

PROJECT AGREEMENT FOR THE COMMUNITY HEALTH AND HOSPITALS PROGRAM NEW SOUTH WALES INITIATIVES

An agreement between

- the Commonwealth of Australia; and
- the State of New South Wales.

The output of this project will support the delivery of the New South Wales Initiatives under the Community Health and Hospitals Program.

Project Agreement for the Community Health and Hospitals Program New South Wales Initiatives

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 delivery of the New South Wales Community Health and Hospitals Program Initiatives

Reporting Arrangements

3. New South Wales will report against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to New South Wales of \$208.453 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 New South Wales.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and New South Wales sign it and will expire on 30 June 2025 or on completion of the project, 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 OUTPUT(S)

Output(s)

8. The outputs of this Agreement will be:
- (a) Construction of new Maternity Services (Ambulatory Care) at Concord Hospital.
 - (b) Shellharbour Hospital Redevelopment to deliver the expansion needs and finalise the full transition to a planned hub-and-spoke model of service delivery in the Illawarra.
 - (c) Construction of a 16 bed inpatient Cystic Fibrosis Specialist Service unit at Westmead Hospital. Providing specialised treatment with state of the art equipment and modalities, consultation rooms, clinical research and diagnostic facilities.
 - (d) Improving stroke care in regional NSW via a comprehensive telehealth model of care for hospitals across NSW to provide access to expert neurologists/stroke physicians.
 - (e) To purchase a third Linear Accelerator for the Central Coast.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

9. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against milestones in the delivery of the New South Wales Initiatives under the Community Health and Hospitals Program under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to New South Wales 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 New South Wales Government

10. The New South Wales Government will be responsible for:
- (a) all aspects of delivering on the project 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) for projects 8 (a), (b) and (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. New South Wales will also be responsible for ensuring that, for the purposes of practical completion, construction projects 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.

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.

Output	Performance milestones or benchmarks	Report due	Payment
Concord Hospital Maternity Ambulatory Care Services	Confirmation report detailing: (a) Planning and practical completion dates; (b) evidence of compliance with the Australian Government Building and Construction WHS Accreditation Scheme; and (c) evidence of compliance with the Building Code 2016.	30 May 2019	\$2,200,000
Shellharbour Hospital Redevelopment	Contract awarded and building approvals issued.	30 May 2024	\$48,000,000
	Commencement of the works.	30 May 2025	\$80,000,000
Cystic Fibrosis Specialist Service unit at Westmead Hospital	Contract awarded and building approvals issued.	30 November 2020	\$30,000,000
	Commencement of the works.	30 November 2021	\$32,000,000
	Construction complete and certificate of occupancy issued.	30 November 2022	\$3,000,000
Improving stroke care in regional NSW via telehealth	Draft implementation plan and service delivery model developed	30 May 2019	\$3,800,000
	Completion report of 6 month proof of concept	30 May 2020	\$2,800,000
	Report on staged rollout at regional and rural hospitals.	30 May 2021	\$2,800,000
Central Coast Linear Accelerator	Purchase of a Linear Accelerator	30 May 2019	\$3,853,000

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. New South Wales will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain a description, and photographs for projects 8 (a), (b) and (c) of actual performance in the period to date against the project milestones.
16. New South Wales will provide bi-annual project status reports, with photographs for projects 8 (a), (b) and (c), 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.
17. For projects 8 (a), (b) and (c) New South Wales will provide a final report including a brief description of the project and official opening dates, and a Certificate of Practical Completion for each project which can be used for public information and dissemination purposes. This will include a description of the conduct, benefits and outcomes of the project.

18. For project 8 (d) New South Wales will provide a final report outlining the project including benefits and outcomes which can be used for public information and dissemination purposes

PART 5 – FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide an estimated total financial contribution to New South Wales of \$208.453 million in respect of this Agreement. All payments are GST exclusive.
20. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners.
21. The Commonwealth's estimated financial contributions to the operation of this Agreement, including through National Partnership payments 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	2020- 21	2021- 22	2022- 23	2023- 24	2024- 25	Total
Estimated total budget	9.853	2.8	32.8	32.0	3.0	48.0	80.0	208.453
Less estimated National Partnership Payments	9.853	2.8	32.8	32.0	3.0	48.0	80.0	208.453

22. Having regard to the agreed estimated costs of projects 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 the New South Wales Government 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. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying 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.

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 27.11.2020

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



The Honourable Brad Hazzard MP
Minister for Health

Date 27 October 2020