

NATIONAL PARTNERSHIP AGREEMENT ON LAND TRANSPORT INFRASTRUCTURE PROJECTS

An agreement between

- the **Commonwealth of Australia** and
- the **States and Territories**, being:
 - New South Wales
 - Victoria
 - Queensland
 - Western Australia
 - South Australia
 - Tasmania
 - the Australian Capital Territory
 - the Northern Territory

This Agreement will contribute to a national transport system that is safe, drives economic growth, accommodates Australia's growing population and supports a competitive infrastructure market that promotes opportunities for local and Indigenous participation.

National Partnership Agreement on Land Transport Infrastructure Projects

OVERVIEW

1. This National Partnership 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 governs Commonwealth funding provided for land transport infrastructure Projects administered under the National Land Transport Act 2014 (NLT Act), primarily through the Commonwealth's Infrastructure Investment Program. Accordingly, this Agreement must be read in conjunction with the provisions of the NLT Act.
3. The Schedules to this Agreement indicate the levels of funding the Commonwealth intends to provide to the States for land transport infrastructure investments and associated arrangements. However, it is not a funding agreement for the purposes of section 4 of the NLT Act.¹

Reporting Arrangements

4. The objectives and outcomes of this Agreement will be achieved through the delivery of the agreed Projects in the Schedules to this Agreement, noting that the benefits of land transport infrastructure investments may not be apparent or measurable within the life of this Agreement. The States' will provide to the Commonwealth reporting as set out in Part 4 – Performance Monitoring and Reporting.

Financial Arrangements

5. The Commonwealth and States' estimated financial contributions to Projects are listed in the Schedules to the Agreement, which reflects the P90 Outturn cost. The Commonwealth, unless otherwise agreed with the relevant State, will approve and release funding for each Project phase (as defined in the accompanying Notes of Administration) based on the Commonwealth's agreed current phase proportion of the overall Project P50 Outturn cost.
6. Governance arrangements for handling matters including Project cost savings, interest on payments in advance, Project cost increases and Project cancellation are set out in Part 5 – Financial Arrangements.

¹ The definition in section 4 of the NLT Act means a written agreement between the Commonwealth and States for an individual project.

PART 1 – FORMALITIES

Parties to this Agreement

7. This National Partnership Agreement (this Agreement) is between the Commonwealth of Australia (the Commonwealth) and the States and Territories (the States), collectively the Parties to the Agreement.

Term of the Agreement

8. This Agreement will commence on 1 July 2019 or as soon as the Commonwealth and one other Party sign it, whichever is the later, and will expire on 30 June 2024, or on final performance reporting and processing of final payments against milestones that fall due on or before 30 June 2024. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

Preliminaries

9. In entering this Agreement, the Commonwealth and the States recognise that they have a mutual interest in improving outcomes in land transport infrastructure and need to work together to achieve those outcomes.
10. This Agreement must also be read in conjunction with the relevant Notes on Administration (as updated from time to time), which outline the administrative requirements associated with this Agreement to assist with the implementation of each Project as set out in the Schedules to this Agreement.
11. Where this Agreement or the Notes on Administration are inconsistent with the terms of the NLT Act, the terms of the NLT Act will prevail.
12. If any inconsistencies arise between the terms and conditions contained in this Agreement and any part of the Notes on Administration, the terms and conditions contained in this Agreement will prevail.
13. Commonwealth funding provided under this Agreement does not include equity or loans.

Land transport infrastructure in Australia

14. Well-designed land transport infrastructure, including improved transport safety, is essential for Australia's productivity and economic development to support prosperous and liveable communities.
15. The Commonwealth and State governments provide substantial investment in developing, improving and maintaining Australia's extensive land transport network.
16. The Commonwealth invests in the delivery of new, and the upgrade and maintenance of existing land transport infrastructure across Australia predominantly through its rolling Infrastructure Investment Program, administered under the NLT Act, this Agreement and associated Notes on Administration.
17. The States also invest in new, and the upgrade and maintenance of existing land transport infrastructure. As owners of the land transport infrastructure assets, States have primary responsibility for planning and delivery of Projects and for preserving corridors for future infrastructure development.

