

# PROJECT AGREEMENT FOR ROCKINGHAM STRATEGIC REGIONAL CENTRE – SUSTAINABLE DEVELOPMENT DEMONSTRATION PROJECT

Council of  
Australian  
Governments

An agreement between

- n the Commonwealth of Australia and
- n Western Australia

The output of this project will be the construction of the first stage of a transit corridor and associated purpose-built, mixed-use residential buildings in Rockingham.

# Project Agreement for Rockingham Strategic Regional Centre – Sustainable Development Demonstration 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 construction of the first stage of a transit corridor and associated purpose-built, mixed-use residential buildings.
3. This Agreement constitutes the entire agreement for this project.

### PART 1 – FORMALITIES

#### Parties to this Agreement

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

#### Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and Western Australia sign the Agreement and will expire on 30 June 2014 or on completion of the project, 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

#### Outputs

6. The outputs of this Agreement will be construction of:
  - (a) the first stage of the transit corridor, including roadway, transit stop and public realm; and

- (b) a medium-density, 30-unit, medium-rise, mixed-use residential building that will serve to demonstrate housing typologies, layout and design for transit corridors, as well as considering:
  - i. adaptability;
  - ii. a high Green Star rating;
  - iii. community living;
  - iv. affordability; and
  - v. use of alternative building materials.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

- 7. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the Rockingham Strategic Regional Centre – Sustainable Development Demonstration Project under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a consequent financial contribution to the State to support the implementation of this Agreement.

### Role of the State

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

### Shared roles

- 9. 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

- 10. 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

Output	Milestone(s)	Date Due	Relevant Report Due	Payment
Signing of Project Agreement, approval of Business Case and project commencement	LandCorp approval of Business Case Initial payment to assist with project commencement costs Due Diligence Studies and Initiation of Planning	01/09/12	30/09/12	\$1,000,000
Construction of the first stage of the transit corridor and a medium-density, 30-unit, medium-rise, mixed-use residential building	Approval of Local Structure Plan (Integrated Development Guide Plan by City of Rockingham Contract awarded for Transit Way works following tender process. Progress Report accepted by Commonwealth Construction of the first stage of the transit corridor, including roadway, transit stop and public realm	01/02/13	28/02/13	\$750,000
	Agreement for Securitization of Land Demonstration Housing Project: <ul style="list-style-type: none"> <li>evidence of signed contract with builder or developer</li> <li>evidence of Development Approvals</li> </ul> Progress Report accepted by Commonwealth	14/07/13	21/07/13	\$1,000,000
	Demonstration Housing Project: <ul style="list-style-type: none"> <li>Evidence of commencement of Design and Construction works</li> <li>Land purchase complete</li> </ul>	30/10/13	15/11/13	\$1,000,000
	Final Project Report noting: <ul style="list-style-type: none"> <li>evidence of completion of construction works for the Demonstration Housing Project and substantial</li> <li>reporting on take-up of product by the market</li> <li>plans for monitoring in the context of subsequent long-term broader development in the adjacent Activity Centre and broader region</li> </ul> Report accepted by Commonwealth	01/11/14	30/11/14	N/A

## Reporting arrangements

11. Western Australia 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 of Western Australia 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 Western Australia 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.
12. Western Australia will also prepare a final Project Report within 90 days on the completion of the project(s) 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 Western Australia, at least 60 days before it is due.

## PART 5 – FINANCIAL ARRANGEMENTS

13. The Commonwealth will provide a total financial contribution to Western Australia of \$3.75m in respect of this Agreement. All payments are GST exclusive.
14. The Commonwealth's funding contribution will not be reduced where Western Australia secure funding from other activity partners through innovative and collaborative partnerships.
15. The Commonwealth's and Western Australia's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Western Australia 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	2013-14	Total
Estimated total budget	3.886	5.0	8.866
Less estimated National Partnership Payments	1.75	2.0	3.75
Balance of non-Commonwealth contributions	2.116	3.0	5.116

16. Having regard to the agreed estimated costs of projects specified in a Project 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

17. 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

18. The Agreement may be amended at any time by agreement in writing by both the Parties.
19. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

### Delegations

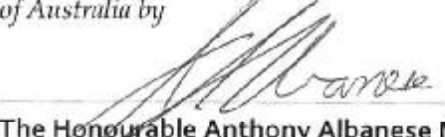
20. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### Dispute resolution

21. A Party may give notice to other Parties of a dispute under this Agreement.
22. Officials of both the Parties will attempt to resolve any dispute in the first instance.
23. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the relevant Standing Council.
24. 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**

  
The Honourable Anthony Albanese MP  
Minister for Infrastructure and Transport

29/10/2012

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

  
The Honourable Brendon Grylls MLA  
Minister for Regional Development

8/10/2012