

PROJECT AGREEMENT FOR THE UPGRADE OF BALLINA HOSPITAL

Council of
Australian
Governments

An agreement between:

- the Commonwealth of Australia; and
- 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 the Surgical Services Unit and Medical Imaging Department at Ballina Hospital

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 (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 delivery of the upgrade of Ballina Hospital through the redevelopment of the Surgical Services Unit and Medical Imaging Department, to improve the flow of patients and delivery of services at the hospital.
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 New South Wales (New South Wales) represented by the New South Wales Minister with portfolio responsibility for Health.

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and New South Wales sign the Agreement and will expire on 30 June 2016 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

6. 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

7. 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; and
 - (b) providing a consequent financial contribution to New South Wales to support the implementation of this Agreement.

Role of New South Wales

8. 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; and
 - (c) reporting on the delivery of outputs as set out in Part 4 – Payment Milestones, Reporting and Payments.
9. New South Wales 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 New South Wales 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.

Project Plans

10. Project Plans need to be agreed by senior Commonwealth and New South Wales officials.
11. Project Plans would typically include details on scope, project schedule, budget, project stakeholders, governance arrangements, communication plan, high level design plans and a risk management plan.
12. The Project Plan is expected to be a flexible document that may be varied over time to accommodate changed circumstances. Variations to the Project Plan that directly affect payment milestones and their achievement are subject to written agreement between the Ministers.

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 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
Construction of a second operating theatre; and Expansion of the Medical Imaging Department (consistent with the requirements specified at clause 8&9).	Acceptance by the Commonwealth of the Project Plan	July 2014	November 2014	\$1.0m
	Commencement of Construction	February 2015	May 2015	\$0.9m
	Fitout, finishes and fittings complete including installation of fixed specialised equipment within the Emergency Department	November 2015	November 2015	\$2.5m
	Practical completion of the project and a Final bi-annual Report	February 2016	May 2016	\$0.1m

Reporting arrangements

15. New South Wales will submit bi-annual Project Status Reports, in accordance with the template at Schedule A. These reports are due in May and November 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 New South Wales Delegate as being a true and accurate representation of the progress of the project for the relevant reporting period.

17. 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 New South Wales 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 New South Wales of \$4.5m in respect of this Agreement. All payments are GST exclusive.
19. The Commonwealth's funding contribution will not be reduced where New South Wales secures funding from other activity partners through innovative and collaborative partnerships.
20. 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	Total
Estimated total budget	1.90	2.60	4.50
Less estimated National Partnership Payments	1.90	2.60	4.50
Balance of non-Commonwealth contributions	0.00	0.00	0.00

21. 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

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

26/6/2014

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



The Honourable Jillian Skinner MP

Minister for Health

Minister for Medical Research

2014

Agreed execution date 4 August 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
Submission to the Commonwealth of the Project Plan					
Practical completion of the project and Final bi-annual Report					