

# PROJECT AGREEMENT FOR THE ADELAIDE CITY DEAL

An agreement between:

- the Commonwealth of Australia; and
- the State of South Australia.

The output of the Adelaide City Deal will be the delivery of projects across Greater Adelaide which are designed to support the growth of Adelaide's innovation, tourism and cultural economy.

# Project Agreement for the Adelaide City Deal

## OVERVIEW

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

### Purpose

2. This Agreement will support the delivery of projects agreed by First Ministers under the Adelaide City Deal. Projects will be delivered in Greater Adelaide, in order to support growth in Adelaide's innovation, tourism and cultural economy, with a particular focus on the development of Lot Fourteen, located in the Adelaide city centre.

### Reporting Arrangements

3. The Government of South Australia will report twice annually against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

### Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to the Government of South Australia of \$159 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

## PART 1 – FORMALITIES

5. This Agreement constitutes the entire agreement for this project.

### Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Government of South Australia (the State).

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and the State sign it and will expire on 30 October 2025 or on completion of the projects, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.
8. This Agreement should be read in conjunction with the Adelaide City Deal (the Deal) and the Adelaide City Deal Implementation Plan (the Plan).

## PART 2 – PROJECT OUTPUTS

### Outputs

9. Consistent with the signed Adelaide City Deal, the outputs of this Agreement will be to:
  - (a) construct the Innovation Hub at Lot Fourteen that will bring together venture capital, scientists, academics and entrepreneurs to create the next generation of businesses for Adelaide;
  - (b) construct the Aboriginal Art and Cultures Centre at Lot Fourteen to showcase the art and cultural assets of Aboriginal and Torres Strait Islander People;
  - (c) deliver the International Centre for Food, Hospitality and Tourism Studies at Lot Fourteen as a state-of-the art institute to grow the South Australia's capacity in hospitality;
  - (d) deliver Smart Technology projects in the Adelaide City Centre to improve connectivity and the experience for residents, visitors, workers and businesses, boost Adelaide's reputation, and advantage as a connected city and provide integration of services between Lot Fourteen and the wider Adelaide City centre;
  - (e) construct the Heysens Gallery at Hahndorf as a dedicated space to display the art by the renowned Australian artists, Hans and Nora Heysen and other Australian and international exhibitions;
  - (f) construct a pavilion at Carrick Hill to accommodate a visitor centre; and
  - (g) develop the Mitcham Hills Trail and the Glenthorne Loop to link and enhance natural and cultural attractions in southern Adelaide, and improve access to these sites through digital tools and wayfinding.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

10. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the projects under this Agreement to ensure that outputs are delivered within the agreed timeframe;
  - (b) notifying the State of the outcome of completed assessments for approved activities, or when reviews, such as for business cases, are completed;
  - (c) providing a consequent financial contribution to the State to support the implementation of this Agreement;
  - (d) in accordance with the Building and Construction Industry (Improving Productivity) Act 2016, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted;
  - (e) ensuring that compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of Australian Government funding; and

- (f) working with the State to support the adoption of Indigenous targets in Adelaide City Deal projects, including delivering a minimum of 1.4 per cent Aboriginal employment outcomes, and a minimum of 3 per cent of contract value for Indigenous businesses in the supply chain.

## Role of the State

11. The State will be responsible for:

- (a) providing a financial contribution to support the implementation of this Agreement;
- (b) all aspects of delivering on the project outputs set out in this Agreement;
- (c) making relevant payments to relevant external parties as they meet performance milestones as set out in Schedules to this Agreement;
- (d) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
- (e) In accordance with Clause 26, advising the Commonwealth of any underspend that will occur on a Project, prior to the final Commonwealth contribution for that Project;
- (f) ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth;
- (g) ensuring that compliance with the Building Code 2016 is made a condition of tender for and performance of building work by all contractors and subcontractors, and providing the necessary assurances to the Commonwealth; and
- (h) working to meet Indigenous economic participation objectives in Adelaide City Deal projects including a minimum of 1.4 per cent Aboriginal employment, and a minimum of 3 per cent of contract value for Indigenous businesses in the supply chain. Priority will be given to local Indigenous businesses, organisations and potential employees.

