

PROJECT AGREEMENT FOR THE BRIGHT HOSPITAL FEASIBILITY STUDY

An agreement between

n the **Commonwealth of Australia** and
n the **State of Victoria**.

The output of this project will be a feasibility study for the redevelopment of Bright Hospital.

Project Agreement for the Bright Hospital Feasibility Study

PRELIMINARIES

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.
2. This Agreement will support the Bright Hospital Feasibility Study.
3. This Agreement constitutes the entire agreement for this Project.

PART 1 – FORMALITIES

Parties to this Agreement

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

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and Victoria sign the Agreement and will expire on 30 June 2016 or on completion of the final project as outlined in the Project Plan, including the 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

6. The output of this Agreement as described in the Project Plan will be a feasibility study for the redevelopment of Bright Hospital which will:
 - (a) identify options and scope of works required to implement outcomes of the Service Plan and Service Profile for the Bright Hospital redevelopment.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

7. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against the payment milestones for the Bright Hospital Feasibility Study 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

8. Victoria will be responsible for:
 - (a) developing and providing to the Commonwealth a Project Plan (as below);
 - (b) all aspects of delivering on the project output set out in the Project Plan and in this Agreement; and
 - (c) reporting on the delivery of the output as set out in Part 4 – Payment Milestones, Reporting and Payments.

Shared roles

9. 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.

Project Plan

10. A Project Plan is required for this Agreement. It will be agreed by senior Commonwealth and State officials and submitted to the Commonwealth Department of Health.
11. 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. The States have the flexibility to determine how to meet this requirement and can make use of any existing information or document prepared for another purpose.
12. Project Plans are flexible documents that may be varied over time to accommodate changed circumstances. Commonwealth officials should be notified of all variations to Project Plans.
13. Where variations directly affect project outputs, project scope, payment milestones and funding profiles, these are subject to agreement by Commonwealth and State portfolio Ministers.

PART 4 – PAYMENT MILESTONES, REPORTING AND PAYMENTS

14. 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

Outputs	Milestones	Date due	Report due	Payment
Bright Hospital Feasibility Study	Acceptance by the Commonwealth of the Project Plan	October 2014	October 2014	\$0.05m
	Consultants engaged	January 2015	April 2015	\$0.05m
	Completion of the Feasibility Study and a copy provided to the Commonwealth	July 2015	October 2015	\$0.05m

Reporting arrangements

15. Victoria 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 April and October each year. The Commonwealth will make payments subject to the Project Status Report or other form of evidence demonstrating the milestones have been met in accordance with Table 1.
16. 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 Victorian Delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.
17. The Final Report will be a report that can be used for public information and dissemination purposes and will evaluate the Projects from Victoria's perspective and include a description of the conduct, benefits and outcomes of the Project.

PART 5 – FINANCIAL ARRANGEMENTS

18. The Commonwealth will provide a total financial contribution to Victoria of \$0.150 million as referred to in Table 2 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)	2014-15	2015-16	Total
Estimated total budget	0.10	0.05	0.15
Less estimated National Partnership Payments	0.10	0.05	0.15
Balance of non-Commonwealth contributions	0.0	0.0	0.0

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 project costs 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

2014

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

The Honourable David Davis MLC

Minister for Health

Minister for Ageing

2014

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The Honourable Peter Dutton MP
Minister for Health
Minister for Sport

4/11/2014

Signed for and on behalf of the
State of Victoria by



The Honourable David Davis MLC
Minister for Health
Minister for Ageing

20.10.2014

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 developed in accordance with clauses 10-12					
Consultants engaged					
Completion of the Feasibility Study and a copy provided to the Commonwealth					