

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

An agreement between:

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

The output of this project will support the delivery of the Queensland's 2018-19 Initiatives under the Community Health and Hospitals Program.

# PROJECT AGREEMENT FOR THE COMMUNITY HEALTH AND HOSPITALS PROGRAM QUEENSLAND'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 support the delivery of the Queensland Initiatives under the Community Health and Hospitals Program.

### Reporting Arrangements

3. Queensland 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 Queensland of \$8.05 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 Queensland.

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Queensland 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 OUTPUTS

### Outputs

8. The outputs of this Agreement will be:

- (a) Refurbishment of the medical imaging facility at Bowen Hospital and the installation of a Computed Tomography scanner (CT).
- (b) Refurbishment of the Children's Space at Logan Hospital.
- (c) Redevelopment of the Emerald Hospital Emergency Department and New Theatres

## 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 Queensland initiatives under this Agreement to ensure that outputs are delivered within the agreed timeframe;
- (b) providing a consequent financial contribution to Queensland 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 Work Health and Safety (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) is a condition of Australian Government funding.

### Role of Queensland

10. The Queensland will be responsible for:

- (a) all aspects of delivering on the project outputs set out in this Agreement;
- (b) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
- (c) 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
- (d) ensuring that compliance with the Building Code 2016 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.

11. Queensland will also be responsible for ensuring that, for the purposes of practical completion, construction projects will:
  - (a) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that Queensland 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 the designated use.

### 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 events, announcements, promotional material or publicly 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

13. 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**

Output	Performance Milestone or Benchmark	Due	Payment (GST exclusive)
Computed Tomography Scanner for Bowen Hospital	On signing the Project Agreement	30 May 2019	\$5,000,000
Refurbishment of the Children's Space at Logan Hospital.	On signing the Project Agreement	30 May 2019	\$50,000
Emerald Emergency Department Upgrade – New Theatres	On signing the Project Agreement	30 May 2019	\$3,000,000

14. 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

15. Queensland will provide performance reports in accordance with Table 1 during the operation of the Agreement.

## PART 5 — FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide an estimated total financial contribution to Queensland of \$8.05 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where Queensland secures funding from other activity partners.
18. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Queensland, is paid in accordance with *Schedule D — Payment Arrangements* of the IGA FFR, are shown in Table 2.

**Table 2: Estimated financial contributions**

(\$ million)	18-19	Total
Estimated total budget	8.05	8.05
Less estimated National Partnership Payments	8.05	8.05

19. Having regard to the agreed estimated costs of projects specified in this Agreement, Queensland 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, Queensland 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 Queensland to deliver projects cost effectively and efficiently.

## PART 6 — GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

20. 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

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

### Delegations

23. 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

24. Either Party may give notice to other Party of a dispute under this Agreement.
25. Officials of both Parties will attempt to resolve any dispute in the first instance.
26. 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 Queensland by*



**The Honourable Dr Steven Miles MP**  
Minister for Health and Minister for Ambulance  
Services

Date 17/6/19

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

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

A handwritten signature in blue ink, appearing to read 'greg hunt', written over a horizontal line.

**The Honourable Greg Hunt MP**  
Minister for Health

Date \_\_\_\_\_ **27 JUN 2019**

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

**The Honourable Dr Steven Miles MP**  
Minister for Health and Minister for Ambulance  
Services

Date \_\_\_\_\_