

Schedule 5 – Change Compensation Principles

Part A – Change Compensation Principles

1 INTERPRETATION AND DEFINITIONS

1.1 Interpretation

In this Schedule 5, references to a “Section” or to an “Annexure” are references to sections and annexures of this Schedule 5 and references to “Clause” and “Schedule” are references to clauses and schedules of this Deed.

1.2 Definitions

In this Schedule 5:

- (a) any word, expression, reference or term which is defined in this Deed and is not specifically defined in Section 1.2 will, unless the context otherwise requires, have the same meaning in this Schedule 5; and
- (b) these terms have the following meanings:

Agreed Margins means the D&C Subcontractor Margin, Services 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 Section 7.2, 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 5.

Base Costs has the meaning given to it in Section 2.2(f).

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 5.

Change Compensation Event means an event set out in Section 2.1.

Change Notice means the notice referred to in Section 3.

Change Notice Request means the notice referred to in Section 3.3.

Change Response means the notice referred to in Section 4.1.

Costs means all proper and reasonable direct capital and operating costs 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.

D&C Base Costs means the actual costs of the D&C Subcontractor properly and reasonably incurred by Project Co and directly attributable to a Change Compensation Event, including the cost of all Subcontractors to the D&C Subcontractor 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, D&C Subcontractor Preliminaries and Design Base Costs.

D&C Subcontractor Margin means:

- (a) during the Development Phase for a Stage, the percentage that the D&C Subcontractor may charge in accordance with Table 1 of this Schedule 5;
- (b) during the first 5 Operating Years for a Stage, the percentage that the D&C Subcontractor may charge in accordance with Table 2 of this Schedule 5; and
- (c) after the first 5 Operating Years for a Stage, the percentage that a D&C Subcontractor may charge as determined through a competitive tender process in accordance with Section 5,

to cover all off-site overheads and administrative and corporate and other like costs and profits, but excluding D&C Subcontractor Preliminaries.

D&C Subcontractor Preliminaries means the percentage that the D&C Subcontractor may charge in accordance with Table 1 or Table 2 (as the case may be) of Section 7.2, which covers all the preliminaries set out in Part C of this Schedule 5.

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 D&C Subcontractor and all Agreed Margins other than the Margin of the relevant third party design consultant.

End of Term Compensation means the amount payable to Project Co in relation to a Compensable Extension Event or a Change Compensation Event set out in Section 7.8 as part of the final Quarterly Service Payment, calculated in accordance with Section 7.9.

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

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

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

Financing Delay Costs means the incremental financing delay costs in excess of those included in the then current Financial Model actually incurred by a Project Entity under the Finance Documents as a direct consequence of a delay to the achievement of Commercial Acceptance of a Stage by the Date for Commercial Acceptance of that Stage to the extent caused by a Compensable Extension Event.

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

Margin means an amount on account of off-site and on-site overheads and administrative and corporate and other like costs and profit.

Project Co Margin means the percentage that Project Co may charge in accordance with Table 1 or Table 3 (as relevant) of Section 7.2 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 a Project Entity in excess of the then current Financial Model 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).

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).

Savings means the amount of any costs, including any Agreed Margin or other Margin, avoided or otherwise reduced in accordance with this Schedule 5 arising out of or in connection with a Change Compensation Event, which are or are likely to be decreased from the relevant amounts (if any) assumed in the then current Financial Model.

Services Base Costs means the actual costs of the Services 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 Services Subcontractor engaged in respect of the Change Compensation Event, warranty costs and lifecycle costs, but excluding the Services Margin.

Services Margin means the percentage that the Services Subcontractor may charge in accordance with Table 3 of Section 7.2 on its Services Base Costs to cover all off-site overheads and administrative and corporate and other like costs and profits.

State's Supply Commission Policies means the State Supply Commission's procurement policies as published from time to time on the Government of Western Australia's Department of Finance website, which as at the date of this Deed can be found at: http://www.finance.wa.gov.au/cms/State_Supply_Commission/Procurement_Policy/Procurement_Policy.aspx.

