

PROJECT AGREEMENT FOR THE BARKLY REGIONAL DEAL

An agreement between:

- the **Commonwealth of Australia**; and
- the **Government of the Northern Territory of Australia**

The output of this project will be the delivery of seven initiatives as part of the Barkly Regional Deal to improve the productivity and liveability of the Barkly region by stimulating economic growth and improving social outcomes, including reducing overcrowding and improving child safety.

Project Agreement for the Barkly Regional Deal

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.
2. This Agreement must be read in conjunction with the Barkly Regional Deal and the Barkly Regional Deal Implementation Plan.
3. This Agreement covers \$10.74 million of the total Commonwealth funding of \$45.4 million under the Barkly Regional Deal with the remainder of funding being provided via other funding mechanisms.

Purpose

4. In entering this Agreement, the Commonwealth and the Northern Territory Government recognise they share responsibilities in improving economic and social outcomes in the Barkly region and will work in partnership with the Barkly Regional Council and the Barkly Governance Table to achieve these outcomes as part of the Barkly Regional Deal.
5. This Agreement will support the delivery of seven economic, social and cultural projects as part of the Barkly Regional Deal to improve the productivity and liveability of the Barkly region by stimulating economic growth and improving social outcomes, including reducing overcrowding and improving child safety.
6. Funding for one of the seven projects will be provided to the Barkly Regional Council through the Northern Territory Government.
7. The Commonwealth and the Northern Territory Government acknowledge that Aboriginal leadership is critical to the successful implementation of the Barkly Regional Deal.

Reporting Arrangements

8. The Northern Territory Government 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

9. The Commonwealth will provide an estimated total financial contribution to the Northern Territory of \$10.74 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

10. This Agreement constitutes the entire agreement for the projects listed in this Agreement in Section 13.

Parties to this Agreement

11. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Government of the Northern Territory of Australia (Northern Territory Government).

Term of the Agreement

12. This Agreement will commence as soon as the Commonwealth and the Northern Territory Government sign it and will expire on 30 June 2022 or on completion of the projects, 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

Outputs

13. The outputs of this Agreement will be:
 - (a) Construction of a Visitor Park in Tennant Creek for transitional and seasonal visitors from outlying remote communities;
 - (b) Completion of a scoping study to inform the design, construction and operation of a new student boarding accommodation facility for students in Tennant Creek and outlying communities;
 - (c) Development of a public-private partnership with Venture Housing Company, a community housing provider, to construct 20 units of social and affordable housing;
 - (d) Delivery of community mediation support services across the Barkly region;
 - (e) Delivery of administrative support for the Barkly Governance Table in 2019-20;
 - (f) Delivery of objectives agreed for the Barkly Local Community Projects Fund; and
 - (g) Establishment of the Barkly Business Hub, which will also house the Barkly Mining and Energy Services Hub and assist with implementing the economic growth strategy.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

14. The Commonwealth will be responsible for:
 - (a) Monitoring and assessing achievement against milestones in the delivery of the Project Agreement for the Barkly Regional Deal under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) Providing a consequent financial contribution to the Northern Territory Government 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; and
- (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

15. The Northern Territory Government will be responsible for:
- (a) Providing financial and in-kind contributions to support the implementation of this Agreement as indicated;
 - (b) All aspects of delivering on the project outputs set out in this Agreement;
 - (c) Reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (d) Ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
 - (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

16. 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

17. Table 1 summarises the milestones for the projects, 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 reporting demonstrating that the relevant milestones have been met.

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestones or benchmarks	Report due	Payment
Construction of a Tennant Creek Visitor Park	Site selected and design and operational models shortlisted by the Northern Territory Government for community consultation	16/03/2020	\$2.0m
	Procurement for construction contract completed, construction underway and procurement process for operational contract underway	15/06/2021	\$3.0m
	Construction completed and statement of occupancy issued	30/09/2021	n/a
Scoping study for a student boarding accommodation facility	<p>Scoping study submitted by the Northern Territory Government to the Department of Infrastructure, Transport, Cities & Regional Development</p> <p>Completion of scoping study to include community consultation and is to identify culturally appropriate operational model and wrap-around services, facility design and construction, and broader school attendance strategy in response to community needs</p>	16/03/2020	\$0.1m
Private-public partnership with Venture Housing Company	Northern Territory Government finalises funding agreement with Venture Housing Company to construct social and affordable housing	16/03/2020	\$0.95m
Delivery of community mediation support services	First round of community consultation on service model finalised by Northern Territory Government	16/03/2020	\$0.33m
	Review of service effectiveness completed	12/02/2021	\$0.32m
Delivery of administrative support for the Barkly Governance Table	Northern Territory Government finalise funding agreement with Barkly Regional Council to provide administrative support for the Barkly Governance Table in 2019-20	31/01/2020	\$0.335m
Delivery of agreed objectives for the Local Community Project	Funding agreement in place, including finalised criteria, to deliver the Local Community Projects Fund from 2019-20.	30/04/2020	\$0.5m

Outputs	Performance milestones or benchmarks	Report due	Payment
Fund	2020-21 Local Community Projects Fund applications open	15/01/2021	\$0.5m
	2021-22 Local Community Projects Fund applications open	14/01/2022	\$0.5m
Construction, fit out and operation of the Barkly Business Hub	Commence community co-design process to inform operational model of the facility	17/06/2020	\$0.5m
	Business plan agreed between the Northern Territory Government and Commonwealth for operational model of the Hub, including details of services/programs to be offered for the first year of operations	17/07/2020	\$0.8m
	Service/program offering for second year of operations to be agreed between the Northern Territory Government and Commonwealth.	16/07/2021	\$0.9m
Total			\$10.74m

18. 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

19. The Northern Territory Government will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain tracking of actual performance in the period to date against the project milestones.

PART 5 – FINANCIAL ARRANGEMENTS

20. The Commonwealth will provide an estimated total financial contribution to the Northern Territory Government of \$10.74 million in respect of this Agreement. All payments are GST exclusive.
21. The Commonwealth's funding contribution will not be reduced where the Northern Territory Government secures funding from other activity partners.

22. The Commonwealth's and the Northern Territory Government's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States 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	2020-21	2021-22	Total
Estimated total budget	8.07	6.92	3.7	18.69
Less estimated National Partnership Payments	4.72	4.62	1.4	10.74
Balance of non-C'wlth contributions	3.35	2.3	2.3	7.95
Northern Territory Government	1.85	0.8	2.3	4.95
Barkly Regional Council	1.5	1.5	0.0	3.0

23. Having regard to the agreed estimated costs of projects specified in this Agreement, the Northern Territory Government 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 Northern Territory Government 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 the Northern Territory Government to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

24. 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

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

Delegations

27. 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

28. Either Party may give notice to other Party of a dispute under this Agreement.
29. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
30. 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 Nola Marino MP

Assistant Minister for Regional Development and
Territories

[Day] [Month] [Year]

15 JAN 2020

*Signed for and on behalf of the Northern
Territory by*



The Honourable Michael Gunner MLA

Chief Minister of the Northern Territory of Australia

[Day] [Month] [Year]