

PROJECT AGREEMENT FOR TOURISM ICON PACKAGE - UPGRADE OF TOURIST FACILITIES ON ROTTNEST ISLAND

An agreement between:

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

The output of this project will be upgrades to sustainable visitor infrastructure and the museum on Rottnest Island.

Project Agreement for Tourism Icon package - upgrade of tourist facilities on Rottnest Island

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

1. This Agreement will support the delivery of Commonwealth funding of \$17.2 million for sustainable visitor infrastructure that enhances tourism facilities, amenities and experiences at Rottnest Island. This includes improvements to the network of significant cultural, heritage and environmental sites located across the island, and the facilities and curation at the Rottnest Island Museum at the Island Gateway.
2. This project is one of five projects that form the Australian Tourism Icons Package, a \$50 million Australian Government commitment to support the development of iconic tourism projects across Australia.
3. The Parties acknowledge the recognition of Whadjuk Noongar as traditional owners of Wadjemup/Rottnest Island, under the *Noongar Recognition Act 2016* (WA), and commit to engagement and consultation with Whadjuk Noongar and other key Aboriginal stakeholders in the development and delivery of projects that form part of this Agreement.

Reporting Arrangements

4. Western Australia 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 Western Australia of \$17.2 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.
6. The Western Australian Government will provide an estimated total additional financial contribution of \$16.2 million, exclusive of GST in respect of this Agreement for the investment in marine infrastructure to enhance tourism experiences at Rottnest Island

PART 1 – FORMALITIES

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

Parties to this Agreement

8. This Agreement is between the Commonwealth of Australia (the Commonwealth) and Western Australia.

Term of the Agreement

9. This Agreement will commence as soon as the Commonwealth and Western Australia sign it and will expire on 30 June 2022 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

10. The outputs of this Agreement will be:
 - (a) Construct sustainable visitor infrastructure on Rottnest Island, including:
 - i. facilities including shelters, ablutions, accommodation and utilities;
 - ii. transport networks including hubs, roads, pathways and trails; and
 - iii. wayfinding signage including walkway trails and interpretation.
 - (b) Develop an improved 'museum' experience for the network of significant cultural, heritage and environmental sites located across Rottnest Island, including:
 - i. enhanced facilities, curation and interpretation for the primary Museum hub at the Island Gateway; and
 - ii. enhanced facilities and interpretation of heritage and environmental offerings located across the Island.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

11. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against milestones in the delivery of the Rottnest Island Tourism Icon Project 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 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 States and Territories

- 12. Western Australia will be responsible for:
 - (a) providing a financial contribution to support the implementation of this Agreement;
 - (b) all aspects of delivering on the project outputs set out in this Agreement;
 - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (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; and
 - (e) 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.

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 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.

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestones or benchmarks	Report due	Payment
Construct sustainable visitor infrastructure on Rottneest Island	Contracts awarded and commencement of works for: (a) West End – ablutions, shelters, bus transfer (b) City of York – ablutions, camping (c) Wadjemup Hill (Military History) – ablutions, bus transfer	1/04/2020	\$2.82m
	Contracts awarded and commencement of works for: (a) The Basin – ablutions, landscaping (b) Visitor Accommodation - refurbish	1/04/2021	\$0.73m
	Construction complete for: (a) West End – ablutions, shelters, bus transfer (b) City of York - ablutions, camping	1/04/2021	\$4.50m
	Construction complete for: (a) The Basin – ablutions, landscaping (b) Visitor Accommodation – refurbish (c) Wadjemup Hill (Military History) – ablutions, bus transfer	1/04/2022	\$4.15m

Develop an improved 'museum' experience for the network of significant cultural, heritage and environmental sites located across Rottneest Island	Preliminary design approved for: (a) West End - interpretation and curation elements (b) Oliver Hill (Military History) – ablutions, landscaping, interpretation and curation elements (c) Wayfinding Signage - interpretation and curation elements (d) Island Gateway - interpretation curation elements, landscaping	1/04/2020	\$0.87m
	Contracts awarded and commencement of works for: (a) West End - interpretation and curation elements (b) Oliver Hill (Military History) - ablutions, landscaping, interpretation and curation elements (c) Wayfinding Signage - interpretation and curation elements (d) Island Gateway - interpretation and curation elements, landscaping	1/10/2020	\$1.0m
	Construction complete for: (a) West End - interpretation and curation elements	1/04/2021	\$1.4m
	Construction complete for: (a) Oliver Hill (Military History) - ablutions, landscaping, interpretation and curation elements (b) Wayfinding Signage - interpretation and curation elements (c) Island Gateway - interpretation and curation elements, landscaping	1/04/2022	\$1.73m

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 of actual performance in the period to date against the project milestones.

PART 5 – FINANCIAL ARRANGEMENTS

17. The Commonwealth will provide an estimated total financial contribution to Western Australia of \$17.2 million in respect of this Agreement. All payments are GST exclusive.
18. The Commonwealth's funding contribution will not be reduced where the Western Australia secure funding from other activity partners.
19. The Commonwealth's and Western Australia'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)	2019- 20	2020- 21	2021- 22	2022- 23	Total
Estimated total budget	5.2	11.8	13.9	2.5	33.4
Less estimated National Partnership Payments	3.69	7.63	5.88	0.0	17.2
Balance of non-Commonwealth contributions	1.51	4.17	8.02	2.5	16.2

20. 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

21. 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

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

Delegations

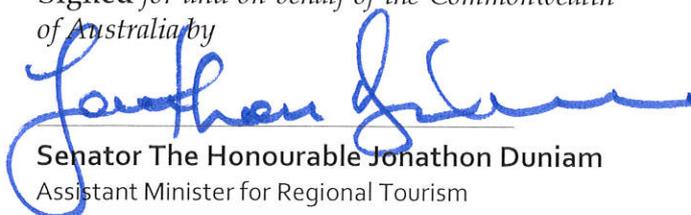
24. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

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:

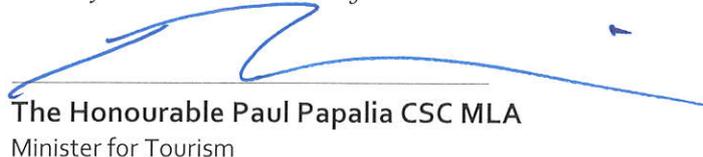
*Signed for and on behalf of the Commonwealth
of Australia by*



Senator The Honourable Jonathon Duniam
Assistant Minister for Regional Tourism

4 December 2019

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



The Honourable Paul Papalia CSC MLA
Minister for Tourism

28 November 2019