2 GENERAL

2.1 Change Compensation Events and Allowance entitlement

Change Compensation Event	Clause of this Deed	Allowance entitlement	Compensation to be calculated in accordance with the following section of this Part A or other provisions of this Deed as identified
Contamination Modification Event	Clause 6.2, 6.3 and 6.4	[Not disclosed]	Sections 7.1, 7.2, 7.3, 7.8 and 7.9
Design Departures	Clause 13.3	[Not disclosed]	Section 7.1
Minor Modification	Clause 14.2	[Not disclosed]	Sections 7.1 and 7.2
FF&E Modification	Clause 15.3 and 19.5	[Not disclosed]	Sections 7.3, 7.5, 7.8 and 7.9
Contingency Transportable Units	Clause 19.2(i)(B)	[Not disclosed]	Sections 7.1 and 7.2
Force Majeure Event	Clause 19.10 and 31.4	[Not disclosed]	Section 7.7
Compensable Extension Event except for paragraph (e) of the definition of 'Compensable Extension Event'	Clause 19.11	[Not disclosed]	Section 7.3 and 7.9
Compensable Extension Event, paragraph (e) of the definition of 'Compensable Extension Event' only	Clause 19.11	[Not disclosed]	Sections 7.1 and 7.2, 7.3 and 7.9
Acceleration	Clauses 19.15 and 19.18	[Not disclosed]	Sections 7.1 and 7.2
Compensable Intervening Events	Clause 31.3	[Not disclosed]	Sections 7.1 and 7.4
Alternative arrangements	Clause 31.5	[Not disclosed]	Sections 7.1 and 7.2
Omission of Reviewable Services	Clause 32.9	[Not disclosed]	Section 7.1
Modification excluding any Minor Modification and excluding any Modification under Clause 36.6A (but including any Modification under Clause 36.6A(d))	Clause 36	[Not disclosed]	Sections 7.1, 7.2, 7.3, 7.8 and 7.9 (except that a Modification issued under Clause 36.6A(d) will only be calculated in accordance with Sections 7.1 and 7.2).

Change Compensation Event	Clause of this Deed	Allowance entitlement	Compensation to be calculated in accordance with the following section of this Part A or other provisions of this Deed as identified
Modification under Clause 36.6A (except under Clause 36.6A(d))	Clause 36.6A	[Not disclosed]	Section 7.10 only.
Project Co Modification Change Notice	Clause 36.2 and 36.6(b) and 36.6(d)	[Not disclosed]	Section 7.1 and 7.2
Project Co Modification Sharing of Savings	Clause 36.6(e)	[Not disclosed]	Section 7.1
Change in Mandatory Requirements	Clause 36.7 and 36.8	[Not disclosed]	Sections 7.1, 7.2, 7.3, 7.8 and 7.9
Repair or rebuild to different specifications	Clause 38.3	[Not disclosed]	Sections 7.1, 7.2, 7.8 and 7.9
Repair or rebuild - State risk	Clause 38.3(d)	[Not disclosed]	Sections 7.1, 7.2, 7.3, 7.8 and 7.9

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 5 are expressed in this Deed 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 5 will be made as and when incurred or in arrears;
- (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 2.22:
 - (i) Project Co must (and must ensure that each other Project Entity does):
 - (A) provide all information referred to in this Schedule 5 on an Open Book Basis, in accordance with paragraph (ii) of this Section 2.2(d) below;
 - (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) in respect of the information referred to in subparagraph (A) of this Section 2.2(d),

in order to enable the State to make an accurate assessment of actual Costs and Savings in accordance with this Schedule 5;

- (ii) "Open Book Basis" will include each Project Entity providing a breakdown of other Costs of each Project Entity and Project Co Associates in a clear and transparent manner and providing other information reasonably requested by the State, including reasonably available source documents required to verify such calculation;
- (e) **(Margins)**: except where Project Co is expressly entitled to be paid an Agreed Margin or other Margin in accordance with Section 2.1, the State will not pay or otherwise compensate Project Co (or any Project Co Associate) for any Margin (or loss of Margin) in respect of a Change Compensation Event;
- (f) **(Base Costs)**: the Base Costs payable in respect of a Change Compensation Event will be those costs (including Design Base Costs, D&C Base Costs, Services 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 5, 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;
- (g) **(insurance)**: the compensation calculation will take into account any insurance proceeds received by a Project Entity or any Project Co Associate (or to which a Project Entity or any Project Co Associate is entitled under any insurance policy, or would have been entitled but for a failure by a Project Entity or any Project Co Associate to comply with the requirements of this Deed 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;
- (h) **(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 5, to the extent that they could have been avoided or mitigated if it, or any Project Co Associate, had used its reasonable endeavours to mitigate those costs and losses; and
- (i) **(GST)**: any reference in the Change Notice or any other document pursuant to this Schedule 5 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) in respect of a Stage results in an amount owing from a Project Entity to the State, the State will deduct such amount from the Quarterly Service Payment payable to Project Co after the relevant Change Compensation Event or Quarterly Service Payments if the amount is greater than the payment for that Quarter, or if no subsequent Quarterly 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 a Project Entity that is not financed by a Project Entity 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), as a lump sum payment, a series of milestone payments, an adjustment to the Quarterly Service Payment (or a combination of these methods) in accordance with the payment arrangements set out in the approved Change Notice;
 - (B) in respect of Prolongation Costs, within 1 month after the date of the receipt from the State of the Change Response by which the State accepts the Change Notice submitted by Project Co in respect of those Prolongation Costs, except to the extent that any Prolongation Costs are disputed by the State and referred

