

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

An agreement between:

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

Project Agreement for the Community Health and Hospitals Program Victoria'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 Victoria's initiatives under the Community Health and Hospitals Program.

Reporting Arrangements

3. Victoria 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 Victoria of \$14.694 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 Victoria.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Victoria 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) Bass Coast Health – Phillip Island Hub expansion of radiology and chemotherapy chairs and a surgical and paediatric wards.
 - (b) Aikenhead Centre for Medical Discovery.
 - (c) Vic Children's Colorectal

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 Victoria's initiatives under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - (b) providing a consequent financial contribution to Victoria 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 Victoria

10. Victoria will be responsible for:
- (a) all aspects of delivering on the project outputs as 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. Victoria 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 Victoria 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)
Bass Coast Health – Phillip Island Hub expansion of radiology and chemotherapy chairs and a surgical and paediatric wards.	On signing the Project Agreement	30 May 2019	\$3.514 m
Aikenhead Centre for Medical Discovery	On signing the Project Agreement	30 May 2019	\$10.0 m
Vic Children's Colorectal	On signing the Project Agreement	30 May 2019	\$1.180 m

- 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. Victoria 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 Victoria of \$14.694 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where Victoria 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 Victoria 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	14.694	14.694
Less estimated National Partnership Payments	14.694	14.694

19. Having regard to the agreed estimated costs of projects specified in this Agreement, Victoria 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, Victoria 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 Victoria 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 of a dispute to the other Party 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 Victoria by*


The Honourable Jenny Mikakos MP
Minister for Health

Date 3/6/19

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 _____

7 JUN 2019

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

The Honourable Jenny Mikakos MP
Minister for Health

Date _____