

PROJECT AGREEMENT FOR THE UPGRADE OF WARRAGUL STATION PRECINCT

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Victoria

This agreement supports the upgrade of the Warragul Station Precinct through the construction of a vehicle underpass and renovation of the Railway Station Goods Shed into a multipurpose tourism centre.

Project Agreement for the Upgrade of Warragul Station Precinct

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 upgrade of the Warragul Station Precinct by funding the construction of a vehicle underpass (under the existing railway line); and the restoration and transformation of an historic railway goods shed into a multipurpose tourism centre. These works are part of larger program of works being undertaken by the State to upgrade the Warragul Station Precinct with a total project value of \$26.04 million.
3. This Agreement constitutes the entire agreement for this Project.

PART 1 – FORMALITIES

Parties to this Agreement

4. This Agreement is between the Commonwealth and the State of Victoria.

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and Victoria sign the Agreement and will expire on the later of 30 June 2016 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:
 - (a) a new vehicle underpass near Warragul Station; and
 - (b) a multipurpose tourism centre at the Warragul Station Precinct from redevelopment of the Railway Station goods shed.
7. Delivery of the outputs is subject to the appointment of a successful tenderer following a Request for Tender process conducted by the Victorian Government.

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 Warragul Station Precinct 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 Victoria

9. Victoria will be responsible for:
 - (a) providing an estimated financial contribution of \$22.7 million to upgrade the Warragul Station Precinct;
 - (b) ensuring the successful tender represents value for money and includes due diligence assessment (including confirmation of costs);
 - (c) establish a Development Agreement with successful tenderer for the goods shed renovation;
 - (d) all aspects of delivering on the project outputs set out in this Agreement; and
 - (e) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

10. The Commonwealth and the State will agree on the final proposal under which the successful tenderer will deliver the upgrade of the Warragul Station Precinct.
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. 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, once a report certifying that milestones have been met is received and accepted.

Table 1: Milestones, reporting and payment summary

Output	Milestones	Date due	Relevant Report due	Payment
Award of Tender for vehicle underpass.	Acceptance by the Commonwealth of a performance report on the process for and selection of the preferred tenderer with confirmation of final project costings and confirmation that all statutory approvals and licences have been obtained.	30/10/2013	30/11/2013	\$1.4m
Completion of vehicle underpass earthworks; and Award of Tender for Railway Station Goods Shed renovation.	Acceptance by the Commonwealth of a performance report demonstrating that the vehicle underpass earthworks are complete and the Development Agreement (DA) by the successful goods shed renovation tenderer has been executed.	1/4/2015	1/5/2015	\$1.3m
Construction complete.	Acceptance by the Commonwealth of a performance report demonstrating that the vehicle underpass has been built and the multipurpose tourism centre has been constructed from the relocation and renovation of the Railway Station goods shed (including proof of the issue of Certificates of Practical Completion) and identifying who will be responsible for ongoing maintenance of the assets.	31/7/2015	31/8/2015	\$0.65m

Reporting arrangements

13. Victoria 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 the State 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 the State proposes to resolve this/these matter(s); and:

Project Agreement for the upgrade of Warragul Station Precinct

- (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. Victoria will also 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 the State, at least 60 days before it is due.

PART 5 – FINANCIAL ARRANGEMENTS

- 15. The Commonwealth will provide a total financial contribution to Victoria of \$3.35m in respect of this Agreement. All payments are GST exclusive.
- 16. The Commonwealth contribution to the upgrade of the Warragul Station Precinct consists of \$2.6 million for construction of a vehicle underpass (including retaining walls, a new bridge structure, traffic signals, pedestrian access under the rail line and approach road realignment; and \$0.75 million for the renovation of the Railway Station goods shed into a multipurpose tourism centre at the Warragul Rail Precinct.
- 17. The Commonwealth's funding contribution will not be reduced where Victoria secures funding from other activity partners through innovative and collaborative partnerships.
- 18. The Commonwealth's and the State's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the State 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)	2013-14	2014-15	2015-16	Total
Estimated total budget	9.45	15.94	0.65	26.04
Less estimated National Partnership Payments	1.40	1.30	0.65	3.35
Balance of non-Commonwealth contributions	8.05	14.64	0.0	22.69

- 19. Having regard to the agreed estimated costs of projects specified in a Project Agreement, the State 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, the State 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 the State to deliver the project cost effectively and efficiently.

20. In the circumstances that the tender process fails to identify a viable tender for the upgrade of the Warragul Station Precinct, the State will be required to return the amount of funding received from the Commonwealth of \$2.7m (the total amount of the first two Commonwealth payments).

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 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.
28. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to relevant First Ministers for consideration.

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

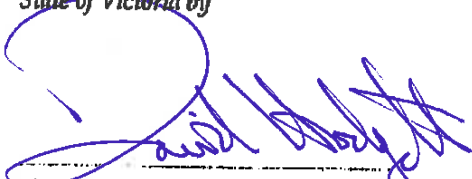
*Signed for and on behalf of the Commonwealth
of Australia by*



The Honourable Catherine King MP
Minister for Regional Australia, Local Government
and Territories

5/8 August 2013

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



The Honourable David Hodgett MLA
Acting Minister for Public Transport and Acting
Minister for Roads

09 August 2013