

## Schedule 4 – Change Compensation Principles

### Part A – Change Compensation Principles

#### 1 DEFINITIONS

**Agreed Margins** means the Builder Margin, FM Margin and the Project Co Margin.

**Allowance** means the percentage allowance to which Project Co is entitled for the relevant component identified in Tables 1, 2 or 3 of this Schedule 4, as applicable depending on the applicable capital value thresholds set out in Column 2, 3 or 4 of the relevant Table, and otherwise subject to the terms of this Schedule 4.

**Base Costs** has the meaning given to it in Section 2.2(g) of this Part A.

**Builder Margin** means:

- (a) during the D&C Phase, the percentage that the Builder may charge in accordance with Table 1 of this Schedule 4;
- (b) during the first 5 Operating Years, the percentage that the Builder (or where the Builder does not undertake the relevant works, some other builder) may charge in accordance with Table 2 of this Schedule 4; and
- (c) after the first 5 Operating Years, the percentage that a builder may charge as determined through a competitive tender process in accordance with Section 5 of this Part A,

to cover all off-site overheads and administrative and corporate and other like costs and profits, but excluding Builder Preliminaries.

**Builder Preliminaries** means the percentage that the Builder (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder) may charge in accordance with Table 1 or Table 2 (as the case may be), which covers all the preliminaries set out in Part C of this Schedule 4.

**Change Compensation Amount** means the compensation payable by the State to Project Co or by Project Co to the State in respect of a Change Compensation Event determined in accordance with this Schedule 4.

**Change Notice** means the notice referred to in Section 3 of this Part A.

**Change Response** means the notice referred to in Section 4.1 of this Part A.

**Construction Base Costs** means the actual costs of the Builder (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder) properly and reasonably incurred by Project Co and directly attributable to a Change Compensation Event, including the cost of all Subcontractors to the Builder (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder) engaged in respect of the Change Compensation Event and where applicable scaffolding and craneage costs incurred in respect of the Change Compensation Event but excluding all Agreed Margins, Builder Preliminaries and Design Base Costs.

**Costs** means all direct capital and operating costs properly and reasonably incurred or which will be incurred by Project Co arising out of the Change Compensation Event which are or are likely to be increased from the relevant amounts (if any) assumed in the current Financial Model.

**CPI Multiplier Annual (OC)** means  $CPI_n / CPI_{Base}$ , where,

$CPI_{Base}$  = 104.2 (being CPI for the September 2013 Quarter); and

$CPI_n$  = CPI for the September Quarter immediately preceding the relevant calendar year.

**Design Base Costs** means the actual third party design fees including architects', engineers' and other design consultants' fees properly and reasonably incurred by Project Co and directly attributable to a Change Compensation Event but excluding all other costs of the Builder (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder) and all Agreed Margins other than the Margin of the relevant third party design consultant.

**FF&E Capital Cost** has the definition given to it in, and is calculated in accordance with, Section 7.5(c) of this Part A.

**FF&E Lifecycle Cost** has the definition given to it in, and is calculated in accordance with, Section 7.5(e) of this Part A.

**FF&E Maintenance Cost** has the definition given to it in, and is calculated in accordance with, Section 7.5(d) of this Part A.

**Financing Delay Costs** means the incremental financing delay costs actually incurred by Project Co under the Financing Documents and any projected reduction or impact on the scheduled equity Distributions set out in the Financial Model, in each case as a direct consequence of a delay to the achievement of Commercial Acceptance by the Date for Commercial Acceptance.

**FM Base Costs** means the actual costs of the FM Subcontractor properly and reasonably incurred by Project Co and directly attributable to implementing the recurrent elements of a Change Compensation Event including the cost of all Subcontractors to the FM Subcontractor engaged in respect of the Change Compensation Event, warranty costs and lifecycle costs, but excluding the FM Margin.

**FM Margin** means the percentage that the FM Subcontractor may charge in accordance with Table 3 of this Schedule 4 on its FM Base Costs to cover all off-site overheads and administrative and corporate and other like costs and profits.

**Maintenance Rate** has the definition given to it in, and is calculated in accordance with Section 7.5(d)(ii) of this Part A.

**Project Co Margin** means the percentage that Project Co may charge in accordance with Table 1 or Table 3 (as relevant) of this Schedule 4 to cover all off-site and on-site overheads and administrative and corporate and other like costs and profit of Project Co (including the cost of Project Co's project management services).

**Prolongation Costs** means the net costs (excluding Financing Delay Costs) properly and reasonably incurred by Project Co directly attributed to a Compensable Extension Event.

**Purchase Cost** has the definition given to it in, and is calculated in accordance with, Section 7.5(c)(ii) of this Part A.

**Replacement Frequency** refers to the number of times an item of the Group 1 FF&E is expected to be replaced by Project Co during the Term and is calculated in accordance with Section 7.5(e)(ii) of this Schedule 4. **Savings** means the amount of any costs, including any Agreed Margin or other Margin, avoided or otherwise reduced in accordance with this Schedule 4 arising out of or in connection with a Change Compensation Event (except that in relation to a General Change in Law or Project Specific Change in Law in accordance with Clause 32.1 of this Agreement, it means a saving of the costs referred to in Clause 32.1(a)(vi) and, in relation to a Change in Quality Standards in accordance with Clauses 32.2 and 32.3 of this Agreement, it means a saving of the costs of dealing with the circumstances set out in Clause 32.3(a) and 32.3(b)), which are or are likely to be decreased from the relevant amounts (if any) assumed in the then current Financial Model.

## 2 GENERAL

### 2.1 Change Compensation Events and margin entitlement

Change Compensation Event	Clause of this Agreement	Margin entitlement	Compensation to be calculated in accordance with the following Section of this Part A or other provisions of this Agreement as identified
* During the D&C Phase only, dealing with Discharge, Environmental Event or Environmental Complaint, or Remediation of	Clause 8.5	No entitlement to Agreed Margins or other Margins	Sections 7.1 and 7.2 of this Part A

<b>Change Compensation Event</b>	<b>Clause of this Agreement</b>	<b>Margin entitlement</b>	<b>Compensation to be calculated in accordance with the following Section of this Part A or other provisions of this Agreement as identified</b>
Contamination			
Minor Modifications	Clauses 12.2(b)(v), 12.3(d)(ii) and 12.5	No entitlement to Agreed Margins or other Margins	Sections 7.1 and 7.2 of this Part A
Delay costs	Clauses 17.3 and 17.9	No entitlement to Agreed Margins or other Margins	Section 7.3 of this Part A
Acceleration	Clause 17.11(a)(i)	No entitlement to Agreed Margins or other Margins	Sections 7.1 and 7.2 of this Part A
Acceleration	Clause 17.11(a)(ii)	Agreed Margins	Sections 7.1 and 7.2 of this Part A
[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Rectification of Qualifying Sinkholes and Settlement Defects (but only after 3 years after Commercial Acceptance)	Clauses 28A.5(c) and 28A.6(e)	Agreed Margins other than FM Margin	Sections 7.1 and 7.2 of this Part A
*** Compensable Intervening Events	Clauses 29.1(b)(iii) and 29.5	<p>If (i) applies: Agreed Margins in respect of Sections 7.2(b) and 7.4 only, but not entitlement to Agreed Margins or other Margins in respect of Section 7.2(c)</p> <p>If (ii) applies: Agreed Margins as applicable</p> <p>If (iii) applies: Agreed Margins as applicable</p>	<p>In respect of Compensable Intervening Events described in paragraph(s):</p> <p>(i) (a) and (b) of the definition of Compensable Intervening Events, Sections 7.1, 7.2(b) and 7.2(c) of this Part A unless Project Co's obligations are suspended as a consequence of such Compensable Intervening Events, in which case Section 7.4 of this Part A;</p> <p>(ii) (c) of the definition of Compensable Intervening Events, Section 7.4 of this Part A; and</p> <p>(iii) (d) of the definition of Compensable Intervening Events, Sections 7.1 and 7.2 of</p>