Objectives for co-funded transport infrastructure investment

18. The Commonwealth and States' combined investments under this Agreement, consistent with the NLT Act, aims to provide a land transport network that:
 - (a) is safer and more secure for users, by having regard for safe system principles and treatments for road infrastructure investment proposals and aligning with any agreed national road safety strategy;
 - (b) drives national economic growth and productivity and improves Australian industry's international competitiveness, including through efficient and productive freight networks;
 - (c) accommodates Australia's growing population by relieving congestion, better connecting goods to markets and improving access to services for urban, regional and remote communities; and
 - (d) supports employment opportunities by providing improved access to jobs and training.
19. The Commonwealth and States recognise that their collective transport investments have the potential to enable broader outcomes that benefit the Australian people including:
 - (a) a competitive infrastructure market, which generates opportunities for employment and contracting across the supply chain, for small, medium and large contractors, for local businesses and Indigenous businesses and job-seekers and builds long-term capacity in the market to support the delivery of public infrastructure;
 - (b) taking account of climate and disaster resilience and environmental sustainability in infrastructure planning and delivery; and
 - (c) preserving future reform options to develop a more sustainable land transport funding system that is adaptable to technological and social change, and continues to meet the needs of land transport owners and users.
20. The achievement of these combined objectives is best supported by coordinated action, including:
 - (a) drawing on expert advice on transport needs and priorities, including through State transport agencies, Infrastructure Australia and State infrastructure advisory bodies, to inform investment decision-making;
 - (b) promoting an integrated approach to transport and land use planning that considers how to best connect places where people travel;
 - (c) encouraging more efficient use of existing infrastructure, including implementing technology solutions to optimise our transport networks;
 - (d) actively exploring opportunities for innovative financing and greater private sector involvement, including through the involvement of the relevant Commonwealth and State agencies in the development phase of selected major Projects, to reduce the call on public resources; and
 - (e) promoting more open, transparent and consistent data relating to transport infrastructure planning and performance to enhance decision-making, including support of achieving improved road safety .

21. The Parties commit to delivering agreed land transport priorities in partnership under this Agreement.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

22. This Agreement provides for the administrative and governance arrangements overseeing the delivery of the infrastructure Projects identified in the Schedules to this Agreement.
23. Through their joint investment in these Projects under this Agreement, the Parties aspire to deliver a national transport system consistent with the objectives of the NLT Act and the Preliminaries of this Agreement that is safer and more secure for users, drives national productivity and economic growth, accommodates Australia's growing population and supports competitive markets and employment opportunities.

Outcomes

24. This Agreement will facilitate the efficient and effective delivery of infrastructure Projects identified in the Schedules to the Agreement. Delivery of the Projects will support the Commonwealth and State objectives for their joint infrastructure investments, including:
 - (a) new and upgraded road and rail infrastructure that improves safety, eases congestion and supports productivity;
 - (b) encouraging innovation and the uptake of technology to solve transport problems; and
 - (c) promoting a competitive infrastructure market that provides opportunities for local businesses and employment and Indigenous Australians.

Outputs

25. The objectives and outcomes of this Agreement will be achieved by the successful delivery of transport infrastructure and planning Projects, as set out in the Schedules to this Agreement and measured by specific performance metrics outlined at clause 36.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

26. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities, as outlined below.

Role of the Commonwealth

27. The Commonwealth agrees to be accountable for the following roles and responsibilities:
 - (a) assessing and determining which Projects are to be funded under this Agreement, in consultation with the States and in accordance with the NLT Act (and other relevant legislation) and the associated Notes on Administration;
 - (b) providing a financial contribution to the States for the Projects set out in the Schedules;
 - (c) coordinating the development and revision of the Schedules in partnership with the States;
 - (d) monitoring and assessing performance in the delivery of Projects under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe;

- (e) assessing and approving targets for Indigenous Participation Plans submitted by the States, in accordance with the Notes on Administration and the Indigenous Employment and Supplier-use Infrastructure Framework, with relevant Commonwealth agencies to deliver appropriate supply-side supports consistent with their portfolio responsibilities;
- (f) 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 *Building and Construction Industry (Improving Productivity) Act 2016*, are only made where a builder or builders accredited under the Australian Government Building and Construction Work Health and Safety Accreditation Scheme, where applicable, is contracted;
- (g) in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that compliance with the Building Code 2016, as amended from time to time where applicable, is a condition of Commonwealth funding for Project delivery;
- (h) in line with the requirements of Schedule E, Clause 26 of the IGA FFR, recognising the State's funding contribution to projects in all publications, promotional and advertising materials, and public announcements and activities in relation to a Project as appropriate, and consulting the State prior to release of all promotional materials concerning Projects funded through this Agreement; and
- (i) to consult with the States on a case-by-case basis on updating or otherwise amending the Notes on Administration to this Agreement, and seek States' agreement where change is proposed.

