

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

An agreement between

- n the Commonwealth of Australia; and
- n 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 Implementation of the National Insurance Affordability Initiative – Ipswich and Roma

OVERVIEW

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.

Purpose

2. This Agreement will support the implementation of the National Insurance Affordability Initiative by upgrading the flood defences in Ipswich and Roma. It replaces the former Agreement for Implementation of the National Insurance Affordability Initiative – Ipswich and Roma, signed on 7 June 2017.

Reporting Arrangements

3. Queensland will report against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to Queensland of \$17.0 million exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

5. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and Queensland.

Term of the Agreement

7. This Agreement will commence as soon as both parties sign the Agreement and will expire on 30 June 2019 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

8. The outputs of this Agreement will be:
 - (a) construction of a 4.9km flood levee embankment in Roma (Stage 1);
 - (b) construction of western levee and eastern diversion channel in Roma (Stage 2); and
 - (c) upgrading of flood defences in Ipswich, including the following projects:
 - i. **Thagoona** - Construction of a swale, culverts and levee along Karrabin-Rosewood Road from O'Shea Gully to Unnamed Gully;
 - ii. **Duncan Street (1)** - Construction of a detention basin between Shirley St and Carol St to mitigate flows;
 - iii. **Duncan Street (2)** - Construction of a detention basin and associated drainage structures, re-diversion of drainage paths within Redbank Plains Recreational Reserve, mitigation works 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 existing referable dam to improve its capacity and mitigate Q100 storm event;
 - v. **Edwards Street** - Upgrade the culverts under Whitehill Road;
 - vi. **Kerners Road** - Construct a drainage channel along the western side of Kerners Road to improve stormwater conveyance; and
 - vii. **Ipswich City Centre** - Drainage works in the drainage channel adjacent Hunter Street, Brassall.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

9. 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*, financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2005, only being made where a builder or builders accredited under the Australian Government Building and Construction Industry WHS Accreditation Scheme is contracted^(a); and
- (d) where applicable, ensuring that compliance with the Building Code 2013 is a condition of Australian Government funding^(b).

Role of Queensland

10. 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

11. 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, only a builder or builders accredited under the Australian Government Building and Construction Industry WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth^(a); and
- (d) where applicable, 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^(b).

^(a) Where appropriate, for projects that have a contract in place from 2 December 2016, in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 are only able to be made where a builder or builders accredited under the Australian Government building and construction industry WHS Accreditation Scheme is contracted, and the necessary assurances are required to be provided to the Commonwealth.

^(b) Where appropriate, for projects for which the contractor bid from 2 December 2016, compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of tender for and performance of building work for all contractors and subcontractors who tender for the work, and the necessary assurances are required to be provided to the Commonwealth. Contractors and subcontractors performing building work on the same project may be subject to the Building Code 2013 or the Building Code 2016 depending on when they bid for the work.

Shared roles

12. 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

13. 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. The Commonwealth will make payments subject to performance reports demonstrating the relevant milestone has been met.

Table 1: Milestones, reporting and payment summary

Outputs	Milestones	Date due	Relevant Report due	Payment
Construction of a flood 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	30/04/2019	18/05/2019	\$4.98m
Upgrading of flood defences in Ipswich	Site works commenced on at least two projects	1/09/2014	30/09/2014	\$3.00m
	Construction complete on all projects	16/06/2017	19/06/2017	\$7.00m

14. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

15. 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.

PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide a total financial contribution to Queensland of \$17.0 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where the Participating Authorities secure funding from other activity partners through innovative and collaborative partnerships.
18. 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 levees and diversion channel

(\$ million)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	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 flood defence projects

(\$ million)	2013-14	2014-15	2015-16	2016-17	2017-18	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	-	-	-	-	-	-

19. 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

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

Delegations

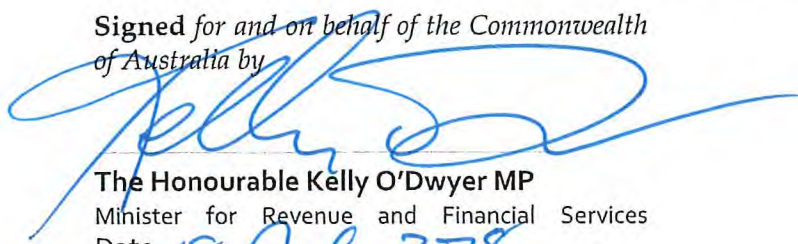
23. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

24. Either Party may give notice to the other Party of a dispute under this Agreement.
25. Officials of both 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.

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

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Kelly O'Dwyer MP
Minister for Revenue and Financial Services
Date 18 July 2018

Signed for and on behalf of the State of
Queensland by



The Honourable Stirling Hinchliffe MP
Minister for Local Government
Minister for Racing
Minister for Multicultural Affairs
Date 6 September 2018