

Non-Binding Heads of Agreement

St Ives High School

ITEM D	ETAIL:	S
--------	--------	---

Parties: The State of New South Wales by its Department of Education of Level 8, 259

George Street, Sydney NSW 2000

(Department)

Ku-ring-gai Municipal Council of 828 Pacific Highway, Gordon NSW

(Council)

Project: The project is described in the Schedule.

Status of agreement:

Except for the clauses titled Confidentiality and Publicity and those clauses in the Schedule dealing with the matter of costs, this agreement is non-binding on the parties. It is entered into to only conveniently summarise the discussions between the Department and the Council as to the subject matter set out in the Schedule.

Legally binding agreements:

If the parties agree to work together to deliver the Project, the parties will negotiate in good faith entry into legally binding agreements based on the subject matter set out in the Schedule, including:

- (a) (**Project Deed**) a project deed for the Project based on the Schedule. It will include terms and conditions that would customarily be required for a transaction such as the Project.
- (b) (Licence Agreement) a licence agreement based on the Schedule.

Conditions:

The arrangements proposed under this agreement, including the entry into the Project Deed and Licence Agreement, are conditional on each party obtaining all necessary internal approvals to proceed with the Project.

Confidentiality: (this clause is legally binding on the parties)

- (a) (**Definitions**) In this clause **Confidential Information** means all information disclosed under this agreement including technical information, financial information and other sensitive information which a party regards as confidential. It does not include information which:
 - (i) is lawfully in the public domain prior to its disclosure to a receiving party by another person;
 - (ii) enters the public domain otherwise than as a result of an unauthorised disclosure:
 - (iii) is or becomes available to the receiving party from a third person lawfully in possession of it who has the lawful power to disclose the information to the receiving party on a non-confidential basis;
 - (iv) was known by the receiving party before disclosure to it; or
 - (v) is ordinarily provided by the Council to the public or contained in the Council's annual public budget.
- (b) (Confidential) Each party must keep all Confidential Information confidential and not disclose it or use it other than for the purpose of performing this agreement. Information disclosed under this agreement is not to be treated as confidential unless otherwise agreed or notified in writing.
- (c) (Safeguard) Each party must establish and maintain the protections needed to safeguard the other party's Confidential Information from unauthorised use or access. Each party must notify the other party immediately on becoming aware of any suspected or actual unauthorised use or disclosure of the other party's Confidential Information.
- (d) (Limited disclosure) A party may disclose the other party's Confidential Information to any of its officers, employees, agents, contractors and professional advisers to the extent necessary to enable it to perform this agreement. A party who makes such a disclosure must first ensure that the person is bound by confidentiality obligations no less restrictive than the party's obligations in this agreement.
- (e) (Disclosure required by law) A party may disclose the other party's Confidential Information to the extent it is required by any applicable laws or government policy.
- (f) (**Disclosure by Council**) The parties acknowledge that the existence of this agreement, and the terms of this agreement, may be disclosed in the public domain in reports to Council Meeting(s).

Publicity: (this clause is legally binding on the parties)

(a)

(**Public communications**) The Council must not, and must ensure that its personnel do not, disclose, distribute or otherwise communicate any information, media release, material or publicity about the Project or this agreement, their relationship and dealing with the Department or otherwise