- for resolution by an expert in accordance with Clause 43 (Dispute Resolution procedure) of this Deed; and
- (C) in respect of Financing Delay Costs in arrears on the date which the State would have paid the Quarterly Service Payment relating to those days of delay had Commercial Acceptance of the relevant Stage not been delayed by the relevant Compensable Extension Event; or
- (iii) results in an amount owing from the State to a Project Entity that is financed by a Project Entity in accordance with Section 2.3(b), the State will pay such amount to Project Co by way of an increase in the Quarterly Service Payment in accordance with Clause 49.3 of this Deed.
- (b) Where the State requests Project Co obtain financing for a Change Compensation Event, Project Co must use (and must procure that each other Project Entity uses) 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 Finance Documents;
- (ii) utilising any standby facility that may be available to a Project Entity;
- (iii) arranging for additional financing under the Finance Documents and from other sources (if permitted under the Finance Documents); and
- (iv) arranging other financing obtained on commercial terms for a Project Entity by the State (without any obligation on the State to make any such arrangements).
- (c) Where neither Project Entity, having used all reasonable endeavours, is able 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 (Consent to Refinancing), pay the relevant amounts in accordance with Section 2.3(a)(ii).
- (d) If the State has requested Project Co to finance the Change Compensation Event under Section 2.3(b), Project Co must calculate and notify the State of the increase on the basis that it is able to obtain such financing (which only represents the amount payable to Project Co under Section 7.1 of this Part A plus the amounts payable by Project Co or Finance Co to Financiers in respect of the relevant Change Compensation Event) to:
- (i) the Construction Payment and the Securitised Modification Payment (as applicable) required to be paid by the State to Project Co; and
- (ii) each relevant Licence Payment, such that the amount payable by Finance Co in respect of that Change Compensation Event under the Receivables Purchase Deed will equal the increase to the Construction Payment or Securitised Modification Payment (as applicable).

3 CHANGE NOTICE

3.1 Change Notice and Modifications

- (a) This Section 3 applies to all Change Compensation Events to which this Schedule 5 are expressed in this Deed to apply, other than in respect of Modifications to which Clause 36 (Modifications) applies. Where Clause 36 (Modifications) applies, the process for Project Co providing a Change Notice and the State responding to that Change Notice is set out in Clause 36 (Modifications), however the contents of such Change Notice must comply with the requirements of this Schedule 5.
- (b) In respect of Minor Modifications Project Co must submit a Change Notice entitled "Minor Modification Proposal" and must calculate the amount payable in respect of the Minor Modification in accordance with this Schedule 5 and provide such information as is reasonably requested by the State to support the Minor Modification amount claimed to be payable.
- (c) Where a Modification is a Project Co Modification, the amount of any Saving payable to the State in respect of the Project Co Modification for the purposes of Section 7.1 will be as agreed between the parties at the time or if the parties are

unable to agree within 20 Business Days of Project Co issuing a Change Notice, the amount will be [Not disclosed]% of the Saving.

3.2 Change Notice and State response

- (a) If a Change Compensation Event is expressed in this Deed to be subject to, or an amount is to be calculated in accordance with, this Schedule 5, then, as a 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, prepare and submit to the State a Change Notice in accordance with Part B of this Schedule 5, which must be submitted no later than 20 Business Days after the earlier of the date on which Project Co was aware or ought to have been aware of the Change Compensation Event.
- (b) The State may decide not to accept a Change Notice where the Change Notice fails to meet the requirements of this Schedule 5.
- (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 Deed to submit an updated Change Notice; and
 - (iv) the Change Compensation Event continues to prevent or delay performance of the Works or Services,

Project Co must prepare and submit to the State 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 Deed (including where Project Co has failed to submit a Change Notice in accordance with this Deed), 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,
- the State may:
- (iii) in a notice entitled "Change Notice Request" (**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.
- (b) Upon receipt of a Change Notice Request under Section 3.3(a), Project Co must prepare and submit to the State:
- (i) a Change Notice:
 - (A) within 20 Business Days from receipt of the Change Notice Request under Section 3.3(a); and
 - (B) in accordance with Part B of this Schedule 5; 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 Deed, within 15 Business Days after the date of receipt from Project Co of the Change Notice, and in accordance with Schedule 12 (Review Procedures), 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 5; and
- (b) within 15 Business Days after the receipt from Project Co of such further information, 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 Deed (including this Schedule 5, be entitled to compensation in accordance with Section 7;
 - (ii) does not accept the Change Notice (and the reasons for this) and that it requires Project Co to:
 - (A) carry out a tender process, in accordance with Section 5, except for Compensable Extension Events or Compensable Intervening Events;
 - (B) have the Base Costs determined by an expert in accordance with Section 6; 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.

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), Project Co must:

- (a) submit an updated Change Notice to the State, responding to the Change Response; or
- (b) notify the State 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 expert in accordance with Clause 43.3 (Dispute Resolution procedure) of this Deed.

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 Section 4.1(b)(ii)(A), the tender process must be carried out in accordance with this Section 5.
- (b) **(Conduct of the tender process):** If Project Co is required to carry out a tender process under Section 5(a), Project Co must obtain 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, the State's Supply Commission Policies and Sections 5(e), (f) and (g) .
- (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).
- (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; and
- (iii) ability of the Subcontractor to carry out the work in respect of the Change Compensation Event in the manner required by this Deed.

