

PROJECT AGREEMENT FOR PROJECTS UNDER THE MURRAY-DARLING BASIN REGIONAL ECONOMIC DIVERSIFICATION PROGRAMME

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- the States of:
 - ◆ New South Wales;
 - ◆ Victoria;
 - ◆ Queensland; and
 - ◆ South Australia.

The outputs of these projects will support economic diversification under the Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin.

Project Agreement for projects under the Murray- Darling Basin Regional Economic Diversification Programme

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 (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 should also be read in conjunction with the Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin.
3. This Agreement will support the delivery of the Murray-Darling Basin Regional Economic Diversification Programme (the Programme).
4. The purpose of the Programme is to:
 - (a) deliver economic development projects and diversification initiatives that broaden and support the economic base of regional communities likely to be affected by the implementation of the Murray-Darling Basin Plan;
 - (b) encourage sustainable regional economic development, promote economic diversification, and increase the economic output of local and regional economies; and
 - (c) develop sustainable partnerships across state and local governments, the private sector and the not-for-profit community to support a shared vision and joint investment in regional communities.
5. This Agreement, including its Schedules, constitutes the entire agreement for the Programme and associated projects described in the Schedules to this Agreement.
 - (a) General arrangements that apply to all projects are set out in the body of this Agreement. Specific arrangements for individual jurisdictions are set out in bilateral Schedules to this Agreement.
 - (b) The projects covered by this Agreement, and the Commonwealth's estimated financial contribution to those projects, will be set out in clause 1 of the Schedules.

PART 1 – FORMALITIES

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and New South Wales, Victoria, Queensland and South Australia (the States).

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2017 or on completion of the projects, including acceptance of 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

8. The project outputs of this Agreement are set out in the Schedules to this Agreement.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

9. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievements against milestones in the delivery of the projects described in the Schedules to this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing consequent financial contributions to the States to support the implementation of this Agreement;
 - (c) where relevant, 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 Occupational Health and Safety Accreditation Scheme is contracted; and
 - (d) where relevant, ensuring that compliance with the Building Code 2013 is a condition of Australian Government funding.

Role of the States

10. The States will be responsible for:
 - (a) providing a financial and/or in-kind contribution to support the implementation of this Agreement, as described in the Schedules to this Agreement;
 - (b) all aspects of delivering on the project outputs set out in the Schedules to this Agreement;
 - (c) producing a consolidated Project Plan with details for each project in clause 1 of the Schedules to this Agreement. The details will include the estimated Commonwealth and, where relevant, State funding allocations, the delivery method, scope, stages and associated project milestones, completion date and risks associated with each stage of the project;
 - (d) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments, and the Schedules to this Agreement;

- (e) where relevant, ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme are contracted, and providing the necessary assurances to the Commonwealth;
- (f) where relevant, ensuring that compliance with the Building Code 2013 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
- (g) where relevant, ensuring all third party contractual arrangements require successful applicants to comply with all applicable laws and regulations (including, but not limited to, planning, environmental, occupational health and safety, building and regulatory approvals), in particular the *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)*, the *Native Title Act 1993 (Cth)* and *Natural Resources Management Act 2004 (SA)* and all applicable Australian standards.

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.
- 12. The relevant Parties will participate in consultations as appropriate regarding the implementation of this Agreement, including negotiating new or revised Schedules and conducting evaluations and reviews of services and outputs delivered under this Agreement.

PART 4 – PERFORMANCE REQUIREMENTS, REPORTING AND PAYMENTS

- 13. Table 1 in each of the Schedules to this Agreement summarises the performance requirements for the projects in each jurisdiction, relevant reporting dates and maximum payments to be made. Payments are subject to the State demonstrating, via a progress report, that milestones for individual projects have been met in full, in accordance with the agreed Project Plan.

Reporting arrangements

- 14. The States will provide progress reports in accordance with Table 1 in each of the Schedules to this Agreement. Each progress report is to contain the following information:
 - (a) a description of the State's actual progress in the period to date against each project's activities and milestones;
 - (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how the State propose 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.