<b>Change Compensation Event</b>	<b>Clause of this Agreement</b>	<b>Margin entitlement</b>	<b>Compensation to be calculated in accordance with the following Section of this Part A or other provisions of this Agreement as identified</b>
			this Part A unless Project Co's obligations are suspended as a consequence of such Compensable Intervening Events, in which case Section 7.4 of this Part A.
^ General Change in Law or Project Specific Change in Law	Clause 32.1(a)(vi)	Where the General Change in Law or Project Specific Change in Law gives rise to additional DBFM Works or the provision of additional Services the Agreed Margins (as applicable) will apply to the relevant Base Costs	Section 7.1 of this Part A and where Margin is payable, Section 7.2 of this Part A
^^ Change in Quality Standards	Clause 32.3	Where the Change in Quality Standards gives rise to additional DBFM Works or the provision of additional Services the Agreed Margins (as applicable) will apply to the relevant Base Costs	Section 7.1 of this Part A and where Margin payable, Section 7.2 of this Part A
FF&E Modification (excluding any Minor Modification)	Clauses 33.1(b) and 33.5(a)(ii)	No entitlement to Margin other than as provided for in Section 7.5	Section 7.5 of this Part A
Modification	Clauses 33.1(b) and 33.5(a)(ii)	Agreed Margins	Sections 7.1, 7.2 and 7.3 and, where relevant, Section 7.6 of this Part A
Preparation of Modification Quote during the D&C Phase in accordance with this Agreement where the cost of preparing the Modification Quote	Clause 33.1(i)	No entitlement to Agreed Margins or other Margins	Section 7.1 of this Part A

<b>Change Compensation Event</b>	<b>Clause of this Agreement</b>	<b>Margin entitlement</b>	<b>Compensation to be calculated in accordance with the following Section of this Part A or other provisions of this Agreement as identified</b>
exceeds [ <i>not disclosed</i> ] if prepared by the Builder (excluding any internal costs of Project Co or the Builder) or [ <i>not disclosed</i> ] if prepared by the FM Subcontractor (excluding any internal costs of Project Co or the Subcontractor)			
Repair or rebuild to different specifications	Clauses 39.3(c) and 39.3(d)	Agreed Margins on that portion of the DBFM Works, the Stadium, the Sports Precinct or the Off-Site Infrastructure (as applicable) which is to be repaired or rebuilt to a different specification	Sections 7.1 and 7.2 of this Part A
Reinstatement of damage caused by Day 1 Uninsurable Risk and indemnification for Uninsurable Risk	Clauses 40.13(f)(i) and 40.13(f)(ii)	Builder Margin only	Sections 7.1 and 7.2 of this Part A
^^ Rectification of State damage (outside State Access Period) and [ <i>not disclosed</i> ]	Clauses 39.4(b)(vi) and [ <i>not disclosed</i> ]	[ <i>Not disclosed</i> ]	Sections 7.1 and 7.2 of this Part A
Rectification and repair of the Private Wastewater Main	Section 4.4(d)(ii) of Part B of Schedule 13 (Services Specifications)	FM Margin only	Sections 7.1 and 7.2 of this Part A

\* Project Co's compensation in relation to dealing with Discharge, Environmental Event or Environmental Complaint, or Remediation of Contamination during the Operating Phase, is as provided for under Clauses 29.1(b)(iii) and 29.5 (to the extent that such is a Compensable Intervening Event).

\*\* [*Not disclosed*].

\*\*\* Project Co must not seek compensation for Compensable Intervening Events described in paragraphs (a) or (b) (or both) of the definition of Compensable Intervening Event via the row in the above table that has the heading "Compensable Intervening Events" in the far left

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column of that row to the extent compensation is also the subject of another Change Compensation Event set out in the above table.

<sup>^</sup> Project Co's compensation in relation to General Change in Law under Clause 32.1(a)(vi)(B) of this Agreement will be subject to the thresholds set out in that Clause.

<sup>^^</sup> Project Co's compensation in relation to Change in Quality Standards under Clause 32.3 of this Agreement will be subject to the thresholds set out in that Clause.

<sup>^^^</sup> [Not disclosed]

## 2.2 General principles for calculating compensation

The extent (if any) to which compensation will be payable by the State, for those events in respect of which this Schedule 4 are expressed in this Agreement to apply, will be determined as follows:

- (a) **(overriding considerations)**: the overriding considerations will be that:
  - (i) the State is receiving value for money; and
  - (ii) the compensation amount is fair and reasonable and is calculated in a manner that is transparent;
- (b) **(timing of payments)**: all payments made by the State to Project Co in accordance with this Schedule 4 will be made as and when incurred or in arrears in accordance with Section 2.3 of this Part A;
- (c) **(time value of money)**: appropriate regard must be given to the time value of money and timing of cash flows;
- (d) **(open book basis)**: without limiting Clause 1.6 of this Agreement:
  - (i) Project Co must:
    - (A) provide all information referred to in this Schedule 4 on an open book basis, in accordance with Section 2.2(d)(ii);
    - (B) if required by the State, make available the appropriate personnel to explain the basis on which a particular calculation has been made; and
    - (C) allow the State to review and undertake audits to enable it to verify compliance with this Section 2.2(d) of this Part A in respect of the information referred to in Section 2.2(d)(i)(A) of this Part A,in order to enable the State to make an accurate assessment of actual Costs and Savings in accordance with this Schedule 4;
  - (ii) "open book basis" will include Project Co providing a breakdown of the calculation of all relevant preliminaries, labour, equipment, materials, Subcontract, finance and other costs of Project Co and Project Co Associates in a clear and transparent manner and other information reasonably requested by the State, including reasonably available source documents required to verify such calculation;
- (e) **(no double counting)**: no amounts will be double counted;
- (f) **(Margins)**: except where Project Co is expressly entitled to be paid an Agreed Margin or other Margin in accordance with Section 2.1 of this Part A, neither Project Co (nor any Project Co Associate) will be entitled to compensation for any Margin (or loss of Margin) in respect of a Change Compensation Event;
- (g) **(Base Costs)**: the Base Costs payable in respect of a Change Compensation Event will be those costs (including Design Base Costs, Construction Base Costs, FM Base Costs and other Costs incurred by Project Co), attributable to a Change Compensation Event as set out in the Change Notice agreed to by the State in accordance with this Schedule 4, excluding:
  - (i) Prolongation Costs and Financing Delay Costs;
  - (ii) any Agreed Margin or other Margin; and
  - (iii) the cost of project management services provided by Project Co;

