

PROJECT AGREEMENT FOR THE UPGRADE OF BALLINA HOSPITAL

An agreement between:

n the Commonwealth of Australia; and

n the State of New South Wales

The output of this project will be an upgrade of the Surgical Services Unit and Medical Imaging Department at Ballina Hospital.

Project Agreement for the Upgrade of Ballina Hospital

OVERVIEW

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.

Purpose

2. This Agreement will support the redevelopment of the upgrade of the surgical services unit and medical imaging department at Ballina Hospital to increase the acute and emergency capacity to enhance services and decrease waiting times.
3. This Agreement replaces the former Upgrade of Ballina Hospital Project Agreement signed on 4 August 2014.

Reporting Arrangements

4. New South Wales will provide bi-annual Project Performance Reports against the agreed Project Plan of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

5. The Commonwealth will provide an estimated total financial contribution to New South Wales of \$4.5 million, exclusive of GST, in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

6. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

7. This Agreement is between the Commonwealth of Australia (the Commonwealth) represented by the Minister for Health, and the State of New South Wales (New South Wales) represented by the New South Wales Minister with portfolio responsibility for Health.

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and New South Wales sign the Agreement and will expire on 30 September 2018 or on completion of the project as outlined in the Project Plan, including acceptance of 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

9. The outputs of this Agreement as described in the Project Plan will be:
 - (a) Construction of a second operating theatre; and
 - (b) Expansion of the Medical Imaging Department.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

10. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against the payment milestones in the delivery of the Upgrade of Ballina 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 New South Wales to support the implementation of this Agreement;
 - (c) in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted; and
 - (d) ensuring compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of Australian Government funding.

Role of New South Wales

11. New South Wales 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 in accordance with clauses 13 to 15 of this Agreement;
 - (c) all aspects of delivering of outputs set out in Part 4 – Project Milestones, Reporting and Payments;
 - (d) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (e) ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
 - (f) ensuring compliance with the Building Code 2016 is made a condition of tender for and performance of building work by all contractors and subcontractors, and providing the necessary assurances to the Commonwealth.

Shared roles

12. 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.

Project Plans

13. A Project Plan is required for this Agreement. It will be agreed by senior Commonwealth and New South Wales officials and submitted to the Commonwealth Department of Health.
14. Project Plans typically include details on scope, project schedule, budget, project stakeholders, governance arrangements, communication plan, high level design plans and a risk management plan. New South Wales has the flexibility to determine how to meet this requirement and can make use of any existing information or document prepared for another purpose.
15. The Project Plan 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 senior Commonwealth and New South Wales officials.

PART 4 – PAYMENT MILESTONES, REPORTING AND PAYMENTS

16. 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. Details of the project milestones are included in the Project Plan. The Commonwealth will make payments subject to evidence certifying the relevant milestone has been met

Table 1: Payment Milestones, reporting and payment summary

Outputs	Milestones	Date due	Report due	Payment
Upgrade of Ballina Hospital	Acceptance by the Commonwealth of the Project Plan	August 2014	November 2014	\$1.0m*
	Commencement of Construction	February 2017	May 2017	\$0.9m*
	Completion of the Expanded Medical Imaging Department and acceptance by the Commonwealth of a revised project plan	May 2017	May 2017	\$2.6m
	Fit out, finishes and fittings complete including installation of fixed specialised equipment within the Emergency Department	May 2018	November 2018	\$0 m
	Practical completion of the project and a Final Project Performance Report	June 2018	November 2018	\$0m

* Payment made under the previous Project Agreement.

17. 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.

Reporting arrangements

18. New South Wales will submit bi-annual Project Status Reports, in accordance with the template at Schedule A.
19. Bi-annual Project Performance Reports are required to be submitted via the Commonwealth Department of Health's Capital Works Reporting Online system. These reports are due on the 10th business day of May and November each year during the operation of this Agreement. All bi-annual reports must be certified by an appropriate New South Wales Delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.
20. The Final Project Performance 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 New South Wales perspective and include a description of the conduct, benefits and outcomes of the Project.

PART 5 – FINANCIAL ARRANGEMENTS

21. The Commonwealth will provide a total financial contribution to New South Wales of \$4.5m in respect of this Agreement. All payments are GST exclusive.
22. The Commonwealth's funding contribution will not be reduced where New South Wales secures funding from other activity partners through innovative and collaborative partnerships.
23. The Commonwealth's and New South Wales estimated financial contribution to the operation of this Agreement, including through National Partnership payments to New South Wales 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)	2014-15	2015-16	2016-17	Total
Estimated total budget	1.00	0.00	5.30	6.30
Less estimated National Partnership Payments	1.00	0.00	3.50	4.50
Balance of non-Commonwealth contributions	0.00	00.0	1.80	1.80

24. Having regard to the agreed estimated costs of the project specified in this Agreement, New South Wales 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, New South Wales 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 New South Wales to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

25. 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

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

Delegations


20. 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

21. Either Party may give notice to the other Party of a dispute under this Agreement.
22. Officials of both Parties will attempt to resolve any dispute in the first instance.
23. 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 Greg Hunt MP

Minister for Health

Minister for Sport

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*Signed for and on behalf of the State of
New South Wales by*



The Honourable Brad Hazzard MP

Minister for Health

Minister for Medical Research

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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 3 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

Financial*

Original Project Cost: \$xx,000,000.00

Current Project Cost: \$xx,000,000.00

Forecast Final Cost: \$xxx,xxx,xxx.00

Actual Total Cost at Completion: \$0.00

Expenditure of Commonwealth funds*

Budgeted to Date: \$xx,xxx,xxx.00

Actual to Date: \$xx,xxx,xxx.00

Actual to Date as a % of budgeted: xx.00%

Expenditure of co-contributor funds*

Budgeted to Date: \$x,xxx,xxx.00

Actual of Date: \$x,xxx,xxx.00

Actual to Date as a % of budgeted: xx.00%

Milestones*

Name	(%)		Completion Date			Completion Cost (\$)			
	Compl	Original	Current	Forecast	Actual	Original	Current	Forecast	Actual
Acceptance by the Commonwealth of the Project Plan*	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Commence construction	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Ground Floor complete	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Base building complete	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Fit out, finishes and fittings complete	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-
Practical completion of the project and acceptance by the Commonwealth of the final project report	-	xx/xx/20xx	xx/xx/20xx	-	-	xxx,000	xxx,000	-	-

* Note: This information is reported by non-government organisations in the Department of Health's Capital Works Online Reporting Portal.

Scope

Is the project scope still consistent with the agreed project scope?: Yes/No

Compliance

Is project compliant with all relevant Commonwealth, State and Local government legislation?: Yes/No

Is project compliant with all relevant building codes in your State or Territory?: Yes/No

Is project compliant with all relevant Commonwealth building codes?: Yes/No

Please confirm that your Construction/Procurement includes a requirement for the proponent to comply with any changes in Legislation which may be relevant to the Project: Yes/No

Please confirm that the Project complies with all Commonwealth, State, Territory and/or Local Authority statutory planning and zoning restrictions: Yes/No