

**Accelerated Pacific Highway Duplication  
and Safety Works Package**

**Memorandum of Understanding between  
the Commonwealth of Australia and the  
State of New South Wales**

**Memorandum of Understanding (MOU)**  
**Between the Commonwealth of Australia and the State of New South**  
**Wales in Respect of the Accelerated Pacific Highway Duplication and**  
**Safety Works Package**

1. Upon signing this MOU, the Commonwealth of Australia ('the Australian Government') will pay \$160 million ('the Funding') to the State of New South Wales (New South Wales) before 30 June 2006, for the works specified in Attachment A to this MOU which collectively form the Accelerated Pacific Highway Duplication and Safety Works Package ('the Package').
2. The Australian Government will provide New South Wales with the Funding and New South Wales will also contribute \$160 million towards the works specified in the Package by no later than 31 December 2009 and implement the Package in accordance with:
  - (a) the *AusLink (National Land Transport) Act 2005* (Cth) (the Act);
  - (b) the Project Approval Instrument under subsections 9(1) and 17(1) of the Act;
  - (c) the parts of the *Notes on Administration for the Auslink Investment Programme* issued in March 2006 ('Notes on Administration'), as amended from time to time, specified in paragraph 3(f) below;
  - (d) the parts of the agreement between the Australian Government and New South Wales for the *Implementation of the AusLink National Land Transport Plan in the period 2004-2009* ('the Bilateral Agreement'), specified in paragraph 3(i) below; and
  - (e) this MOU.
3. **The following matters are agreed between the parties to this MOU:**
  - (a) New South Wales will complete the Package by 31 December 2009, subject to a reasonable extension of time, as agreed by the parties, in the event that wet weather delays construction.
  - (b) Subject to paragraph 3(e) below, New South Wales will ensure that the Funding, and any interest earned on the Funding, is only expended on the works set out in Attachment A.
  - (c) New South Wales will hold the Funding in such a way as to enable the Funding, and any interest earned, to be separately identifiable.
  - (d) The Australian Government will not provide any further funding to New South Wales for completion of the Package and New South Wales will bear any costs over \$160 million, and any interest earned on the Funding, that may be required to complete the Package.
  - (e) After the Package is completed, Funding and any interest earned on the Funding that remains unspent may, subject to the Australian Government's agreement, be applied to other works on the AusLink

National Network in New South Wales. In such a case, the Australian Government will issue a new project approval instrument or vary an existing project approval instrument under the Act.

- (f) New South Wales will comply with the reporting requirements set out in Appendices B, D and E in the Notes on Administration. New South Wales will also provide monthly reports in the form set out in Appendix C, although as Funding will have already been provided no payments will be made.
  - (g) In addition, New South Wales will provide statements of expenditure and details of the balance of funding at any time the Australian Government requests such statements.
  - (h) The parties agree to cooperate in the joint evaluation of the works specified in Attachment A so as to facilitate continuous improvement of investment decision making.
  - (i) The following clauses of the Bilateral Agreement will apply to New South Wales in respect of individual works in the Package:
    - i. Clauses 25 and 26 which deal with eligible and ineligible costs (with the clarification that for the purposes of this MOU that land acquisition will be an eligible cost);
    - ii. Sub-Clause 30(a) (provision of an expenditure budget by 28 February each year);
    - iii. Clause 48 and Schedule D which deal with the National Code of Practice for the Construction Industry and Implementation Guidelines;
    - iv. Clauses 50 to 58 and Schedule C which deal with recognition arrangements with the added requirement that a media events schedule will also be prepared for the Package, which will include a six-monthly joint public announcement on progress with the Package;
    - v. Clause 77 which deals with the Australian Government's right to participate in project planning and/or to review project delivery. (For the purposes of this MOU this could be the Package and/or works included in the Package.); and
    - vi. Clause 106 which deals with notification and resolution of issues.
4. New South Wales will comply with all relevant Commonwealth and State legislation and statutory requirements, including environment and heritage legislation and local government planning approvals and the tender requirements regarding the Free Trade Agreement set out in the Bilateral Agreement.
5. In the event that New South Wales does not comply with the terms of this MOU the Australian Government:

- (a) may recover part or all of the funding to the extent it has not already been properly expended or committed on the Package, on condition that the funding recovered is directly related to and proportional to that non-compliance; and/or
  - (b) take this into account when considering future land transport infrastructure funding for the States and Territories.
- 6. In the event that the Australian Government does not comply with the terms of this MOU, New South Wales may withhold all or part of its funding, on condition that the funding withheld is directly related to and proportional to that non-compliance.
- 7. This MOU may be amended with the agreement of both parties. Any amendments will be in writing.



## **Attachment A – Accelerated Pacific Highway Duplication and Safety Works Package**

The Accelerated Pacific Highway Duplication and Safety Works Package comprises the following works on the Pacific Highway:

- Duplication (dual carriageway) from Moorland to Herons Creek, approximately 36.3 km to 58.6 km north of Taree;
- Widening to provide adequate shoulders for 3.8 km between Nambucca and Urunga;
- Widening to provide adequate shoulders with minor curve improvements for 2 km between Halfway Creek and Glenugie;
- Widening to provide adequate shoulders with minor curve improvements for 4 km between Tyndale and Maclean;
- Widening to provide adequate shoulders and separation for 4 km between New Italy and Woodburn;
- Widening, realignment and reconstruction of 0.5 km curve between Iluka and Tabbimobile; and
- Provision of a truck bay at Kundabung.