

# PROJECT AGREEMENT TO ESTABLISH THE NATIONAL HEAVY VEHICLE REGULATOR

Council of  
Australian  
Governments

An agreement between

- the Commonwealth of Australia and
- the State of Queensland

The output of this project will be the completion of the establishment of the National Heavy Vehicle Regulator in Queensland.

# Project Agreement to Establish the National Heavy Vehicle Regulator

## INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

### PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations 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 Intergovernmental Agreement on Federal Financial Relations.
2. This Agreement will provide funding in 2012-13 to complete the establishment of the National Heavy Vehicle Regulator (NHVR) in Queensland.
3. The Council of Australia Governments (excluding Western Australia) signed the Intergovernmental Agreement (IGA) on Heavy Vehicle Regulatory Reform on 19 August 2011. The IGA set out that establishment costs would be borne by the Commonwealth and be limited to those requirements essential to establishing the NHVR corporation and basic information technology (IT) system functionality for the NHVR to operate in an effective manner.
4. This Agreement succeeds a previous Agreement that provided funding in 2011-12 to commence the establishment of the NHVR.
5. The activities to be undertaken in 2012-13, which constitute the project for the purposes of this Agreement, are intended to be completed by 30 June 2013.
6. This Agreement constitutes the entire agreement for the project.

### PART 1 – FORMALITIES

#### Parties to this Agreement

7. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of Queensland (Queensland).

#### Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and Queensland sign the Agreement and will expire on 30 June 2013 or on completion of the project, including acceptance of final performance reporting and processing of the payment against the relevant milestone, unless terminated earlier or extended as agreed in writing by the Parties.

## PART 2 – PROJECT OUTPUT

### Output

9. The output of this Agreement will be the completion of the establishment of the NHVR in Queensland in accordance with the milestone deliverables detailed in Part 4.

## 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 the milestones in the delivery of the establishment of the NHVR under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - b) providing a financial contribution to Queensland to support the implementation of this Agreement.

### Role of Queensland

11. Queensland will be responsible for:
  - a) aspects of delivering on any Queensland project outputs set out in this Agreement;
  - b) ensuring the National Heavy Vehicle Regulator delivers on the project outputs they have carriage over;
  - c) reporting, via the National Heavy Vehicle Regulator, on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

### Shared roles

12. Both Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, 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

13. The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payment to be made, once reports certifying that milestones have been met are received and accepted.

Table 1: Milestones, reporting and payment summary

Output	Milestones	Relevant Reports due	Payments
Complete the agreed establishment activities of the NHVR, including procurement of IT and infrastructure facilities necessary for the effective operation of the NHVR.	Passage through the Queensland Parliament of the <i>Heavy Vehicle National Law Amendment Bill</i> by the end of March 2013.  Accommodation fit-out finalised.  Corporate IT systems and other infrastructure complete.	End of March 2013	\$13,866,980 (following the March report)
	Significant progress on implementation of Heavy Vehicle Access Management IT development	May 2013	Nil

### Reporting arrangements

14. Queensland will arrange for the National Heavy Vehicle Regulator to provide performance reports in accordance with the table above. The performance reports will contain the following information:
  - a) a description of actual performance to date against the project milestones;
  - b) details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how the National Heavy Vehicle Regulator proposes to resolve this/these matter(s); and
  - c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.
15. Queensland will also arrange for the National Heavy Vehicle Regulator to prepare a final Project Report within 90 days of the completion of the project agreed under the Project Agreement. The Project Report will be a stand-alone document that can be used for public information dissemination purposes. The final Project Report will:
  - a) describe the conduct, benefits and outcomes of the Project;
  - b) evaluate the Project from the responsible Party's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and
  - c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance and agreed between the Commonwealth and Queensland, at least 60 days before it is due.

## PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide a total financial contribution to Queensland of \$13,866,980 in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where the National Heavy Vehicle Regulator secures funding from other activity partners through innovative and collaborative partnerships.
18. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Queensland paid in accordance with *Schedule D – Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

**Table 2: Estimated financial contributions**

(\$ million)	2012-13	Total
<b>Estimated total budget</b>	<b>13.867</b>	<b>13.867</b>
Less estimated National Partnership Payments	13.867	13.867
Balance of non-Commonwealth contributions	0.0	0.0

19. Having regard to the agreed estimated costs of projects specified in a Project Agreement, Queensland 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. Queensland bears all risks should the cost of a project exceed the agreed estimated costs in the period of July to December 2012. The National Heavy Vehicle Regulator bears all risk should the costs of the project exceed the agreed estimated costs from January 2013 onwards. The Parties acknowledge that this arrangement provides incentive for Queensland and the National Heavy Vehicle Regulator to deliver the project 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. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

### Delegations

23. The Commonwealth Minister may delegate the assessment of performance 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

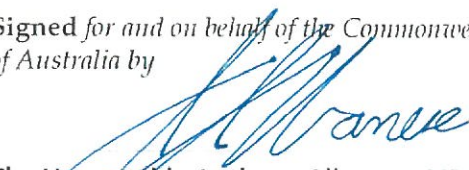
24. Any Party may give notice to other Parties of a dispute under this Agreement.

25. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
26. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
27. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to First Ministers for consideration.

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

Signed for and on behalf of the Commonwealth  
of Australia by



**The Honourable Anthony Albanese MP**  
Minister for Infrastructure and Transport

14 February 2013

Signed for and on behalf of the State of  
Queensland by



**The Honourable Scott Emerson MP**  
Minister for Transport and Main Roads

5/3/2013