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- (h) **(insurance)**: the compensation calculation will take into account any insurance proceeds received by Project Co or any Project Co Associate (or to which Project Co or any Project Co Associate would have been entitled but for a failure by Project Co or any Project Co Associate to:
- (i) make a claim under any insurance policy; or
  - (ii) comply with the requirements of this Agreement or the terms of any relevant insurance policy),
- such that those amounts will be calculated as compensating Project Co for the equivalent amount of the costs incurred in respect of the Change Compensation Event and the State is not required to pay those amounts as a result of the occurrence of a Change Compensation Event. If the State has paid Project Co compensation in accordance with this Schedule 4 for costs incurred in respect of a Change Compensation Event and Project Co or any Project Co Associate later recovers amounts referable to that Change Compensation Event under any insurance policy (or Project Co or any Project Co Associate would have been entitled to recover such amounts but for a failure by Project Co or any Project Co Associate to comply with the requirements of this Agreement or the terms of any relevant insurance policy):
- (iii) Project Co must promptly notify the State of such amounts; and
  - (iv) the State may deduct such amounts from the next Monthly Service Payment to occur in accordance with Section 2.3(a)(i);
- (i) **(failure to mitigate)**: Project Co will not be entitled to compensation for any costs or losses for a Change Compensation Event the subject of this Schedule 4, to the extent that they could have been avoided or mitigated by Project Co, or any Project Co Associate having taken the steps that a party experienced and competent in the implementation of works similar to the DBFM Works or the provision of services similar to the Services would have taken to mitigate the effect of the Change Compensation Event; and
- (j) **(GST)**: any reference in the Change Notice or any other document pursuant to this Schedule 4 to price, value, sales, revenue, rates, fees or a similar amount will be a reference to that amount exclusive of GST (other than such an amount expressly agreed to be GST inclusive).

### 2.3 Form and timing of compensation

- (a) If a Change Compensation Event:
- (i) results in an amount owing from Project Co to the State, the State will deduct such amount from the Monthly Service Payment payable to Project Co after the relevant Change Compensation Event or Monthly Service Payments if the amount is greater than the payment for that Month, or if no subsequent Monthly Service Payment is payable to Project Co, such amount will be a debt due and payable by Project Co to the State;
  - (ii) results in an amount owing from the State to Project Co that is not financed by Project Co in accordance with Section 2.3(b) of Part A, the State will pay such amount to Project Co:
    - (A) subject to Sections 2.3(a)(ii)(B) and 2.3(a)(ii)(C) of this Part A, as a lump sum payment, a series of milestone payments, an adjustment to the Monthly Service Payment (or a combination of these methods) in accordance with the payment arrangements set out in the approved Change Notice or, in the case of Modifications and FF&E Modifications, the payment arrangements set out in the relevant Modification Quote approved under the relevant Modification Order;
    - (B) in respect of Prolongation Costs, within 1 month after the date of the receipt from Project Co of the Change Notice except to the extent that any Prolongation Costs are disputed by the State and referred for resolution by an Independent Expert in accordance with Clause 45 of this Agreement; and

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- (C) in respect of Financing Delay Costs, monthly in arrears on the date which the State would have paid the Monthly Services Payment had Commercial Acceptance not been delayed by the relevant Compensable Extension Event; or
  - (iii) results in an amount owing from the State to Project Co that is financed by Project Co in accordance with Section 2.3(b) of this Part A, the State will pay such amount to Project Co by way of an increase in the Monthly Service Payment in accordance with Section 2.3(b) of this Part A.
- (b) Where the State requests Project Co to obtain financing for a Change Compensation Event, Project Co must use all reasonable endeavours to obtain such financing, including by:
- (i) using any Savings resulting from other Change Compensation Events which have resulted in amounts being available under the Financing Documents;
  - (ii) utilising any standby facility that may be available to Project Co;
  - (iii) arranging for additional financing under the Financing Documents and from other sources (if permitted under the Financing Documents); or
  - (iv) if permitted under the Financing Documents, utilising other financing obtained on commercial terms for Project Co by the State (without any obligation on the State to make any such arrangements).

Where Project Co, having used all reasonable endeavours, is unable to obtain financing or financing is on terms which are not satisfactory to the State, the State will, without limiting its rights under Clause 37.1 of this Agreement, pay the relevant amounts in accordance with Section 2.3(a)(ii) of this Part A.

### **2.3A SECURITISED MODIFICATION PAYMENT**

If the State has requested Project Co to finance a Change Compensation Event and Project Co has been able to obtain such finance, Project Co must calculate:

- (a) the increase to the Completion Payment or the Securitised Modification Payment (as applicable) required to be paid by the State to Project Co in respect of that Change Compensation Event;
- (b) the revised Licence Payment payable under the Operating Phase Licence as determined in accordance with the Operating Phase Licence; and
- (c) the amount payable by Finance Co to the State for the Additional Receivable arising from that Change Compensation Event under the Receivables Purchase Deed (which will equal the increase to the Completion Payment or the Securitised Modification Payment (as applicable) calculated under (a) above).

## **3 CHANGE NOTICE**

### **3.1 Change Notice and Modifications**

- (a) This Section 3 of this Part A applies to all Change Compensation Events to which this Schedule 4 are expressed in this Agreement to apply other than in respect of Modifications and FF&E Modifications to which Clause 33 of this Agreement applies. Where Clause 33 of this Agreement applies, the process for Project Co providing a Modification Quote and the State responding to that Modification Quote is set out in Clause 33, however the contents of such Modification Quote must comply with the requirements of this Schedule 4, including in respect of the contents of Change Notices.
- (b) In respect of Minor Modifications, Project Co is not required to submit a Change Notice in accordance with this Section 3 of this Part A, but must calculate the amount payable in respect of the Minor Modification in accordance with this Schedule 4 and provide such information as is reasonably requested by the State to support the Minor Modification amount claimed to be payable.

### **3.2 Change Notice and State response**

- (a) If a Change Compensation Event is expressed in this Agreement to be subject to, or an amount is to be calculated in accordance with, this Schedule 4, then, as a



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condition precedent to making a claim for adjustment or a claim for payment in respect of such a Change Compensation Event, Project Co must, subject to Section 3.1 of this Part A, prepare and submit to the State Representative a Change Notice in accordance with Part B of this Schedule 4, which must be submitted no later than 20 Business Days after the earlier of the date on which Project Co was aware or ought reasonably to have been aware of the Change Compensation Event.