The Subcontractor must meet the requirements in respect of Subcontractors set out in this Deed.

- (f) **(Effect of tender process)**: Subject to Section 5(g), 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, or where the State has exercised its right under Section 3.3(a)(iv), submit a Change Notice which takes full account of the outcome of the tender process to the State.
- (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), 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 5 .
- (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), the State will do so by issuing a Modification Request (as defined in Clause 36.1(Modification Request by the State) of this Deed) to Project Co with respect to the provision of works or services equivalent to the Change Compensation Event to the relevant area of the School Facilities or the Verge Works.
- (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 paragraph (g) of this Section 5, Project Co must issue the State with a Change Notice in respect of the provision of these Services.

6 EXPERT DETERMINATION

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 expert appointed in accordance with Clause 43.3, in which case:

- (a) the Base Costs in item C of Section 7.1 will be the lower of:
 - (i) the amount claimed by Project Co in accordance with this Schedule 5; and
 - (ii) the amount determined by the expert; and
- (b) the Savings in item D of Section 7.1 will be the higher of:
 - (i) the amount claimed by Project Co in accordance with this Schedule 5; and
 - (ii) the amount determined by the expert.

7 METHODOLOGY FOR CALCULATING COMPENSATION

7.1 Compensation for Change Compensation Events

Subject to the specific requirements otherwise set out in this Deed, including this Schedule 5, Project Co's entitlement to compensation in respect of the Change

Compensation Events to which this Schedule 5 are expressed 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 5;

D = Savings; and

I = any insurance proceeds referred to in Section 2.2(g).

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 Development Phase of a Stage 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 D&C Base Costs;

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

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

E = any other Base Costs (other than Services 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
Threshold	[\$[Not disclosed] to \$[Not disclosed] Base Cost ¹	>[\$[Not disclosed] to \$[Not disclosed] Base Cost ¹	>[\$[Not disclosed] Base Cost ¹
Component	Allowance	Allowance	Allowance
Project Co Margin	[Not disclosed]%	[Not disclosed]%	[Not disclosed]%
D&C Subcontractor Margin	[Not disclosed]%	[Not disclosed]%	[Not disclosed]%
D&C Subcontractor Preliminaries	[Not disclosed]%	[Not disclosed]%	[Not disclosed]%

¹The above dollar thresholds are indexed by the CPI Multiplier Annual at the commencement of each calendar year.

- (b) For Change Compensation Events during the Operating Phase of a Stage 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 Services Base Costs and D&C Base Costs);

B = the D&C Base Costs;

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

D = the applicable D&C Subcontractor Margin, being:

- (i) during the first 5 years of the Operating Phase of a Stage, the percentage set out in Table 2; or
- (ii) after the first 5 years of the Operating Phase of a Stage, the percentage that a D&C Subcontractor may charge as determined through a competitive process in accordance with Section 5,

multiplied by B.

Table 2

	Column 2	Column 3	Column 4
Threshold	[\$[Not disclosed] to \$[Not disclosed] Base Cost ¹	>[\$[Not disclosed] to \$[Not disclosed] Base Cost ¹	>[\$[Not disclosed] Base Cost ¹
Component	Allowance	Allowance	Allowance
D&C Subcontractor Margin	[Not disclosed]%	[Not disclosed]%	[Not disclosed]%
D&C Subcontractor Preliminaries	[Not disclosed]%	[Not disclosed]%	[Not disclosed]%
¹ The above dollar thresholds are indexed by the CPI Multiplier Annual at the commencement of each calendar year.			

- (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 Services Base Costs;

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

C = any other Base Costs (other than Design Base Costs and D&C 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

	Column 2	Column 3	Column 4
Component	Allowance	Allowance	Allowance

Threshold	[\$[Not disclosed] to \$[Not disclosed] Base Cost ¹	>[\$[Not disclosed] to \$[Not disclosed] Base Cost ¹	>[\$[Not disclosed] Base Cost ¹
Project Co Margin	[Not disclosed]%	[Not disclosed]%	[Not disclosed]%
Services Margin	[Not disclosed]%	[Not disclosed]%	[Not disclosed]%
¹ The above dollar thresholds are indexed by the CPI Multiplier Annual at the commencement of each calendar year.			

7.3 Compensation for Financing Delay Costs and Prolongation Costs

Subject to the specific requirements otherwise set out in this Deed, Project Co’s entitlement to Prolongation Costs and Financing Delay Costs on the occurrence of a Compensable Extension Event or a Change Compensation Event referred to in Section 7.8(b), 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 until the earlier of:

- (a) the revised Date for Commercial Acceptance of the relevant Stage due to that Compensable Extension Event;
- (b) the Date of Commercial Acceptance of the relevant Stage; and
- (c) any termination of this Deed;

B = the Financing Delay Costs actually incurred for the period by which the Date for Commercial Acceptance of the relevant Stage has been extended as a consequence of the Compensable Extension Event impacting on the Works until the earlier of:

- (d) the revised Date for Commercial Acceptance of the relevant Stage due to that Compensable Extension Event;
- (e) the Date of Commercial Acceptance of the relevant Stage; and
- (f) any termination of this Deed; and

I = any insurance proceeds referred to in Section 2.2(g).

