

PROJECT AGREEMENT FOR THE HEALTH INNOVATION FUND – STAGE 1

An agreement between:

- the Commonwealth of Australia; and
- the States and Territories of
 - ◆ New South Wales, and
 - ◆ Western Australia.

The outputs will be the delivery of new projects that support health prevention and the better use of health data.

Project Agreement for the Health Innovation Fund – Stage 1

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 new projects that support health prevention and the better use of health data, consistent with reforms at clauses 7(c)(v) and (vi) of the Heads of Agreement on Public Hospital Funding and Health Reform agreed in February 2018.

Reporting Arrangements

3. The States will report against the project stages and completion dates during the operation of this Agreement, as set out in Part 4 – Projects and Reporting.

Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to the States of \$50 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

Parties to this Agreement

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) and New South Wales and Western Australia.

Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and one other Party sign it and will expire on 30 June 2022 or on completion of the projects set out in the Schedules, including final reporting, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – OUTPUTS

Outputs

7. The outputs of this Agreement will be the delivery of new projects that support health prevention and the better use of health data.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

8. The Commonwealth will be responsible for:
 - (a) assessing and agreeing the State-nominated projects to be funded against project criteria set out at clause 16 of this Agreement;
 - (b) monitoring achievement against project stages and completion dates for the delivery of projects under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - (c) providing a financial contribution to the States to support the implementation of this Agreement.

Role of the States

9. The States will be responsible for:
 - (a) developing project proposals and supporting evidence;
 - (b) all aspects of delivering on the outputs set out in this Agreement; and
 - (c) reporting on the delivery of outputs as set out in Part 4 – Projects and Reporting.

Shared roles

10. The Commonwealth and the States will be jointly responsible for agreeing bilateral schedules to this Agreement in accordance with Part 4 – Projects and Reporting.
11. 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 – PROJECTS AND REPORTING

12. Agreed projects, expected completion dates and relevant reporting dates will be set out in bilateral schedules to this Agreement.

Reporting arrangements

13. The States will provide to the Commonwealth:
 - (a) performance reports in accordance with the bilateral schedules to this Agreement, with each performance report to contain a description of actual performance in the period to date against the agreed project proposal including project stages and completion dates; and
 - (b) annual performance reports thereafter for the remaining period of the agreed project, with each to include a description of actual performance in the period to date until completion of the project, and the final report to also include the evaluation of the benefits and learnings from the projects, including supporting data, where available, for the purposes of informing future reforms.

14. In addition to the reporting requirements in clause 13, the States may provide the Commonwealth with informal updates on any shared learnings from projects that may inform future directions.

PART 5 – FINANCIAL ARRANGEMENTS

15. The Commonwealth will provide an estimated total financial contribution to the States of \$50.0 million in respect of this Agreement, with each State's share to be paid on signing of the Agreement by the Commonwealth and that State. All payments are GST exclusive.
16. The States will be eligible for funding on an adjusted per capita basis on agreement with the Commonwealth to projects that:
 - (a) trial new initiatives or ways of delivering services aligned to state system priorities (projects cannot be a continuation of existing programs or services);
 - (b) are consistent with reforms at clauses 7(c)(v) and (vi) of the Heads of Agreement on Public Hospital Funding and Health Reform agreed in February 2018;
 - (c) include a requirement for an evaluation of the benefits and learnings from the projects, including supporting data, where available, with the States to determine the evaluation scope and methodology; and
 - (d) are supported by documentation which:
 - i. describes the proposed projects including rationale, target populations (if applicable), scheduled stages, timing, and anticipated outcomes;
 - ii. demonstrates that the proposed project meets the criteria at clause 16(a) to (c) inclusive; and
 - iii. provides the estimated cost of each project to enable the Commonwealth to assess whether the value of projects proposed in accordance with clauses 16(d)(i) and 16(d)(ii) is commensurate with the Commonwealth's financial contribution under this Agreement.
17. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners.
18. The Commonwealth'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 1.

Table 1: Estimated financial contributions

(\$ million)	2018-19	Total
Estimated total budget	50.0	50.0
Less estimated National Partnership Payments		
New South Wales	36.7	36.7
Western Australia	13.3	13.3
Balance of non-Commonwealth contributions	0.0	0.0

19. Having regard to the agreed estimated costs of projects specified in this Agreement, a State 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 States bear 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 States 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 all the Parties.
22. Bilateral schedules to this Agreement that have no impact on other Parties may be amended at any time by agreement in writing by the relevant Commonwealth and State portfolio ministers.
23. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all Parties in writing.

Delegations

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

Dispute resolution

25. Either Party may give notice to the other Party of a dispute under this Agreement.
26. Officials of both Parties will attempt to resolve any dispute in the first instance.
27. 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

[Day] [Month] [Year]

4 12 18

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



The Honourable Bradley Hazzard MLA
Minister for Health

17 12 2018
[Day] [Month] [Year]

Signed for and on behalf of the
State of Western Australia by



The Honourable Roger Cook MLA
Deputy Premier
Minister for Health; Mental Health

4 APR 2019

[Day] [Month] [Year]