refer to the Department (including use its logo) without the Department's prior approval. The Department may make public communications in connection with the Project or this agreement provided the public communication does not: relate to or refer to Council or Council's participation in the Project (i) (unless the prior approval of Council is obtained); or breach the Department's obligations in regard to Confidential (ii) Information under this agreement. The Department will use its reasonable efforts to consult with the Council before making any public communications. The Council must conduct its internal approvals processes in a manner that is consistent with this agreement and otherwise preserves the confidentiality of this agreement and all information disclosed under this agreement. (b) (Media engagement) The Council must not, and must ensure that its personnel do not, engage with the media about the Project or this agreement without the Department's prior approval. (c) (Disclosure required by law) If the Council is required by laws or a regulatory body to make a public announcement in connection with this agreement it must first consult with the Department and comply with the Department's reasonable requirements. Costs and Each party must pay its own legal costs and other expenses connected with the negotiation, preparation, execution and performance of this agreement. expenses: This agreement is the entire agreement between the parties on everything **Entire** understanding connected with the subject matter of this agreement. The agreement may only be and variation: varied in writing. Governing law The law of New South Wales governs this agreement. The parties submit to the and jurisdiction: exclusive jurisdiction of the courts of New South Wales and any courts which are entitled to hear appeals from them. Signed on behalf of Department Date:

		Date:
		_

SCHEDULE

This Schedule sets out the Project and matters to be discussed and included in the Project Deed for the Project.

Project Description

- A. (**School**) The Department is the owner of the School Land and operates the School on the School Land.
- B. (**School Facilities**) The Department is constructing the School Facilities. The School Facilities will form part of the School.
- C. (**Council Facilities**) The Council and the Department have been discussing the Council funding the design, construction, maintenance and operation of the Council Facilities. The Council Facilities will form part of the School.
- D. (Facility) The School Facilities and Council Facilities, together, will form the Facility.
- E. (**Council use of Facility**) The Department will grant a licence to the Council for the use of the Facility by the community as agreed by the parties.

Definitions used in this Schedule

In this Schedule:

Council Facilities means those areas of the Facility identified on the Concept Plans that are to be funded by the Council and constructed by the Department. It is intended that the Council Facilities will comprise 2 sports courts and associated amenities and a café and a car park.

Concept Plans means the concept plans for the Facility set out in Annexure B.

Facility means a joint use indoor sports facility comprising 4 sports courts and associated amenities and a café and a car park to be constructed as part of the School on the School Land. It will include the School Facilities and the Council Facilities.

School means St Ives High School.

School Facilities means those areas of the Facility identified on the Concept Plans that are to be funded and constructed by the Department. It is intended that the School Facilities will comprise 2 sports courts and associated amenities.

School Land means the land on which the School is erected as shown on the Site Plan.

Site Plan means the site plan for the School set out in Annexure A.

1. The School Facilities

1.1. **Department to construct**

The Department is, at its expense, constructing the School Facilities.

2. The Council Facilities

2.1. **Design**

- (a) (design process) The Council has engaged the design team and will design the Council Facilities:
 - (i) with the Department to meet the requirements;
 - (ii) generally in accordance with the Concept Plans, subject to variations necessary or desirable as a result of cost, design or other factors; and
 - (iii) in accordance with applicable laws, requirements of authorities and standards and guidelines that may apply to the Department and the Council. This includes the Educational Facilities Standards and Guidelines.
- (b) (use of design documents) The Department will provide a licence to all rights it has in the design documents to allow the Council to perform the arrangement with the Department for the Council Facilities.

2.2. Approvals

- (a) (Council to procure) The Council will, at its expense, diligently pursue all necessary planning approvals from the relevant consent authorities for the construction of the Council Facilities. The Council must use all reasonable endeavours to secure the necessary planning approvals by 31 December 2021 (or such other date agreed by the parties).
- (b) (Department consent) Subject to the applications for the approvals, including the development pathway, being on terms satisfactory to the Department, the Department will provide landowner consent to Council. The Council must address any matters reasonably required by the Department as part of the applications for the approvals including bushfire management and evacuation plans.

2.3. Construction

- (a) (construction) The Department will conduct a tender process to appoint a contractor to construct the Council Facilities in accordance with the planning approvals obtained from the relevant consent authorities.
- (b) (engagement of contractor) The Department will be responsible for the engagement of the contractor to design and construct the Council Facilities in accordance with the tender process.
- (c) (Council approval) The Council must have a non-voting representative on the tender evaluation committee and the Department will obtain the prior approval of the Council (acting reasonably) to the terms (including the

contract price) of the design and construction contract with the contractor and all contracts with other contractors and consultants.

