

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

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Western Australia

The output of the Narrogin Dental Clinic project will be the construction of a four chair general dental clinic on the Narrogin Regional Hospital Campus.

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

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 through the construction of a four chair dental clinic in Narrogin to provide general services to Narrogin and the surrounding region.
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 with Health, and the State of Western Australia (Western Australia) represented by the 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 30 June 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 dated 3 December 2010 and re-submitted as part of Round 4, and in the Project Plan will be to construct a new general dental clinic on the Narrogin Regional Hospital Campus including four dental chairs, reception, waiting room, staff room and storage room.

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 construction of the four chair Narrogin General Dental Clinic 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; and
 - (b) providing a consequent financial contribution to Western Australia to support the implementation of this Agreement.

Role of Western Australia

10. Western Australia will be responsible for:
 - (a) providing 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.
11. Western Australia 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 Western Australia 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. 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 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
Construction of a 4 chair general dental clinic on the Narrogin Regional Hospital Campus. (consistent with the requirements specified at clause 9).	Acceptance by the Commonwealth of the Project Plan. Endorsed concept plan for Narrogin Regional Health Campus (Final)	Apr-14	14 May-14	\$2.3 m
	Practical completion of the project and Final bi-annual Report.	Mar 17	12 May-17	\$0.5 m

Reporting arrangements

14. Western Australia will provide bi-annual Project Status Reports in accordance with Table 1 and 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 Australian 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 \$2.8 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 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	Total
Estimated total budget	2.300	0.000	0.000	0.500	2.800
Less estimated National Partnership Payments	2.300	0.000	0.000	0.500	2.800
Balance of non-Commonwealth contributions ^(a)	0.000	0.000	0.000	0.000	0.000

^(a) Notes: There is also (not included in this total funding) an in-kind contribution of \$300,000 from the Western Australian Country Health Services

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

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
Endorsed Concept Plan					
Practical completion of the project and Final Report					

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