

PROJECT AGREEMENT FOR HEALTH AND HOSPITALS FUND – 2010 REGIONAL PRIORITY ROUND PROJECTS IN SUNSHINE COAST, BUNDABERG, ROCKHAMPTON, AND TOOWOOMBA

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- the State of Queensland

The output of this project will be the construction of Four Regional Mental Health Community Care Units located in Sunshine Coast (Nambour), Bundaberg, Rockhampton and Toowoomba.

Project Agreement for Health and Hospitals Fund – 2010 Regional Priority Round Projects in Sunshine Coast, Bundaberg, Rockhampton, and Toowoomba

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 Queensland, which will be assessed by the Commonwealth through the provision of a Project Plan by Queensland and standard quarterly project status reports as outlined in Part 4.
4. This Agreement will support the delivery of improved and efficient health care services to all of Queensland through the construction of four regional mental health community care units located in Sunshine Coast – Nambour, Bundaberg, Rockhampton and Toowoomba.
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 Queensland (Queensland) represented by the Queensland Minister with portfolio responsibility for health.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Queensland signs the Agreement and will expire on 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 by senior Queensland officials and agreed by senior Commonwealth 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 dated 01 December 2010, and in the Project Plan will be:
 - (a) four mental health community care units located in Sunshine Coast – Nambour, Bundaberg, Rockhampton and Toowoomba;
 - (b) a total of approximately 7,245 m² new gross floor area; and
 - (c) 79 individual supported residential units with clinical office blocks:
 - 15 units at Sunshine Coast (Nambour);
 - 20 units at Bundaberg;
 - 20 units at Rockhampton; and
 - 24 units at Toowoomba.

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 Health and Hospitals Fund – 2010 Regional Priority Round Projects to construct Four Regional Mental Health Community Care Units 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 Queensland to support the implementation of this Agreement;
 - (c) in accordance with the *Building and Construction Industry Improvement Act 2005*, ensuring that financial contributions to a building project or projects as defined under the Building and Construction 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 National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry is a condition of Australian Government funding.

Role of Queensland

11. Queensland will be responsible for
 - (a) 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;
 - (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 National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.
12. Queensland will also be responsible for ensuring that, for the purposes of the practical completion of a milestone, projects will:
 - (a) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that Queensland 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 a report 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

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Output	Milestone(s) ¹	Date due	Relevant Report due	Payment
Construction of a Sunshine Coast (Nambour) Mental Health Community Care Unit	Acceptance by the Commonwealth of the initial Project Plan	11 Jun 2012	11 Jun 2012	\$3,971,820
	Commence construction	01 Jun 2013	01 Jun 2013	\$1,318,820
	Ground floor complete	30 Sep 2013	30 Sep 2013	\$989,110
	Base building complete	31 Dec 2013	31 Dec 2013	\$1,318,820
	Fitout, finishes and fittings complete	31 Mar 2014	31 Mar 2014	\$1,318,820
	Practical completion of the project and acceptance by the Commonwealth of the final Project Report ²	Within 90 days of the practical completion of the final element of the project as specified in the Project Plan	30 Jun 2014	\$329,698
Construction of a Bundaberg Mental Health Community Care Unit	Acceptance by the Commonwealth of the initial Project Plan	11 Jun 2012	11 Jun 2012	\$2,344,300
	Commence construction	01 May 2013	01 May 2013	\$1,696,204
	Ground floor complete	01 Aug 2013	01 Aug 2013	\$1,276,720
	Base building complete	21 Dec 2013	21 Dec 2013	\$1,696,205
	Fitout, finishes and fittings complete	31 Mar 2014	31 Mar 2014	\$1,696,205
	Practical completion of the project and acceptance by the Commonwealth of the final Project Report ²	Within 90 days of the practical completion of the final element of the project as specified in the Project Plan	30 Jun 2014	\$443,832
Construction of a Rockhampton Mental Health	Acceptance by the Commonwealth of the initial Project Plan	11 Jun 2012	11 Jun 2012	\$3,187,300
	Commence construction	01 May 2013	01 May 2013	\$1,775,300