(d) (withdrawal) The Council may withdraw from the project if the tender results in a total cost for delivery of the Council Facilities (including external project managing fees) are not within the project budget including contingency.

2.4. **Costs**

- (a) (design and construction costs) The Council will pay, or reimburse the Department for, the costs associated with the construction of the Council Facilities including all fees paid or payable to contractors and consultants engaged by the Department for the construction of the Council Facilities and project management fees.
- (b) (timing of payments) The Council will pay, or reimburse the Department for, the costs associated with the construction of the Council Facilities in accordance with the terms of the contracts entered into by the Department with the relevant contractors and consultants (provided these contracts have received the prior written approval of Council and that Council is not required to pay for any variation under contracts if that variation will lead to costs exceeding the project budget including contingency).
- (c) (additional costs) The Council will be responsible for all costs relating to:
 - (i) any variations to the design or construction of the School Facilities; and
 - (ii) any works to the School, School Land or adjoining land,

required as a result of the design and construction of the Council Facilities including any works required at the interface of the School Facilities and Council Facilities provided the Department consults the Council in relation to, and takes reasonable measures to limit, any such costs prior to undertaking the variation or works.

2.5. Relocation of services

The Council will be responsible for the cost of relocation of services if required as a result of the construction of the Council Facilities.

2.6. Contamination

The Department will be responsible for the cost of remediation of any pre-existing contamination discovered on the School Land during the construction of the Council Facilities.

2.7. Project Control Group

- (a) (establishment) The parties will establish a Project Control Group to monitor progress of the Project comprising of two representatives of the Department and two representatives of the Council or as otherwise agreed.
- (b) (meeting frequency) The Project Control Group must meet monthly or as otherwise agreed by the parties.
- (c) (decisions not binding) No decision of the Project Control Group will constitute a variation of the rights and obligations of a party under the Project

Deed unless the parties enter into a deed of variation. The Project Control Group may make recommendations to the parties, however, it cannot grant any approvals of either party required under the Project Deed.

2.8. Sunset Dates

- (a) (approvals) If the Council has not obtained all necessary planning approvals from the relevant consent authorities for the construction of the Council Facilities by 31 December 2021 (or such other date agreed by the parties) then either party may rescind the Project Deed. If the Project Deed is rescinded, Council will not be entitled to recovery of any costs paid to the Department.
- (b) (construction contract) If the Department has not entered into the contract for the construction of the Council Facilities by 31 December 2022 (or such other date agreed by the parties) then either party may rescind the Project Deed. If the Project Deed is rescinded, Council will not be entitled to recovery of any costs paid to the Department.

3. The Facility

3.1. Ownership

On completion of the construction of the Facility, the Department will own the Facility.

3.2. Use by Council

- (a) (grant of licence) Following completion of the construction of the Facility, the Department will grant a licence to the Council for the use of the Facility by the community;
- (b) (terms of licence) The licence will be on the following terms and conditions and otherwise on terms as are usually contained in licences entered into by the Department for similar facilities:
 - (i) (commencement) the licence will commence 1 day after the date on which the Department obtains all necessary certificates for the use and occupation of the Facility;
 - (ii) (**50 year term**) the term will be 50 years;
 - (iii) (additional 10 year term): If requested by the Council, no later than 6 months before the expiry of the 50 year term, the parties will meet, in good faith, to negotiate and agree the terms of a 10 year extension to the term. As an alternative to extending the 50 year term the parties may discuss an alternative arrangement which will be cognisant of the age of the facility and may include replacement or upgrade of the facility. Further, the parties may request from each other any changes reasonably required to the terms of the licence having regard to the prior and potential future use of the Facility by the parties;
 - (iv) (no licence fee) the Council will not be required to pay a licence fee to use the Facility;
 - (v) (sublicence) the Council will be permitted to sublicence the Facility or any part of the Facility (during Council's times of use) to a third party

operator of the Facility (including the Operator and the Car Park Operator) provided the third party operator complies with all relevant policies of the Department and the Department's child protection requirements;

- (vi) (no assignment) the Council will not be permitted to assign or otherwise deal with its interest in the Facility except as contemplated by the licence; and
- (vii) (other terms) the licence will contain the terms addressed in clauses 4 to 17 (inclusive) of this Schedule.

