

Social Impact Investment New South Wales Foyer Central

PROJECT AGREEMENT FOR COMMONWEALTH STATE SOCIAL IMPACT INVESTMENTS

PART 1: PRELIMINARIES

1. This Bilateral Schedule (Schedule) to the Project Agreement for Commonwealth State Social Impact Investments (Agreement) should be read in conjunction with the Agreement. This Schedule has been developed in accordance with Part 3 of the Agreement.

PART 2: FORMALITIES

2. This Schedule is between the Commonwealth of Australia (the Commonwealth) and the State of New South Wales (NSW).
3. This Schedule will commence as soon as it is signed by the parties.
4. This Schedule will expire on 30 June 2027, including provision of nominated reports and invoices and processing of payments against Milestones, unless terminated earlier.
5. Under this Schedule, the Commonwealth will make payments to NSW that are based upon the services delivered and outcomes achieved by the Foyer Central Program ("Foyer") from the Commencement Date to the Commonwealth Measurement Date. The maximum funding available under this Schedule is \$2.6 million.
6. Commonwealth payments will be subject to Milestones and results, reporting requirements and payment arrangements as set out in Part 4 and 5 of the Agreement and Table 1 of this Schedule.
7. The Commonwealth's estimated financial contributions to NSW under this Schedule are set out at Table 2 of this Schedule, which are to be paid by the Commonwealth in 2026-27, unless in the event of Early Termination of the Schedule whereby the clauses under Part 7 of this Schedule will apply.
8. This Schedule may only be amended in writing, signed by both parties.

PART 3: DEFINITIONS

9. Throughout this Schedule, capitalised terms are defined to have the following meaning:

"Advance Payment" has the meaning defined in the Implementation Agreement (IA).

"Annual Review Report" has the meaning defined in the IA.

"Break Costs" has the meaning defined in the IA.

"Commencement Date" has the meaning defined in the IA.

"Commonwealth Advance Payment" means 12.04 per cent of the Advance Payments payable by NSW to Uniting from the Commencement Date until the Expiry Date or Early Termination, whichever is earlier, as specified in and calculated in accordance with the IA under Schedule 3. For the avoidance of doubt;

- a. In the event of early termination of this Schedule the Commonwealth Advance Payment will be calculated as the sum of 12.04 per cent of Advance Payment instalments for completed quarters, and 12.04 per cent of the portion of the Advance Payment instalment for the quarter in which Early Termination occurs reflecting the period elapsed as at the termination date.

"Commonwealth Interim Payment" means 12.04 per cent of the Interim Payments payable by NSW to Uniting from the Commencement Date until the Commonwealth Measurement Date or the Measurement Date preceding Early Termination, whichever is earlier, as specified and calculated in accordance with the IA under Schedule 3.

"Commonwealth Measurement Date" means 30 September 2026, the end of Program Period 5 as specified in the IA and the date at which the delivery of Outcomes for the term of this Schedule will be measured.

"Commonwealth Outcome Payment" means 12.04 per cent of the net Outcome Payments payable by NSW to Uniting from the Commencement Date to the Commonwealth Measurement Date or Measurement Date preceding Early Termination, whichever is earlier, as specified and calculated in accordance with the IA under Schedule 3. For the avoidance of doubt, in the event of Early Termination of this Schedule where clause 28.e.ii applies, the Commonwealth Outcome Payment will be 12.04 per cent of cumulative Outcome Payments up to the date of Early Termination, net of 12.04 per cent of any Owed Amount.

"Commonwealth Owed Amount" means 12.04 per cent of the each of the Owed Amount and Owed Advance Payment at the date of Early Termination, as specified and calculated in the IA.

"Commonwealth Termination Payment" means 12.04 per cent of each of the Termination Payment and Break Costs at the date of Early Termination, specified and calculated in accordance with the IA under Schedule 3.

“Early Termination” means termination of this Schedule by agreement between the parties prior to the Expiry Date.

“Expenses Review” has the meaning defined in the IA.

“Expiry Date” is 30 June 2027.

“Implementation Agreement (IA)” means the Deed of Implementation Agreement for the Foyer Central Social Impact Bond entered into by the Minister for Families, Communities and Disability Services for and on behalf of the Crown in right of NSW and Uniting Church in Australia Property Trust dated 6 September 2017 and includes the schedules and any other documents that are incorporated in the Agreement by reference (including the Operations Manual), as amended from time to time in accordance with the terms of the IA. This includes the Deed of Amendment and Restatement executed by the parties on 22 December 2020 amending the Deed of Implementation Agreement for Youth Foyer Social Benefit Bond.

“Independent Certifier” has the meaning defined in the IA.

“Independent Certifier’s report” means a report prepared by the Independent Certifier in accordance with the requirements of the IA, including itemisation of the Interim Indicators and Outcomes achieved from Commencement Date to the end of the Program Period.

“Interim Indicators” has the meaning defined in the IA.

