

PROJECT AGREEMENT FOR THE COMMUNITY HEALTH AND HOSPITALS PROGRAM WESTERN AUSTRALIAN INITIATIVES

An agreement between:

- the Commonwealth of Australia; and
- the State of Western Australia

The output of this project will support the delivery of the Western Australia's Initiatives under the Community Health and Hospitals Program.

Project Agreement for the Community Health and Hospitals Program Western Australian 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 Western Australian Initiatives under the Community Health and Hospitals Program.

Reporting Arrangements

3. Western Australia will report on a six-monthly basis in a standard format on performance against project outputs and 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 Western Australia of \$118.734 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) represented by the Minister for Health and Western Australia represented by the Minister with the portfolio for health.
7. Officials are the nominated delegates of both Parties, each Party will provide advice of the nominated officials within 30 days of agreement signature.

Term of the Agreement

8. This Agreement will commence upon signing by the Parties to the Agreement and will expire on 30 June 2025 or on completion of the final projects, 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)

9. The outputs of this Agreement will be:
- (a) Expansion of the Peel Health Campus. This includes:
 - i. construction of an expanded Peel Health Campus Emergency Department;
 - ii. construction of a new Community Mental Health facility on the Peel Health Campus;
 - iii. refurbishment of the Peel Health Campus Medical Imaging Department; and
 - iv. construction of a residential eating disorder treatment centre at the Peel Health Campus.
 - (b) Construction of a new hospital at Laverton, to provide emergency, population health, and ambulatory care services.
 - (c) Construction of a new Radiation Oncology facility for the Midwest region and implementation of the WACHS Cancer Strategy.
 - (d) Upgrade of critical Infrastructure at the King Edward Memorial Hospital.
 - (e) Youth Forensic Inpatient Service - establishment of a 10 bed youth forensic mental health ward.
 - (f) Construction of a Mental Health Emergency Centre at the St John of God Midland Public Hospital.
 - (g) Comprehensive genomic testing to expedite excellence in treatment of WA Cancer patients.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

10. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against milestones in the delivery of the Western Australian initiatives under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to Western Australia 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 Western Australia

11. Western Australia 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) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Work Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
 - (d) ensuring that compliance with the Building Code 2016 is a condition of tender for performance of building work by all contractors and subcontractors, and providing the necessary assurances to the Commonwealth.
12. Western Australia 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 Western Australia 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

13. 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

14. Table 1 summarises the milestones for the projects, 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: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Milestone Completion Date	Payment
Expansion of the Peel Hospital Campus	WA to provide a report on planning of the expansion of the Peel Hospital Campus.	1 July 2020	\$7.5 m
	WA to provide a report on the expansion of the Peel Hospital Campus.	1 July 2021	\$7.5 m
	WA to provide a report on progress and completion timeframe for the expansion of the Peel Hospital Campus.	1 July 2022	\$10 m
Construction of a new Laverton Health Service	WA to provide project plan for delivery of the construction.	1 July 2022	\$6.2 m
	WA to provide a copy of approved design development report together with tender Award details.	1 July 2023	\$9.6 m
	WA to supply Certificate of Practical Completion.	1 July 2024	\$1.0 m
WACHS Cancer Strategy (including Radiation Oncology at the Geraldton Health Campus)	WA to provide its implementation plan to deliver its cancer strategy.	1 July 2021	\$6.278 m
	WA to provide WACHS Annual Report for 2021-22 financial year.	1 July 2022	\$6.278 m
	Geraldton Health Campus Radiation Oncology - WA to provide approved Project Definition Plan	1 July 2023	\$6.278 m
	Geraldton Health Campus Radiation Oncology - WA to provide approved Design Development Report and Tender Award details	1 July 2024	\$6.3 m
Construction of a new Women and Newborn service at the King Edward Memorial Hospital	WA to provide a report on the tender process for lifts works and mechanical services	1 May 2020	\$3.5 m
	WA to provide a report on the tender process for mechanical services.	1 August 2020	\$3.5 m
	WA to provide a report on award tender for building structure.	1 August 2021	\$5.0 m
Youth Forensic Inpatient Service	WA to provide a report on the tender process for the building for the Youth Forensic Inpatient Service	1 July 2022	\$7.8 m
	WA to provide a report on building process and completion timeframe.	1 July 2023	\$7.0 m
Ellenbrook Mental Health facility -	WA to provide a report on planning the delivery of mental health and support	1 July 2020	\$1.5 m

provision of mental health and support services at the St John of God Midland Hospital	services at the St John of God Midland Hospital.		
	WA to provide a progress report.	1 July 2021	\$1.5 m
	WA to provide a progress report.	1 July 2022	\$2.0 m
	WA to provide a progress report.	1 July 2023	\$1.0 m
Comprehensive genomic testing	WA to provide a plan to deliver comprehensive genomic testing	1 July 2022	\$9.5 m
	WA to report on the implementation of comprehensive genomic testing	1 July 2023	\$9.5 m

15. 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

16. Western Australia 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 capital projects) of actual performance in the period to date against the project milestones.
17. Western Australia will also provide 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 templates provided in the Capital Works Portal, until the completion of the projects.
18. Western Australia will provide a final report including a brief description of the project and official opening dates, and a Certificate of Practical Completion for each capital project which can be used for public information and dissemination purposes. This will include a final report outlining the translation of cancer services into clinical practice plus ongoing processes for governance management and service development in alignment with the completion of the WACHS Cancer Strategy.

PART 5 – FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide an estimated total financial contribution to Western Australia of \$118.734 million in respect of this Agreement. All payments are GST exclusive.
20. The Commonwealth's funding contribution will not be reduced where: (a) Western Australia secures funding from other activity partners and/or (b) redirects State funding to support the early commencement of the project(s) and delivery of associated milestones outlined in part 4 of this agreement.
21. The Commonwealth's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to Western Australia is paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

(\$ million)	19-20	20-21	21-22	22-23	23-24	24-25	Total
Estimated total budget	3.5	12.5	20.278	41.778	33.378	7.3	118.734

Less estimated National Partnership Payments	3.5	12.5	20.278	41.778	33.378	7.3	118.734
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Table 2: Estimated financial contributions

22. Having regard to the agreed estimated costs of projects specified in this Agreement, Western Australia 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, Western Australia 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 Western Australia 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 of a dispute under this Agreement.
28. Officials of both Parties will attempt to resolve any dispute in the first instance.
29. Where 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

25/5/2020

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


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

Date

12/5/20.