Community Care Unit	Ground floor complete	01 Aug 2013	01 Aug 2013	\$1,331,476
	Base building complete	21 Dec 2013	21 Dec 2013	\$1,775,300
	Fitout, finishes and fittings complete	31 Mar 2014	31 Mar 2014	\$1,775,300
	Practical completion of the project and acceptance by the Commonwealth of the final Project Report ²	Within 90 days of the practical completion of the final element of the project as specified in the Project Plan	30 Jun 2014	\$443,832
Construction of a Toowoomba Mental Health Community Care Unit	Acceptance by the Commonwealth of the initial Project Plan	11 Jun 2012	11 Jun 2012	\$4,245,400
	Commence construction	01 May 2013	01 May 2013	\$1,856,000
	Ground floor complete	01 Aug 2013	01 Aug 2013	\$1,392,072
	Base building complete	21 Dec 2013	21 Dec 2013	\$1,856,000
	Fitout, finishes and fittings complete	31 Mar 2014	31 Mar 2014	\$1,856,000
	Practical completion of the project and acceptance by the Commonwealth of the final Project Report ²	Within 90 days of the practical completion of the final element of the project as specified in the Project Plan	30 Jun 2014	\$464,013

¹ Where payment milestones do not align with quarterly reports, the Commonwealth may request additional information from Queensland to demonstrate that the milestone has been satisfactorily met. ² The final payment is subject to the Commonwealth's acceptance of the final report that demonstrates that all milestones have been met in accordance with the Project Plan and all reporting arrangements have been met.

Reporting arrangements

15. Queensland will provide the Commonwealth with standard quarterly project status reports with reference to the project outputs (Part 2), milestones (Part 4, Table 1) and Project Plan, due by the 10th business day in January, April, July and October each year. Each performance report is to contain the following information:
 - (a) a description of actual performance of Queensland in the period to date against the project milestones;

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- (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how Queensland propose to resolve this/these matter(s); and
 - (c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.
16. These reports are required to be submitted via the Commonwealth Department of Health and Ageing's Health and Hospitals Fund Capital Projects Reporting Online system. All quarterly reports must be certified by an appropriate Queensland delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.
17. Queensland will also prepare a final Project Report within 90 days of the date of practical completion of the final element of the project as specified in the Project Plan. The final Project Report will be a stand-alone report that can be used for public information and dissemination purposes. The final Project Report will:
- (a) describe the conduct, benefits and outcomes of the Projects;
 - (b) evaluate the Projects from the responsible Party's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and
 - (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance, which the Commonwealth notifies Queensland should be included in the final project report at least 60 days before it is due.
18. Quarterly project status reports will follow the template at Schedule A.

PART 5 – FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide a total financial contribution to Queensland of \$40.36m in respect of this Agreement. All payments are GST exclusive.
20. The Commonwealth's funding contribution will not be reduced where Queensland secure 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 Queensland 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)			2011- 2012	2012- 2013	2013- 2014	2014-15	Total
Total estimated budget			13.75	6.65	18.28	1.68	40.36
Sunshine Coast (Nambour) Mental Health Community Care Unit			3.97	1.32	3.63	0.33	9.25
Bundaberg Mental Health Community Care Unit			2.34	1.70	4.67	0.44	9.15
Rockhampton Mental Health Community Care Unit			3.19	1.78	4.88	0.44	10.29
Toowoomba Mental Health Community Care Unit			4.25	1.86	5.10	0.46	11.67
Total estimated National Partnership Payments			13.75	6.65	18.28	1.68	40.36
Sunshine Coast (Nambour) Mental Health Community Care Unit			3.97	1.32	3.63	0.33	9.25
Bundaberg Mental Health Community Care Unit			2.34	1.70	4.67	0.44	9.15
Rockhampton Mental Health Community Care Unit			3.19	1.78	4.88	0.44	10.29
Toowoomba Mental Health Community Care Unit			4.25	1.86	5.10	0.46	11.67
Total Balance of non-Commonwealth contributions			0.00	0.00	0.00	0.00	0.00
Sunshine Coast (Nambour) Mental Health Community Care Unit			0.00	0.00	0.00	0.00	0.00
Bundaberg Mental Health Community Care Unit			0.00	0.00	0.00	0.00	0.00
Rockhampton Mental Health Community Care Unit			0.00	0.00	0.00	0.00	0.00
Toowoomba Mental Health Community Care Unit			0.00	0.00	0.00	0.00	0.00

22. Having regard to the agreed estimated costs of projects specified in a Project Agreement, Queensland 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, Queensland 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 Queensland 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 both Parties.
25. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all 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 and if necessary, the relevant COAG Council.
30. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG 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 Tanya Plibersek MP
Minister for Health and Ageing

4 June 2012

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



The Honourable Lawrence Springborg MP
Minister for Health

7 June 2012

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/2009	xx/xx/2009	-	-	xxx,000	xxx,000	-	-
Commence construction	-	xx/xx/20xx	xx/xx/20x	-	-	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									

* Note: This information is reported by non-government organisations in the Department of Health and Ageing's Health and Hospitals Capital Projects Reporting Online system. Completion of the shaded areas is optional for States and Territories.

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