

PROJECT AGREEMENT FOR THE IMPLEMENTATION OF THE NATIONAL INSURANCE AFFORDABILITY INITIATIVE – IPSWICH AND ROMA

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Queensland

The output of this project will be the construction of a flood levee embankment in Roma and the upgrading of flood defences in Ipswich.

Project Agreement for the Implementation of the National Insurance Affordability Initiative – Ipswich and Roma

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 will support the implementation of the National Insurance Affordability Initiative by upgrading the flood defences in Ipswich and Roma.
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 Queensland.

Term of the Agreement

5. This Agreement will commence as soon as both parties sign the Agreement and will expire on 30 June 2015 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) construction of a 4.9km flood levee embankment in Roma; and
 - (b) upgrading of flood defences in Ipswich, including the following projects:

- i. **Thagoona** - Construction of a swale, culverts and bund along Karrabin-Rosewood Road from O'Shea Gully to Unnamed Gully, North South swale and Railway swale;
- ii. **Duncan Street** - Upgrade the pipe system between Shirley Street and Coleen Court to increase its capacity and improve stormwater conveyance;
- iii. **Duncan Street (2)** - Construction of a detention basin and associated drainage structures, redirection of drainage paths within Redbank Plains Recreational Reserve, construction of a detention basin/protection levee within Sandra Nolan Park, reconfiguration of drainage paths to the west of Cedar Road. Construction of levees/detention basin in Frawley Park;
- iv. **Rosewood** - Upgrade/ reconfigure Masons Gully and the "Town Drain" (including culvert upgrades) to increase its capacity and improve stormwater conveyance;
- v. **Edwards Street** - Upgrade the culverts under Whitehill Road/channel works and Briggs Road to improve their capacity;
- vi. **Kerners Road** - Construct a drainage channel along the western side of Kerners Road to improve stormwater conveyance; and
- vii. **Ipswich City Centre** - Construction of a detention basin in Limestone Park.

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 projects under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to Queensland to support the implementation of this Agreement;
 - (c) where applicable, 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 applicable, ensuring that compliance with the Building Code 2013 is a condition of Australian Government funding.

Role of Queensland

8. Queensland will be responsible for:
 - (a) on-forwarding the Commonwealth's funding contribution under this Agreement in full to the Ipswich City Council and the Maranoa Regional Council, in accordance with Schedule D – Payment Arrangements of the Intergovernmental Agreement on Federal Financial Relations; and
 - (b) coordinating with the Ipswich City Council and Maranoa Regional Council to ensure that the conditions of this Agreement are met, including reporting on the delivery of outputs in accordance with the requirements of Part 4 – Project Milestones, Reporting and Payments.

Role of the Participating Authorities

9. The Maranoa Regional Council and Ipswich City Council will be responsible for:
 - (a) all aspects of delivering on the project outputs set out in this Agreement in relation to their respective localities;
 - (b) ensuring all conditions including the provision of reports, in accordance with this Agreement, are met and provided to the Commonwealth through Queensland in a timely manner;
 - (c) where applicable, 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
 - (d) where applicable, 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.

Shared roles

10. 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

11. 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
Construction of a levee embankment in Roma – Stage 1	Construction complete	31/12/2014	31/1/2015	\$2.02m
Construction of western levee and eastern diversion channel in Roma – Stage 2	Construction complete	31/12/2015	31/1/2016	\$4.980m
Upgrading of flood defences in Ipswich	Site works commenced on at least two projects	1/09/2014	30/09/2014	\$3m
	Construction complete on at least three projects and site works commenced on remaining projects	30/12/2015	31/01/2016	\$4m
	Construction complete on all projects	1/06/2016	7/06/2016	\$3m

Reporting arrangements

12. The Participating Authorities will provide performance reports through the Queensland Government 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 matters that have arisen which could adversely impact on the delivery of the output, and how the Participating Authorities 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.
13. The Participating Authorities will also prepare a final Project Report within 90 days of the completion of the projects 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:
 - (d) describe the conduct, benefits and outcomes of the project;
 - (e) evaluate the project from the responsible Participating Authority's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and

- (f) 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 Participating Authorities, at least 60 days before it is due.

PART 5 – FINANCIAL ARRANGEMENTS

14. The Commonwealth will provide a total financial contribution to Queensland of \$17 million in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth’s funding contribution will not be reduced where the Participating Authorities secure funding from other activity partners through innovative and collaborative partnerships.
16. The Commonwealth’s and the Participating Authorities’ 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 Intergovernmental Agreement on Federal Financial Relations, is shown in Tables 2 and 3.

Table 2: Estimated financial contributions – Roma Levee

(\$ million)	2013-14	2014-15	2015-16	Total
Estimated total budget	20.7	-	-	20.7
Less estimated National Partnership Payments	-	2.02	4.98	7.0
Balance of non-Commonwealth contributions	13.7	-	-	13.7

Table 3: Estimated financial contributions – Ipswich Projects

(\$ million)	2013-14	2014-15	2015-16	Total
Estimated total budget	-	3.0	7.0	10.0
Less estimated National Partnership Payments	-	3.0	7.0	10.0
Balance of non-Commonwealth contributions	-	-	-	-

17. Having regard to the agreed estimated costs of projects specified in a Project Agreement, Participating Authorities 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 Participating Authorities 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 Participating Authorities to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

18. 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

19. The Agreement may be amended at any time by agreement in writing by either Party.

20. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

21. 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

22. Either Party may give notice to the other Party of a dispute under this Agreement.
23. Officials of both Parties will attempt to resolve any dispute in the first instance.
24. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
25. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to 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

AL

Senator the Honourable Mathias Cormann
Acting Assistant Treasurer

Date 26/8/14

Signed for and on behalf of the
State of Queensland by

The Honourable David Crisafulli MP
Minister for Local Government,
Community Recovery and Resilience

Date

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

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

Senator the Honourable Mathias Cormann
Acting Assistant Treasurer

Date

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

A handwritten signature in black ink, appearing to read 'David', followed by several horizontal strokes.

The Honourable David Crisafulli MP
Minister for Minister for Local Government,
Community Recovery and Resilience

Date 20/6/14.