

PROJECT AGREEMENT FOR THE REDEVELOPMENT OF STRATHALBYN RESIDENTIAL AGED CARE FACILITY

An agreement between:

- n the Commonwealth of Australia; and
- n South Australia.

The output of this project will be the construction of a new 36-bed residential aged care building

Project Agreement for the redevelopment of Strathalbyn residential aged care 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 additional residential aged care services in Strathalbyn, South Australia by undertaking capital works at the Strathalbyn & District Aged Care Facility. A new 36-bed residential aged care building will be constructed.

Reporting Arrangements

3. The States 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 the States of \$3.9 million 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 South Australia.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and South Australia sign it and will expire on 30 June 2021 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

Output

8. The output of this Agreement will be:
 - (a) the construction of thirty-six (36) single rooms, each with ensuite bathrooms at the Strathalbyn residential aged care facility.

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 redevelopment of Strathalbyn residential aged care facility under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to the States to support the implementation of this Agreement;

Role of the States and Territories

10. South Australia will be responsible for:
 - (a) providing a financial contribution to support the implementation 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;
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
In accordance with clause 8 of this Agreement	Completion of concept design drawings (site plan / building layout plan / preliminary elevations) and preliminary risk management plan. Evidence of submission prepared for SA Parliamentary Public Works Committee.	15/05/2019	\$2.5m
	Evidence of planning approval and copy of contract award letter provided to building contractor.	15/04/2020	\$0.7m
	Practical completion certificate and photos of completed facility.	15/04/2021	\$0.7m

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. The State of South Australia 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 the States of \$3.9m 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 the State of South Australia’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	Total
Estimated total budget	3.0	8.0	1.4	12.4
Less estimated National Partnership Payments	2.5	0.7	0.7	3.9
Balance of non-Commonwealth contributions	0.5	7.3	0.7	8.5

18. Having regard to the agreed estimated costs of projects specified in this Agreement, a State or 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 States 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 States 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.

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

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Ken Wyatt MP
Minister for Indigenous Health
Minister for Senior Australians and Aged Care

[Day] [Month] [Year]

18 MARCH 2019

Signed for and on behalf of the State of South Australia by



The Honourable Stephen Wade MP
Minister for Health and Wellbeing

[Day] [Month] [Year]

5 April 2019