

VARIATION - PROJECT AGREEMENT FOR THE CUNNAMULLA ARTESIAN HOT SPRINGS AND WARREGO RIVER WALK EXPERIENCE

An Agreement between:

- the Commonwealth of Australia; and
- the State of Queensland

The output of this Agreement will be the construction of Artesian Hot Springs facilities and Warrego River Walk Experience at Cunnamulla.

Variation - Project Agreement for the Cunnamulla Artesian Hot Springs and Warrego River Walk Experience

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 delivery of the Cunnamulla Artesian Hot Springs facilities (heated spa, pool and therapy complex) and a recreational river walk along the Warrego River (viewing platforms, picnic areas, exercise equipment, signage and lighting), to complement existing community and tourism facilities in Cunnamulla. The project will focus on providing Indigenous employment and broader social and economic benefits to the community.

Reporting Arrangements

3. The State 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 the State of \$8,495,955 (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 the State of Queensland (the State).

Term of the Agreement

7. This Agreement varies the original agreement, which came into effect on 18 February 2020. It also varies the previous Variation to the Project Agreement which came into effect on 5 October

2021. This Agreement will expire on 31 December 2023 or upon 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 OUTPUTS

Output

8. The output of this project will be:
- (a) The construction of Cunnamulla Artesian Hot Springs facilities and Warrego River walk experience at Cunnamulla including the:
 - i. installation of heated spas and pools, and therapy complex.
 - ii. construction of a recreational river walk (including viewing platforms, landscaping, picnic facilities, exercise equipment, signage and lighting).

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 Cunnamulla Artesian Hot Springs facilities and Warrego River walk experience under this Agreement to ensure that outputs are delivered within the agreed timeframe
 - (b) providing a consequent financial contribution to the States to support the implementation of this Agreement
 - (c) in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted
 - (d) ensuring that compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of Australian Government funding.

Role of the States and Territories

10. The State will be responsible for:
- (a) All aspects of delivering on the project and Agreement outputs set out in this agreement
 - (b) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments
 - (c) providing the opportunities for Indigenous employment in the delivery of the project
 - (d) ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is/are contracted, and providing the necessary assurances to the Commonwealth

- (e) ensuring that compliance with the Building Code 2016 is made a condition of tender for and performance of building work by all contractors and subcontractors and providing the necessary assurances to the Commonwealth.

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.

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

Table 1: Performance requirements, reporting and payment summary

Output	Performance milestones	Evidence due	Payment
Construction of Artesian Hot Springs facilities and Warrego River Walk Experience at Cunnamulla.	1. Evidence to support the development of preliminary works documents have been completed including: <ul style="list-style-type: none"> establishing a working group committee undertaking community consultation and developing a concept design plan. 	Completed	\$250,000 (Paid)
	2. Evidence submitted to the department supporting the completed activities including: <ul style="list-style-type: none"> Provision of the final project scope Detailed project management plan Future performance milestones, including establishment of construction milestones, and associated payments profile Final project design and tender documents. 	Completed	\$250,000 (Paid)
	3. Evidence submitted to the department supporting the activities including: <ul style="list-style-type: none"> Construction contractor procured Necessary approvals in place Works on the hot spring facilities, hot springs pools and river walk commenced. 	Completed	\$2,220,000 (Paid)

Continued: Construction of Artesian Hot Springs facilities and Warrego River Walk Experience at Cunnamulla.	4. Evidence submitted to the department supporting completion of the following: <ul style="list-style-type: none"> Hot spring building - external structure (main building) complete Hot spring building – internal walls timber framing installed in main building Hot spring pools structures - concrete piers completed, 60 total piers drilled and reinforced concrete poured Hot springs pools plant – (procured) Aquatic Plant Contractor engaged and initial deposit payable 	Completed	\$1,300,000 (Paid)
	5. Evidence submitted to the department supporting completion of the following: <ul style="list-style-type: none"> Pools A and B bases poured Sauna/Steam Room concrete slab poured Hot Springs Main Building: <ul style="list-style-type: none"> Mechanical ducting complete Air conditioning complete Electrical wiring complete Internal walls sheeted Rear of building External cladding Pool plant and equipment ordered Engagement of construction phase services and certification: <ul style="list-style-type: none"> Aquatic Consultant Landscape Architect 	30/4/2023	\$2,700,000
	6. Evidence submitted to the department supporting completion of the following including: <ul style="list-style-type: none"> Heated spas and pools, and therapy complex fit out completed Plant room building constructed and plant installed (pumps, chillers, monitoring equipment) Riverwalk – including viewing platforms, picnic areas, exercise equipment, signage and lighting Site landscaping – topsoiling, shaping and planting. 	30/9/2023	\$1,580,000
	7. Evidence submitted to the department supporting: <ul style="list-style-type: none"> Project completion - report including copies of building/occupancy certificates and photographs and expenditure. 	30/12/2023	\$195,955

13. 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 agreed milestone date.

Reporting arrangements

14. The State will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain a description of actual performance in the period to date against the project milestones.
15. The State will provide a completion report on the activities being funded under this Agreement once project completion has been reached. The completion report is to contain a description of actual performance in the period.

PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide an estimated total financial contribution to the State of \$8.496 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where the State secures funding from other activity partners.
18. The Commonwealth's and the State's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the State paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: Estimated financial contributions

(\$ million)	2019-20	2021-22	2022-23	2023-24	Total
Estimated total budget	0.250	2.470	6.860	1.776	11.356
Less estimated National Partnership Payments	0.250	2.470	4.000	1.776	8.496
Balance of non-Commonwealth contributions	0.000	0.000	2.860	0.000	2.860

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

19. 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

20. The Agreement may be amended at any time by agreement in writing by both Parties.
21. Either Party may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

22. 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

23. Either Party may give notice to other Party of a dispute under this Agreement.
24. Officials of both Parties will attempt to resolve any dispute in the first instance.
25. 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 Tanya Plibersek MP

Minister for the Environment and Water

29 March 2023
[Day] [Month] [Year]

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



The Honourable Dr Steven Miles MP

Deputy Premier and Minister for State Development,
Infrastructure, Local Government and Planning

Minister Assisting the Premier on Olympic and
Paralympic Games Infrastructure

[Day] [Month] [Year]

4 April 2023