## Shared roles

12. The Commonwealth and the State agree to be jointly responsible for:

- (a) Participating in consultations as appropriate regarding the implementation of this Agreement;
- (b) Negotiating new or revised Schedules to this Agreement; and
- (c) Reporting In accordance with the Implementation Plan as set out in Clause 20.

13. In accordance with Clause 26, relating to reallocation of surplus funds, both parties will agree to how funds will be re-invested.

14. Where future milestones for a project will be determined by a business case or project proposal, both parties will be jointly responsible for determining how a project continues, based on the outcome of the business case or project proposal.

15. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

16. Projects, milestones for these activities or projects, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments will be outlined in Schedules to this Agreement.
17. Business cases or project proposals will need to provide as a minimum the details of:
  - (a) project management arrangements, including an implementation schedule for the delivery of the project and costs associated with each element of the schedule;
  - (b) risk management for both project delivery and for any potential operational risks;
  - (c) governance arrangements including management of any approvals or regulatory requirements;
  - (d) stakeholder engagement;
  - (e) where relevant, workplace Relationship Management Plan compliant with WHS and Building Code requirements; and
  - (f) any other information the State considers relevant to enable the Commonwealth to consider the business case or project proposal.

### Reporting arrangements

18. The State will provide performance reports in accordance with Schedules to this Agreement, during the operation of the Agreement. Each performance report is to contain a description of actual performance in the period to date against the project milestones.
19. The State will monitor and provide performance reports against the Indigenous targets on a project-by-project basis under its Industry Participation Policy and Procedural Guidelines.
20. In accordance with the Implementation Plan, the Deal has separate reporting requirements, including an annual report and a three yearly review. Where possible, efforts will be made to align reporting dates to minimise administrative burdens on the Commonwealth and the State.
21. The City Deal reporting framework, as outlined in the Implementation Plan, will be used to assess the degree to which the agreed outputs and purpose of the Agreement have been achieved over the life of the Agreement.

## PART 5 – FINANCIAL ARRANGEMENTS

22. The Commonwealth will provide an estimated total financial contribution to the State of \$159 million in respect of this Agreement. All payments are GST exclusive.
23. The Commonwealth's funding contribution will not be reduced where the State secures funding from other activity partners.
24. The Commonwealth's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 1.

**Table 1: Estimated Commonwealth National Partnership financial contributions**

<b>Project</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>TOTAL (up to)</b>
<b>Innovation Hub</b>	Nil	\$2 m	\$2 m	\$3 m	\$13 m	Nil	<b>\$20 m</b>
<b>Smart Technology</b>	Nil	\$1 m	\$1 m	\$1 m	\$7 m	Nil	<b>\$10 m</b>
<b>Aboriginal Arts and Cultures Centre</b>	Nil	Nil	\$4 m	\$9 m	\$67 m	\$5 m	<b>\$85 m</b>
<b>International Centre for Food, Hospitality and Tourism Studies</b>	Nil	\$2 m	\$15 m	\$10 m	\$3 m	Nil	<b>\$30 m</b>
<b>Heysens Gallery at Hahndorf</b>	\$3 m	\$3 m	\$3 m	Nil	Nil	Nil	<b>\$9 m</b>
<b>Carrick Hill</b>	Nil	\$1 m	\$2 m	Nil	Nil	Nil	<b>\$3 m</b>
<b>Mitcham Hills Trail and Glenthorne Loop</b>	\$1 m	\$1 m	Nil	Nil	Nil	Nil	<b>\$2 m</b>
<b>TOTAL (up to)</b>	<b>\$4 m</b>	<b>\$10 m</b>	<b>\$27 m</b>	<b>\$23 m</b>	<b>\$90 m</b>	<b>\$5 m</b>	<b>\$159 m</b>

25. Having regard to the agreed estimated costs of projects specified in this Agreement, the State will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, the State (or the external party where the Commonwealth payment is being made through the State to that party) bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects cost effectively and efficiently.
26. However, contrary to Clause 25, where a reported underspend, as required by Clause 11(e), is either \$500,000 or 10 per cent of the Commonwealth investment (whichever is higher), the remaining funds will be re-invested. Re-investment will be in either existing Adelaide City Deal

projects outlined in Clause 9 or projects consistent with the City Deal's Purpose specified at Clause 2 of this Agreement.