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 Section 7.2(b) for rectifying damage caused as a direct result of reckless, unlawful or malicious acts; and
- (b) any additional costs incurred by a Project Entity 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 Quarterly Service Payment paid in accordance with Clause 34 (Payments and Adjustments).

7.5 FF&E Modifications

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

$$MA = ECC + EMC + ELC$$

where:

MA = the Change Compensation Amount;

ECC = the FF&E Capital Cost calculated in accordance with Section 7.5(c);

EMC = the FF&E Maintenance Cost for Group 1 FF&E calculated in accordance with Section 7.5(d); and

ELC = the FF&E Lifecycle Cost for Group 1 FF&E calculated in accordance with Section 7.5(e).

(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 (c);
 - (B) an amount payable monthly in arrears in respect of EMC calculated in accordance with the formula in Section 7.5(d) (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) shall be adjusted as appropriate to take into account CPI using the CPI Multiplier Annual.

(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 Deed to the extent applicable) as a direct result of the FF&E Modification; plus
- GST and other recoverable Taxes borne by a Project Entity, 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 a Project Entity;

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

D = the savings from any reduction in capital 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 the date of this Deed as set out in the relevant Project Co FF&E List adjusted as appropriate to take into account CPI using the CPI Multiplier Annual.

- (iii) Subject to Section 7.5(c)(iv), no Margins will be allowed on any of items A – D in Section 7.5(c)(i).
 - (iv) Prior to the Date of Commercial Acceptance of a Stage, no agreed Margin is payable in respect of FF&E Modifications. This Section does not apply after the Date of Commercial Acceptance of the relevant Stage.
- (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 of the relevant Stage 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 of the relevant Stage from the Date for Commercial Acceptance of the relevant Stage 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 paragraph (ii) of this Section 7.5(d), 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 of the relevant Stage from the Date for Commercial Acceptance [of the relevant Stage] 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 paragraph (ii) of this Section 7.5(d).
 - (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 (of the relevant Stage) or, subject to paragraph (iii) of this Section 7.5(d), if there is no applicable rate, it shall be a rate agreed by the parties or, failing agreement, determined in accordance with Clause 43; and
 - (B) in relation to EMCN, it shall be the lower of:
 - (1) that rate specified, agreed or determined as applicable to the calculation of EMCO in accordance with subparagraph A of this Section 7.5(d)(ii); or
 - (2) that recommended by the manufacturer,

unless either the State 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 43 of this Deed.

- (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 lower of:
- (A) the rate specified in the Operating Phase Lifecycle Maintenance Plan (of the relevant Stage) in respect of the most appropriate equivalent item of Group 1 FF&E in Schedule 26 (Design Brief) (if applicable); or
- (B) the rate recommended by the manufacturer,

unless either the State 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 43.

(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 of the relevant Stage from the Date of Commercial Acceptance of the relevant Stage 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 of the relevant Stage from the Date of Commercial Acceptance of the relevant Stage 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 (of the relevant Stage) or, subject to paragraph (iii) of Section 7.5(d), if there is no applicable frequency it shall be a frequency agreed by the parties or, failing agreement, determined in accordance with Clause 43; and
- (B) in relation to ELCN, it shall be the same as that applicable to the calculation of ELCO unless either the State 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 43.
- (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 26 (Design Brief) (if applicable) or if there is no equivalent item, at the rate agreed by the parties or, failing agreement, determined in accordance with Clause 43.

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) 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) if the FF&E is Group 1 FF&E; and
- (c) the FF&E Lifecycle Cost calculated in accordance with Section 7.5(e) if the FF&E is Group 1 FF&E.

7.7 Force Majeure Event

- (a) *[Not disclosed]*.
- (b) where Clause 31.4(c) (Intervening Event which is a Force Majeure Event) applies, Project Co will also be entitled to payment of an amount equal to the minimum necessary to ensure that the Project Entities receive:
 - (i) the principal repayments and interest on the Project Debt as scheduled in the Financial Model for the period for which Clause 34.1(c) (Intervening Event which is a Force Majeure Event) applies;
 - (ii) *[Not disclosed]*% of the Fixed Force Majeure Costs; and
 - (iii) the amount of the Scheduled Lifecycle Component that otherwise would have been due and payable to Project Co by the State but for the suspension.