- (b) The State Representative may decide not to accept a Change Notice where the Change Notice fails to meet the requirements of this Schedule 4.
- (c) Where:
  - (i) a Change Notice is submitted;
  - (ii) the Change Compensation Event continues beyond the issue of the initial Change Notice;
  - (iii) there is no obligation otherwise in this Agreement to submit an updated Change Notice; and
  - (iv) the Change Compensation Event continues to prevent or delay performance of the DBFM Works or Services,

Project Co must prepare and submit to the State Representative an updated Change Notice every 20 Business Days (or such longer period as reasonably determined by the State, having regard to the extent and nature of the Change Compensation Event and its effects) for the period of the Change Compensation Event.

### **3.3 State may request a Change Notice**

- (a) Without limiting the State's rights under this Agreement (including where Project Co has failed to submit a Change Notice in accordance with this Agreement), where:
  - (i) the State believes that a Change Compensation Event has occurred; and
  - (ii) Project Co has not submitted a Change Notice in accordance with Section 3.2 of this Part A,the State may:
  - (iii) in a notice entitled "Change Notice Request", request that Project Co prepare and submit a Change Notice in respect of the particular Change Compensation Event; or
  - (iv) request Project Co to carry out a tender process, in accordance with Section 5 of this Part A.
- (b) Upon receipt of a request under Section 3.3(a) of this Part A, Project Co must prepare and submit to the State Representative:
  - (i) a Change Notice:
    - (A) within 20 Business Days from receipt of the State's request under Section 3.3(a) of this Part A; and
    - (B) in accordance with Part B of this Schedule 4; and
  - (ii) an updated Change Notice every 20 Business Days for the period of the Change Compensation Event where the Change Compensation Event continues beyond the issue of the initial Change Notice.

## **4 CHANGE RESPONSE**

### **4.1 State to issue a Change Response**

Unless otherwise stated in this Agreement, within 15 Business Days and in accordance with Schedule 3 (Review Procedures) of this Agreement, the State:

- (a) may request from Project Co any further information that the State reasonably requires in order to assess Project Co's claim in accordance with this Schedule 4; and

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- (b) must advise Project Co, in a notice entitled “Change Response”, that the State:
- (i) accepts the Change Notice, in which case Project Co will, subject to Project Co complying with the other requirements of this Agreement (including this Schedule 4), be entitled to compensation in accordance with Section 7 of this Part A;
  - (ii) does not accept the Change Notice (and the reasons for this) and that it requires Project Co to:
    - (A) subject to Clause 33.1(d)(vii) of this Agreement, carry out a tender process, in accordance with Section 5 of this Part A, except for Compensable Extension Events or Compensable Intervening Events;
    - (B) have the Base Costs determined by an Independent Expert in accordance with Section 6 of this Part A; or
    - (C) amend any aspect of the Change Notice, in accordance with the Change Response; or
  - (iii) reject the Change Notice and the reasons for this,  
**(Change Response).**

#### **4.2 Options where the Change Notice is not accepted**

If the State does not accept a Change Notice in accordance with Section 4.1(b)(ii) or Section 4.1(b)(iii) of this Part A, Project Co must:

- (a) submit an updated Change Notice to the State Representative, responding to the Change Response; or
- (b) notify the State Representative of any specific matters which it disputes in respect of the Change Response,

within 20 Business Days (or such other period as agreed with the State) of Project Co’s receipt of the Change Response.

#### **4.3 Dispute resolution**

Any Disputes about the Change Response may be referred by either party for resolution by an Independent Expert in accordance with Clause 45.3 of this Agreement.

### **5 TENDER PROCESS**

- (a) **(State may require a tender process):** If the State requires Project Co or the relevant Project Co Associate to carry out a tender process pursuant to Sections 3.3(a)(iv) or 4.1(b)(ii)(A) of this Part A, the tender process must be carried out in accordance with this Section 5 of this Part A.
- (b) **(Conduct of the tender process):** If Project Co is required to carry out a tender process under Section 5(a) of this Part A, Project Co must:
  - (i) in carrying out that tender process, comply with all State policies, including State Supply Commission supply policies; and
  - (ii) without limiting Section 5(b)(i) of this Part A, obtain at least 3 separate quotes (or such lesser number of quotes as directed by the State) from experienced, reputable, independent and capable contractors which are acceptable to the State (acting reasonably) to carry out the work in respect of the relevant Change Compensation Event, having regard to Good Industry Practice and Sections 5(e), (f) and (g) of this Part A.
- (c) **(Project Co to select):** Project Co will be responsible for selecting a Subcontractor from this process in consultation with the State.
- (d) **(Tender process material):** Project Co must permit the State to review all materials that are submitted in the tender process and provide any other information that the State reasonably requires (including such written consents as are required by Law to carry out any Probity Investigations).

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- (e) **(Selection criteria):** Project Co must demonstrate, to the reasonable satisfaction of the State, that the Subcontractor it intends to select is the best choice having regard to the:
- (i) price quoted in the prevailing market conditions;
  - (ii) experience and capability of that Subcontractor in the context of the relevant Change Compensation Event;
  - (iii) ability of the Subcontractor to carry out the work in respect of the Change Compensation Event in the manner required by this Agreement; and
  - (iv) Clause 5.10(a) of this Agreement.
- The Subcontractor must meet the requirements in respect of Subcontractors set out in this Agreement.
- (f) **(Effect of tender process):** Subject to Section 5(g) of this Part A, Project Co must, within 10 Business Days of the outcome of the tender process, amend its Change Notice and submit the amended Change Notice to the State Representative, or where the State has exercised its right under Section 3.3(a)(iv) of this Part A, submit a Change Notice which takes full account of the outcome of the tender process to the State Representative.
- (g) **(State not satisfied):** If, following the conduct of the tender process, the State is not reasonably satisfied as to the matters described in Section 5(e) of this Part A, or that the tender process has not been conducted in accordance with Good Industry Practice, it may:
- (i) direct Project Co not to accept any tender;
  - (ii) otherwise instruct Project Co not to proceed with the work in respect of the relevant Change Compensation Event;
  - (iii) proceed to implement the work that would otherwise have been performed in respect of the relevant Change Compensation Event itself, through Subcontractors selected by it; or
  - (iv) instruct Project Co to proceed with the work in respect of the relevant Change Compensation Event, but on another basis under this Schedule 4.
- (h) **(Services):** If the State engages a subcontractor to execute works or services equivalent to a Change Compensation Event in accordance with Section 5(g)(iii) of this Part A, the State will do so by issuing a Modification Price Request (as defined in Clause 33.1(a) of this Agreement) to Project Co with respect to the provision of works or services equivalent to the Change Compensation Event to the relevant area of the Stadium or Sports Precinct (or both).
- (i) **(Change Notice for Services):** Where the State requires Project Co to provide additional Services as a result of a Change Compensation Event implemented by the State under Section 5(g), Project Co must issue the State with a Change Notice in respect of the provision of these Services.