“Interim Payment” has the meaning defined in the IA.

“Joint Working Group” has the meaning defined in the IA.

“Measurement Date” has the meaning defined in the IA.

“Milestone” means a milestone in Table 1 of this Schedule.

“Outcome” has the meaning defined in the IA.

“Outcome Payment” has the meaning defined in the IA.

“Owed Advance Payment” has the meaning defined in the IA Schedule 3 Part D Item 10.

“Owed Amount” has the meaning defined in the IA at Schedule 3 Part D Item 10.

“Performance Review” has the meaning defined in the IA.

“Program Period” has the meaning defined in the IA.

“Termination Payment” has the meaning defined in the IA.

“Uniting” means the Uniting Church in Australia Property Trust ABN 77 005 284 605.

PART 4: DELIVERY OF SOCIAL IMPACT INVESTMENT PROJECT

10. NSW has entered into the IA with Uniting under which Uniting will operate Foyer. Foyer will offer young out of home care leavers aged 18-22 years who are experiencing or at risk of homelessness a safe and affordable place to live while they engage in education, training and employment. Foyer will support an estimated 272 eligible young people up to 2031.
11. Under the terms of the IA, payments from NSW to Uniting are made based upon the Outcomes achieved by Foyer, specifically outcomes relating to participants' employment, accommodation and education, predominantly in the period 12 months post exit from the Foyer residential component of the program.

PART 5: PROJECT MILESTONES, REPORTING AND PAYMENTS

12. Table 1 of this Schedule sets out the Milestones, expected completion dates and, where applicable, payments to be made by the Commonwealth to NSW.
13. The Commonwealth Interim Payment and Commonwealth Outcome Payment amounts in Table 1 of this Schedule are based on the expected level of performance and may vary according to the Outcomes achieved. The Commonwealth Interim Payment plus the Commonwealth Outcome Payment will not exceed \$1.249 million.
14. The Commonwealth will make payments to NSW in the first payment round after completion of each of Milestones 6, 7 and 8 respectively.
15. Milestone dates may be amended by agreement in writing, signed by both parties.

Table 1: Milestone requirements, expected completion dates and payments

	Milestone requirements	Milestone completion date	Payment (\$m)
1	Provision of Annual Review Report for Program Period 1 and items informing the Annual Review Report*	30 June 2023	\$0
2	Provision of Annual Review Report for Program Period 2 and items informing the Annual Review Report*	30 June 2024	\$0
3	Provision of Independent Certifier's report and Annual Review Report for Program Period 3 and items informing the Annual Review Report*	30 June 2025	\$0
4	Provision of Independent Certifier's report and Annual Review Report for Program Period 4 and items informing the Annual Review Report*	30 June 2026	\$0
5	Provision of Independent Certifier's report and Annual Review Report for Program Period 5 and items informing the Annual Review Reports*	1 April 2027	\$0
6	Provision of Commonwealth Advance Payment invoice	1 April 2027	\$1.351**
7	Provision of Commonwealth Interim Payment invoice	1 April 2027	\$0.512**
8	Provision of Commonwealth Outcome Payment invoice	1 April 2027	\$0.737**

*Items informing the Annual Review Report may include, where applicable, Performance Reviews, Expenses Reviews and any other documents referred to in the Annual Review Report

**Pending successful achievement of Milestones 1, 2, 3, 4 and 5

PART 6: FINANCIAL ARRANGEMENTS

16. The Commonwealth's estimated financial contributions to NSW under this Schedule are set out in Table 2, based on payments accruing over the term of this Schedule.
17. The maximum amount payable by the Commonwealth to NSW under this Schedule is \$2.6 million.
18. The Commonwealth will make payments to NSW in 2026-27 as set out in Table 1 of this Schedule.

Table 2: Estimated financial contributions from Commonwealth to NSW (\$m)

Payment accrual period	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Commonwealth Advance Payment	0.114	0.229	0.229	0.200	0.193	0.193	0.193	1.351
Commonwealth Interim Payment*	0.000	0.000	0.102	0.102	0.102	0.102	0.104	0.512
Commonwealth Outcome Payment*	0.000	0.000	0.000	0.000	0.443	0.147	0.147	0.737
Total	0.114	0.229	0.331	0.302	0.738	0.442	0.444	2.600

*As noted at clause 13 of this Schedule, the Commonwealth Interim Payment and Commonwealth Outcome Payment amounts in this table are based on the expected level of performance and may vary. The Commonwealth Interim Payment plus the Commonwealth Outcome Payment will not exceed \$1.249 million.

