

Townsville City Deal: Port of Townsville Channel Upgrade

FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table 1: Formalities and operation of schedule																																												
Parties	Commonwealth Queensland																																											
Duration	This Schedule is expected to expire on 31 December 2024 but will expire on completion of the project.																																											
Purpose	This Schedule will support the delivery of the Port of Townsville Channel Upgrade Project.																																											
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to the States of \$75.0 million in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2018-19</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23</th> <th>2023-24</th> <th>2024-25</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>75.0</td> <td>0.0</td> <td>65.0</td> <td>43.5</td> <td>20.0</td> <td>0.0</td> <td>48.3</td> <td>251.8</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>0.0</td> <td>0.0</td> <td>15.0</td> <td>20.0</td> <td>20.0</td> <td>0.0</td> <td>20.0</td> <td>75.0</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>75.0</td> <td>0.0</td> <td>50.0</td> <td>23.5</td> <td>0.0</td> <td>0.0</td> <td>28.3</td> <td>176.8</td> </tr> </tbody> </table> <p>Note: Additional non-Commonwealth funding includes: \$105.0m: The Queensland Government, and \$71.8m: Port of Townsville Limited.</p>								Table 1 (\$ million)	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total	Estimated total budget	75.0	0.0	65.0	43.5	20.0	0.0	48.3	251.8	<i>Less estimated National Partnership Payments</i>	0.0	0.0	15.0	20.0	20.0	0.0	20.0	75.0	Balance of non-Commonwealth contributions	75.0	0.0	50.0	23.5	0.0	0.0	28.3	176.8
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<p>Additional terms</p>	<p>Outputs</p> <ol style="list-style-type: none"> 1. The outputs of this Agreement will be a widening of the existing Port of Townsville navigational channels from the current 92 metre width to 180 metres at the harbour entrance, tapering to 120 metres at the sea channel entrance, comprising: <ol style="list-style-type: none"> (a) Dredging Inner Platypus Channel; (b) Dredging Outer Platypus Channel; (c) Dredging Sea Channel; (d) Rock Haulage; (e) Construction of Rock Wall Structure; and (f) Land Reclamation (beneficially using the material dredged from the Inner Platypus, Outer Platypus and Sea Channels). <p>Role of the Queensland</p> <ol style="list-style-type: none"> 2. Queensland will be responsible for: <ol style="list-style-type: none"> (i) maximising opportunities for Townsville business involvement in the construction of the project; and (ii) ensuring that Indigenous Australians are able to realise employment and business opportunities on the construction of the project by including Indigenous training, employment and supplier-use requirements that reflect the local Indigenous working age population³ in all project contracts; (g) ensuring that only a builder or builders accredited under the WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and (h) ensuring that the project adheres to all conditions of Commonwealth and Queensland approvals for the project (including but not limited to environmental and engineering conditions). 3. Additionally, Queensland agrees to: <ol style="list-style-type: none"> (a) include the words "The Port of Townsville Channel Upgrade is a joint project of the Queensland Government and the Australian Government, and is supported by Port of Townsville Limited. The Channel Upgrade forms part of the Townsville City Deal signed in December 2016" on the Port of Townsville Limited website, and in all publications and promotional material; (b) as soon as practicable following the signing of this Agreement, erect and maintain a sign (for two years after completion of the works) at the Port of Townsville entry. The sign must include the Commonwealth logo and the words "The Port of Townsville Channel Upgrade is jointly
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³ ABS data indicates that Indigenous Australians represent 6.6% of the working-age population of the Townsville area.

funded by the Australian Government and forms part of the Townsville City Deal signed in December 2016"; and

- (c) only use the Commonwealth logo with approval from the Commonwealth and in accordance with Commonwealth branding guidelines.

Shared roles

4. The Parties:

- (a) recognise the project as a project under the Townsville City Deal and acknowledge the principles and contents of:
- the Commonwealth—Queensland Government Memorandum of Understanding for City Deals in Queensland, signed 10 November 2016;
 - the Townsville City Deal, signed 9 December 2016;
 - the Townsville City Deal Implementation Plan, published 24 April 2017; and
 - the Townsville City Deal Governance Plan and Media Protocols, as endorsed by the Townsville City Deal Executive Board from time to time.

Reporting arrangements

5. Queensland will provide performance reports for each milestone as detailed in Table 1 during the operation of the Agreement. Each performance report is to contain as a minimum the following information for the project for the relevant milestone:

- (a) A description of actual performance in the period to date against the milestones;
- (b) Sufficient documentation to provide the Commonwealth with assurance that the relevant milestone has been met and to detail project progress including:
- (i) milestone progress showing estimated completion date;
 - (ii) financial performance with procurement activities indicating Indigenous and local supplier targets; and
 - (iii) safety and environmental performance reporting in relation to the project.

Table 2: Performance requirements, reporting and payment summary

Output	Performance milestones	Report due	Payment
Widening of the existing Port of Townsville navigational channels from the current 92 metre width to 180 metres at the harbour entrance, tapering to 120 metres at the sea channel entrance in accordance with <i>additional term 1</i> of this Schedule.	Completion of 375,000 tonnes of rock delivery (50% of estimated total of 750,000 tonnes*) Commence rock wall construction works for reclamation area (total length approximately 2.1 kilometres*)	01/07/2020 (Completed)	\$15.0m
	Completion of rock delivery for rock wall (100% of estimated 750,000 tonnes*)	31/12/2021 (Completed)	\$10.0m
	Completion of rock wall construction works for reclamation area (approximately 2.1 kilometres*)	30/04/2022 (Completed)	\$10.0m
	Commence reclamation area works (total overall area is approximately 62 hectares*)		
	Commence channel dredging works (overall total is approximately 3.9 million cubic metres*)		
	Completion of 50% of dredging works (of total estimated 3.9 million cubic metres*)	30/04/23	\$20.0m
	Completion of all dredging works (estimated 3.9 million cubic metres* and as declared by Regional Harbour Master)	31/10/2024	\$15.0m
	Completion of reclamation area (estimated 62 hectares*) Practical completion of Port of Townsville Channel Upgrade Project	31/12/2024	\$5.0m

* Indicative quantities shown are based on concept design quantities and subject to change.

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

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Catherine King MP
Minister for Infrastructure, Transport, Regional
Development & Local Government

08 JUN 2023
[Day] [Month] [Year]

Signed for and on behalf of the
State of Queensland by



The Honourable Mark Bailey MP
Minister for Transport and Main Roads
Minister for Digital Services

08 June 2023