

PROJECT AGREEMENT FOR THE SOUTH SYDNEY RABBITHOHS' COMMUNITY AND HIGH PERFORMANCE CENTRE OF EXCELLENCE

An agreement between:

- n the Commonwealth of Australia; and
- n New South Wales.

The output of this project will be the construction of the South Sydney Rabbitohs' community and high performance centre of excellence.

Project Agreement for the South Sydney Rabbitohs' Community and High Performance Centre of Excellence

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 construction of the South Sydney Rabbitohs' community and high performance centre of excellence.

Reporting Arrangements

3. New South Wales 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 New South Wales of \$10 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 New South Wales.

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and New South Wales sign it and will expire on 30 June 2019 or on completion of the project, including 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 OUTPUT

Output

8. The output of this Agreement will be construction of the South Sydney Rabbitohs' community and high performance centre of excellence, comprising:
 - (a) a community centre, including offices, classroom, learning centre and theatre;
 - (b) public facilities for patrons;
 - (c) an administration centre for the South Sydney Rugby League Football Club; and
 - (d) a football development department supported by elite facilities, including a gymnasium, indoor training centre, medical and physiotherapy, high altitude chamber, strategy room, players' lounge and offices.

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 South Sydney Rabbitohs' community and high performance centre of excellence under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to New South Wales to support the implementation of this Agreement;
 - (c) in accordance with the *Fair Work (Building Industry) Act 2012*, ensuring that financial contributions to a building project 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 WHS Accreditation Scheme is contracted; and
 - (d) ensuring that compliance with the Building Code 2013 is a condition of Australian Government funding.

Role of the State

10. New South Wales will be responsible for:
 - (a) monitoring delivery of the project outputs as set out in this Agreement;
 - (b) reporting to the Commonwealth on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments, including provision of a Certificate of Practical Completion to accompany the performance report for the final milestone in accordance with clause 15 of this Agreement; and
 - (c) on-forwarding the Commonwealth's financial contribution under this Agreement in a timely manner, in accordance with Schedule D, Clause 13 of the IGA FFR.

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.

Role of Participating Authority

12. South Sydney Members Rugby League Football Club Limited will have responsibility for:
 - (a) all aspects of delivering on the project outputs as set out in this Agreement;
 - (b) reporting to New South Wales on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments, including provision of a Certificate of Practical Completion to accompany the performance report for the final milestone in accordance with clause 15 of this Agreement;
 - (c) 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;
 - (d) 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
 - (e) ensuring that the project will:
 - i. be complete and free from defects or omissions, except for defects or omissions that are minor in nature;
 - ii. not cause any legal or physical impediment to the use and occupation of the property for the designated use; and
 - iii. be fit for use for the designated use.

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 the performance reports demonstrating the relevant milestone has been met.

Table 1: Performance requirements, reporting and payment summary

Output	Performance milestones	Report due	Payment
Construction of the South Sydney Rabbitohs' community and high performance centre of excellence.	Appointment of design team	30 April 2017	\$1m
	Approval of development application	1 September 2017	\$1m
	30% completion of construction	30 April 2018	\$2m
	50% completion of construction	1 December 2018	\$2m
	Practical completion of construction	30 April 2019	\$4m

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. New South Wales will provide the Commonwealth with performance reports in accordance with Table 1 during the operation of the Agreement based on information provided by the Participating Authority in accordance with clauses 12(b), (c) and (d) of this Agreement. Each performance report is to contain a description of actual performance in the period to date against the project milestones. The performance report for the final milestone will be accompanied by a Certificate of Practical Completion.

PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide an estimated total financial contribution to New South Wales of \$10 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's estimated funding contribution will not be reduced where South Sydney Members Rugby League Football Club Limited secures funding from other activity partners.

18. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to New South Wales paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: Estimated financial contributions

(\$ million)	2016-17	2017-18	2018-19	Total
Estimated total budget	3.0	6.0	8.0	17.0
Less estimated National Partnership Payments	1.0	3.0	6.0	10.0
Balance of non-Commonwealth contributions ^(a)	2.0	3.0	2.0	7.0

^(a) The total balance of non-Commonwealth contributions will be provided by the Randwick City Council and the South Sydney Members Rugby League Football Club Limited.

19. Having regard to the agreed costs of projects specified in this Agreement, South Sydney Members Rugby League Football Club Limited will not be required to pay a refund for on-forwarding by New South Wales to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, South Sydney Members Rugby League Football Club Limited 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 South Sydney Members Rugby League Football Club Limited to deliver the project 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 both the Parties.
22. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

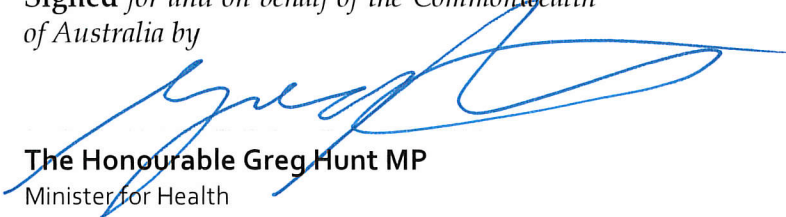
20. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

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

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

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Greg Hunt MP

Minister for Health

Minister for Sport

[Day] [Month] [Year]

19 4 2017

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



The Honourable Stuart Ayres MP

Minister for Western Sydney, Minister for
WestConnex, Minister for Sport

[Day] [Month] [Year]

28 03 2017