4. Permitted Use

4.1. Use by Department

The Department will be permitted to use the Facility for the purpose of play space, conducting recreational sport, team and individual sports and competitive sport and training by sporting teams, clubs and individuals and any other activities that might reasonably be expected for school use.

4.2. Use by Council

- (a) (permitted use) The Council will be permitted to use the Facility for the purpose of hiring to members of the community for conducting recreational sport, team and individual sports and competitive sport and training by sporting teams, clubs and individuals.
- (b) (compliance with laws) The Council must comply with:
 - (i) all laws and requirements of any authorities including without limitation any conditions of consent issued by the relevant consent authority with regard to the use of the Facility; and
 - (ii) NSW Department of Education policies notified to the Council from time to time.

5. Times of use

5.1. Use by Department

- (a) (**School's hours**) Except as provided in clause 5.1(b),the School will have the exclusive use of the Facility during the hours of operation of the School.
- (b) (Council use during School hours) The Council (or any sublicensee of the Council) will be permitted to use, or to hire for use by a third party (including other school groups), the Facility during the School's hours provided approval from the School is obtained to ensure there is no overlapping booking. Where this occurs, any party using the Facility must pay the hiring fee otherwise charged by the School for the use of the Facility during the School's hours.

5.2. Use by Council

(a) (Council's hours) The Council will have the use of the Facility:

- (i) on school days, from the end of the school day until 11pm; and
- (ii) on non-school days from 7am to 11pm,

subject in both cases to applicable conditions of consent contained in planning approvals relating to the Facility.

(b) (School use during Council hours) The School will up to a maximum of 16 occasions each year be permitted to use the Facility during Council's hours (where an "occasion" must be limited to one date) at no cost provided reasonable prior notice is given to the Council to ensure there is no overlapping booking.

5.3. Emergency use by Government

On occasion the Department or the School may require the use of the Facility during Council's hours for emergency use or for school educational programs, such as:

- (a) (**community disasters**) for emergency housing and relief centres during community disasters;
- (b) (electoral authorities) for federal, state and location elections; and
- (c) (Board of Studies, Teaching & Educational Standards) for students sitting exams including the Higher School Certificate.

In these situations the Department or the School will have priority to use the Facility during Council's hours. Other than for those events noted at clause 5.3(a), any use by the School of the Facility under this clause 5.3 will form part of the School's maximum permitted occasions of use under clause 5.2(b).

5.4. **Share Our Space**

The School will not be prevented from participating in programs allowing the community access to the School grounds (excluding the Facility) during School holidays (including Share Our Space).

5.5. No interference

The Council must not, and must ensure that its users do not, interfere in any way with the School, including the School's property and operation.

6. Hiring of Facility

6.1. Hiring arrangements

The Department and the Council may enter into such hiring arrangements in respect of the Facility as they see fit during each party's respective times of use.

6.2. Hiring fee

The Department and the Council may charge a hiring fee to users of the Facility and each party will retain all fees received from the use of the Facility during each party's respective times of use.

6.3. **Booking system**

The Council must maintain a booking system available at all times for members of the community to book any part of the Facility, during the Council's hours of use. The Council must permit the principal of the School to view the booking system.

6.4. Guiding principles

The Council must:

- (a) conduct the permitted use in good faith and in a reputable manner;
- (b) charge a hiring fee which is consistent with fees charged by the Council for the hiring of similar community facilities;
- (c) ensure there is equitable use of the Facility by members of the community, for example, the Council cannot enter into hiring arrangements that limit reasonable use of the Facility to others; and
- (d) comply with the Department's policies for community use of School facilities.