## 6 INDEPENDENT EXPERT

If the State does not accept the Base Costs or Savings as calculated by Project Co in any Change Notice, the State may have these verified by an Independent Expert appointed in accordance with Clause 45.3 of this Agreement, in which case:

- (a) the Base Costs in item C of Section 7.1 of this Part A will be the lower of:
  - (i) the amount claimed by Project Co in accordance with this Schedule 4; and
  - (ii) the amount determined by the Independent Expert; and
- (b) the Savings in item D of Section 7.1 of this Part A will be the higher of:
  - (i) the amount claimed by Project Co in accordance with this Schedule 4; and
  - (ii) the amount determined by the Independent Expert.

## 7 METHODOLOGY FOR CALCULATING COMPENSATION

### 7.1 Compensation for Change Compensation Events

Subject to Sections 7.2 to 7.6 of this Part A and the specific requirements otherwise set out in this Agreement, Project Co's entitlement to compensation in respect of the Change Compensation Events to which this Schedule 4 are expressed in this Agreement to apply will be calculated as follows:

$$P = C - D - I$$

where:

**P** = the amount payable to Project Co, where this is a positive amount, or the amount payable by Project Co, where this is a negative amount;

**C** = the amount of any Base Costs plus Agreed Margins payable to Project Co and any Project Co Associate in accordance with this Schedule 4 (if any);

**D** = Savings; and

**I** = any insurance proceeds referred to in Section 2.2(h) of this Part A.

The Agreed Margin or other Margin included in the calculation of D in the foregoing formula must be no less than the Allowance which would have applied to the relevant avoided costs if those costs were Base Costs or other Costs in respect of which an Agreed Margin or other Margin would have applied.

### 7.2 Calculation of Base Costs and Margins

- (a) For Change Compensation Events during the D&C Phase that involve a capital component, the Base Costs and Agreed Margins for the capital cost component will be calculated as:

$$A + B + C + D + E + F$$

where:

A = the Design Base Costs;

B = the Construction Base Costs;

C = the applicable Builder Preliminaries (set out in Table 1) multiplied by B;

D = the applicable Builder Margin (set out in Table 1) multiplied by the sum of A and B;

E = any other Base Costs (other than FM Base Costs) necessary to undertake the Change Compensation Event; and

F = the applicable Project Co Margin (set out in Table 1) multiplied by the sum of A, B, D and E.

**Table 1**

	Column 2	Column 3	Column 4
<b>Threshold</b>	[not disclosed] to [not disclosed] Base Cost <sup>1</sup>	>[not disclosed] to [not disclosed] Base Cost <sup>1</sup>	>[not disclosed] Base Cost <sup>1</sup>
<b>Component</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Allowance</b>
Project Co Margin	[not disclosed]	[not disclosed]	[not disclosed]
Builder Margin	[not disclosed]	[not disclosed]	[not disclosed]
Builder Preliminaries	[not disclosed]	[not disclosed]	[not disclosed]

<sup>1</sup>The above dollar thresholds are indexed by the CPI Multiplier Annual (OC) at the commencement of each calendar year following Contractual Close.

- (b) For Change Compensation Events during the Operating Phase that involve a capital component, the Base Costs and Agreed Margin for the capital cost component will be calculated as:

$$A + B + C + D$$

where:

A = all necessary Base Costs (excluding FM Base Costs and Construction Base Costs);

B = the Construction Base Costs;

C = the applicable Builder Preliminaries (set out in Table 2) multiplied by B; and

D = the applicable Builder Margin, being:

- (i) during the first 5 years of the Operating Phase, the percentage set out in Table 2 (whether or not it is the Builder or some other builder that undertakes the relevant works); or
- (ii) after the first 5 years of the Operating Phase, the percentage that a builder may charge as determined through a competitive process in accordance with Section 5 of this Part A,

multiplied by B.

**Table 2**

	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
<b>Threshold</b>	[not disclosed] to [not disclosed] Base Cost <sup>1</sup>	>[not disclosed] to [not disclosed] Base Cost <sup>1</sup>	>[not disclosed] Base Cost <sup>1</sup>
<b>Component</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Allowance</b>
Builder Margin	[not disclosed]	[not disclosed]	[not disclosed]
Builder Preliminaries	[not disclosed]	[not disclosed]	[not disclosed]

<sup>1</sup>The above dollar thresholds are indexed by the CPI Multiplier Annual (OC) at the commencement of each calendar year following Contractual Close.

- (c) For Change Compensation Events that affect the cost of providing the Services, the Base Costs and Agreed Margin for the recurrent cost component will be calculated as:

$$A + B + C + D$$

where:

A = all FM Base Costs;

B = the applicable FM Margin (set out in Table 3) multiplied by A;

C = any other Base Costs (other than Design Base Costs and Construction Base Costs) necessary to undertake the Change Compensation Event; and

D = the applicable Project Co Margin (set out in Table 3) multiplied by the sum of A, B and C.

**Table 3**

	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
<b>Component</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Allowance</b>

Threshold	[not disclosed] to [not disclosed] Base Cost <sup>1</sup>	>[not disclosed] to [not disclosed] Base Cost <sup>1</sup>	>[not disclosed] Base Cost <sup>1</sup>
Project Co Margin	[not disclosed]	[not disclosed]	[not disclosed]
FM Margin	[not disclosed]	[not disclosed]	[not disclosed]
<sup>1</sup> The above dollar thresholds are indexed by the CPI Multiplier Annual (OC) at the commencement of each calendar year from Contractual Close.			

### 7.3 Compensation for Financing Delay Costs and Prolongation Costs

Subject to the specific requirements otherwise set out in this Agreement, Project Co's entitlement to Prolongation Costs and Financing Delay Costs on the occurrence of a Compensable Extension Event or the implementation of a Modification or FF&E Modification during the D&C Phase which gives rise to an extension to the Date for Commercial Acceptance (as applicable), will be calculated as follows:

$$P = A + B - I$$

where:

**P** = the amount payable to Project Co;

**A** = Prolongation Costs for each day for which Project Co is granted an extension of time for the Compensable Extension Event or the implementation of a Modification or FF&E Modification (as applicable) until the earlier of:

- (a) the revised Date for Commercial Acceptance due to that Compensable Extension Event or the implementation of a Modification or FF&E Modification (as applicable);
- (b) the Date of Commercial Acceptance; and
- (c) any termination of this Agreement;

**B** = the Financing Delay Costs actually incurred for the period by which the Date for Commercial Acceptance has been extended as a consequence of the Compensable Extension Event in connection with the DBFM Works or the implementation of a Modification or FF&E Modification (as applicable) until the earlier of:

- (a) the revised Date for Commercial Acceptance due to that Compensable Extension Event or implementation of a Modification or FF&E Modification (as applicable);
- (b) the Date of Commercial Acceptance; and
- (c) any termination of this Agreement; and

**I** = any insurance proceeds referred to in Section 2.2(h) of this Part A.

### 7.4 Compensable Intervening Event

Where Project Co's obligations are suspended as a consequence of a Compensable Intervening Event, the Base Cost will be calculated as the sum of:

- (a) an amount calculated in accordance with Sections 7.2(b) and 7.2(c) of this Part A for dealing with any event which is described as a Compensable Intervening Event in Clause 8.5 of this Agreement; and
- (b) any additional costs incurred by Project Co, including in connection with the suspension, arising as a direct result of the Compensable Intervening Event with no Agreed Margin payable,

subject to Project Co providing such information as is necessary to satisfy the State that those additional costs were reasonably incurred and which are not recovered through the Monthly Service Payment paid in accordance with Clause 29 of this Agreement.

