family suites;
  - (b) 8 single rooms;
  - (c) 5 twin rooms;
  - (d) Family lounge areas;
  - (e) Kitchen, laundry and utility rooms; and
  - (f) Outdoor BBQ and children's play area.

## 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 the development of the Fussell House accommodation project under this Agreement to ensure that outputs are delivered within the agreed timeframe;
  - (b) providing a consequent financial contribution to New South Wales to support the implementation of this Agreement;
  - (c) in accordance with the Building and Construction Industry (Improving Productivity) Act 2016, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 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 Code for the Tendering and Performance of Building Work 2016 (Building Code 2016), as amended from time to time where applicable, is a condition of Australian Government funding.

### Role of New South Wales

10. New South Wales will be responsible for:
  - (a) all aspects of delivering on the project outputs set out in this Agreement;
  - (b) allowing Soldier On to occupy the facility under a rent free arrangement;
  - (c) the ongoing costs of the facility which will include cleaning, maintenance (RMR) and utilities;
  - (d) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;

- (e) 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
- (f) ensuring that compliance with the Building Code 2016, as amended from time to time where applicable, is made a condition of tender for and performance of building work by all contractors and subcontractors, and providing the necessary assurances to the Commonwealth.

## 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. The Commonwealth will make payments subject to the annual performance report demonstrating the relevant milestone has been met.

**Table 1: Performance requirements, reporting and payment summary**

Outputs	Performance milestones	Report due	Payment
Development of ground level of accommodation facility (Part 1)	Commencement of site preparation including removal of asbestos, structural demolition work and waste removal.	1/03/2019	\$4.0m
Development of Level 1 accommodation facility (Part 2)	Commencement of Level 1 building works.	30/08/2019	\$1.7m
Completion of facility	Practical completion of project including final report.	30/01/2020	\$1.0m

13. If a milestone is met in advance of the due date, where the relevant performance report demonstrates 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

14. New South Wales will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain a description of actual performance in the period to date against the project milestones.

## PART 5 – FINANCIAL ARRANGEMENTS

15. The Commonwealth will provide an estimated total financial contribution to New South Wales of \$6.7m in respect of this Agreement. All payments are GST exclusive.
16. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners.
17. The Commonwealth's and New South Wales's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States 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	2019-20	2020-21	2021-22	Total
<b>Estimated total budget</b>	<b>4.0</b>	<b>2.7</b>	<b>0.0</b>	<b>0.0</b>	<b>6.7</b>
Less estimated National Partnership Payments	4.0	2.7	0.0	0.0	6.7
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0

18. Having regard to the agreed estimated costs of projects specified in this Agreement, a New South Wales 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, New South Wales bear 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 New South Wales to deliver projects cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

19. 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

20. The Agreement may be amended at any time by agreement in writing by both the Parties.

### Delegations

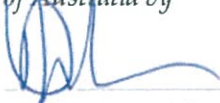
21. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

## Dispute resolution

22. Either Party may give notice to the other Party of a dispute under this Agreement.
23. Officials of both Parties will attempt to resolve any dispute in the first instance.
24. 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:

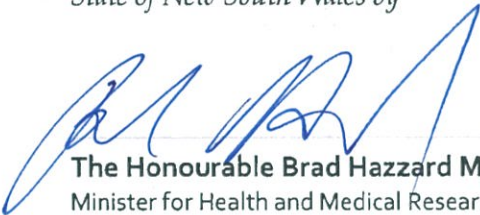
Signed for and on behalf of the Commonwealth  
of Australia by



**The Honourable Darren Chester MP**  
Minister for Veterans' Affairs

January 2019  
5<sup>th</sup> FEBRUARY 2019

Signed for and on behalf of the  
State of New South Wales by



**The Honourable Brad Hazzard MP**  
Minister for Health and Medical Research

25 January 2019  
February