Role of the States and Territories

28. The States agree to be accountable for the following roles and responsibilities:

- (a) providing a financial or in-kind contribution, where agreed, to Projects set out in the Schedules, to support the implementation of this Agreement;
- (b) providing Project Proposal Reports, accompanying Indigenous Participation Plans and project data, such as modelling outputs and expected project benefits, consistent with the guidance and templates in the Notes on Administration, and providing additional information requested by the Commonwealth to support its roles and responsibilities;
- (c) delivering the infrastructure Projects set out in the Schedules to support the implementation of this Agreement;
- (d) ensuring procurement practices deliver value for money for public funds and support the longer term capacity and diversity of the construction market, in accordance with principles agreed through the Transport and Infrastructure Council;
- (e) maintaining the roads on the National Land Transport Network to the appropriate standard based on their classification, as set out in the Notes on Administration;
- (f) monitoring and assessing performance in the delivery of Projects under this Agreement, including providing relevant information on development and progress of a funded Project on request to assist the Commonwealth with performing its roles and responsibilities;
- (g) reporting on the delivery of outcomes and outputs as set out in Part 4 – Performance Monitoring and Reporting;
- (h) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Work Health and Safety Accreditation Scheme, where applicable, is contracted, and providing the necessary assurances to the Commonwealth;

- (i) ensuring that compliance with the Building Code 2016, as amended from time to time, where applicable, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth;
- (j) implementing Indigenous participation requirements for Projects in accordance with the Indigenous Employment and Supplier-use Infrastructure Framework, including developing and delivering Indigenous Participation Plans for Projects above the financial threshold set out in the Notes on Administration, determining targets for Indigenous employment and supplier-use to be agreed by the Commonwealth, and reporting against performance;
- (k) providing to the Commonwealth cost estimates for all Projects with a total anticipated Outturn cost (including contingency) exceeding \$25 million that, unless otherwise approved by the Commonwealth, have been developed using appropriate probabilistic cost estimation techniques (as defined in the Notes on Administration) to generate P50² and P90 Outturn costs for projects and providing access to underpinning data;
- (l) providing Infrastructure Australia with business cases and relevant supporting information and documentation for assessment for Projects where a State is seeking a Commonwealth funding contribution for a Project equal to or greater than the threshold as set out in the Notes on Administration; and
- (m) providing the State's consideration, in relevant Project documents, of opportunities for private sector financial participation, and public private partnership (PPP) procurement options, for Projects set out in the Schedules to this Agreement where:
 - (i) the Project's size and nature is conducive to financing opportunities; and
 - (ii) for PPPs, the estimated capital cost of a Project is greater than or equal to the threshold set out in the Notes on Administration.

29. The States further agree that in line with the requirements of Schedule E, Clause 26 of the IGA FFR, they will:

- (a) recognise the Commonwealth's funding contribution to Projects in all publications, promotional and advertising materials, including Project signage, and public announcements and activities in relation to a Project as appropriate, and must consult the Commonwealth prior to release of all promotional-related materials concerning projects funded through this Agreement;
- (b) provide reasonable opportunity for the Commonwealth to contribute to developing communications strategies for Projects with a Commonwealth funding contribution;
- (c) provide the Commonwealth with equal access to products that they obtain for use in the development of promotional material including but not limited to Project data, footage and images; and
- (d) where the Commonwealth is a majority funder of a Project, promotional material and public recognition should provide major prominence to the Commonwealth's contribution, with the Parties to agree the content and timing.

30. Notwithstanding asset ownership, the States acknowledge that the Commonwealth may participate in Project planning, delivery and review including through participation in Project steering groups and decision-making bodies, with due consideration to each Parties' financial

² P50 is the project cost with sufficient contingency to provide a 50% likelihood that this cost won't be exceeded. Similarly P90 is the project cost with sufficient contingency to provide a 90% likelihood that this cost won't be exceeded.

contribution, and access to data to ensure its policy objectives and accountability responsibilities are satisfied. Shared roles and responsibilities related to joint participation in Project governance are outlined at clause 34 below.