### 7.5 FF&E Modifications

- (a) **(Modification Amount):** Where there is an FF&E Modification, subject to Section 7.5(b) of this Part A, the Change Compensation Amount will be calculated as follows for each item of FF&E that is the subject of an FF&E Modification:

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$$\mathbf{MA} = \mathbf{ECC} + \mathbf{EMC} + \mathbf{ELC}$$

where:

**MA** = the Change Compensation Amount;

**ECC** = the FF&E Capital Cost calculated in accordance with Section 7.5(c) of this Part A;

**EMC** = the FF&E Maintenance Cost for any Group 1 FF&E that is the subject of the FF&E Modification, calculated in accordance with Section 7.5(d) of this Part A; and

**ELC** = the FF&E Lifecycle Cost for any Group 1 FF&E that is the subject of the FF&E Modification, calculated in accordance with Section 7.5(e) of this Part A.

(b) **(Payment for FF&E Modifications):**

(i) Unless the parties agree otherwise, the State shall pay for an FF&E Modification through a combination of:

(A) an initial lump sum in respect of ECC calculated in accordance with the formula in Section 7.5(c) of this Part A;

(B) an amount payable Monthly in arrears in respect of EMC calculated in accordance with the formula in Section 7.5(d) of this Part A (if any); and

(C) an amount payable periodically in accordance with the agreed Replacement Frequency in respect of ELC (if any),

provided that where either MA, ECC, EMC or ELC is a negative number the State may elect to treat such amount as a credit that can be utilised by the State to offset payments required in relation to future FF&E Modifications or State directed Modifications.

(ii) Both EMC and ELC in the formula in Section 7.5(a) of this Part A shall be adjusted as appropriate to take into account CPI using the CPI Multiplier Annual (OC).

(c) **(FF&E Capital Cost):**

(i) For each item of FF&E that is the subject of an FF&E Modification, the FF&E Capital Cost will be calculated as follows:

$$\mathbf{ECC} = (\mathbf{A} - \mathbf{B}) + (\mathbf{C} - \mathbf{D})$$

where:

**ECC** = the FF&E Capital Cost, which may be a positive number (being an amount payable by the State to Project Co) or a negative number (being an amount payable by Project Co to the State);

**A** = the sum of:

- the Purchase Cost of the new or additional FF&E included in the FF&E Modification; plus
- any costs actually incurred by Project Co in terminating a supply agreement (that has been entered into in accordance with the terms of this Agreement to the extent applicable) as a direct result of the Modification Order; plus
- GST and other recoverable Taxes borne by Project Co, or, in respect of an omitted item of FF&E, this will be deemed to be zero;

**B** = the Purchase Cost of the original item of FF&E or any FF&E the purchase of which is avoided as a result of the FF&E Modification, GST and other recoverable Taxes borne by Project Co;

**C** = the cost of any additional DBFM Works required to be undertaken as a direct consequence of the FF&E Modification; and

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- D =** the savings from any reduction in DBFM Works as a direct consequence of the FF&E Modification.
- (ii) In calculating A and B in the foregoing formula, the Purchase Cost of the FF&E shall reflect what would be the actual cost of purchasing or removing an item that meets the Design Requirements and not any other prices that may have been provided by Project Co during the Tender Process unless the original item of FF&E the subject of the FF&E Modification is no longer available or has been superseded at the time of the FF&E Modification, in which case the Purchase Cost of the original item of FF&E in B will be deemed to be the amount that Project Co allowed for that FF&E as at Contractual Close as set out in the relevant Project Co FF&E List indexed in accordance with the CPI Multiplier Annual (OC) formula.
- (iii) Margins will only be allowed on items A – D in Section 7.5(c)(i) of this Part A for FF&E Modifications occurring after the Date of Commercial Acceptance.
- (d) **(FF&E Maintenance Cost):**
- (i) For each item of Group 1 FF&E that is the subject of an FF&E Modification, the FF&E Maintenance Cost will be calculated as follows:
- EMC = EMCN – EMCO**
- where:
- EMC =** the FF&E Maintenance Cost, which may be a positive number (being an amount payable by the State to Project Co) or a negative number (being an amount payable by Project Co to the State);
- EMCN =** the FF&E Maintenance Cost applicable to the new item of Group 1 FF&E, which will be calculated for each year remaining in the Operating Phase or the remaining useful life of the Group 1 FF&E where that life is less than the number of years remaining in the Operating Phase from the Date for Commercial Acceptance or the date of the FF&E Modification (whichever is the later) by multiplying the remaining useful life of the Group 1 FF&E by the Maintenance Rate determined in accordance with Section 7.5(d)(ii) of this Part A, or in respect of an omitted item of Group 1 FF&E, this will be deemed to be zero; and
- EMCO =** the FF&E Maintenance Cost applicable to the original item of Group 1 FF&E, which will be calculated for each year remaining in the Operating Phase from the Date for Commercial Acceptance or the date of the FF&E Modification (whichever is the later) by multiplying the remaining useful life of the Group 1 FF&E by the Maintenance Rate determined in accordance with Section 7.5(d)(ii).
- (ii) The Maintenance Rate shall be calculated as follows:
- (A) in relation to EMCO, it shall be the rate specified in respect of the original item of Group 1 FF&E in the Operating Phase Lifecycle Maintenance Plan or, subject to Section 7.5(d)(iii) of this Part A, if there is no applicable rate, it shall be a rate agreed by the parties or, failing agreement, determined in accordance with Clause 45 of this Agreement; and
- (B) in relation to EMCN, it shall be the longer of:
- (1) that rate specified, agreed or determined as applicable to the calculation of EMCO in accordance with A; or
- (2) that recommended by the manufacturer,
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unless either the State Representative or Project Co can demonstrate that this should not be the case, in which case it shall be a rate agreed by the parties or, failing agreement, determined in accordance with Clause 45 of this Agreement.

- (iii) Where the FF&E Modification is due to a new item of Group 1 FF&E, EMCO shall be equal to zero, and EMCN will be calculated using the higher of:
- (A) the rate specified in the Operating Phase Lifecycle Maintenance Plan in respect of the most appropriate equivalent item of Group 1 FF&E in Schedule 12 (Design Specifications) (if applicable); or
- (B) the rate recommended by the manufacturer,

unless either the State Representative or Project Co can demonstrate that this should not be the case, in which case it shall be a rate agreed by the parties or, failing agreement, determined in accordance with Clause 45 of this Agreement.

