

PROJECT AGREEMENT FOR THE HEALTH AND HOSPITALS FUND – 2010 REGIONAL PRIORITY ROUND PROJECT IN REGIONAL WESTERN AUSTRALIA

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Western Australia

The output of this project will be the expansion of renal dialysis and support services across regional Western Australia.

Project Agreement for the Health and Hospitals Fund – 2010 Regional Priority Round Project in Regional Western Australia

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 and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements.
2. The Health and Hospitals Fund makes strategic investments in the health system that will underpin major improvements in efficiency, access or outcomes of health care.
3. This Agreement will support the delivery of the Health and Hospitals Fund – 2010 Regional Priority Round Project in Regional Western Australia through the delivery of renal dialysis and support services closer to home for patients living in regional Western Australia.
4. This Agreement constitutes the entire agreement for this Project.

PART 1 – FORMALITIES

Parties to this Agreement

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) represented by the Minister for Health, and the State of Western Australia (Western Australia) as represented by the respective State Minister with portfolio responsibility for health.

Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and Western Australia sign the Agreement and will expire on 31 December 2017 or completion of the project as outlined in the Project Plan, including the acceptance of final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.
7. The Project Plan to be developed and agreed by senior Commonwealth and Western Australian officials, is expected to be a flexible document that may be varied over time to accommodate changed circumstances. However, variations to the Project Plan that directly affect payment milestones and their achievement are subject to written agreement between the Ministers.

PART 2 – PROJECT OUTPUTS

Outputs

8. The outputs of this Agreement, as described in the Regional Priority Round of the Health and Hospitals Fund project application, supplementary information dated 25 November 2010, and in the Project Plan, will be the delivery of renal dialysis and support services closer to home for patients living in regional Western Australia. The expansion of renal infrastructure, dialysis and support services includes:
- (a) 17 additional renal dialysis chairs in Fitzroy Crossing (4 chairs), Roebourne (4 chairs), Esperance (2 chairs) and Kalgoorlie (7 chairs);
 - (b) office/consulting room accommodation for regional renal support teams in Broome, Port Hedland, Geraldton, Kalgoorlie; and
 - (c) renal patient accommodation in Broome, Derby, Kununurra, Fitzroy Crossing, Carnarvon and Kalgoorlie comprising 46 twin share accommodation units (for 92 patients).

PART 3 – ROLES AND RESPONSIBILITIES

Role of the Commonwealth

9. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against payment milestones for the additional renal dialysis and support services in regional Western Australia, under this Agreement and in accordance with the project milestones specified in the Project Plan to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to Western Australia to support the implementation of this Agreement;
 - (c) in accordance with the *Fair Work (Building Industry) Act 2012*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and
 - (d) ensuring that compliance with the Building Code 2013 is a condition of Australian Government funding.

Role of Western Australia

10. Western Australia will be responsible for
- (a) developing and providing to the Commonwealth a Project Plan that would typically include details on scope, project schedule, budget, project stakeholders, governance arrangements, communication plan, high level design plans and a risk management plan;
 - (b) all aspects of delivering on the project outputs set out in the Project Plan and in this Agreement;
 - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;

- (d) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
 - (e) ensuring that compliance with the Building Code 2013 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. Western Australia will also be responsible for ensuring that, for the purposes of the practical completion of a milestone, the project will:
- (f) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that Western Australia cannot reasonably fix, or by fixing, will significantly inconvenience users of the works;
 - (g) not cause any legal or physical impediment to the use and occupation of the property and the works for the designated use; and
 - (a) be fit for the designated use.

Shared roles

12. Both Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, 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 – PAYMENT MILESTONES, REPORTING AND PAYMENTS

13. The following tables summarise the milestones for the Project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made, once evidence certifying that milestones have been met is received and accepted. Detailed project milestones are included in the Project Plan.