7.8 Extensions of time for certain Change Compensation Events

- (a) Where Project Co will be delayed in achieving Commercial Acceptance for a Stage as a consequence of a Modification, an FF&E Modification, Change in Mandatory Requirements or Contamination Modification Event then Project Co will, subject to any other terms of the Deed, be entitled to an extension of time to the Date for Commercial Acceptance for that Stage and Prolongation Costs and Financing Delay Costs, calculated in accordance with Section 7.3.
- (b) Where a Change Compensation Event is a Modification, an FF&E Modification, a Contamination Modification Event, or a Change in Mandatory Requirements, for which Project Co considers it is entitled to an extension of time to the Date for Commercial Acceptance for a Stage in accordance with Clauses 6.4 (Delay caused by Contamination Modification Event), 15.3(i) (FF&E Modification) or 36 (Modifications), Project Co must include in its Change Notice for that Modification, Change in Mandatory Requirements or a Contamination Modification Event, its claim for an extension of time and its Prolongation Costs and Financing Delay Costs calculated in accordance with Section 7.3.
- (c) The State may require Project Co to accelerate the progress of the Development Phase Activities in accordance with Clauses 19.15 to 19.18 (Acceleration Notice) to overcome or minimise the extent and effect of some or all of any delay to the Date for Commercial Acceptance of a Stage caused by a Modification, Change in Mandatory Requirements or a Contamination Modification Event, in which case Project Co must include the costs of the acceleration (calculated as a Change Compensation Event) in its Change Notice.
- (d) If Project Co has sought an extension of time in its Change Notice in accordance with Section 7.8(a) and the State does not agree that Project Co is entitled to an extension of time or the length of the extension of time claimed, the State must notify Project Co and the Independent Certifier that it requires the Independent Certifier to determine whether Project Co is entitled to an extension of time to the relevant Date for Commercial Acceptance for a Stage as a consequence of the Change Compensation Event and if so the period of the extension.
- (e) If the State informs Project Co that it requires a determination from the Independent Certifier in accordance with Section 7.8(d):

- (i) pending the Independent Certifier's determination, the State may still issue a Change Response for the non-time related aspects of the relevant Change Compensation Event;
 - (ii) the Independent Certifier will notify the State and Project Co of any extension to the Date for Commercial Acceptance for the Stage that Project Co is entitled to in accordance with Clause 6.4 (Delay caused by Contamination Modification Event) or Clause 36 (Modifications); and
 - (iii) a further Change Response will be issued by the State including the extension of time (if any) determined by the Independent Certifier.
- (f) Any Dispute in relation to a determination by the Independent Certifier under this Section 7.8 may be referred by either party to expert determination in accordance with Clause 43 (Dispute Resolution Procedure).

7.9 End of Term Compensation

- (a) Project Co will be paid the End of Term Compensation in relation to any Compensable Extension Event or other relevant Change Compensation Event set out in Section 7.8 which will be payable as part of the final Quarterly Service Payment.
- (b) The End of Term Compensation will be calculated as follows:

$$A = B - C$$

where:

- A =** the amount payable to Project Co;
- B =** the component of the Quarterly Service Payment (calculated in accordance with Schedule 3 (Payment Schedule)) corresponding to the portion of fixed component of the Total Annual Availability Payment relating to a Stage which Project Co has forgone to the extent directly and solely due to the Operating Phase for that Stage being truncated due to the granting of a relevant extension of time to the Date for Commercial Acceptance of that Stage after taking into account any earlier payment of that component due to the Date of Commercial Acceptance for that Stage occurring before the Date for Commercial Acceptance of that Stage; and
- C =** any proceeds from any Insurance policies or any other compensation received by and available to or that would have been received by and available to a Project Entity or any of Project Co's Associates but for any failure by a Project Entity or any Project Co Associate to comply with any Project Documents or Insurance policy.

7.10 Pre-Agreed Modifications

If the State issues a Modification under Clause 36.6A, the amounts calculated and set out in Part D of this Schedule 5 will be payable and owing from Project Co to the State as follows:

- (a) the amount in respect of the relevant omitted Works under the heading of Development Phase Pricing as a debt due and payable by Project Co to the State within 20 Business Days of Commercial Acceptance of the relevant Stage, and the State will be entitled to deduct that amount from any moneys due and payable to Project Co in accordance with Clause 34.7 of this Deed if those moneys are not paid by the due date; and
- (b) in respect of all other amounts, to be deducted from the Quarterly Service Payments or payable by Project Co to the State in accordance with Section 2.3(a)(i) of this Schedule 5.

The amounts payable and owing by Project Co to the State in relation to the omission of each borehole take into account an additional allowance for the costs of any additional reticulation required to the particular Site as a result of the omission of the borehole or boreholes from that Site.

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 Deed 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 Development Phase Plans and the Operating Phase Management 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 the Project Entities have taken (and any further action the Project Entities propose 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; and
- (c) continue to perform the Services to the extent that these are not affected by the Relief Event.

4 EFFECTS

If the Change Compensation Event is a Modification or an FF&E Modification, Project Co must provide details, where applicable, and to the extent known or able to be predicted, of the effects of the Change Compensation Event on:

- (a) the workmanship, quality, appearance or durability of any part of the School Facilities (including any items of FF&E);
 - (b) the design, construction or commissioning of the Works;
 - (c) the management and maintenance of the School Facilities;
 - (d) the School Facilities meeting, or the ability to maintain the School Facilities so that they meet, the FFP Warranty;
 - (e) the provision of the Services and/or the School Services;
 - (f) Project Co's ability to perform the Services so as to meet performance standards set out in Schedule 27 (Services Specification) and maintain the Quality Standards;
 - (g) the warranties given by Project Co in this Deed (and in particular under Clause 5.4);
 - (h) any relevant part of this Deed (including schedules, attachments and annexures);
 - (i) the timing of the Works or Services (including any impact on any Date for Commercial Acceptance for the Stage and the time during which Project Co will be unable to carry out any other obligations due to the relevant Change Compensation Event);
 - (j) any claimed revised Date for Commercial Acceptance for the Stage; and
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- (k) the performance of any other of the Project Entities' obligations under the Project Documents.

