

PROJECT AGREEMENT FOR RENAL INFRASTRUCTURE IN THE NORTHERN TERRITORY

An agreement between:

- the Commonwealth of Australia; and
- the Northern Territory.

The output of this project will be delivery of long term family-centric renal accommodation in Tennant Creek and Alice Springs, and renal infrastructure and dialysis facilities in remote communities in the Northern Territory.

Project Agreement for Renal Infrastructure in the Northern Territory

INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

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.
2. This Agreement will support the delivery of long term family-centric renal accommodation for end-stage Aboriginal and Torres Strait Islander renal patients and their families or carers in Alice Springs and Tennant Creek, and renal infrastructure and dialysis facilities in remote communities in the Northern Territory.
3. This Agreement will seek to maximise health benefits and services available to renal patients and their families in Central Australia and employment and workforce development outcomes for Aboriginal and Torres Strait Island people.
4. The Commonwealth and the Northern Territory are seeking to provide economic development opportunities to Indigenous Business Enterprises to develop capability and capacity. Through contract opportunities, these enterprises will be encouraged to develop systems and obtain accreditation within the construction industry to be able to compete within the requirements of the *Fair Work (Building Industry) Act 2012*.
5. This Agreement and its Schedule constitute the entire agreement for this project.

PART 1 – FORMALITIES

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Northern Territory.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and the Northern Territory sign the Agreement, and will expire on 30 June 2017, or on completion of the project including acceptance of the final report by the Commonwealth, 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 the provision of:
- (a) long term family-centric renal accommodation for end-stage Aboriginal and Torres Strait Islander renal patients and their families or carers in Alice Springs and Tennant Creek, including:
 - (i) a minimum of six houses in Alice Springs;
 - (ii) a minimum of two houses in Tennant Creek; and
 - (iii) if funding remains available after meeting the requirements of 8(a)(i) and (ii) additional houses in either Alice Springs or Tennant Creek may be included as project outputs;
 - (b) renal infrastructure and dialysis facilities in remote communities, including both permanent and respite haemodialysis capacity in identified remote communities, which will lessen the need for family centric renal accommodation in larger centres. The renal infrastructure and dialysis facilities will support both permanent and respite haemodialysis capacity in identified remote communities and will include:
 - (i) construction of two new four chair renal facilities attached to existing health clinics;
 - (ii) refurbishment of one existing renal clinic; and
 - (iii) construction of two renal nurse houses and provision of medical equipment for renal nurses.

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 family centric renal accommodation and the remote renal infrastructure under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to the Northern Territory to support the implementation of this Agreement;
 - (c) subject to Clause 4, ensuring that compliance with the Building Code 2013 as amended from time to time is a condition of Australian Government funding.

Role of the Northern Territory

10. The Northern Territory will be responsible for:
- (a) providing an in-kind 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;
 - (d) subject to Clause 4, ensuring that compliance with the Building Code 2013 as amended from time to time is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.
11. The Northern Territory will also be responsible for ensuring that, for the purposes of Certificates of Occupancy, projects will:
- (a) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that the Northern Territory 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 Commonwealth and the Northern Territory share the following roles and responsibilities:
- (a) agreeing the Project Plan for the delivery of family-centric renal accommodation in Alice Springs and Tennant Creek, and renal infrastructure and dialysis facilities in remote communities in accordance with Schedule A of this Agreement; and
 - (b) participating in discussions regarding the delivery of outputs under this Agreement in accordance with the agreed schedule outlined in the Project Plans.
13. 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

14. 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, once a report certifying that milestones have been met is received and accepted.

Table 1: Milestones, reporting and payment summary

Outputs	Milestones	Date due	Payment
Delivery of: (a) long term family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in Alice Springs and Tennant Creek; and (b) renal infrastructure and dialysis facilities in remote communities.	First progress report on achievement of scheduled progress in accordance with the agreed Project Plans	30 April 2016	\$3 million
	Second progress report on long term family-centric renal accommodation and renal infrastructure and dialysis facilities in accordance with the agreed Project Plans	31 August 2016	\$3 million

15. 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.

Project Plan

16. The Commonwealth and the Northern Territory will agree a Project Plan in accordance with Schedule A of this Agreement.
17. The Project Plan will be agreed by the Commonwealth and State Ministers with portfolio responsibility for health and housing following in-principle agreement by departmental officials.
18. The Project Plan is a flexible document that may be varied over time to accommodate changed circumstances.
19. Variations to the Project Plan that impact on the Northern Territory's ability to meet the outputs of this Agreement or directly affect milestones and their achievement are subject to written agreement between the Ministers. Other variations or updates to the Project Plan are subject to the agreement of senior Commonwealth and Northern Territory officials.