Table 1: Payment milestones, reporting and payment summary

Output	Milestone(s)	Date due	Relevant Report due	Payment
Bringing Renal Dialysis & Support Services Closer to Home (Consistent with the requirements specified at clause 9). <u>Phase 1</u>	Acceptance by the Commonwealth of the Project Plan	May-14	14 May 14	\$2.0m
	Complete concept planning for the following sites: <u>Hostels</u> Derby (20 beds) Kununurra (8 beds) Fitzroy Crossing (20 beds)	Sep-14	14 Nov-14	\$5.0m

	<u>Dialysis Chairs</u> Fitzroy Crossing (4 chairs) Kalgoorlie (7 chairs) <u>Accommodation</u> Geraldton Kalgoorlie South Hedland			
	Commence Construction (as per above sites)	Oct-14	14 Nov 14	\$8.0m
	Complete Construction (as per above sites)	Jul-15	13 Nov-15	\$10.0m
<u>Phase 2</u>	Complete concept planning for the following sites: <u>Hostels</u> Broome (20 beds) Carnarvon (5 beds) Kalgoorlie (19 beds) <u>Dialysis Chairs</u> Esperance (2 chairs) Roebourne (4 chairs) <u>Accommodation</u> Broome	Oct-14	13 Nov 14	\$5.0m
	Commence Construction (as per above sites)	Jan-16	13 May 16	\$5.0m
	Complete Construction (as per above sites)	Mar-17	12 May 17	\$8.0m
	Practical completion of the project and Final bi-annual Report	Sep-17	14 Nov-17	\$2.769m

Reporting arrangements

14. Western Australia will provide bi-annual Project Status Reports in accordance with Table 1 that will describe the performance of the State against the milestones. The Commonwealth will make the payment subject to the acceptance of the report demonstrating the milestone has been met.
15. The Final bi-annual Report referred to in Table 1 will be a report that can be used for public information and dissemination purposes and will evaluate the Project from Western Australia's perspective and include a description of the conduct, benefits and outcomes of the Project.
16. These reports are required to be submitted via the Commonwealth Department of Health's, Capital Works Reporting Online system. All bi-annual reports must be certified by an appropriate Western Australia Delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.

17. Bi-annual Project Status Reports will follow the template at Schedule A.

PART 5 – FINANCIAL ARRANGEMENTS

18. The Commonwealth will provide a total financial contribution to Western Australia of \$45.769 million in respect of this Agreement. All payments are GST exclusive.
19. The Commonwealth's funding contribution will not be reduced where Western Australia secures funding from other activity partners through innovative and collaborative partnerships.
20. The Commonwealth's and Western Australia's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Western Australia paid in accordance with *Schedule D – Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

Table 2: Estimated financial contributions

(\$million)	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Estimated total budget	2.000	18.000	15.000	8.000	2.769	45.769
Less estimated National Partnership Payments	2.000	18.000	15.000	8.000	2.769	45.769
Balance of non-Commonwealth contributions	0.000	0.000	0.000	0.000	0.000	0.000

21. Having regard to the agreed estimated costs of the project specified in this Agreement, Western Australia 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, Western Australia 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 Western Australia to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

22. 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

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

Delegations

25. 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

26. Either Party may give notice to the other Party of a dispute under this Agreement.
27. Officials of both Parties will attempt to resolve any dispute in the first instance.
28. 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 Peter Dutton MP

Minister for Health

Minister for Sport

18 March 2014

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



The Honourable Dr Kim Hames MLA MBBS, JP

Deputy Premier; Minister for Health; Training and

Workforce Development

8/4/ 2014

Schedule A

Project Status Report:

Project Status Report

Report Month:

Submission Status:

Submission Date: xx/xx/20xx

Current Forecast Completion Date: xx/xx/20xx

Actual Date of Project Completion: xx/xx/20xx

Current Project Stage:

Key Activity Undertaken Since Previous Report:

Significant achievements in next 6 months:

Progress Status

Schedule: Green/Amber/Red

Cost: Green/Amber/Red

Compliance: Green/Amber/Red

Scope: Green/Amber/Red

Slippage Comments:

Corrective Action Taken:

Risk: Green/Amber/Red

Milestones

Name	(%) Completion	Completion Date			
		Original	Current	Forecast	Actual
Complete concept planning					
Commence Construction					
Complete Construction					
Practical completion of the project and Final Report					