27. Where a decision is made not to continue with a project the remaining funds for that project will be re-allocated in accordance with Clauses 13 and 26 of this Agreement.

## **PART 6 – GOVERNANCE ARRANGEMENTS**

### **Enforceability of the Agreement**

28. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### **Variation of the Agreement**

29. The Agreement may be amended at any time by agreement in writing by both the Parties.
30. Schedules to this Agreement that have no impact on other Parties may be amended at any time by agreement in writing by the relevant Commonwealth and State portfolio ministers.
31. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

### **Delegations**

32. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### **Dispute resolution**

33. Either Party may give notice to the other Party of a dispute under this Agreement.
34. Officials of both Parties will attempt to resolve any dispute in the first instance.
35. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

# The Innovation Hub

## PROJECT SCHEDULE FOR THE ADELAIDE CITY DEAL

1. This schedule has been developed consistent with Clause 16 of the Project Agreement for the Adelaide City Deal (the Agreement).
2. This project will see a Commonwealth commitment (of up to \$20 million) invested towards constructing an Innovation Hub at Lot Fourteen that will bring together venture capital, scientists, academics and entrepreneurs to create the next generation of businesses for Adelaide.
3. The State will be responsible for ensuring that the business case for this project schedule provides relevant information in accordance with Clause 17 of the Agreement.
4. Consistent with responsibilities outlined in Clause 14, the business case will provide the basis for parties to agree scope and project plan for the Innovation Hub.
5. If the parties agree this project schedule will be updated to include further implementation activities and milestones. The schedule update will be completed by February 2021.
6. In accordance with Clause 16 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 1.

**Table 1: Performance requirements, reporting and payment summary**

Outputs	Performance milestones	Report due	Payment
Innovation Hub	A business case, that meets the requirements of Clause 17 of the Agreement, has been submitted to the Commonwealth.	1 Aug 2020	\$2 million
	Future performance milestones and payments and the schedule to the Project Agreement updated.	1 Feb 2021	Nil
<b>Total Funding</b>		Up to \$20 million	
<b>Funding to be allocated</b>		Up to \$18 million	



# Smart technology

## PROJECT SCHEDULE FOR THE ADELAIDE CITY DEAL

1. This schedule has been developed consistent with Clause 16 of the Project Agreement for the Adelaide City Deal (the Agreement).
2. Support for smart city technology and infrastructure in the Adelaide city centre will be delivered under this schedule. Projects will focus on improving digital connectivity and safety for residents, visitors, workers and businesses and integrating services between Lot Fourteen and the wider Adelaide city centre.
3. The Commonwealth will contribute up to \$10 million to the City of Adelaide through the South Australian Government, subject to the City of Adelaide meeting the agreed milestones detailed below.
4. Consistent with responsibilities outlined in Clause 14, the business case will provide the basis for parties to agree scope and project plan for Smart Technology.
5. If the parties agree, this project schedule will be updated to include further implementation activities and milestones. The schedule update will be completed by February 2021.
6. In accordance with Clause 16 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 2.

**Table 2: Performance requirements, reporting and payment summary**

Outputs	Performance milestones	Report due	Payment
Smart technology	A business case, that meets the requirements of Clause 17 of the Agreement, has been submitted to both Parties.	1 Aug 2020	\$1 million
	Future performance milestones and payments and the schedule to the Project Agreement updated.	1 Feb 2021	Nil
<b>Total Funding</b>		Up to \$10 million	
<b>Funding to be allocated</b>		Up to \$9 million	

# The Aboriginal Art and Cultures Centre

## PROJECT SCHEDULE FOR THE ADELAIDE CITY DEAL

1. This schedule has been developed consistent with Clause 16 of the Project Agreement for the Adelaide City Deal (the Agreement).
2. This project will see the Aboriginal Art and Cultures Centre constructed at Lot Fourteen to showcase the art and cultural assets of Aboriginal and Torres Strait Islander People to an international audience.
3. The Commonwealth will contribute up to \$85 million toward the project.
4. The State will be responsible for ensuring that the business case provides relevant information in accordance with Clause 17 of the Agreement.
5. Consistent with responsibilities outlined in Clause 14, the business case will provide the basis for parties to agree the scope and project plan for the Aboriginal Art and Cultures Centre.
6. If the parties agree this project schedule will be updated to include further implementation activities and milestones. The schedule update will be completed by February 2022.
7. In accordance with Clause 16 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 3.