5 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 5 (in the form of and including all information required pursuant to this Schedule 5);
- (b) **(capital expenditure)**: whether or not any required capital expenditure can be accommodated within the next planned refurbishment or renovation of the School Facilities;
- (c) **(cost of insurance)**: the cost of insurance required to be effected under this Deed;
- (d) **(Financing Delay Costs)**: any Financing Delay Costs calculated in accordance with this Deed;
- (e) **(insurance moneys)**: all insurance moneys for which a Project Entity is entitled to make a Claim under any Insurances as a result of the relevant Change Compensation Event;
- (f) **(proposed form and timing for compensation)**: the proposed form and timing for compensation in accordance with Section 2.3(b); and
- (g) **(Construction Payment and Securitised Modification Payment adjustments)**: the adjustment (if any) proposed to the Construction Payment and Securitised Modification Payment (as applicable) and each relevant Licence Payment in respect of the funding of the Change Compensation Event.

For the purposes of this Section 5 of Part B, and without limiting Clause 2.22, "Open Book Basis" will include each Project Entity providing a breakdown of the calculation of all relevant preliminaries, labour, equipment, materials, Subcontract, finance and other costs of each Project Entity 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.

6 WARRANTY BY PROJECT CO

All Change Notices must:

- (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 School Facilities to meet, and remain capable of being maintained so as to meet, the FFP Warranty and the requirements of this Deed 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 Section 4 of this Part B; and
 - (ii) enable Project Co at all times during the Operating Phase of the relevant Stage to provide the Services in accordance with Schedule 27 (Services Specifications) of this Deed and the terms of this Deed, 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 Section 4 of this Part B,

in each case, without limiting the warranties given by Project Co in other clauses of this Deed; and
- (b) contain a warranty by Project Co that it is satisfied that the Claim the subject of the Change Notice is 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.

PART C – D&C Subcontractor’s Preliminaries

- (a) Preliminaries for the D&C Subcontractor are:
- (i) provision of all securities;
 - (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 Works;
 - (v) participation in meetings and advisory groups in relation to the Works;
 - (vi) all on Site management services including:
 - (A) project management, planning and reporting;
 - (B) planning, staging and programming of Works, including maintaining and updating the Development 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 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 Works inspection, witnessing and verification of all work;
 - (J) safety management;
 - (K) traffic management external to the Site and within the Site;
 - (L) environmental management;
 - (M) liaison with service and approval authorities;
 - (N) internal and external auditing of contractor’s plans and systems, including that of Subcontractors as applicable; and
 - (O) any other management services to be provided to ensure that the Works meet the requirements of this Deed, 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;
 - (B) planning and programming the 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 Site establishment items including:
- (A) setting out of the Works;
 - (B) Site inductions, safety training and safety meetings and all personal and Project safety equipment and consumables and facilities;
 - (C) establishment and maintenance of temporary car parks for the Site for the workforce of the D&C Subcontractor, Subcontractors and consultants (where reasonably required);
 - (D) construction, maintenance and attendance of Site access and egress points where approved by the State and the relevant Authority;
 - (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 the Date of Commercial Acceptance;
 - (G) D&C Subcontractor's construction signage if approved by the State;
 - (H) hoardings to 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 D&C Subcontractor's 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 Site accommodation for all Subcontractors (excluding facilities for the sole use of individual Subcontractors), as well as their removal. Remove and make good at the Date of Commercial Acceptance for the relevant Stage;
 - (J) cleaning of all Site offices building, kitchens and toilet areas; and
 - (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 Project;
 - (D) dust suppression throughout the Project;
 - (E) all general attendant Site labour including for labour costs for Site wide material handling and storage, maintaining the Site in

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- 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 the Date of Commercial Acceptance;
 - (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 crane) 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 Commercial Acceptance of the 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 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.
- (x) all Commercial Acceptance items including:
- (A) protection of completed work until the Date of Commercial Acceptance for the relevant Stage;
 - (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;
 - (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 Authority;
 - (E) collection, or preparation as required of all necessary papers to enable Users to use the School Facilities for their intended purpose;
 - (F) preparation and procurement of design verification reports;
 - (G) provision of complete quality manual upon the Date of Commercial Acceptance 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 Commercial Acceptance Tests with the State 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) craneage (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.

