

# PROJECT AGREEMENT FOR THE WARRNAMBOOL INTEGRATED CANCER CARE CENTRE

An agreement between

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

The output of this project will be the construction of an integrated regional cancer care centre in Warrnambool.

# Project Agreement for the Warrnambool Integrated Cancer Care Centre

## 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 establishment of the Warrnambool Integrated Cancer Care Centre.
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 2017 or on completion of the project as outlined in the Project Plan, including 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 the construction of an integrated regional cancer care centre in Warrnambool consisting of:
  - (a) 2 radiotherapy bunkers (1 shell);
  - (b) a radiation planning / physics unit;
  - (c) 5 clinical consulting rooms; and
  - (d) administration and support areas.

## 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 establishment of the Warrnambool Integrated Cancer Care Centre 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 Victoria 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 Victoria

8. Victoria will be responsible for:
  - (a) providing a financial contribution to support the implementation of this Agreement;
  - (b) developing and providing a Project Plan to the Commonwealth in accordance with clauses 11 to 14 of this Agreement;
  - (c) all aspects of delivering on the project outputs set out in the Project Plan and in this Agreement;
  - (d) reporting on the delivery of the outputs as set out in Part 4 – Payment Milestones, Reporting and Payments;
  - (e) 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
  - (f) 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.
9. Victoria 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 Victoria 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

- 10. 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

- 11. 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.
- 12. 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.
- 13. 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.
- 14. 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

- 15. 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
<b>Construction of the Warrnambool Integrated Cancer Care Centre</b>	Acceptance by the Commonwealth of the Project Plan	October 2014	October 2014	\$2.0m
	Award of contract	October 2014	October 2014	\$4.0m
	Commence construction	December 2014	April 2015	\$4.0m
	Ground Floor Slab Completed	October 2015	October 2015	\$0
	Facade Cladding Complete	April 2016	April 2016	\$0
	Practical completion of the Project	August 2016	October 2016	\$0

## Reporting arrangements

16. Victoria will submit bi-annual Project Status Reports, in accordance with the template at Schedule A. These reports are due on the 10<sup>th</sup> business day of April and October each year until completion of the project. 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.
17. 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.
18. The Final Report will be a report that can be used for public information and dissemination purposes and will evaluate the project from Victoria's perspective and include a description of the conduct, benefits and outcomes of the project.

## PART 5 – FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide a total financial contribution to Victoria of \$10.0 million in respect of this Agreement. All payments are GST exclusive.

20. The Commonwealth's funding contribution will not be reduced where Victoria secures funding from other activity partners through innovative and collaborative partnerships.
21. 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
<b>Estimated total budget</b>	15.0	10.0	25.0
Less estimated National Partnership Payments	10.0	0.0	10.0
Balance of non-Commonwealth contributions	5.0	10.0	15.0

22. 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 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 the Parties.
25. Schedules to this Agreement may be amended or added 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.

The Parties have confirmed their commitment to this agreement as follows:

**Signed** *for and on behalf of the  
Commonwealth of Australia by*

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**The Honourable Peter Dutton MP**

Minister for Health

Minister for Sport

2014

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

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**The Honourable David Davis MLC**

Minister for Health

Minister for Ageing

2014



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4/11/2014

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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					
Award of Contract					
Commencement of construction					
Ground Floor Slab Completed					
Facade Cladding Complete					
Practical completion of the project					