

PROJECT AGREEMENT FOR THE HEALTH AND HOSPITALS FUND - 2011 REGIONAL PRIORITY ROUND PROJECT IN DARWIN

Council of
Australian
Governments

An agreement between

- n the Commonwealth of Australia and
- n the Northern Territory of Australia

The output of this project will be the refurbishment of paediatric wards to improve paediatric services at Royal Darwin Hospital.

Project Agreement for the Health and Hospitals Fund – 2011 Regional Priority Round Project in Darwin

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 – 2011 Regional Priority Round Project in Darwin through the refurbishment of paediatric wards to improve delivery of paediatric services at Royal Darwin Hospital for children and their families.
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 Northern Territory represented by the Territory Minister with portfolio responsibility for health.

Term of the Agreement

6. 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 as outlined in the Project Plan, 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

7. The outputs of this Agreement, as described in the Regional Priority Round of the Health and Hospitals Fund project application dated 18 October 2011, and in the Project Plan will be the refurbishment of the paediatric wards at Royal Darwin Hospital into a culturally appropriate facility for children, families and staff, which will include:
 - i. an area of approximately 2,000m²;

- ii. six new isolation/burns rooms, to a total of eight isolation rooms;
- iii. a designated combined oncology and day treatment area;
- iv. a designated high dependency area;
- v. a tele-health room and associated equipment;
- vi. a four-bed adolescent area;
- vii. a play therapy area;
- viii. a centrally located, easily accessible schoolroom;
- ix. parents amenities, including shower and toilet facilities, a lounge and respite room;
- x. collocated office space, and a training and handover room for staff; and
- xi. relocation of the current incumbents of one of the wards to another location within the RDH campus to allow the refurbishment to be completed.

PART 3 – ROLES AND RESPONSIBILITIES

Role of the Commonwealth

8. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against payment milestones for the refurbishment of paediatric wards to improve paediatric services at Royal Darwin Hospital, 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 the Northern Territory 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 the Northern Territory

9. The Northern Territory will be responsible for:
 - (a) developing and providing to the Commonwealth a Project Plan (as below);
 - (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.
10. The Northern Territory will also be responsible for ensuring that, for the purposes of the practical completion of a milestone, the project 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.

Project Plans

- 11. Project Plans need to be agreed by senior Commonwealth and Northern Territory officials.
- 12. Project Plans would typically include details on scope, project schedule, budget, project stakeholders, governance arrangements, communication plan, high level design plans and a risk management plan.
- 13. The Project Plan is expected to be a flexible document that may be varied over time to accommodate changed circumstances. Variations to the Project Plan that directly affect payment milestones and their achievement are subject to written agreement between Senior Commonwealth and Northern Territory officials.

Shared roles

- 14. 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

- 15. The following table summarises 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	Milestones	Date due	Relevant Report due	Payment
Refurbishment of the Paediatric Wards to Improve Paediatric Services at Royal Darwin Hospital (consistent with the requirements specified at clause 7).	Project Plan developed in accordance with clauses 11-13	May-14	May-14	\$3.00m
	Commencement of construction	Mar-15	May-15	\$3.00m
	Construction Stage 1 complete	Nov-15	Nov-15	\$3.00m
	Construction Stage 2 complete	May-16	May-16	\$2.00m
	Stage 3 complete and Practical completion of the project and Final bi-annual Report	Apr-17	May-17	\$0.90m

Reporting arrangements

16. The Northern Territory will submit bi-annual Project Status Reports, in accordance with the template at Schedule A. These reports are due on the 10th Business day of May and November each year. The Commonwealth will make payments subject to the submission of either the Project Status Reports or other evidence demonstrating the milestones have been met in accordance with Table 1.
17. Bi-annual Project Status 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 Northern Territory Delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.
18. 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 Northern Territory's perspective and include a description of the conduct, benefits and outcomes of the Project.

PART 5 – FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide a total financial contribution to the Northern Territory of \$11.90 million in respect of this Agreement. All payments are GST exclusive.
20. The Commonwealth's funding contribution will not be reduced where the Northern Territory secures funding from other activity partners through innovative and collaborative partnerships.
21. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the Northern Territory 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	Total
Estimated total budget	3.00	3.00	5.00	0.90	11.90
Less estimated National Partnership Payments	3.00	3.00	5.00	0.90	11.90
Balance of non-Commonwealth contributions	0.00	0.00	0.00	0.00	0.00

22. Having regard to the agreed estimated costs of the project 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.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

23. 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

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

Delegations

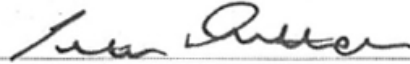
26. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

27. Either Party may give notice to the other Party of a dispute under this Agreement.
28. Officials of both Parties will attempt to resolve any dispute in the first instance.
29. 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

10 September 2014

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



The Honourable Robyn Lambley MLA

Minister for Health

Minister for Alcohol Rehabilitation

26/8 / 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
Project Plan developed in accordance with clauses 11-13					
Commencement of Construction					
Construction Stage 1 Complete					
Construction Stage 2 Complete					
Stage 3 Complete and Practical completion of the project and Final bi-annual Report					