Local industry participation

31. The States agree to develop and implement a Local Industry Participation Plan (LIPP) or an Australian Industry Participation (AIP) Plan for all Projects in receipt of Commonwealth payments over \$20 million.
32. The development and implementation of a LIPP or AIP Plan remains a requirement of receiving Commonwealth payments in circumstances where a State's Local Industry Participation Policy would not normally require a LIPP. Where jurisdictions have local industry participation policies they may rely on those instead of developing additional plans.
33. The States must provide a copy of each LIPP or AIP Plan to the Department of Infrastructure, Regional Development and Cities.

Shared roles and responsibilities

34. The Commonwealth and the States share the following roles and responsibilities:
 - (a) agreeing to the initial Notes on Administration to support the implementation of this Agreement;
 - (b) participating in consultations as appropriate regarding the implementation of this Agreement and agreeing updates to the Notes on Administration;
 - (c) negotiating new or revised Schedules to this Agreement;
 - (d) negotiating memoranda of understanding or project specific agreements for relevant Projects under this Agreement as outlined at clauses 68 to 70;
 - (e) jointly participate in Project governance, such as steering committees and Project boards, on a case-by-case basis, as outlined at clause 30;
 - (f) for business cases where the Commonwealth has contributed funding, primarily through the Major Project Business Case Fund and on a case-by-case basis, agree to form joint Project teams with access to information jointly shared between the relevant Parties and State decision-making to have due regard to the Commonwealth's interests, objectives and desired outcomes;
 - (g) agreeing that in certain circumstances involving a third party (or parties), there may be a need to negotiate an additional agreement(s) related to a Project to ensure that the interests of all parties are adequately recognised; and
 - (h) conducting evaluations and reviews of services and outputs delivered under this Agreement, including compliance with the NLT Act (and other relevant legislation) and the associated Notes on Administration.
35. The Parties agree that the National Land Transport Network (the Network) is a joint responsibility and that maintenance funding for roads on the Network is required from both the Commonwealth and the States.

PART 4 – PERFORMANCE MONITORING AND REPORTING

Performance indicators

36. The objectives and outcomes of this Agreement will be achieved through the delivery of the agreed Projects in the Schedules to this Agreement, noting that as Projects are added to the Schedules on a rolling basis, the benefits of all land transport infrastructure investments may not be apparent or measurable within the life of this Agreement. Indicators of the achievement of objectives and outcomes include:
- (a) improvements in road safety as measured by the expected reduction in casualty and fatality crashes as the result of the Projects funded through this Agreement;
 - (b) the improvement in productivity, including as measured by the overall expected reduction in travel times and operating costs as the result of the Projects funded through this Agreement;
 - (c) opportunities for Indigenous contractors and job-seekers to participate in delivery of government-funded transport infrastructure Projects, as measured by the implementation of Indigenous Participation Plans that are compliant with the requirements of the Indigenous Employment and Supplier-use Infrastructure Framework in place for all Projects above the relevant threshold set out in the Notes on Administration;
 - (d) opportunities for local industry participation, as measured by the analysis of Local Industry Participation Plans (or Australian Industry Participation Plans) submitted for Projects funded through this Agreement; and
 - (e) improved data sharing between the Parties as measured by provision of standardised data sets in Project Proposal Reports.
37. Achievement against these performance indicators will be informed by analysis of the individual Projects being funded under this Agreement. This includes assessment of Project Proposal Reports against the conditions of the NLT Act, through risk and assurance programs, Post Completion Reports and Commonwealth post build evaluations.

Project milestones

38. The States will deliver the land transport infrastructure Projects in the Schedules to this Agreement on jointly agreed Project milestones which may, by written agreement, be varied by the relevant Parties from time to time. Project milestones for each Project will be set out in the Infrastructure Management System (IMS), or equivalent system, and further detail on agreeing and varying milestones is included in the Notes on Administration.

