

PROJECT AGREEMENT – DARWIN CITY DEAL: EDUCATION AND COMMUNITY PRECINCT

An agreement between:

- the **Commonwealth of Australia**; and
- the **Northern Territory**.

The output of this project will be the establishment of a new Education and Community Precinct in the Darwin city centre.

Project Agreement – Darwin City Deal: Education and Community Precinct

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.
2. This Agreement should be read in conjunction with the Darwin City Deal and the Darwin City Deal Implementation Plan.

Purpose

3. This Agreement will support the establishment of an Education and Community Precinct in the Darwin Central Business District (CBD).
4. The Education and Community Precinct will transform Darwin's city centre, increase vibrancy in the CBD and help attract more international students to Darwin.

Reporting Arrangements

5. The Northern Territory (NT) will report against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

6. The Commonwealth will provide an estimated total financial contribution to the NT of \$97.3 million exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements. The NT will enter a separate funding agreement with the Charles Darwin University (CDU) to deliver the Precinct. The CDU will arrange for additional finance to develop the Precinct, including seeking a loan through the Northern Australia Infrastructure Facility (NAIF).

PART 1 – FORMALITIES

7. This Agreement constitutes the entire agreement for this project. However, it should be read in conjunction with the Darwin City Deal and the Darwin City Deal Implementation Plan.

Parties to this Agreement

8. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the NT.

Term of the Agreement

9. This Agreement will commence as soon as the Commonwealth and the NT sign it and will expire on 30 June 2024 or on completion of the project, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUT

10. This Agreement will contribute to the establishment of the Education and Community Precinct within the Darwin CBD, as generally outlined in the Darwin City Deal.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

11. The Commonwealth will be responsible for:
 - (a) Monitoring and assessing achievement against milestones in the establishment of the Education and Community Precinct under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) Providing a consequent financial contribution to the NT to support the implementation of this Agreement;
 - (c) In accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that financial contributions to a building project or projects are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted (subject to the financial thresholds defined in the Scheme); and
 - (d) 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 (subject to the financial thresholds defined in the Scheme).

Role of the Northern Territory

12. The NT will be responsible for:
 - (a) Entering into an agreement with CDU (the project proponent), assessing milestones within that agreement and providing project payments to CDU as it meets milestones;
 - (b) Ensuring that an Indigenous employment target of 8.8 per cent and an Indigenous supplier-use target of 3 per cent are established for the project, and that priority in meeting the targets is given to local Indigenous businesses, organisations and potential employees;
 - (c) Working with the Commonwealth, and CDU to support the delivery of the Education and Community Precinct in accordance with the Darwin City Deal and the milestones set out in Part 4 – Project Milestones, Reporting and Payments;
 - (d) Reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (e) Ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted (subject to the

financial thresholds defined in the Scheme), and providing the necessary assurances to the Commonwealth; and

- (f) 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 (subject to the financial thresholds defined in the Scheme) and providing the necessary assurances to the Commonwealth.

Shared roles

- 13. 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.
- 14. Promotional and public reporting, including media coverage, will be conducted in line with the Darwin City Deal communication protocols including:
 - (a) Joint Commonwealth, NT, and CDU branding to ensure partners are equally acknowledged;
 - (b) Consultation on and, where appropriate, joint coordination on major public announcements; and
 - (c) Joint agreement on significant promotion strategies.

PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

- 15. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the performance report demonstrating the relevant milestone has been met.

Table 1: Performance requirements, reporting and payment summary

Output	Performance milestones or benchmarks	Report due	Payment
Establishment of the Darwin city centre Education and Community Precinct.	Completion of the Precinct Masterplan, concept design and project plan.	01/06/2020	\$10.4 m
	Signing of contract by City of Darwin and CDU to transfer Lot 5803 Town of Darwin from the City of Darwin to CDU.	01/06/2020	\$14.6m
	Carpark excavation commences and CDU has secured remainder of the finance required.	15/07/2020	\$15m
	Completion of carpark excavation.	15/02/2021	\$30m
	Completion of carpark and ground floor slab.	15/10/2021	\$25.0m
	Commencement of Ground Floor construction on Woods Street building.	15/11/2021	\$2.3m
	Completion of Woods Street building.	15/08/2023	Nil
	Construction complete	15/12/2023	Nil
Total Funding			\$97.3 million

16. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

17. The Northern Territory will provide performance reports in accordance with Table 1 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.
18. 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 Northern Territory.

PART 5 – FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide an estimated total financial contribution to the Northern Territory of \$97.3m in respect of this Agreement. All payments are GST exclusive.

20. The Commonwealth's funding contribution will not be reduced where the Northern Territory or CDU secure funding from other activity partners.
21. 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 2.

Table 2: Estimated financial contributions

(\$ million)	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
Estimated total budget	25.0	45.0	27.3	0.0	0.0	97.3
Less estimates National Partnership Payments	25.0	45.0	27.3	0.0	0.0	97.3
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0	0.0

22. Having regard to the agreed estimated costs of projects specified in this Agreement, the Northern Territory 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 Northern Territory 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 Northern Territory to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

23. 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

24. The Agreement may be amended at any time by agreement in writing by both the Parties.
25. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

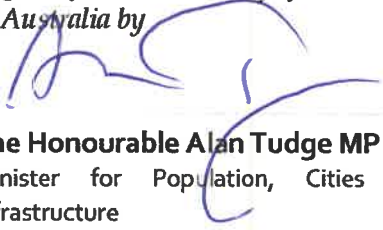
26. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

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

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

15-10-2020

*Signed for and on behalf of the Northern
Territory by*



The Honourable Michael Gunner MLA
Chief Minister of the Northern Territory

2020