

PROJECT AGREEMENT FOR THE MANAGEMENT OF THE FORMER RUM JUNGLE MINE SITE (STAGE 2A)

An agreement between:

- the Commonwealth of Australia; and
- the Northern Territory.

The output of this project will be the delivery of the Rum Jungle Mine Site Rehabilitation Project (Stage 2A) at sites within the former Rum Jungle Uranium Field.

Project Agreement for the Management of the Former Rum Jungle Mine Site (Stage 2A)

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.
2. This Agreement replaces the previous *Project Agreement for the Management of the Former Rum Jungle Mine Site (Stage 2A)* dated 20 September 2017.

Purpose

3. This Agreement will support the delivery of the Rum Jungle Mine Site Rehabilitation Project (Stage 2A) at sites within the former Rum Jungle Uranium Field, including repairs and maintenance at the Rum Jungle Creek South site to ensure that it continues to meet Australia's public radiation protection standard.

Reporting Arrangements

4. The Northern Territory 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

5. The Commonwealth will provide an estimated total financial contribution to the Northern Territory of \$10.048 million, exclusive of GST, in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

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

Parties to this Agreement

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

Rum Jungle Rehabilitation Project Stages

8. To date, the Rum Jungle Rehabilitation Project has consisted of three stages, as outlined below:

Stage	Years	Output(s)
1 ¹	2009-2013	Improved understanding of the site's current environmental state Conceptual rehabilitation strategy ²
2 ³	2013-2016	Rehabilitation design works and construction-ready specifications, drawings and costings (including for post-rehabilitation activities) that are able to assist Detailed Business Case (DBC) development
2A ⁴ Current	2017-2020	Revised finalised rehabilitation design, costings and supporting documentation (including for a 20 year post-rehabilitation period) to support statutory approvals and DBC Repairs and maintenance work on the Rum Jungle Creek South cover system DBC delivered for Commonwealth consideration

Traditional Aboriginal Owners

9. In 1981, the then Aboriginal Land Commissioner recommended the grant of Aboriginal land in respect of the land parcels subject to the Finniss River Land Claim, including the former Rum Jungle Mine site. The Aboriginal Land Commissioner found that Kungarakan and Warai peoples are the joint traditional Aboriginal owners of the former Rum Jungle Mine site. The other sites within the former Rum Jungle Uranium Field have not been the subject of a land claim.
10. No decision on the recommendation to grant the former Rum Jungle Mine site under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) has yet been made. All other land parcels recommended for grant by the Aboriginal Land Commissioner in respect of the Finniss River Land Claim were granted to Aboriginal Land Trusts between 1991 and 1993. The Northern Land Council administers those Aboriginal Land Trusts and has ongoing responsibilities in representing the traditional Aboriginal owners in their claim to the former Rum Jungle Mine Site.
11. The Kungarakan and Warai peoples are to be consulted on rehabilitation planning and maintenance matters, as both governments acknowledge their desire that rehabilitation at the former Rum Jungle Mine site allows for the return to traditional ceremony, culture and subsistence use of natural resources.
12. There are also traditional owners along the length of the Finniss River, downstream of the former Rum Jungle Mine site. These traditional owning groups value, access and use the Finniss River.

¹ [National Partnership Agreement on the Management of the Former Rum Jungle Mine Site.](#)

² Conceptual rehabilitation strategy is set out in the [Conceptual Rehabilitation Plan](#) (Northern Territory, May 2013).

³ [Project Agreement for the Management of the Former Rum Jungle Mine Site \(Stage 2\). Amended 6 May 2016.](#)

⁴ [Project Agreement for the Management of the Former Rum Jungle Mine Site \(Stage 2A\).](#)

Term of the Agreement

13. 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 against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUTS

Outputs

14. The outputs of this Agreement will be the delivery of the Rum Jungle Mine Site Rehabilitation Project (Stage 2A) including:
 - (a) revised finalised rehabilitation design, costings and supporting documentation (including for a 20 year post-rehabilitation period) to support statutory approvals and the Detailed Business Case;
 - (b) site management, maintenance and environmental monitoring activities;
 - (c) repairs and maintenance work on the cover system at Rum Jungle Creek South; and
 - (d) stakeholder engagement.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

15. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against milestones in the delivery of the Rum Jungle Mine Site Rehabilitation Project (Stage 2A) 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) development of a Detailed Business Case to seek capital works funding for the Rum Jungle Mine Site Rehabilitation Project (Stage 3), in accordance with the Department of Finance's Two Stage Capital Works Approval Process and Gateway Review Process and in accordance with the [Resource Management Guide No. 502 \(Commonwealth of Australia, 2014\)](#); and
 - (d) capacity building support of Rum Jungle's traditional Aboriginal owners, including development of business structures and governance frameworks.