(e) **(FF&E Lifecycle Cost):**

- (i) The FF&E Lifecycle Cost for Group 1 FF&E will be calculated as follows:

$$\text{ELC} = \text{ELCN} - \text{ELCO}$$

where:

**ELC** = the FF&E Lifecycle Cost, which may be a positive number (being an amount payable by the State to Project Co) or a negative number (being an amount payable by Project Co to the State);

**ELCN** = the FF&E Lifecycle Cost applicable to the new item of Group 1 FF&E, which will be calculated for the period remaining in the Operating Phase from the Date for Commercial Acceptance or the date of the FF&E Modification (whichever is the later) by applying the Purchase Cost of that item in each year which corresponds with the Replacement Frequency; and

**ELCO** = the FF&E Lifecycle Cost applicable to the original item of Group 1 FF&E, which will be calculated for the period remaining in the Operating Phase from the Date for Commercial Acceptance or the date of the FF&E Modification (whichever is the later) by applying the Purchase Cost of that item in each year which corresponds with the Replacement Frequency.

- (ii) The Replacement Frequency is calculated as follows:
- (A) in relation to ELCO, it shall be the frequency (rounded down to the nearest whole number) indicated in the Operating Phase Lifecycle Maintenance Plan or, subject to Section 7.5(e)(iii) of this Part A, if there is no applicable frequency it shall be a frequency agreed by the parties or, failing agreement, determined in accordance with Clause 45 of this Agreement; and
- (B) in relation to ELCN, it shall be the same as that applicable to the calculation of ELCO unless either the State Representative or Project Co can demonstrate that this should not be the case, in which case it shall be a rate agreed by the parties or, failing agreement, determined in accordance with Clause 45 of this Agreement.

- (iii) Where the FF&E Modification is due to a new item of Group 1 FF&E, ELCO shall be equal to zero, and ELCN will be calculated assuming the same Replacement Frequency applicable to the equivalent item of FF&E in Schedule 12 (Design Specifications) (if applicable) or if there is no

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equivalent item, at the rate agreed by the parties or, failing agreement, determined in accordance with Clause 45 of this Agreement.

**7.6 State directed Modifications which include FF&E**

Where there is a Modification which includes the procurement of FF&E as part of that Modification, the Change Compensation Amount in respect of that Modification shall include:

- (a) the FF&E Capital Cost calculated in accordance with Section 7.5(c) of this Part A excluding items C and D on the basis that these will generally be included in the cost of the work undertaken in respect of that State directed Modification;
- (b) the FF&E Maintenance Cost Calculated in accordance with Section 7.5(d) of this Part A if the FF&E is Group 1 FF&E; and
- (c) the FF&E Lifecycle Cost calculated in accordance with Section 7.5(e) of this Part A if the FF&E is Group 1 FF&E.

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## **PART B – Change Notice Requirements**

### **1 CHANGE NOTICE**

A Change Notice (and any updated Change Notice, as the case may be) prepared by Project Co in respect of a Change Compensation Event must:

- (a) contain:
  - (i) the information set out in this Part B, to the extent that it is relevant to the particular Change Compensation Event outlined in this Part B; and
  - (ii) any additional information required under this Agreement in respect of a particular Change Compensation Event;
- (b) be warranted by the Project Co Representative as being true and correct to the best of his or her knowledge;
- (c) be signed by the Project Co Representative; and
- (d) attach copies of any required changes to the D&C Phase Plans and the Operating Phase Plans.

### **2 CHANGE COMPENSATION EVENT**

Project Co must set out detailed particulars of the occurrence and impact of the relevant Change Compensation Event.

### **3 MITIGATING FACTORS**

Project Co must describe the actions Project Co has taken (and any further action Project Co proposes to take in the future) to:

- (a) mitigate the adverse effects and cost of the Change Compensation Event; and
- (b) take advantage of any positive or beneficial effects of the Change Compensation Event and maximise any reduction in costs arising from the Change Compensation Event.

### **4 COST IMPLICATIONS**

All Change Notices must fully document all estimated Costs and Savings on an open book basis, including:

- (a) **(amounts payable by or to Project Co)**: all amounts payable by or to Project Co for the proposed Change Compensation Event in accordance with this Schedule 4 (in the form of and including all information required pursuant to this Schedule 4);
- (b) **(capital expenditure)**: whether or not any required capital expenditure can be accommodated within the next planned refurbishment or renovation of the Stadium or Sports Precinct (or both);
- (c) **(cost of insurance)**: the cost of insurance required to be effected under this Agreement;
- (d) **(Financing Delay Costs)**: any Financing Delay Costs calculated in accordance with this Agreement;
- (e) **(insurance moneys)**: all insurance moneys for which Project Co is entitled to make a Claim under any Insurances as a result of the relevant Change Compensation Event; and
- (f) **(proposed form and timing for compensation)**: the proposed form and timing for compensation in accordance with Section 2.3(b) of Part A of this Schedule 4.

For the purposes of this Section 4, “open book basis” will include Project Co providing a breakdown of the calculation of all relevant preliminaries, labour, equipment, materials, Subcontract, finance and other costs of Project Co and Project Co Associates in a clear and transparent manner and other information reasonably requested by the State including reasonably available source documents required to verify such calculation.

### **5 WARRANTY BY PROJECT CO**

All Change Notices must:

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- (a) contain a warranty by Project Co in respect of any Modification or FF&E Modification the subject of a Change Notice that the Modification or FF&E Modification when implemented will:
- (i) cause the Stadium and Sports Precinct to meet, and remain capable of being maintained so as to meet, the FFP Warranty and the requirements of this Agreement except to the extent that it is agreed or determined that the proposed Modification or FF&E Modification will have an adverse effect on the matters referred to in the Modification Quote referable to the Modification or FF&E Modification (as applicable); and
  - (ii) enable Project Co at all times during the Operating Phase to provide the Services in accordance with Schedule 13 (Services Specifications) of this Agreement and the terms of this Agreement, except to the extent that it is agreed or determined that the proposed Modification or FF&E Modification will have an adverse effect on, the matters referred to in the Modification Quote referable to the Modification or FF&E Modification (as applicable),
- in each case, without limiting the warranties given by Project Co in other Clauses of this Agreement; and
- (b) contain a warranty by Project Co that it is satisfied that the Claim the subject of the Change Notice is bona fide, made in good faith, and that the relief sought is an accurate reflection of Project Co's entitlement to the extent it is able to be known at the time.

