

PROJECT AGREEMENT FOR THE HEALTH AND HOSPITALS FUND – 2011 REGIONAL PRIORITY ROUND PROJECT IN MANSFIELD

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Victoria

The output of this project will be the construction and establishment of a Primary Care facility at Mansfield.

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

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 objectives of the Health and Hospitals Fund, whilst not replacing state and territory effort, are to invest in major health infrastructure programs that will make significant progress towards achieving the Commonwealth's health reform targets, and make strategic investments in the health system that will underpin major improvements in efficiency, access or outcomes of health care.
3. The Commonwealth contribution is conditional on the achievement of outputs and milestones by Victoria, which will be assessed by the Commonwealth through the provision of a Project Plan by Victoria and standard bi-annual Project Status Reports as outlined in Part 4.
4. This Agreement will support the delivery of the Health and Hospitals Fund – 2011 Regional Priority Round Project in Mansfield through the establishment of a Primary Care facility to provide integrated, efficient and sustainable primary care by Mansfield District Hospital to the residents of Mansfield and surrounding regions.
5. This Agreement constitutes the entire agreement for this Project.

PART 1 – FORMALITIES

Parties to this Agreement

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

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Victoria sign the Agreement and will expire on 30 June 2016 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.

8. The Project Plan to be developed and agreed by senior Commonwealth and Victorian 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

9. The outputs of this Agreement, as described in the Regional Priority Round of the Health and Hospitals Fund project application, supplementary information dated 25 August 2011, and in the Project Plan, will be the extension and refurbishment of the Mansfield Medical Centre and aged care residential facility (Bentley House) to establish a Primary Care facility on the Mansfield District Hospital site. The Primary Care facility includes:
 - (a) 3 consulting rooms;
 - (b) dialysis treatment area (3 chairs);
 - (c) podiatry and activities room; and
 - (d) staff support areas, offices, and reception.

PART 3 – ROLES AND RESPONSIBILITIES

Role of the Commonwealth

10. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against payment milestones in the delivery of the Primary Care facility, Mansfield, 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; and
 - (b) providing a consequent financial contribution to Victoria to support the implementation of this Agreement.

Role of Victoria

11. Victoria will be responsible for:
 - (a) providing financial and in-kind contributions to support the implementation of this Agreement;
 - (b) 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;
 - (c) all aspects of delivering on the project outputs set out in the Project Plan and in this Agreement; and
 - (d) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

12. Victoria 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 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 use for the designated use.

Shared Roles

13. 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

14. 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
Primary Care facility, Mansfield (consistent with the requirements specified at clause 9).	Acceptance by the Commonwealth of the Project Plan, including details of the site and building/s to be redeveloped or constructed.		14 Mar-14	\$0.5m
	Commence Construction	Jun-14	12 Sep-14	\$0.7m
	Practical completion of the project and Final Report	May-15	14 Sep-15	\$ 0.156m

Reporting arrangements

15. Victoria 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. The Final 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 Victoria'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 Victorian 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 Victoria of \$1.356 million in respect of this Agreement. All payments are GST exclusive.
19. The Commonwealth's funding contribution will not be reduced where Victoria secures funding from other activity partners through innovative and collaborative partnerships.
20. The Commonwealth's and Victoria'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 Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

Table 2: Estimated financial contributions

(\$ million)	2013-14	2014-15	2015-16	Total
Estimated total budget	0.500	0.800	0.156	1.456
Less estimated National Partnership Payments	0.500	0.700	0.156	1.356
Balance of non-Commonwealth contributions ^{(a) (b)}	0.000	0.100	0.000	0.100

^(a) Notes: Cash contribution from the Mansfield District Hospital

^(b) Notes: There is also (not included in this total funding) an in-kind contribution of \$350,000 from the Mansfield District Hospital

21. Having regard to the agreed estimated costs of the project 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 the project 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.
29. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to relevant First Ministers for consideration.

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

19 March²⁰¹⁴

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



The Honourable David Davis MP

Minister for Health

7.3 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
Acceptance by the Commonwealth of the Project Plan, including details of the site and building/s to be redeveloped or constructed.					
Commence Construction					
Practical completion of the project and Final Report					

