

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

Council of  
Australian  
Governments

An agreement between

- n the Commonwealth of Australia and
- n Queensland

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

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

## 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 the State, which will be assessed by the Commonwealth through the provision of a Project Plan by the State 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 – 2010 Regional Priority Round Project in Bundaberg, Rockhampton, Toowoomba and the Sunshine Coast through the construction of Regional Mental Health Community Care Units.
5. This Agreement replaces the previous *Project Agreement for Health and Hospitals Fund – 2010 Regional Priority Round Project in Sunshine Coast, Bundaberg, Rockhampton and Toowoomba* for the Regional Mental Health Community Care Units project dated 7 June 2012.
6. This Agreement constitutes the entire agreement for this project.

### PART 1 – FORMALITIES

#### 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 Queensland (Queensland) as represented by the State Minister with portfolio responsibility for health.

#### Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and Queensland sign the Agreement and will expire on 30 June 2015, 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.

9. The Project Plan to be developed and agreed by senior Commonwealth and Queensland 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

10. The outputs of this Agreement, as described in the 2010 Regional Priority Round of the Health and Hospitals Fund project application dated 1 December 2010, and in the Project Plan, will be:
  - (a) four Regional Mental Health Community Care Units located at the Sunshine Coast, Bundaberg, Rockhampton and Toowoomba;
  - (b) a total of approximately 7,245m<sup>2</sup> new gross floor area;
  - (c) 79 individual supported residential units with clinical office blocks:
    - 15 units at the Sunshine Coast;
    - 20 units at Bundaberg;
    - 20 units at Rockhampton; and
    - 24 units at Toowoomba.

## PART 3 – ROLES AND RESPONSIBILITIES

### Role of the Commonwealth

11. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against payment milestones in the delivery of the Regional Mental Health Community Care Units project, 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 *Fair Work (Building Industry) Act 2012*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building 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 Building Code 2013, is a condition of Australian Government funding.

## Role of Queensland

12. 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 Building Code 2013 is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.
  
13. Queensland 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 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 the designated use.

## Shared roles

14. 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

15. 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	Milestone	Date due	Payment	Relevant Report due
<b>Regional Mental Health Community Care Units – Sunshine Coast</b> (consistent with the requirements specified at clause 9).	Acceptance by the Commonwealth of the initial Project Pan	June 2012*	\$3,971,820*	June 2012*
	Commence Construction	April 2014	\$2,318,820	September 2014
	Ground Floor commenced	June 2014	\$1,989,110	
	Base Building complete	September 2014	\$329,698	
	Fit-out, finishes and fittings complete	November 2014	\$318,820	March 2015
	Practical completion of the project and a Final Report	December 2014	\$318,820	
<b>Regional Mental Health Community Care Units – Bundaberg</b> (consistent with the requirements specified at clause 9).	Acceptance by the Commonwealth of the initial Project Pan	June 2012*	\$2,344,300*	June 2012*
	Commence Construction	January 2014	\$1,696,204	March 2014
	Ground Floor commenced	April 2014	\$2,276,720	September 2014
	Base Building complete	June 2014	\$1,696,205	
	Fit-out, finishes and fittings complete	August 2014	\$696,205	
	Practical completion of the project and a Final Report	September 2014	\$443,832	

Output	Milestone	Date due	Payment	Relevant Report due
<b>Regional Mental Health Community Care Units – Rockhampton</b> (consistent with the requirements specified at clause 9).	Acceptance by the Commonwealth of the initial Project Pan	June 2012*	\$3,187,300*	June 2012*
	Commence Construction	April 2014	\$2,775,300	September 2014
	Ground Floor commenced	June 2014	\$1,775,300	
	Base Building complete	September 2014	\$1,331,476	
	Fit-out, finishes and fittings complete	November 2014	\$775,300	March 2015
	Practical completion of the project and a Final Report	December 2014	\$443,832	
<b>Regional Mental Health Community Care Units – Toowoomba</b> (consistent with the requirements specified at clause 9).	Acceptance by the Commonwealth of the initial Project Pan	June 2012*	\$4,245,400*	June 2012*
	Commence Construction	January 2014	\$1,856,000	March 2014
	Ground Floor commenced	April 2014	\$2,392,072	September 2014
	Base Building complete	June 2014	\$1,856,000	
	Fit-out, finishes and fittings complete	August 2014	\$856,000	
	Practical completion of the project and a Final Report	September 2014	\$464,013	

\* payments made.

## Reporting arrangements

16. Queensland will provide the Commonwealth with standard bi-annual project status reports with reference to the project outputs (Part 2), milestones (Part 4, Table 1), and Project Plan, due by the 10<sup>th</sup> business day in March and September each year. In addition to the matters contained in Schedule A, 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;
  - (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how Queensland proposes 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.
17. These reports are required to be submitted via the Commonwealth Department of Health's, Capital Projects Reporting Online system. All bi-annual 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.

18. 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 Project;
  - (b) evaluate the Project from Queensland’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.
19. Bi-annual project status reports will follow the template at Schedule A.

## PART 5 – FINANCIAL ARRANGEMENTS

20. The Commonwealth will provide a total financial contribution to Queensland of \$40.359 million in respect of this Agreement. All payments are GST exclusive.
21. The Commonwealth’s funding contribution will not be reduced where Queensland secure funding from other activity partners through innovative and collaborative partnerships.
22. 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)	2011-12	2012-13	2013-14	2014-15	Total
<b>Estimated total budget</b>	<b>13.749</b>	<b>0.000</b>	<b>13.315</b>	<b>13.295</b>	<b>40.359</b>
Less estimated National Partnership Payments	13.749	0.000	13.315	13.295	40.359
Balance of non-Commonwealth contributions	0.000	0.000	0.000	0.000	0.000

23. Having regard to the agreed estimated costs of the project specified in this 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 the project cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

24. 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

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

### Delegations

27. 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

28. Either Party may give notice to the other Party of a dispute under this Agreement.
29. Officials of both Parties will attempt to resolve any dispute in the first instance.
30. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
31. 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:

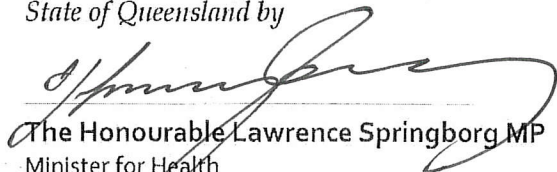
Signed for and on behalf of the  
Commonwealth of Australia by



The Honourable Peter Dutton MP  
Minister for Health and Sport

15 May 2014

Signed for and on behalf of the  
State of Queensland by



The Honourable Lawrence Springborg MP  
Minister for Health

15 APRIL 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
Commence construction					
Ground Floor complete					
Base building complete					
Fit out, finishes and fittings complete					
Practical completion of the project and a Final Report					