Reporting arrangements

39. The States will provide the Commonwealth with:
- (a) a Monthly Progress Report for each relevant Project in the Schedules, which will include details of expenditure and progress towards agreed milestones, during the operation of this Agreement, unless this requirement is waived by the Commonwealth;
 - (b) Project milestone payment projections twice a year (on 28 February and 15 August each year) for all items in the Program that reflects funding requirements proportional to the agreed funding split for agreed Projects;
 - (c) an Annual Financial Statement and Audit Report;

- (d) a Post Completion Report within twelve months of completion of each Project as set out in the Schedules to this Agreement, unless otherwise agreed with the Commonwealth;
 - (e) Status Reports for Black Spot projects quarterly (see the Notes on Administration for further details); and
 - (f) a Road Maintenance Formula Data Report and a Maintenance Performance Report annually, including agreed data on the condition and usage of, and maintenance expenditure on, the Network as outlined in the Notes on Administration.
 - (g) a copy of the LIPP or AIP Plan for all Projects in receipt of Commonwealth payments over \$20 million, as outlined at clause 33 above; and
 - (h) performance reporting for Indigenous participation requirements for Projects outlined at clause 28 above.
40. Further details on reporting requirements, including timeframes, are included in the Notes on Administration.

PART 5 – FINANCIAL ARRANGEMENTS

Financial contributions

- 41. Details of the Commonwealth's and the States' estimated financial contributions to the operation of this Agreement are set out in the Schedules to this Agreement.
- 42. The sum of all Commonwealth contributions to Projects at any given time in a given State, generally calculated at the P90 level where known, will comprise the Program for that State to manage Projects. This Program allocation shall be clearly identified in the relevant State's Schedule, noting that some commitments may be specifically capped. States will be responsible for monitoring and keeping the Commonwealth informed of anticipated over and under spends for individual Projects in the State Program.
- 43. Once a firm cost estimate (P50/P90) is known for a Project, as set out in the delivery phase Project Proposal Report, the Commonwealth will confirm its contribution for that Project based on the agreed funding split, subject to a further review of funding requirements on award of the last major construction contract, as set out in the Notes on Administration. The Commonwealth will commit funding at the agreed P90 level and initially release funding at the agreed P50 level.
- 44. States may request approval from the Commonwealth to reallocate under and over spends within the Program, ensuring that the total funding allocation to the capped Program is not exceeded. The Commonwealth will consider requests for reallocation on a case-by-case basis, taking into consideration the implications of any reallocation to the delivery of the Program, the cause of the under and overspends and the needs of the requesting State.
- 45. Commonwealth contributions will be provided upon the achievement of agreed Project milestones by the relevant State.
- 46. The Commonwealth, unless otherwise agreed with the relevant State, will approve and release its share of funding for each Project phase (as defined in the Notes on Administration), based on the Commonwealth's agreed current phase proportion of the overall Project P50 Outturn cost.
- 47. Commonwealth and State contributions as set out in the Schedules to this Agreement must only be used for approved purposes, as set out in the Notes on Administration.

48. In limited circumstances, the Commonwealth may also make in-advance payments for individual Projects from time to time, at its discretion.

National Land Transport Network Maintenance

49. The Parties recognise that ownership and responsibility for those parts of the National Land Transport Network that are within the boundaries of the relevant State will remain with that State, and that guidance on the maintenance standards are outlined in the Notes on Administration.
50. The Parties agree that Commonwealth annual maintenance funding for non-tolled roads on the National Land Transport Network will be determined each year by application of the formula set out in the Notes on Administration.
51. The Commonwealth will advise the States of the total Commonwealth funding to be provided for non-tolled road maintenance each year as set out in the Schedule, and will seek the States' written agreement to any additional conditions that apply.

Financial risk management

Project Cost Savings

52. As set out in clauses 42 to 44, within a State's overall Program, where the updated cost estimate or final Project cost to government is less than the amount(s) which the Commonwealth or (in the case of a jointly funded Project) the Commonwealth and the relevant State have agreed to make available, the savings (including savings resulting from private sector participation in the Project) will be treated in the following way:
- (a) for Projects to which only the Commonwealth has committed a specified funding contribution, the Commonwealth may choose to reallocate the savings to another Project or Projects in the relevant State; and
 - (b) for Projects to which both the Commonwealth and a State have committed a specified funding contribution, the savings will be divided on a pro-rata basis and be redistributed:
 - (i) in the case of the Commonwealth, the Commonwealth may choose to reallocate its share of the funding to another Project or Projects in the relevant State; and
 - (ii) in the case of a State, the State may choose to reallocate its share of the funding to other Projects.