6.5. **Liability**

Each party will be responsible for ensuring the safety of the users of the Facility during its hours of use and will be liable for any injuries or claims by users of the Facility during those hours.

6.6. **Keep and supply records**

The parties will keep accurate records relating to its hiring of the Facility and provide quarterly reports to the Department containing a summary of bookings and hours of use, including the following details:

- (a) court user's name;
- (b) court use by type (sport/discipline);
- (c) court user's contact information; and
- (d) hiring fee charged.

The parties must obtain consent from all users to share this information with the other party.

6.7. Revenue sharing

On and from year 11 of the licence, at the end of each year the parties will review:

- the fees earned by the Council from its hiring of the Facility during the relevant year (**Revenue**); and
- (b) the contribution by the Council towards charges for utilities and services consumed at the Facility and cleaning, maintenance and repair of the Facility (other than capital renewal) any applicable council internal management costs, costs of finance and depreciation/amortisation costs expenses) during the relevant year (Operational Expenses).

(c) If during the relevant year the Revenue exceeds the Operational Expenses, then the School and the Council will share equally that proportion of the Revenue that exceeds the Operational Expenses.

6.8. **Denial of booking**

The Council will temporarily deny booking or access of users to the Facility who have exhibited disruptive behaviour and/or are responsible for property damage on School Land.

7. Cleaning, maintenance and repair

7.1. Department's responsibilities

- (a) (cleaning, maintenance and repair) The Department will be responsible for the cleaning, maintenance and repair of the Facility.
- (b) (leave clean and tidy) The Department will at the conclusion of each day of use by the Department ensure all rubbish is placed in rubbish collection receptacles and the Facility is left in a clean and tidy state with all sporting equipment returned to storage.

7.2. Council's responsibilities

- (a) (Council contribution) The Council will reimburse the Department a proportionate amount of the costs incurred by the Department in cleaning, maintenance and repair of the Facility based on the Council's proportionate entitlement to use the Facility. The proportion will be agreed in the Project Deed. The parties will meet every 5 years to negotiate, in good faith, any necessary adjustment to the proportion having regard to the usage of the Facility by the parties.
- (b) (leave clean and tidy) The Council will at the conclusion of each day of use by the Council ensure all rubbish is placed in rubbish collection receptacles and the Facility is left in a clean and tidy state with all sporting equipment returned to storage.

7.3. **Bi-annual meetings**

At least once every 6 months a representative of the Department and a representative of the Council will meet to discuss repairs, maintenance and renewal of the Facility for the following 12 months. In advance of each meeting the Department will provide to the Council:

- (a) the Department's annual budget for repair and maintenance of the Facility;
- (b) details of the Department's proposed repair and maintenance works for the Facility;
- (c) the Department's annual budget for renewal of all or part of the Facility if required; and
- (d) details of the Department's proposed replacement works for all or part of the Facility if required.

7.4. Damage

The Department and Council must promptly notify the other party of any damage to the Facility reasonably likely to cause injury to a user of the Facility. Each party will be responsible for the cost of rectifying any such damage caused during its hours of use.

8. Capital renewal and expenditure

8.1. Capital works

If the Department (acting reasonably) believes that any part of the Facility has reached the end of its useful life or is beyond repair, the Department may replace or repair that part of the Facility

8.2. Capital expenditure

The Council will reimburse the Department a proportionate amount of the costs incurred by the Department in carrying out the capital works based on the Council's proportionate entitlement to use the Facility, the number of years remaining on the Licence, the nature of the capital works and the benefit to be received by Council as a result of the capital works. The proportion and the agreed reduction in the formula over the term of the Licence will be agreed in the Project Deed. The parties will meet every 5 years to negotiate, in good faith, any further necessary adjustment to the proportion having regard to the then current usage of the Facility by the parties. The Council will not be required to make any reimbursement should capital works costs be committed at any time in the final 5 years of the term of the licence period or extensions to the licence period.

