

PROJECT AGREEMENT FOR THE ESTABLISHMENT OF CONSULTING ROOMS IN KATHERINE HOSPITAL

An agreement between:

- the Commonwealth of Australia; and
- The Northern Territory Government

The output of this project will be the establishment of new specialist clinic space and consulting rooms in Katherine Hospital, Northern Territory.

Project Agreement for the establishment of consulting rooms in Katherine Hospital

OVERVIEW

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.

Purpose

2. This Agreement will support the establishment of new specialist clinic space and consulting rooms in Katherine Hospital in the Northern Territory.

Reporting Arrangements

3. The Northern Territory will report during the operation of this Agreement, as set out in Part 4 – Reporting.

Financial Arrangements

4. The Commonwealth will provide an estimated financial contribution to the Northern Territory of \$2.34 million (exclusive of GST) in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

5. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Northern Territory.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and the Northern Territory sign it and will expire on 30 June 2020 or on completion of the project, including final performance reporting and processing of final payments, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUTS

Outputs

8. The outputs of this Agreement will be:
 - (a) 4 telehealth ready consulting rooms;
 - (b) minimum of 1 treatment room (one plumbed for future dental chair);
 - (c) 1 large room for family case conference; and
 - (d) support spaces such as relevant amenities including toilets and utility rooms.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

9. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement in the delivery of the new specialist clinical space and consulting rooms in Katherine Hospital under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to the Northern Territory to support the implementation of this Agreement;
 - (c) in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 are only made where a builder or builders accredited under the Australian Government Building and Construction Work Health and Safety (WHS) Accreditation Scheme is contracted; and
 - (d) ensuring that compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of Australian Government funding.

Role of the Northern Territory

10. The Northern Territory will be responsible for:
 - (a) all aspects of delivering on the outputs set out in this Agreement;
 - (b) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (c) ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
 - (d) ensuring that compliance with the Building Code 2016 is made a condition of tender for and performance of building work by all contractors and subcontractors and providing the necessary assurances to the Commonwealth.
11. The Northern Territory will also be responsible for ensuring that, for the purposes of the practical completion, projects will:

- (a) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that The Northern Territory cannot reasonably fix, or by fixing, will significantly inconvenience users of the works; and
- (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

12. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, 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 – PROJECT MILESTONES, REPORTING AND PAYMENTS

13. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the annual performance report demonstrating the relevant milestone has been met.

Table 1: Payment Milestones, reporting and payment summary

Outputs	Performance milestone	Report due	Payment
Establishment of consulting rooms in Katherine Hospital	Award of design and documentation consultancy. A report detailing: (a) outcome of design and documentation tender process; (b) proposed construction tender process; (c) program construction dates.	30 May 2019	\$100,000
	Construction contract awarded and commencement of site work. A report with photographs detailing: (a) outcome of construction tender process; (b) date for practical completion.	30 November 2019	\$2,000,000
	Completion of ground floor slab and in ground services Report with photographs on progress to date and expected completion date.	30 May 2020	\$240,000

14. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated

payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

15. The Northern Territory will provide:
- (a) reports in accordance with Table 1 during the operation of the Agreement;
 - (b) bi-annual project status reports with photographs in May and November each year via the Commonwealth Department of Health's Capital Works Portal system in accordance with the template at Schedule A, until the completion of the projects; and
 - (c) provision of a final report: including a Certificate of Practical Completion, a brief description of the project and official opening dates which can be used for public information and dissemination purposes and will evaluate the projects from the Northern Territory's perspective, including a description of the conduct, benefits and outcomes of the projects.

PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide an estimated financial contribution to the Northern Territory of \$2.34 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where The Northern Territory secures funding from other activity partners.
18. The Commonwealth's and The Northern Territory's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: Estimated financial contributions

(\$ million)	2018-19	2019-20	Total
Estimated total budget	\$100,000	\$2.24 million	\$2.34 million
Less estimated National Partnership Payments	\$100,000	\$2.24 million	
Balance of non-Commonwealth contributions	0	0	0

19. Having regard to the agreed estimated costs of projects specified in this Agreement, The Northern Territory 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, the Northern Territory 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 The Northern Territory to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

20. 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

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

Delegations

23. The Commonwealth Minister may delegate the assessment of performance and the authorisation of project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

24. Either Party may give notice to other Party of a dispute under this Agreement.
25. Officials of both Parties will attempt to resolve any dispute in the first instance.
26. 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 Greg Hunt MP
Minister for Health

Date 1:4:19

*Signed for and on behalf of the
Northern Territory by*



The Honourable Natasha Fyles MLA
Attorney-General and Minister for Justice
Minister for Health
Minister for the Arafura Games
Minister for Disabilities

Date 17 APR 2019

Schedule A

Project Status Report:

Report Month:

Submission Date:

Current Forecast Completion Date:

Current Project Stage:

Key Activity Undertaken Since Last Report:

Significant Achievements In Next 6 Months:

Project 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