Interest Earned on Payments in Advance

53. All interest earned on Commonwealth payments in advance, which include prepayments under clause 48, must be calculated and reported in accordance with the formula in the Notes on Administration.
54. Interest earned will be additional to the Commonwealth and State total funding contributions to the Project. With the Commonwealth's agreement, such interest earned may be used on the Project or redistributed to other land transport projects in receipt of Commonwealth funding within the State.

Increases in Project Costs

55. The Parties agree that where there is a cost increase for a project above the P50 Outturn cost, any additional funding up to the 'Total Commonwealth Committed Funding' as set out in the Schedules to this Agreement will only be released on a demonstrated needs basis.

56. Where a Project exceeds the 'Total Commonwealth Committed Funding', additional contributions can be allocated from savings from other Projects within the relevant State's Program, with the Commonwealth's agreement.

Project arrangements

Variations

57. The Parties recognise that there may be a need from time to time to vary some of the Projects as set out in the Schedules to this Agreement as Project proposals are further developed and refined, or in response to circumstances that may potentially affect the scope, cost (and respective funding contributions) and expected timelines of Projects.
58. Significant variations to a Project as described in the Schedules, including those that affect scope, cost, respective funding contributions and timelines, will be agreed in writing by the relevant Parties. Any consequential variations to Project milestones will be agreed in accordance with the Notes on Administration.

Project Funding Withdrawals

59. The Parties may agree to withdraw funding for a Project prior to the awarding of a construction contract, by written agreement, where:
- (a) more recent cost estimates significantly exceed the previous cost estimates; or
 - (b) the Parties are unable to agree on a timetable for a Project; or
 - (c) significant delays occur against the agreed timetable for preparing the Project for construction; or
 - (d) there are significant changes proposed to the scope of a Project.
60. In the event of either Party withdrawing funding from a Project in accordance with clause 59 above, necessary payments to affected tenderers will be shared by the relevant Parties in proportion to their funding contribution and agreed on a case-by-case basis.
61. In terms of the distribution of any remaining funding:
- (a) in the case of the Commonwealth, the Commonwealth may choose to reallocate its share of the funding to another Project or Projects in the relevant State
 - (b) in the case of a State, the State may choose to reallocate its share of the funding to other Projects.

Project Cancellations

62. The Parties may agree to cancel a Project where:
- (a) more recent cost estimates significantly exceed previous cost estimates; or
 - (b) the Parties are unable to agree on a timetable for a Project; or
 - (c) significant delays occur against the agreed timetable for preparing the Project for construction; or
 - (d) there is agreement that a Project has been superseded.

63. If a Party to this Agreement proposes to cancel a Project as set out in the Schedules to this Agreement, they must notify the other Party in writing.
64. In the event that a Project has been cancelled in accordance with clause 62 above, contractual obligations shall be negotiated between the Commonwealth and States with consideration of the proportion of their funding contribution.
65. In the event a Party to this Agreement cancels a Project contrary to clause 62 above, the Party that cancels the Project shall bear responsibility for associated costs, unless otherwise agreed by the Parties.
66. In the event of a Project cancellation, the Commonwealth may choose to reallocate its share of any remaining funding to another Project or Projects in the relevant State. In the case of a State, the State may choose to reallocate its share of the funding to other Projects.
67. Cancelled Projects will be removed from the Schedules to this Agreement.

Project Specific Agreements

68. The Parties agree that from time to time the Commonwealth or a State may nominate high-priority Project(s) for Project Specific Agreements to be negotiated between the relevant Parties under this Agreement.
69. Projects may be identified as candidates for a Project Specific Agreement based on project characteristics, such as financial or strategic value, complexity and risk, and that have the potential to deliver broader policy objectives in addition to the provision of new transport infrastructure.
70. Project Specific Agreements may specify additional criteria or objectives for a Project consistent with, but in addition to, this Agreement.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

71. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, this does not lessen the Parties' commitment to this Agreement.

Review of the Agreement

72. In accordance with Schedule E, Clause 23 of the IGA FFR, this Agreement is time limited. To assess the degree to which the agreed objectives and outcomes and/or outputs of this Agreement have been achieved, and inform decisions regarding the appropriate treatment following its expiry, an independent review of this Agreement will be scheduled to be completed approximately twelve months prior to its expiry.