**Table 3: Performance requirements, reporting and payment summary**

Outputs	Performance milestones	Report due	Payment
Aboriginal Art and Cultures Centre	A business case, that meets the requirements of Clause 17 of the Agreement, has been submitted to the Commonwealth.	1 Aug 2021	\$4 million
	Future performance milestones and payments and the schedule to the Project Agreement updated.	1 Feb 2022	Nil
<b>Total Funding</b>		Up to \$85 million	
<b>Funding to be allocated</b>		Up to \$81 million	

# International Centre for Food, Hospitality and Tourism Studies

## PROJECT SCHEDULE FOR THE ADELAIDE CITY DEAL

1. This schedule has been developed consistent with Clause 16 of the Project Agreement for the Adelaide City Deal (the Agreement).
2. This project relates to the delivery of the International Centre for Food, Hospitality and Tourism Studies at Lot Fourteen. The centre will be a state-of-the art institute to grow the South Australia's capacity in hospitality.
3. The Commonwealth will contribute up to \$30 million toward the Centre for Food, Hospitality and Tourism Studies.
4. The State will be responsible for ensuring that the business case provides relevant information in accordance with Clause 17 of the Agreement.
5. Consistent with responsibilities outlined in Clause 14, the business case will provide the basis for parties to agree the scope and project plan for the International Centre for Food, Hospitality and Tourism Studies.
6. If the parties agree this project schedule will be updated to include further implementation activities and milestones. The schedule update will be completed by February 2021.
7. In accordance with Clause 16 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 4.

Table 4: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Report due	Payment
International Centre for Food, Hospitality and Tourism Studies	A business case, that meets the requirements of Clause 17 of the Agreement, has been submitted to the Commonwealth.	1 Aug 2020	\$2 million
	Future performance milestones and payments and the schedule to the Project Agreement updated.	1 Feb 2021	\$Nil
<b>Total funding</b>		Up to \$30 million	
<b>Funding to be allocated</b>		Up to \$28 million	

# Heysens Gallery at Hahndorf

## PROJECT SCHEDULE FOR THE ADELAIDE CITY DEAL

1. This schedule has been developed consistent with Clause 16 of the Project Agreement for the Adelaide City Deal (the Agreement).
2. This project will see the construction of the Heysens Gallery at Hahndorf as a dedicated space to display the art by the renowned Australian artists, Hans and Nora Heysen and other Australian and international exhibitions.
3. The Australian Government will provide up to \$9 million to the Hans Heysen Foundation through the South Australian Government.
4. Consistent with responsibilities outlined in Clause 14, the project plan will provide the basis for parties to agree the scope of the project.
5. If the parties agree, this project schedule will be updated to include further implementation activities and milestones. The schedule update will be completed by March 2020.
6. In accordance with Clause 16 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 5.

**Table 5: Performance requirements, reporting and payment summary**

Outputs	Performance milestones	Report due	Payment
Heysens Gallery at Hahndorf	Submission of a project plan.  Signed contract with the Lead Professional Services Contractor (Architect) to deliver the design and obtain planning approvals.	1 March 2020	\$3 million
	Future performance milestones and payments and the schedule to the Project Agreement updated.	1 March 2020	\$Nil
<b>Total Funding</b>			Up to \$9 million
<b>Funding to be allocated</b>			Up to \$6 million

# Carrick Hill

## PROJECT SCHEDULE FOR THE ADELAIDE CITY DEAL

1. This schedule has been developed consistent with Clause 16 of the Project Agreement for the Adelaide City Deal (the Agreement).
2. This project will see a pavilion constructed at Carrick Hill to accommodate a visitor centre.
3. The Australian Government will provide up to \$3 million to the South Australian Government to support the project. Additional funding of \$0.5 million will be provided by the South Australian Government.
4. Consistent with responsibilities outlined in Clause 14, the project plan will provide the basis for parties to agree the scope of the project.
5. If the parties agree, this project schedule will be updated to include further implementation activities and milestones. The schedule update will be completed by 1 August 2020.
6. In accordance with clause 16 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 6.