PART 7: GOVERNANCE ARRANGEMENTS

Research and Evaluation and Intellectual Property

19. The Commonwealth will undertake its own research on whether Foyer has any impact on welfare use over time. The Commonwealth will share, on a confidential basis, the outputs of this research with NSW where it is authorised to do so. This clause will survive Early Termination or the expiration of this Schedule.
20. The Commonwealth will enter into an agreement to share data with NSW and Uniting for the purpose of measuring Outcomes, program monitoring and program evaluation. The agreement to share data operates as a separate agreement to this Schedule. This clause will survive Early Termination or the expiration of this Schedule.
21. NSW will share, on a confidential basis, evaluation findings from an evaluation commissioned by Uniting with the Commonwealth. This clause will survive Early Termination or the expiration of this Schedule.
22. NSW will obtain prior consent from the Commonwealth to publish information containing Commonwealth data, analysis of Commonwealth data or any information about the Commonwealth/NSW partnership on Foyer. This clause will survive Early Termination or the expiration of this Schedule.
23. The Commonwealth will obtain prior consent from NSW to publish any information about the Commonwealth/NSW partnership on Foyer. This clause will survive Early Termination or the expiration of this Schedule.

Joint working group

24. NSW will invite the Commonwealth to attend Joint Working Group meetings in an observer capacity for the duration of the IA.

Early Termination

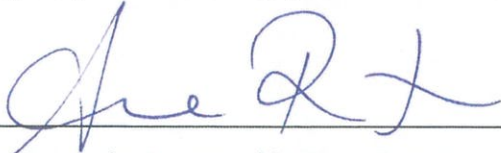
25. In the event of Early Termination, the total Commonwealth payments to NSW under this Schedule remain capped at \$2.6 million.
26. In the event that NSW and Uniting enter into negotiations that may lead to the termination or amendment of the IA, NSW will inform the Commonwealth about those negotiations. The parties agree to negotiate in good faith any amendments to this Schedule that may be required to appropriately reflect changes to the IA.
27. In the event of Early Termination, the parties will negotiate in good faith the timing of Commonwealth payments under this Schedule to NSW.
28. In the event that the IA is terminated early:
 - a. This Schedule will be terminated early.
 - b. NSW will provide the Commonwealth with notice of Early Termination in writing indicating the date of termination of the IA within 30 days of the termination of the IA.
 - c. The Commonwealth will pay NSW the Commonwealth Termination Payment or Commonwealth Owed Amount if NSW provides the Commonwealth with notice of Early Termination and invoice on or before 31 May 2027.
 - d. Notwithstanding Early Termination, neither party to this Schedule is liable for any indirect or consequential loss that may arise from the termination of the IA.
 - e. Subject to the completed Milestones in Table 1 of this Schedule and receipt of notice of Early Termination and invoices, the Commonwealth will pay NSW:
 - i. the Commonwealth Advance Payment, Commonwealth Interim Payment and Commonwealth Outcome Payment, owed at the date of termination of the IA; and
 - ii. the Commonwealth Termination Payment owed at the date of termination of the IA — if the sum of the Termination Payment and Break Costs is equal to or more than the sum of the Owed Amount and Owed Advance Payment owed by Uniting to NSW; or
 - iii. the Commonwealth Owed Amount owed at the date of termination of the IA — if the sum of the Owed Amount and Owed Advance Payment owed by Uniting to NSW is more than the sum of the Termination Payment and Break Costs.

29. The Commonwealth may terminate this Schedule in the event that NSW does not deliver one or more of Milestones 1, 2, 3, 4 and 5 in Table 1 of this Schedule, except in circumstances where failure to deliver is due to causes beyond NSW control.
 - a. The Commonwealth will provide NSW with notice of Early Termination in writing indicating the date of termination. The date of termination must be at least 30 days from the receipt of the notice.
 - b. Subject to the completed Milestones in Table 1 of this Schedule and receipt of Early Termination notice and invoices, the Commonwealth will pay NSW the Commonwealth Advance Payment, Commonwealth Interim Payment and Commonwealth Outcome Payment owed at the date of Early Termination.

30. NSW may terminate this Schedule in the event that any payment due to NSW is not made by the Commonwealth in accordance with the terms outlined in Part 6 of this Schedule.
 - a. NSW will provide the Commonwealth with notice of Early Termination in writing indicating the date of termination. The date of termination must be at least 30 days from the receipt of the notice.
 - b. Subject to the completed Milestones in Table 1 of this Schedule and receipt of Early Termination notice and invoices, the Commonwealth will pay the Commonwealth Advance Payment, Commonwealth Interim Payment and Commonwealth Outcome Payment, owed at the date of Early Termination.

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

Signed for and on behalf of the Commonwealth of Australia by

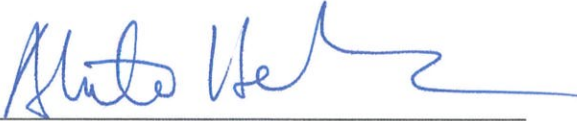


Senator, the Honourable Anne Ruston

Minister for Families and Social Services and Minister for Women's Safety

3 / 8 / 2021

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



The Honourable Alister Henskens MP

Minister for Families, Communities and Disability Services

23 / 8 / 2021