

Accelerated Southern Hume Duplication 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 Southern Hume Duplication
Package

1. Upon signing this MOU, the Commonwealth of Australia ('the Australian Government') will pay \$800 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 Southern Hume Duplication Package ('the Package').
2. The Australian Government will provide New South Wales with the Funding and New South Wales will 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 the State of 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 \$800 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. This MOU may be amended with the agreement of both parties. Any amendments will be in writing.

Attachment A – Accelerated Southern Hume Duplication Package

The Accelerated Southern Hume Duplication Package comprises the following works on the Hume Highway:

- Duplication (dual carriageway) north of Tarcutta, from the existing dual carriageway 36.9 kilometres south of Gundagai to approximately 42 kilometres south of Gundagai, where the Tarcutta bypass would commence;
- Duplication (dual carriageway) of the Kyeamba Hill section, from the existing dual carriageway 66.6 kilometres south of Gundagai to the existing dual carriageway 75.8 kilometres south of Gundagai;
- Duplication (dual carriageway) of the Little Billabong section, from the existing dual carriageway 85 kilometres south of Gundagai to the existing dual carriageway 93 kilometres south of Gundagai;
- Duplication (dual carriageway) north of Holbrook, from the existing dual carriageway 98.4 kilometres south of Gundagai to approximately 110 kilometres south of Gundagai, where the Holbrook bypass would commence; and
- Duplication (dual carriageway) from south of Woomargama to Albury, from approximately 132 kilometres south of Gundagai, where the Woomargama bypass would commence, to the existing dual carriageway at Table Top 163.5 kilometres south of Gundagai.