**Table 6: Performance requirements, reporting and payment summary**

Outputs	Performance milestones	Report due	Payment
Carrick Hill	Submission of a project plan. Concept design completed.	1 Aug 2020	\$1 million
	Future performance milestones and payments and the schedule to the Project Agreement updated.	1 Aug 2020	\$Nil
<b>Total funding</b>			Up to \$3 million
<b>Funding to be allocated</b>			Up to \$2 million

# Mitcham Hills Trail and Glenthorne Loop

## PROJECT SCHEDULE FOR THE ADELAIDE CITY DEAL

1. This schedule has been developed consistent with Clause 16 of the Project Agreement for the Adelaide City Deal (the Agreement).
2. The Commonwealth will invest up to \$2 million to deliver specific site improvements to the Mitcham Hills Trail and the Glenthorne Loop in southern Adelaide. The improvements will link and enhance natural and cultural attractions, and improve access to these sites through digital tools and wayfinding.
3. The South Australian Government will manage this project which may include awarding grants to community groups and other organisations to deliver certain activities within the project as required.
4. The overall project is comprised of distinct activities, as outlined below:
  - a. *Mitcham Hills Trail* (\$940,000), will include improvements, upgrades, renovations or maintenance at:
    - i. Wittunga Botanic Gardens;
    - ii. Old Government House;
    - iii. Belair National Park; and
    - iv. Colebrook Blackwood Reconciliation Park.
  - b. *Glenthorne Loop* (\$630,000), will include improvements, upgrades, renovations or maintenance at:
    - i. Kingston House;
    - ii. Glenthorne National Park;
    - iii. Hallett Cove Conservation Park;
    - iv. Stanvac Cliffs and lookout;
    - v. Marino Conservation Park;
    - vi. Buildings and Aboriginal heritage within Glenthorne Farm and the associated precinct;
    - vii. O'Halloran Hill Recreation Park; and
    - viii. Glenthorne Parks.
  - c. Additional investment (\$430,000) for technical and support solutions for the Glenthorne Loop.

5. In accordance with Clause 16 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 7.



**Table 7: Performance requirements, reporting and payment summary**

<b>Outputs</b>	<b>Performance milestones</b>	<b>Report due</b>	<b>Payment</b>
Mitcham Hills Trail and Glenthorne Loop	Completion of works at Hallett Cove. Weed removal and revegetation activities at Belair National Park and O'Halloran Hill Recreation Park undertaken (pending suitable conditions).	1 March 2020	\$0.1 million
	Works at Marino Conservation Park completed. Cultural and Built heritage surveys of Glenthorne Farm completed.	1 March 2020	\$0.4 million
	Commencement of planning and concept design for works at Kingston House, Wittunga Botanic Garden, and Old Government House.	1 March 2020	\$0.2 million
	Investigation and procurement to provide technology and support solutions for the whole Glenthorne Trails Loop.	1 March 2020	\$0.3 million
	Commencement of procurement for works at Kingston House, Wittunga Botanic Garden, and Old Government House. Grant awarded to Colebrook Blackwood Reconciliation Park. Grant awarded to enhance local Glenthorne Parks.	1 Aug 2020	\$0.4 million
	Design for playspace at Glenthorne precinct.	1 Aug 2020	\$0.1 million
	Conservation and access works at Stanvac Cliffs finalised.	1 Feb 2021	\$0.2 million
	Completion of works at Wittunga Botanic Garden.	1 Feb 2021	\$0.3 million
	<b>Total Funding</b>		Up to \$2 million
<b>Funding to be allocated</b>		Nil	

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth  
of Australia by*



**The Honourable Alan Tudge MP**  
Minister for Population, Cities and Urban  
Infrastructure

3 / 3 / 2020

*Signed for and on behalf of the  
State of South Australia by*



**The Honourable Steven Marshall MP**  
Premier of South Australia

25 / 12 / 2020