Role of the Northern Territory

16. The Northern Territory will be responsible for:
 - (a) providing an in-kind contribution to support the implementation of this Agreement;
 - (b) all aspects of delivering on the project outputs set out in clause 14(a) to 14(c), inclusive, of this Agreement;
 - (c) chairing stakeholder engagement meetings, and providing secretariat support;

- (d) notifying and consulting with the Commonwealth as soon as practicable if there is any material change to the substance of the Rum Jungle Rehabilitation Project;
- (e) providing supporting documentation, including information in Appendix A developed for the design and costings required to assist the Commonwealth in the development of the Detailed Business Case;
- (f) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments; and
- (g) promoting participation of traditional Aboriginal owners in the Rum Jungle Creek South repair and maintenance works in support of the output set out in clause 15(d) of this Agreement.

Shared roles

17. The Parties have agreed governance arrangements for the Rum Jungle Rehabilitation Project, which include:
 - (a) the establishment of a Governance Board to provide oversight of the Project Agreement and strategic oversight of the whole of the Rum Jungle Rehabilitation Project;
 - (b) conducting bilateral consultations on strategic matters, including but not limited to, risk, liability and responsibility; and
 - (c) the review and development (as necessary) of project documentation (such as a project management plan, master schedule, stakeholder engagement and communications plan, risk register and management plan, and quality management plan).
18. The Parties agree to develop a post-rehabilitation stewardship model.
19. The Parties also agree to be jointly responsible for engaging affected traditional Aboriginal owners and stakeholders, including affected parties under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth), relevant government agencies and the local community, to contribute to delivery of the Rum Jungle Mine Site Rehabilitation Project (Stage 2A) as set out in this Agreement.

Engagement of the Kungarakana and Warai traditional Aboriginal owners by the Parties does not supplant any consultative or representative role of the Northern Land Council under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth).

20. 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

21. 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 relevant performance report demonstrating the relevant milestone has been met.

Table 1: Performance requirements, reporting and payment summary

Outputs	Milestones	Report due	Payment
Rehabilitation design	Establish monitoring stations to acquire baseline environmental information for noise and air quality	15 December 2017 ⁵	\$2,216,000
	Complete drilling of Main Pit Tailings		
	Complete geotechnical drilling footprint area of new Waste Storage Facility		
	Submit application for Aboriginal Areas Protection Authority (AAPA) certificate for potential Stage 3 works		
Stakeholder engagement	Undertake and document stakeholder engagement and communication (traditional Aboriginal owner, community)		
Rehabilitation design	Complete: <ul style="list-style-type: none"> • historic and cultural heritage impact assessment; • socio-economic baseline (existing baseline); • in-field waste prioritisation assessment; • Main Pit tailings geochemical and geotechnical review; • flood modelling peer review; and • pit face drilling and concept pit dewatering strategy. 	15 May 2019	\$2,500,000
	Finalise: <ul style="list-style-type: none"> • baseline air quality, noise and vibration monitoring report; • visual amenity assessment report; • multi-criteria assessment of design options and alternatives; • in-field waste characterisation and segregation program; • engineering design for water management and access during construction; and • engineering design for water treatment plant. 		
	Update groundwater and contaminant fate models and report on scenarios		
Rum Jungle Creek South cover system	Finalise design requirements (technical specifications and drawings) with independent review		

⁵ Completed June 2018.

	Finalise Radiation Management Plan (RMP) for works		
	Complete traditional Aboriginal owner employment plan		
	Complete site maintenance activities (including native seed collection)		
Site management, maintenance and environmental monitoring activities	Complete annual maintenance earthworks, site security, fire control, and weed management and control		
Stakeholder engagement	Undertake and document stakeholder engagement and communication (including traditional Aboriginal owner, community, government(s))		
Rehabilitation design	Submit Draft and Supplementary (if required) Environmental Impact Statements ⁶	16 March 2020	\$5,332,000
	Delivery of design including: <ul style="list-style-type: none"> • procurement ready documentation of final drawings and technical specifications; • safety audit for intersection design; • supporting contaminated land assessment audit and remediation action plan; • Main Pit backfill methodology independent review; • a cost estimate that can support probabilistic cost estimation to P80 using risk based contingencies. 		
Rum Jungle Creek South cover system	Construction complete and demonstrate through a post construction report compliance with design and quality assurance/quality control standards		
	Finalise construction and post-construction dose assessment (in accordance with the RMP)		
	Complete revegetation and conduct monitoring		
	Complete site management activities, including repairs if required		
Site management, maintenance and environmental monitoring activities	Complete annual maintenance earthworks, site security, fire control, and weed management and control		
	Conduct ongoing environmental water monitoring (surface and groundwater),		

⁶ Draft and Supplementary Environmental Impact Statements must address the [Terms of Reference for the Preparation of an Environmental Impact Statement Rehabilitation of the Former Rum Jungle Mine Site \(NT Environment Protection Authority, March 2017\)](#)

	analysis and updating of water quality values		
Stakeholder engagement	Undertake and document stakeholder engagement and communication (including traditional Aboriginal owner, community, government(s))		

- 22. 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

- 23. The Northern Territory 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.