PART 5 – FINANCIAL ARRANGEMENTS

- 15. The Commonwealth will provide a total financial contribution to the States of \$97.695 million in respect of this Agreement, comprising: New South Wales - \$32.573 million; Victoria - \$25.028 million; Queensland - \$15.055 million; and South Australia - \$25.039 million. All payments are GST exclusive.

16. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners through innovative and collaborative partnerships.
17. The Commonwealth's total estimated financial contribution 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 1. Total budgets for each State, and where applicable, State financial contributions, are shown in the Schedules to this Agreement.

Table 1: Estimated Commonwealth financial contributions

(\$ million)	2013-14	2014-15	2015-16	2016-17	Total
Estimated National Partnership Payments	10.000	32.493	30.519	24.683	97.695

18. Payments under this Agreement will be made on a project by project basis up to the maximum amounts shown in Table 1 of each of the Schedules to this Agreement. This is subject to the State demonstrating that milestones for individual projects have been met in full, in accordance with the agreed Project Plan.
19. Project Plans are flexible documents that may be varied over time to accommodate changes in circumstances. However, variations to Project Plans that directly affect milestones and their achievement, and therefore associated payments, are subject to written agreement between the Ministers or their delegates.
20. In the event that any of the projects described in the Schedules to this Agreement do not proceed, the relevant State will be required to:
 - (a) repay all unspent and uncommitted funding received from the Commonwealth; or
 - (b) apply the funding to an alternative project or projects in line with the objectives of the Programme, subject to the approval of the Commonwealth.

Project risk management

21. Having regard to the agreed estimated costs of individual projects specified in the Schedules to this Agreement, a State will not be required to pay a refund to the Commonwealth if the actual cost of a project is less than the agreed estimated cost of the project. Similarly, the States bear 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

22. 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

23. The Agreement may be amended at any time by agreement in writing by all the Parties.
24. Schedules to this Agreement may be amended at any time by agreement in writing by the relevant Commonwealth and State portfolio ministers.

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

Delegations

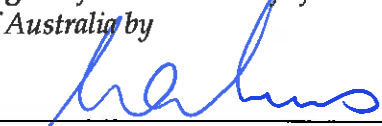
26. The Commonwealth Minister with portfolio responsibility for regional development may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those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

Dispute resolution

27. Any Party may give notice to other Parties of a dispute under this Agreement.
28. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
29. 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*



The Honourable Warren Truss MP

Deputy Prime Minister and Minister for
Infrastructure and Regional Development

[Day] [Month] [Year]

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

The Honourable Andrew Stoner MP
Deputy Premier, Minister for Trade and Investment,
Minister for Regional Infrastructure and Services

[Day] [Month] [Year]

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

The Honourable Andrew Cripps MP
Minister for Natural Resources and Mines

[Day] [Month] [Year]

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

The Honourable Peter Ryan MLA
Deputy Premier, Minister for State Development,
Minister for Regional and Rural Development

[Day] [Month] [Year]

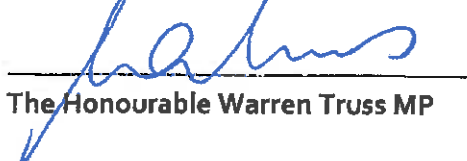
*Signed for and on behalf of the
State of South Australia by*

The Honourable Geoff Brock MP
Minister for Regional Development,
Minister for Local Government

[Day] [Month] [Year]

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The Honourable Troy Grant MP
Deputy Premier, Minister for Trade and Investment,
Minister for Regional Infrastructure and Services

[Day] [Month] [Year]

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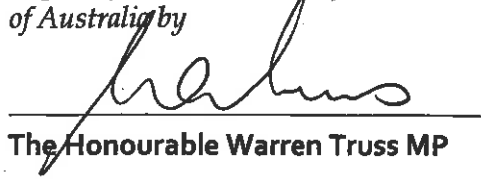
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Deputy Premier, Minister for State Development,
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