Reporting arrangements

20. The Northern Territory will provide written progress reports in accordance with the Table 1 during the operation of the Agreement. Each report is to contain the following information:

- (a) a description of actual progress achieved in the period to date against the project milestones;
 - (b) details of any matters that have arisen which could adversely impact on the delivery of the output, and how the Northern Territory proposes to resolve these matters; and
 - (c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.
21. In addition to meeting the requirements of clause 20, the first progress report will include:
- (a) information on the outcomes of the Approach to Market to engage a community housing provider to deliver long term family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory;
 - (b) the successful community housing provider/s;
 - (c) the contract milestones with the community housing provider/s;
 - (d) details of communities receiving renal infrastructure and dialysis facilities together with the infrastructure/facilities provided;
 - (e) the number of houses to be purchased in Alice Springs and Tennant Creek;
 - (f) details of housing stock purchased and works to be undertaken;
 - (g) commencement and progress of site works; and
 - (h) any slippage and corrective action taken.
22. In addition to meeting the requirements clause 20, the second progress report will also include Certificates of Occupancy.

PART 5 – FINANCIAL ARRANGEMENTS

23. The Commonwealth will provide a total financial contribution to the Northern Territory of \$10 million in respect of this Agreement. All payments are GST exclusive.
24. The Commonwealth will make an initial payment of \$4 million in 2014-15 to the Northern Territory to assist in meeting the upfront capital costs of the project. The payment will be made on signing of this Agreement by both Parties.
25. The Commonwealth's funding contribution will not be reduced where the Northern Territory secures funding from other activity partners through innovative and collaborative partnerships.
26. The Commonwealth's and the Northern Territory's estimated financial contribution 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)	2014-15	2015-16	2016-17	Total
Estimated total budget	4.0	3.0	3.0	10.0
Less estimated National Partnership Payments ^(a)				
Family centric renal accommodation	3.0	2.0	1.3	6.3
Renal infrastructure and dialysis facilities	1.0	1.0	1.7	3.7
Balance of non-Commonwealth contributions ^(b)	0.0	0.0	0.0	0.0

^(a) The Northern Territory retains the flexibility to move funds between project elements as long as outcomes are not affected. The Commonwealth contribution can only be moved between years with the agreement of the Commonwealth.

^(b) The Northern Territory is not required to provide a financial contribution under the terms of this Agreement. However, as the Northern Territory is responsible for the provision of public renal infrastructure, it allocates its own source funding and provides in-kind contributions to support the delivery and ongoing operation of infrastructure funded under this Agreement.

27. Having regard to the agreed estimated costs of projects specified in this Agreement, the Northern 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 Northern Territory 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 the Northern Territory to deliver projects cost effectively and efficiently.
28. If for any reason the project does not proceed or the Northern Territory terminates its participation in the Agreement, the Northern Territory will be required to repay the initial payment to the Commonwealth.
 - (a) In the event that there are no alternative mechanisms for the Northern Territory to repay, the Commonwealth may recover the funds via adjustments to total monthly National Partnership payments which will be made as a negative payment under this Agreement.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

29. 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

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

Delegations

32. 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

33. Either Party may give notice to other Party of a dispute under this Agreement.
34. Officials of both Parties will attempt to resolve any dispute in the first instance.
35. 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*



Senator the Honourable Fiona Nash
Assistant Minister for Health

June 2015

*Signed for and on behalf of the Northern
Territory by*



The Honourable Bess Price MLA
Minister for Housing

22 June 2015

Schedule A

Project Plan Requirements

PROJECT AGREEMENT FOR RENAL INFRASTRUCTURE IN THE NORTHERN TERRITORY

- A1. In accordance with clauses 12 and 16 of the Project Agreement, the Commonwealth and the Northern Territory will agree a Project Plan for the delivery of long term family-centric renal accommodation in Alice Spring and Tennant Creek, and renal infrastructure and dialysis facilities in remote communities in accordance with the requirements of this Schedule.
- A2. The Project Plan will provide information on the following requirements for delivery of the project:
- (a) the select tender process to engage a community housing provider/s to deliver family centric renal accommodation as outlined in clause 8(a);
 - (b) purchase by the successful community housing provider/s of housing stock from the Northern Territory Department of Housing with a 10 year caveat in place over the title of each property specifying use for renal patients and their family;
 - (c) purchase and rebuilding or refurbishment of suitable Northern Territory housing stock in both Alice Springs and Tennant Creek to make available dwellings with three or more bedrooms that include wheelchair access and are modified/constructed to meet AS4299 (Adaptable Housing) Class C as a minimum level of amenity for Aboriginal and Torres Strait Islander end-stage renal patients and their families for ten years;
 - (d) the outcomes of the tender process will identify the number of housing stock that will be demolished and rebuilt, or refurbished;
 - (e) arrangements for working with the successful community housing provider/s to ensure completion of the dwellings in a timely and professional manner in accordance with the Agreement;
 - (f) arrangements for identifying communities for the delivery of remote community infrastructure and facilities for permanent and respite haemodialysis, that will be managed by the NT Department of Infrastructure; and
 - (g) arrangements for working with the NT Department of Health and appropriate Central Australian non-government organisations to identify appropriate communities for the delivery of renal infrastructure.
- A3. The Project Plan will include the following information on each element of the project:
- (a) intended outputs;
 - (b) timeframes including but not limited to the Approach to Market;
 - (c) milestones including but not limited to planning, construction commencement and practical completion dates;
 - (d) deliverables; and
 - (e) a schedule for progress updates via regular meetings.