PART D – Pre-agreed modification pricing

1 DEVELOPMENT PHASE PRICING

1.1 Borehole cost reduction applying to Development Phase pricing

- (a) Direct Cost include D&C preliminaries, contingency and margin.
- (b) Extra Reticulation Costs - In the event of a borehole not being delivered, additional reticulation will be required in relation to the mains water.
- (c) Saving - the net nominal cost saving per school.

School	Direct Cost	Extra Reticulation Cost	Saving
Alkimos	[Not disclosed]	[Not disclosed]	[Not disclosed]
Baldivis	[Not disclosed]	[Not disclosed]	[Not disclosed]
Byford	[Not disclosed]	[Not disclosed]	[Not disclosed]
Landsdale	[Not disclosed]	[Not disclosed]	[Not disclosed]
Ellenbrook	[Not disclosed]	[Not disclosed]	[Not disclosed]
Lakelands	[Not disclosed]	[Not disclosed]	[Not disclosed]
Hammond Park	[Not disclosed]	[Not disclosed]	[Not disclosed]
TOTAL			[\$[Not disclosed]]

1.2 Solar PV cost reduction applying to Development Phase pricing

- (a) Column C – one off fixed costs associated with applying for the approvals required to install and connect the photovoltaic systems to the local electrical system within each School Facility and to the relevant Utilities Infrastructure grid. To be deducted if the application has not been made.
- (b) Column D – fixed cost relating to the installation of Neutral Voltage Displacement (NVD), including preliminaries, contingency and margin. Any photovoltaic systems installation over 30kW may be required to have NVD installed at the discretion of Western Power. The need for the NVD is determined through the application process. Project Co have allowed for 4 NVD installations across the 8 sites, not necessarily just at the Secondary Schools (although they have been shown at the Secondary Schools below). This fixed cost will be deducted if any of the four NVDs are not required.
- (c) Column E – Fixed costs for design, documentation, commissioning, manuals, as built drawings and certifications of compliance and monitoring systems. A deduction will be made for any of these costs not expended.
- (d) Column F – variable cost (\$ per kW) relating to the installation of the solar panels, including preliminaries, contingency and margin.

A. School	B. kW	C. Application Fee	D. Install NVD	E. Fixed costs	F. Rate \$ per KW reduction
Alkimos	65	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Baldivis	65	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Byford	65	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Landsdale	65	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Ellenbrook	500	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Lakelands	500	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Hammond Park	500	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]
Harrisdale	480	[Not disclosed]	[Not disclosed]	[Not disclosed]	[Not disclosed]

2 OPERATING PHASE PRICING

2.1 Boreholes cost reduction applying to Operating Phase pricing

- (a) Maintenance costs (\$/year per school)
- (b) Lifecycle costs

Boreholes Maintenance Costs:

School	Maintenance \$/year/school (real)
Alkimos South West PS Stage 1	\$(Not disclosed)
Landsdale East PS Stage 1	\$(Not disclosed)
Baldivis PS Construction Stage 1	\$(Not disclosed)
Byford South West PS Stage 1	\$(Not disclosed)
Ellenbrook North SS Stage 1	\$(Not disclosed)
Lakelands SS Stage 1	\$(Not disclosed)
Hammond Park SS Stage 1	\$(Not disclosed)
Harrisdale SS Stage 2	\$(Not disclosed)

Boreholes Lifecycle Costs in any year per school

School	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Alkimos South West PS Stage 1	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landsdale East PS Stage 1	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Baldivis PS Construction Stage 1	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Byford South West PS Stage 1	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ellenbrook North SS Stage 1	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lakelands SS Stage 1	\$ -	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

School	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Hammond Park SS Stage 1	\$ -	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harrisdale SS Stage 2	\$ -	\$ -	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -

Boreholes Lifecycle Costs in any year per school (cont.)

School	2037	2038	2039	2040	2041	2042	2043	2044	2045
Alkimos South West PS Stage 1	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landsdale East PS Stage 1	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Baldivis PS Construction Stage 1	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Byford South West PS Stage 1	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ellenbrook North SS Stage 1	\$ -	\$ -	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -	\$ -
Lakelands SS Stage 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -
Hammond Park SS Stage 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$(Not disclosed)	\$ -	\$ -	\$ -
Harrisdale SS Stage 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(Not disclosed)

2.2 Solar PV cost reduction applying to Operating Phase pricing

- (a) The FM Costs \$ per kW (real).
- (b) Lifecycle costs \$ per kW (real) – one-off cost occurring 15 years after Date for Commercial Acceptance of the relevant Stage.

School	kW	FM costs per year (\$/kW)	Lifecycle Costs (\$/kW)
Alkimos	65	[Not disclosed]	[Not disclosed]
Baldivis	65	[Not disclosed]	[Not disclosed]
Byford	65	[Not disclosed]	[Not disclosed]
Landsdale	65	[Not disclosed]	[Not disclosed]
Ellenbrook	500	[Not disclosed]	[Not disclosed]
Lakelands	500	[Not disclosed]	[Not disclosed]
Hammond Park	500	[Not disclosed]	[Not disclosed]
Harrisdale	480	[Not disclosed]	[Not disclosed]