Variation of the Agreement

73. The Agreement may be amended at any time by agreement in writing by all the Parties.
74. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.
75. The Schedules to this Agreement will be varied at least twice a year, following the Commonwealth Budget and mid-year reviews, and at other times when necessary.
76. Variations to the Schedules to this Agreement will be agreed in writing by the relevant Parties.

Delegations

77. Commonwealth Minister(s) with portfolio responsibility for infrastructure are authorised to agree and amend Schedules to this Agreement and to certify that milestones specified under this Agreement have been achieved, so that payments may be made.
78. Respective State and Territory Ministers with portfolio responsibility for infrastructure and/or transport are authorised to agree and amend Schedules to this Agreement.
79. Senior Commonwealth and State officials are authorised to agree and vary project milestones. Agreed project milestones are set out in IMS or equivalent system.
80. The Commonwealth Minister(s) may delegate the assessment of project-based performance benchmarks or milestones and the authorisation of related Project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Breaches

81. Breaches of any mandatory funding condition specified in the NLT Act or in an instrument made under sections 27 or 86 of the NLT Act may result in funding specified in the Project approval instrument for a Project being withheld or a refund being sought by the Commonwealth in accordance with sections 26 or 85 of the NLT Act.
82. In the event that a Project has been varied without written consent from the Commonwealth, the Commonwealth may withhold future payments to that project or seek a refund on payments made to date.
83. Breaches of the terms of this Agreement may result in the Commonwealth funding specified in the Schedules to this Agreement being withheld.

Dispute resolution

84. Any Party may give notice to other Parties of a dispute under this Agreement.
85. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
86. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
87. If a dispute cannot be resolved by the relevant Ministers, it may be escalated to relevant First Ministers.

Transitional arrangements

88. Transitional arrangements for projects that commenced under a previous National Partnership Agreement or bilateral agreement are contained in the conditions column in the Schedules to this Agreement.

Interpretation

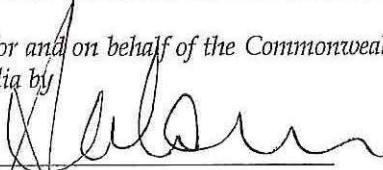
89. For the purpose of this Agreement and its Schedules:
 - (a) Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme' means the scheme established under the Building and Construction Industry (Consequential and Transitional Provisions) Act 2016, which places specific legal obligations on Commonwealth agencies in relation to the building and construction industry (see www.fsc.gov.au for more information).

- (b) 'Australian Industry Participation Plan' means a written plan that is required under the *Australian Jobs Act 2013*.
- (c) 'Black Spot' project means a project approved by the Minister under section 70 of the NLT Act.
- (d) The 'Building Code' means the Code issued under section 34 of the *Building and Construction Industry (Improving Productivity) Act 2016*, which sets out the Commonwealth's expected standards for all building contractors or building participants in Commonwealth funded construction projects (see <https://www.abcc.gov.au/building-code> for more information).
- (e) 'Infrastructure Investment Program' means the program of funds allocated to projects for the Commonwealth's investment in land transport infrastructure under the NLT Act.
- (f) 'Infrastructure Management System' (IMS) means the computer system used to manage project payments and reporting.
- (g) 'Indigenous Employment and Supplier-Use Infrastructure Framework' means the Commonwealth's framework which sets out the approach to increasing Indigenous participation in the delivery of Commonwealth-funded land transport infrastructure.
- (h) 'Indigenous Participation Plan' means a written plan, which accompanies the delivery-phase Project Proposal Report, and is based on the requirements of the 'Indigenous Employment and Supplier-Use Infrastructure Framework.
- (i) 'Joint project evaluation process' means an evaluation conducted by the Commonwealth in conjunction with a State to review a Project/Projects (see the Notes on Administration for more information).
- (j) 'Local Industry Participation Plan' (LIPP) means a written plan based on the National Framework which was agreed between the Commonwealth and the States in 2001 to promote, develop and maintain a sustainable Australian industry capability by encouraging competitive Australian industry participation in investment projects (see www.innovation.gov.au for more information).
- (k) 'Monthly Progress Report' means the report provided monthly for each project through IMS.
- (l) 'National Land Transport Network' means the National Land Transport Network as in force from time to time that is determined by the Commonwealth Minister under Part 2 of the NLT Act as amended from time to time.
- (m) 'Notes on Administration' means the administrative requirements to support the implementation of Projects under this Agreement, as updated from time to time.
- (n) 'Outturn cost' means the sum of the price escalated costs for each year of a project's duration, noting that further information is provided in the Notes on Administration (Outturn cost calculation requires the non-escalated or real project cost to be presented as a cash flow and the identification, justification and application of an appropriate escalation index for each project year in order to derive the price escalated cost each year).
- (o) 'Post Completion Report' means a report submitted to the Department during the Post Completion Phase of a Project as set out in the Notes of Administration.