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## **PART C – Builder’s Preliminaries**

- (a) Preliminaries for the Builder (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder) are:
- (i) provision of all securities, including the Builder Guarantees;
  - (ii) provision of all insurances as required under the D&C Subcontract, including insurance excesses;
  - (iii) payment of notices, permits, fees, bonds and charges;
  - (iv) all Building Construction Industry Training Fund (BCITF) costs relating to the DBFM Works;
  - (v) participation in meetings and advisory groups in relation to the DBFM Works;
  - (vi) all on Site management services including:
    - (A) project management, planning and reporting;
    - (B) planning, staging and programming of DBFM Works, including maintaining and updating the D&C Phase Plans;
    - (C) the management and completion of all procurement activities;
    - (D) management of, and liaison with, consultants and provision of information in a timely manner to consultants to enable them to fulfil their roles;
    - (E) management of all novated contractors and suppliers;
    - (F) construction management, coordination and supervision of all DBFM Works including Subcontractors and suppliers and Project Co FF&E;
    - (G) contract management and administration;
    - (H) all quantity surveying services, cost management, project forecasting and cash flow forecasting;
    - (I) quality management and quality assurance, including DBFM Works inspection, witnessing and verification of all work;
    - (J) safety management;
    - (K) traffic management external to the Construction Site and within the Construction Site;
    - (L) management of access to and use of the commercial and non-commercial facilities on and adjacent to the Construction Site;
    - (M) management of access for the organisers, participants and spectators of any public events on or adjacent to the Construction Site;
    - (N) environmental management;
    - (O) liaison with service and approval authorities;
    - (P) internal and external auditing of contractor’s plans and systems, including that of Subcontractors as applicable; and
    - (Q) any other management services to be provided to ensure that the DBFM Works meet the requirements of this Agreement, inclusive of salaries, wages, allowances, on-costs, benefits, bonuses, lodgings, travelling expenses vehicles and any other associated expenses of the management, administrative, commercial, legal and supervisory personnel;
  - (vii) all construction management services including:
    - (A) development and implementation of all project management plans including the preparation of further plans, and subsequent improvement and modification of existing plans as required;

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- (B) planning and programming the DBFM Works including staging of works;
  - (C) provision of all documents, submissions and reports and approvals authorities as required;
  - (D) completion of monthly progress reports including photographs;
  - (E) procuring a financial audit of actual costs for submission to any State appointed auditor on request;
  - (F) provision and management of contract management systems;
  - (G) generation, management and direction of all project documentation through a supplied document control system, including training of all staff, consultants, subcontractors and suppliers where required; and
  - (H) provision of hard and soft copies of all or any documents as required to the State or Project Co as reasonably required;
- (viii) all Construction Site establishment items including:
- (A) setting out of the DBFM Works;
  - (B) Site inductions, safety training and safety meetings and all personal and DBFM Project safety equipment and consumables and facilities;
  - (C) establishment and maintenance of temporary car parks for the Construction Site for the workforce of the Builder (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder), Subcontractors and consultants (where reasonably required);
  - (D) construction, maintenance and attendance of Construction Site access and egress points where approved by the State Representative and the Town of Victoria Park;
  - (E) establishment and maintenance of contractors' laydown and storage area;
  - (F) provision of temporary services including power, water, electrical, sewer, telecommunications and other utilities and disconnection and reinstatement upon Completion;
  - (G) Builder's (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder's) construction signage if approved by the State Representative;
  - (H) hoardings to Construction Site perimeter to specification including additional hoarding for staging requirements and subsequent relocations and adjustments as maybe required from time to time. Unless otherwise agreed, Specification 2400 high hoarding comprising F17 Armourform grade ply with 16 x 25 U shaped black powder coated capping to ply, all fixed to 75 x 75 galvanised steel posts with suitable concrete footings;
  - (I) establishment of the Builder's (or, during the Operating Phase where the Builder does not undertake the relevant works, some other builder's) Construction Site accommodation including offices, sheds, toilets, lunch rooms, meeting rooms, document viewing rooms, storage and first aid facilities and the like, including covered walkways and concrete slabs between sheds, footings and craneage and any other costs incidental to establishing and relocating the facilities throughout the duration of the D&C Subcontract and amenities and Construction Site accommodation for all Subcontractors (excluding facilities for the sole use of individual Subcontractors), as well as their removal. Remove and make good at Completion;
  - (J) cleaning of all Construction Site offices building, kitchens and toilet areas; and
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- (K) costs of desk telephones, power, water, gas, photocopier and access to first aid;
  - (ix) all general items including:
    - (A) maintaining safe public access and signage around the perimeter of the Site including pedestrian and vehicular access;
    - (B) ensuring full compliance with the Building Code of Australia;
    - (C) monitoring dust, noise and vibration throughout the DBFM Project;
    - (D) dust suppression throughout the DBFM Project;
    - (E) all general attendant Site labour including for labour costs for Site wide material handling and storage, maintaining the Site in a clean and safe environment (including all labour and operators for general Site crange and dog-man and labour associated with scaffolding, Site cleanup and maintenance, access and egress from Site and traffic control);
    - (F) maintenance and cleaning or repair of external road network as required;
    - (G) construction access within the Site boundaries;
    - (H) temporary shut down and reconnection of services;
    - (I) temporary fencing, gates, screens, guard rails, safety barriers, access control and the like; provision of temporary lighting; all temporary works not specifically part of a single trade package for the sole use of a subcontractor, including design manufacture, installation, maintenance and removal upon completion;
    - (J) provision of emergency vehicle access and stretcher access to all parts of the Site as required;
    - (K) all Site specific establishment and administrative costs, consumables, and expenses of any nature whatsoever including the cost of computers, software, photocopying, telephones and other communication costs, stationery, printing, couriers, first aid supplies, toiletries and other administrative expenses;
    - (L) provision of all major plant and equipment (including crange) for general materials handling that is not provided by or used solely by a Subcontractor;
    - (M) the provisions of plant and equipment necessary for the completion of the DBFM Works including small tools, consumables equipment, safety equipment, protective clothing, cold water, ice machines and similar items required to be provided by the contractor for its direct staff, attendant labour and visitors as applicable;
    - (N) waste management and removal or disposal (including fees and levies) for the DBFM Project; and
    - (O) Site security and all costs associated with the provision of security systems and services within the Site, including any required security staff, security escort services, security patrols, electronic security systems and security vehicles; and
  - (x) all completion items including:
    - (A) protection of completed work until Completion;
    - (B) final feature survey;
    - (C) collection and collation of all "as built" information and management of consultants to produce final "as built" drawings and documents;
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- (D) collection or preparation as required of all necessary information, drawings and documents to comply with the requirements for asset transfer of and the assumption of responsibility by any Government Agency;
  - (E) collection, or preparation as required of all necessary papers to enable members of the public to use the Stadium and Sports Precinct for its intended purpose;
  - (F) preparation and procurement of design verification reports;
  - (G) provision of complete quality manual upon Completion incorporating user manuals, warranties, testing and commissioning information and "as built" information;
  - (H) provision of complete sets of all certificates of compliance; and
  - (I) completion of Completion Tests with the State Representative and relevant consultants.
- (b) Paragraph (a) of this Part C is not an exhaustive list of preliminaries. For the avoidance of doubt, the following are items are not preliminaries:
- (i) cramage (including operators and dog-man) used solely by and provided by individual Subcontractors for their sole use where cost effective to do so; and
  - (ii) plant, equipment and scaffolding where used solely by and provided by an individual Subcontractor for the Subcontractor's scope of work where cost effective to do so.