PART 5 – FINANCIAL ARRANGEMENTS

- 24. The Commonwealth will provide an estimated total financial contribution to the Northern Territory of \$10.048m in respect of this Agreement. All payments are GST exclusive.
- 25. The Commonwealth’s funding contribution will not be reduced where the Northern Territory secure funding from other activity partners.
- 26. 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 2.

Table 2: Estimated financial contributions

(\$ million)	2017-18	2018-19	2019-2020	Total
Estimated total budget (1)	2.262	2.569	5.429	10.260
Less estimated National Partnership Payments (2)	2.216	2.500	5.332	10.048
Commonwealth own purpose expense (3) ^(a)	0.046	0.069	0.097	0.212
Total Commonwealth contribution (4) = (2) + (3)	2.262	2.569	5.429	10.260
Balance of non-Commonwealth contributions (5) = (1) - (4)	0.0	0.0	0.0	0.0

^(a) Commonwealth funding for finalisation of the Detailed Business Case required for the Two Stage Capital Works Approval Process and capacity building support of traditional Aboriginal owners.

27. 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

Review of the Agreement

28. To assess the degree to which the purpose and outcomes have been achieved and to inform decisions regarding the next stage of work following the expiry of this agreement, a review of the Agreement will be scheduled to be completed approximately six months prior to its expiry.

Enforceability of the Agreement

29. 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

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

Delegations

32. 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

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

35. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

Interpretation

36. For the purposes of this Agreement:

- (a) Former Rum Jungle Uranium Field means the following four sites – Rum Jungle, Rum Jungle Creek South, Mount Burton and Mount Fitch;
- (b) Rum Jungle means the area of land identified as Section 2968, Hundred of Goyder; and
- (c) Rum Jungle Creek South means the area of land identified as Section 2830, Hundred of Goyder.

The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth of Australia by



Senator the Honourable Matthew Canavan
Minister for Resources and Northern Australia

20 March 2019

Signed for and on behalf of the Northern Territory by



The Honourable Paul Kirby MLA
Minister for Primary Industry and Resources

21st MAY 2019

Appendix A

Supporting documentation

1. Consistent with Clause 16(e), underpinning information required to support development of the revised final rehabilitation design and costings, including for the 20 year post-rehabilitation period, should be provided to the Commonwealth to inform the development of the Detailed Business Case.
2. This information includes, but is not limited to, the following:
 - (a) performance criteria for rehabilitation;
 - (b) statement or advice from the traditional Aboriginal owners and/or their representative body on their views of the proposed rehabilitation works and on the proposed land use (joint consultation responsibility);
 - (c) evidence to support the following changes made to the 2013 Conceptual Design (Stage 1) during Stage 2 (e.g. cost, benefit, risk):
 - o water filled Intermediate Pit
 - o Main Pit backfill methodology
 - o location of the new purpose built Waste Rock Dump
 - o borrow material source
 - o Mt Burton and Mt Fitch design
 - o post-rehabilitation costs;
 - (d) evidence to support each significant change in design (if any) made between Stages 2 and 2A (e.g. cost, benefit, risk);
 - (e) source, quantities and cost estimate of borrow material;
 - (f) construction/works plan;
 - (g) basis of capital cost estimate;
 - (h) in accordance with 16(c), stakeholder engagement meeting and decision records, particularly with traditional Aboriginal owners and their representative body;
 - (i) traditional Aboriginal owner employment/participation plan – during (Stage 3⁷) and post works (Stage 4⁸);

⁷ Stage 3 means period of rehabilitation works implementation and is subject to Stage 2A completion and Governments' decisions.

⁸ Stage 4 means post-rehabilitation period and is subject to Stage 3 completion and Governments' decisions.

- (j) procurement approach;
- (k) design for key elements of the preferred option;
- (l) approach to water treatment and management of waste streams during construction of rehabilitation works ;
- (m) capital cost plan⁹ for preferred option (Class 3) aligned with design procurement, governance, water treatment, workforce plan and value-engineered¹⁰ that can support a probabilistic cost estimation to P80; reviewed by an independent estimator;
- (n) provide an updated cost comparison table for the five options identified during Stage 1 using where applicable cost data generated during Stage 2; where this is not applicable use Northern Territory Department of Primary Industry and Resources desktop generated costs to complete the comparisons;
- (o) program for preferred option with Work Breakdown Structure; and
- (p) procurement and contracting model.

⁹ Includes works, contingency and risk costs, and administrative costs.

¹⁰ Value engineering is a process to examine all facets of a project to determine where capital and O&M (operation and maintenance) costs can be reduced, while still delivering a project that produces the outputs desired by the Owner. The process should always include life cycle cost analysis, and should not sacrifice quality for cost reduction.