

# PROJECT AGREEMENT FOR MACQUARIE POINT RAILYARDS PRECINCT REMEDICATION PROJECT

Council of  
Australian  
Governments

An agreement between

- n the Commonwealth of Australia and
- n Tasmania

The output of this project will be the completion of the remediation of the Macquarie Point Railyards site and Brooke Street Pier in Hobart in preparation for future redevelopment.

# Project Agreement for Macquarie Point Railyards Precinct Remediation Project

## 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 support the delivery of the remediation of the Macquarie Point Railyards site and Brooke Street Pier in Hobart for future redevelopment.
3. This Agreement constitutes the entire agreement for this project.
4. This Project Agreement replaces the previous Project Agreement for Macquarie Point Railyards Precinct Remediation Project of 22 June 2012.

### PART 1 – FORMALITIES

#### Parties to this Agreement

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of Tasmania.

#### Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and Tasmania sign the Agreement and will expire on 30 June 2016 or on completion of the project, including acceptance of final performance reporting against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

### PART 2 – PROJECT OUTPUTS

#### Outputs

7. The outputs of this Agreement are:
  - (a) the remediation of the Macquarie Point Railyards site to meet relevant standards to allow for future residential and/or commercial development; and
  - (b) the redevelopment of Brooke Street Pier infrastructure to support vessel berthing and accommodate construction of commercial developments to cater for the continued operation of local ferry and cruise services.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

8. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the Macquarie Point Railyards Precinct Remediation Project under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a consequent financial contribution to Tasmania to support the implementation of this Agreement.
  - (c) in accordance with the *Building and Construction Industry Improvement Act 2005*, ensuring that financial contributions to a building project or projects as defined under the Building and Construction Industry (Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and
  - (d) ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry is a condition of Australian Government funding.

### Role of Tasmania

9. Tasmania will be responsible for:
  - (a) all aspects of delivering on the project outputs set out in this Agreement;
  - (b) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
  - (c) ensuring that compliance with National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth; and
  - (d) ensuring that as part of receiving Commonwealth funds, the State Government agrees to apply state Local Industry Participation (LIP) policies as far as practicable given that the scope of work is already included in the contract for the current project. The State Government should confirm in writing to the Department of Infrastructure and Transport that it is applying current state LIP policies to the project.
  - (e) establishing an appropriate Public Non-Financial Corporation (PNFC), the Macquarie Point Development Corporation, to manage the delivery of the Macquarie Point Precinct Remediation project.
  - (f) holding the Commonwealth's funding contribution in trust and on-forwarding this contribution under this Agreement in full to the Macquarie Point Development Corporation, once established, in accordance with Schedule D – Payment Arrangements of the Intergovernmental Agreement on Federal Financial Relations.
  - (g) allowing the Macquarie Point Development Corporation to have tenure over the land such as ownership, vesting or long-term lease; and

- (h) coordinating with the Macquarie Point Development Corporation on the delivery of this project, including reporting on the delivery of outputs in accordance with the requirements of Part 4 – Project Milestones, Reporting and Payments.

### Role of the Macquarie Point Development Corporation (To be Established)

- 10. The Macquarie Point Development Corporation will be responsible for:
  - (a) ensuring completion of the project, as defined in Part 2 of this Agreement, in a timely and professional manner in accordance with this Agreement; and
  - (b) ensuring all conditions including the provision of reports, in accordance with this Agreement, are met and provided to the Commonwealth through Tasmania in a timely manner.

### Shared roles

- 11. The 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

- 12. The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made, once a report certifying that milestones have been met is received and accepted.

Table 1: Milestones, reporting and payment summary

Outputs	Milestones	Date due	Relevant Report due	Payment
Remediation of the Macquarie Point Railyards site.	Commonwealth contribution to assist with the costs of delivering the project	28/06/2012	N/A	\$50m
Redevelopment of Brooke Street Pier.	1 <sup>st</sup> Progress Report Development options and Benefit Cost Analysis for Macquarie Point Railyards site project Planning permit for Brooke Street Pier in place and detailed design in progress	01/11/2012	30/11/2012	
	2 <sup>nd</sup> Progress Report Macquarie Point Development Corporation operational and detailed Macquarie Point Railyards site remediation plan under development Building approvals and cost estimates for Brooke Street Pier finalised	01/06/2013	30/06/2013	
	3 <sup>rd</sup> Progress Report Detailed Macquarie Point Railyards site remediation plan completed Works on Brooke Street Pier commenced	01/11/2013	30/11/2013	
	4 <sup>rd</sup> Progress Report Contractors engaged and remediation on Macquarie Point Railyards site commenced Redevelopment of Brooke Street Pier completed and construction of commercial facilities commenced	01/06/2014	30/06/2014	

	5th Progress Report Update on Macquarie Point Railyards site remediation proceedings	01/11/2014	30/11/2014	
	6 <sup>th</sup> Progress Report Update on Macquarie Point Railyards site remediation proceedings	01/06/2015	30/06/2015	
	7 <sup>th</sup> Progress Report Update on Macquarie Point Railyards site remediation proceedings	01/11/2015	30/11/2015	
	Remediation complete and final report accepted by Commonwealth	01/06/2016	30/06/2016	

## Reporting arrangements

13. Macquarie Point Development Corporation, through Tasmania will provide performance reports in accordance with the above table during the operation of the Agreement. Each performance report is to contain the following information:
  - (a) a description of actual performance in the period 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 it is proposed 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.
14. The Macquarie Point Development Corporation, through Tasmania will also prepare a final Project Report within 90 days on 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 Tasmania, at least 60 days before it is due.

## PART 5 – FINANCIAL ARRANGEMENTS

15. The Commonwealth will provide a total financial contribution to Tasmania of \$50 million in respect of this Agreement. All payments are GST exclusive.
16. This financial contribution will be held in trust by Tasmania until the Macquarie Point Development Corporation is established by Tasmania. Once established, the financial contribution will be transferred to the Macquarie Point Development Corporation to manage the delivery of the Macquarie Point Railyards Precinct Remediation project.
17. The Commonwealth's funding contribution will not be reduced where Tasmania secures funding from other activity partners through innovative and collaborative partnerships.

18. The Commonwealth's and Tasmania's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Tasmania 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)	2011-12	2012-13	2013-14	2014-15	Total
Estimated total budget	50.0	0.0	0.0	0.0	50.0
Less estimated Commonwealth Payments	50.0	0.0	0.0	0.0	50.0
Balance of non-Commonwealth contributions (Tasmania and other funding partners)	0.0	0.0	0.0	0.0	0.0

19. Tasmania bears all risk should the costs of the project exceed the agreed estimated costs.

## 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 the Parties.
22. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

### Delegations

23. 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

24. A Party may give notice to the other Party 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 and if necessary, the relevant Standing Council.
27. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

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



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

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The Honourable Anthony Albanese MP  
Minister for Infrastructure and Transport

2012

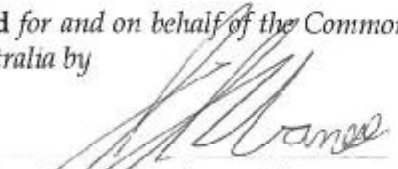
**Signed for and on behalf of the  
State of Tasmania by**

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The Honourable David O'Byrne MP  
Minister for Infrastructure

2012

Signed for and on behalf of the Commonwealth  
of Australia by

  
The Honourable Anthony Albanese MP  
Minister for Infrastructure and Transport

2/10/2012

Signed for and on behalf of the  
State of Tasmania by

  
The Honourable David O'Byrne MP  
Minister for Infrastructure

14/10. 2012