- (p) 'Program' or 'Programs' means the sum of Projects within a particular State agreed between the Commonwealth and a State at any given time, to be managed on a programmatic basis.
- (q) 'Project' or 'Projects' means a project approved under the NLT Act.
- (r) 'Project Proposal Report' (PPR) means a submission for funding and project approval for the Scoping, Development or Delivery Phase of a land transport infrastructure project.
- (s) 'Project Specific Agreement' means an additional agreement between the Commonwealth and a relevant State, appended to the State's Schedule, relating to a particular Project in the Schedule, which prescribes further objectives, governance arrangements and / or conditions for that Project as agreed by the Parties.
- (t) 'Schedules' means the State specific Schedules that are attached to and form part of this Agreement.
- (u) 'State' means the states of New South Wales, Victoria, Queensland, Western Australia, South Australia and Tasmania, as well as the Australian Capital Territory and the Northern Territory.
- (v) 'Total Project Cost' means all costs associated with the approved purposes (as set out in the Notes of Administration) of each project.

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

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The Honourable Scott Morrison MP
Prime Minister of the Commonwealth of Australia

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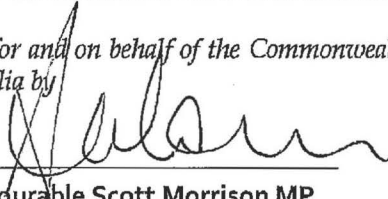
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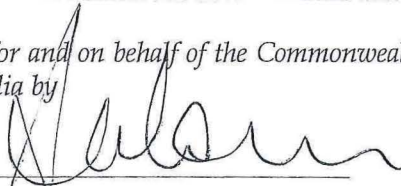
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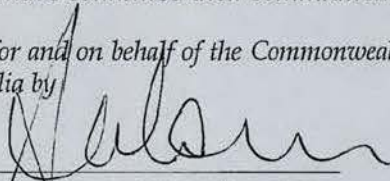
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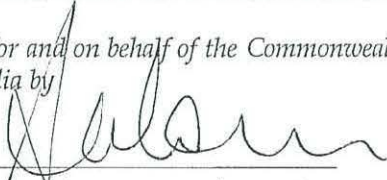
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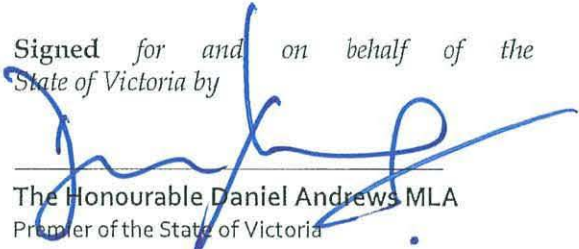
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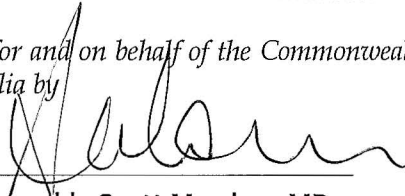
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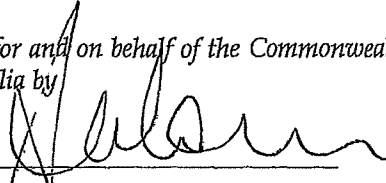
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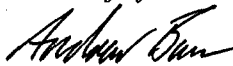
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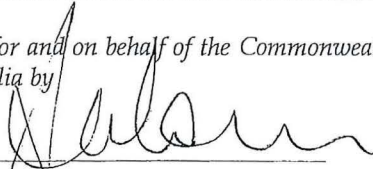
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