9. Utilities

9.1. Council contribution

The Council will reimburse the Department a proportion of the charges for utilities and services consumed at the Facility (including without limitation electricity, gas, water, air conditioning, telecommunications and charges for discharge of trade waste and garbage collection charges) based on its proportionate entitlement to use the Facility. The proportion will be agreed in the Project Deed. The parties will meet every 5 years to negotiate, in good faith, any necessary adjustment to the proportion having regard to the usage of the Facility by the parties.

10. **Insurance**

10.1. Council insurances

The Council must maintain:

- (a) an insurance policy for public risk in connection with the Facility covering each claim for at least \$20 million with no limit on the number of claims that can be made. The Department must be an additional insured; and
- (b) an insurance policy for property belonging to the Council located in the Facility for its full insurable value against loss or damage resulting from fire and other risks including water, storm and rainwater damage.

11. Café

11.1. Operation of café

The parties intend that part of the Council Facilities will comprise a café and that the Council (or any sublicensee of Council) may grant a sublicence (or underlicence) of that part of the Facility to a third party to operate the café.

11.2. **Operator**

The Council must obtain the prior approval of the Department (in its discretion) to the proposed operator of the café (**Operator**).

11.3. Sublicence

The Department and the Council will negotiate in good faith the terms of the sublicence to be granted to the Operator.

11.4. Trading hours

The café may operate during the Council's hours.

11.5. **Operator's obligations**

The Operator will at all times:

- (a) (standards) maintain and observe the highest standards of professionalism in the quality, preparation, sale and service of food and customer relations including in relation to the menu, food preparation (including no recycling of food), display, service, presentation, dress, cleanliness, equipment and must comply with and observe the Department's reasonable directions with a view to achieving those standards;
- (b) (identity badges) ensure that any employee when in the grounds of the School or in the Facility wears an identity badge disclosing the name of the employee.

11.6. Child protection

The Operator must comply with the Department's child protection requirements as set out in clause 14 of this Schedule.

11.7. Revenue sharing

The parties will agree a revenue sharing model in the Project Deed which will involve any revenue from the café being shared equally by the School and Council after the deduction of costs of maintaining, repairing and refurbishing the café from time to time.

12. **Car Park**

12.1. Operation of car park

The parties intend that part of the Council Facilities will comprise a car park and that the Council may grant a sublicence of that part to a third party to operate the car park.

12.2. Operator

If the Council intends to appoint a third party to operate the car park, the Council must obtain the prior approval of the Department (in its discretion) to the proposed operator of the car park (**Car Park Operator**).

12.3. Sublicence

The Department and the Council will negotiate in good faith the terms of the sublicence to be granted to the Car Park Operator.

12.4. **Operating hours**

The car park may operate during the Council's hours or any other such hours approved by the Department

12.5. Use by School

For the avoidance of doubt, the School will not be required to pay any fee to use the car park when it is required for those occasions as set out in 5.3

12.6. **Operator's obligations**

The Operator will at all times:

- (a) (standards) maintain and observe the highest standards of professionalism in the operation of the car park and must comply with and observe the Department's reasonable directions with a view to achieving those standards; and
- (b) (identity badges) ensure that any employee when in the grounds of the School or in the Facility wears an identity badge disclosing the name of the employee.

12.7. Child protection

The Operator must comply with the Department's child protection requirements as set out in clause 14 of this Schedule.

13. Security and access

13.1. Comply with requirements

The Council must observe security requirements stipulated by the Department with regard to the use of, and access to, the Facility.

13.2. Access through School

The Council must ensure that its invitees when entering and leaving the Facility do not unnecessarily access other parts of the School.

