

# PROJECT AGREEMENT FOR WESTERN SYDNEY STADIUM

An agreement between:

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

The output of this project will be construction of the Western Sydney Stadium.

# Project Agreement for Western Sydney Stadium

## 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 construction of the Western Sydney Stadium. The Stadium will contribute to the overall liveability and productivity of the region, which will deliver on the objectives of the Commonwealth's Smart Cities Plan and is consistent with the *Memorandum of Understanding to Establish and Implement City Deals*.

### Reporting Arrangements

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

### Financial Arrangements

4. The Commonwealth of Australia (the Commonwealth) has provided a total financial contribution to New South Wales of \$16.4 million in respect of this Agreement, as set out in Part 5 – Financial Arrangements. No additional funds are to be paid by the Commonwealth under this Agreement.

## PART 1 – FORMALITIES

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

### Parties to this Agreement

6. This Agreement is between the Commonwealth and NSW.

### 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 2019 or on completion of the project, including final performance reporting, unless terminated earlier or extended as agreed in writing by the Parties.

## PART 2 – PROJECT OUTPUT

### Output

8. The output of this Agreement will be the construction of the Western Sydney Stadium.

## 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 Western Sydney Stadium under this Agreement to ensure that outputs are delivered within the agreed timeframe;
  - (b) 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 WHS Accreditation Scheme is contracted;
  - (c) ensuring that compliance with the Building Code 2013 is a condition of Australian Government funding for work tendered for prior to 2 December 2016; and ensuring that compliance with the Building Code 2016 is a condition of Australian Government funding for work tendered for after 2 December 2016.
  - (d) Ensuring that the compliance with building code 2016 is a condition of Australian Government funding for work tendered after 2 December 2016 to the execution or expiration of the Agreement 30 June 2019.

### Role of the State

10. NSW will be responsible for:
- (a) providing a financial contribution to support the implementation of this Agreement;
  - (b) all aspects of delivering on the project output set out in this Agreement;
  - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones and Reporting, including provision of a Certificate of Practical Completion to accompany the performance report for the final milestone in accordance with clause 14 of this Agreement;
  - (d) 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;
  - (e) ensuring that compliance with the Building Code 2013 is applied to contractors who tendered for work prior to 2 December 2016;
  - (f) ensuring that compliance with the Building Code 2016 is made a condition of tender for all contractors and subcontractors who tender for the work after 2 December 2016, and providing necessary assurances to the Commonwealth;
  - (g) ensuring the interaction between contractors working under the Building Code 2013 and the Building Code 2016 are managed under the guidance of the Australian Building and Construction Commission website; and
  - (h) ensuring that as part of using Commonwealth funds, it applies Local Industry Participation policies, and provides the necessary assurances to the Commonwealth.

## Shared roles

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 – PROJECT MILESTONES AND REPORTING

12. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and funding allocations.

**Table 1: Performance requirements and reporting summary**

Output	Milestones	Report due	Notional Allocation
Construction of the Western Sydney Stadium	Finalisation of Project Plan, including details on the expected liveability and productivity outcomes to be provided to the Western Sydney region by the Western Sydney Stadium.	30/6/2017	Nil
	Commencement of construction	30/08/2017	\$4.1m
	Mid-point of construction	30/06/2018	\$8.2m
	Practical Completion of construction	30/05/ 2019	\$4.1m

## Reporting arrangements

13. 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 of actual performance in the period to date against the project milestones.
14. New South Wales will also prepare a final Project Report within 90 days of the completion of the project, on outputs delivered and the related economic benefit provided to the region.

## PART 5 – FINANCIAL ARRANGEMENTS

15. A total financial contribution of \$20 million was made to New South Wales under the Project Agreement for Upgrade of Parramatta Stadium, of which \$3.6 million<sup>a</sup> was expended. The remaining \$16.4 million will be used for the construction of the Western Sydney Stadium, as

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<sup>a</sup> An electronic scoreboard was purchased as part of the Parramatta Stadium upgrades. Either the scoreboard will be used in the Western Sydney Stadium, in the Stadium precinct, or the proceeds of the sale of the scoreboard will go towards the construction of the new stadium.

shown in Table 2. No additional funds are to be paid by the Commonwealth under this Agreement.

16. The Commonwealth's funding contribution will not be reduced where New South Wales secures funding from other activity partners.

**Table 2: Estimated financial contributions**

(\$ million)	2017-18	2018-19	Total
	Allocation of remaining funds		
<b>Estimated total budget for construction of WSS</b>	<b>166.6</b>	<b>160.7</b>	<b>327.3</b>
Less National Partnership Payments from Commonwealth <sup>(a)</sup> (comprising remaining funds from Project Agreement for Upgrade of Parramatta Stadium)	12.3	4.1	16.4 <sup>(b)</sup>
<b>Balance of non-Commonwealth contributions</b>	<b>154.3</b>	<b>156.6</b>	<b>310.9</b>

<sup>(a)</sup>See clause 15 for further details on financial contributions under the Project Agreement for Upgrade of Parramatta Stadium and their use under this Agreement.

<sup>(b)</sup> Does not include potential proceeds from sale of electronic scoreboard.

17. 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 States to deliver projects cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

18. 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

19. The Agreement may be amended at any time by agreement in writing by both the Parties.

### Delegations

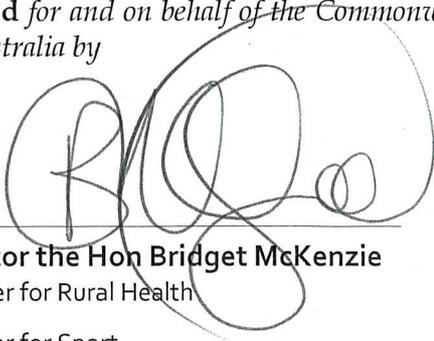
20. The Commonwealth Minister may delegate the assessment of performance against milestones to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### Dispute resolution

21. Either Party may give notice to the other Party of a dispute under this Agreement.
22. Officials of both Parties will attempt to resolve any dispute in the first instance.
23. 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*



**Senator the Hon Bridget McKenzie**

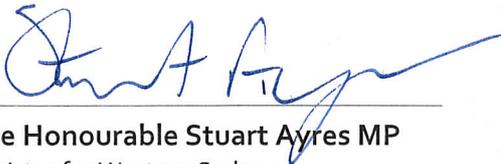
Minister for Rural Health

Minister for Sport

Minister for Regional Communications

[Day] [Month] [Year]

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



**The Honourable Stuart Ayres MP**

Minister for Western Sydney

Minister for Sport

Minister for WestConnex

[Day] [Month] [Year]