13.3. Lock and secure

The Council must ensure that at the conclusion of each day of use by the Council the Facility and other parts of the School used by its invitees to access the Facility are securely locked.

14. Child protection

14.1. Comply with legislation

The Council must comply with the *Child Protection (Working with Children) Act 2012* (**Act**), its regulations and any other ancillary legislation.

14.2. Council's obligations

The Council's obligations will include (amongst other things):

- (a) ensuring its sublicensees, employees, agents and contractors comply with the Act;
- (b) carrying out police checking on its employees, agents and contractors performing any task on behalf of the Council at the Facility; and
- (c) not allowing any of its employees, agents and contractors, who are a prohibited person, to attend the Facility.

15. Early termination of licence

15.1. Termination for convenience

The Department may terminate the licence at any time by giving 12 months' minimum notice to the Council. The Department needs to retain the right to terminate the licence in extenuating circumstances for example when the land is required to establish new classrooms to meet enrolment demand or such other specific educational need requirements. The Department may not terminate the licence unless the Council facilities are demolished. In circumstances where the Department wishes to terminate the licence this will be approved by the Minister's Delegate.

If the licence is terminated by the Department within the first 20 years of the term, the Department will pay to the Council an amount equal to the whole or part of the cost of construction of the Council Facilities in accordance with the formula set out below:

Year of the term in which the licence is terminated	Percentage of cost of construction of Council Facilities to repay
Years 1 to 10	100%
Year 11	90%
Year 12	80%
Year 13	70%
Year 14	60%
Year 15	50%
Year 16	40%
Year 17	30%
Year 18	20%
Year 19	10%
Year 20	Nil

16. Obligations on expiry of licence

16.1. Vacate and make good

On the expiry of the licence granted to the Council, the Council must vacate the Facility and remove any property belonging to the Council from the Facility and make good any damage caused by such removal.

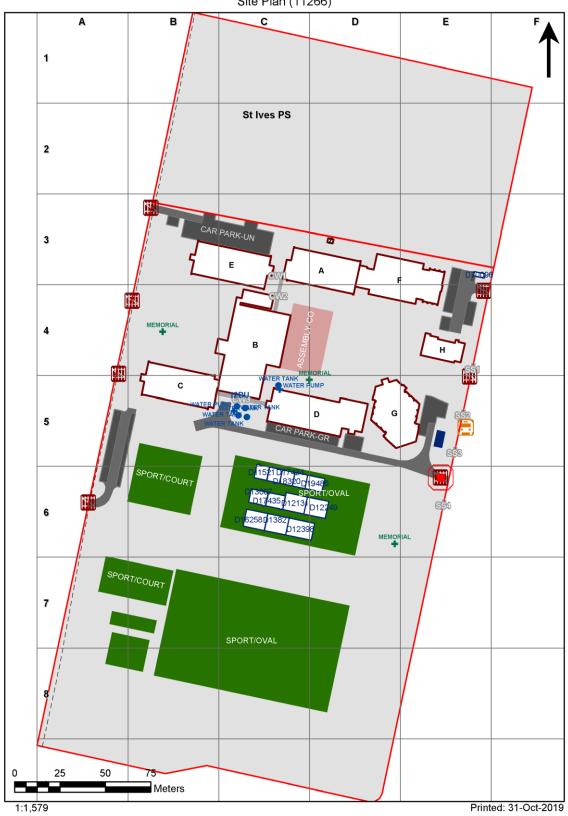
17. Management of Facility

17.1. Operational Management Committee

The parties will establish an Operational Management Committee to discuss issues and arrangements regarding the operation and use of the Facility comprising of two representatives of the Department (including the principal of the School or its representative), two representatives of the Council and one representative from each sublicensee of the Facility or as otherwise agreed. The Committee must meet as reasonably requested by either the Department or the Council.

Annexure A - Site Plan

8400 - St Ives High School Site Plan (11266)



Annexure B - Concept Plans

