

# PROJECT AGREEMENT FOR NORTH QUEENSLAND STADIUM

An agreement between:

- the Commonwealth of Australia; and
- Queensland

The output of this project will be the North Queensland Stadium in Townsville including site master planning and enabling services infrastructure to the site for the future Entertainment Centre.

# Project Agreement for North Queensland Stadium

## 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 the North Queensland Stadium, including site master planning and enabling services infrastructure within the stadium site to allow for a future Entertainment Centre.

### Reporting Arrangements

3. Queensland 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

4. The Commonwealth will provide an estimated total financial contribution to Queensland of \$100 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 Queensland.

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Queensland sign it and will expire on 30 June 2020 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 OUTPUTS

### Outputs

8. The outputs of this Agreement will be:
- (i) the North Queensland Stadium: a 25,000 seat, best practice, purpose-built, regional stadium in time for the commencement of the 2020 NRL season at 17-49 Saunders Street, Railway Estate, Townsville (within Lot 1 on SP155392) including state-of-the-art corporate facilities, permanent stands, permanent concessions and modern amenities throughout including:
    - (i) site planning including provision for a future Entertainment Centre<sup>1</sup> to ensure appropriate consideration of the relationship between the Project and the future Entertainment Centre in an integrated precinct; and
    - (ii) enabling services infrastructure within the stadium site to support the Stadium and future Entertainment Centre.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

9. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against milestones in the delivery of the project under this Agreement to ensure that outputs are delivered within the agreed timeframes;
  - (b) providing a consequent financial contribution to Queensland to support the implementation of this Agreement;
  - (c) in accordance with the *Fair Work (Building Industry) Act 2012*, ensuring that financial contributions to a building project or projects as defined under the *Fair Work (Building Industry – Accreditation Scheme) Regulations 2005*, are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted; and
  - (d) ensuring that compliance with the *Building Code 2013* is a condition of Australian Government funding.

### Role of Queensland

10. Queensland will be responsible for:
- (a) providing a financial contribution to support the implementation of this Agreement;
  - (b) providing the Commonwealth a position on the Project Steering Committee;
  - (c) all aspects of delivering on the project outputs set out in this Agreement including:
    - (i) maximising opportunities for Townsville business involvement in the construction of the Stadium; and

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<sup>1</sup> The construction of the Entertainment Centre does not form part of this Agreement.

- (ii) ensuring that Indigenous Australians are able to realise employment and business opportunities on the construction of the Project by including Indigenous employment and Indigenous supplier-use requirements that reflect the local Indigenous working age population<sup>2</sup> in all project contracts;
  - (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, and providing the necessary assurances to the Commonwealth; and
  - (f) ensuring that compliance with the *Building Code 2013* is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.
11. Additionally, Queensland:
- (a) agrees to include the words “The North Queensland Stadium is a joint project of the Queensland Government, Australian Government and Townsville City Council and is supported by the National Rugby League (NRL). The Stadium forms part of the Townsville City Deal signed in December 2016” on the North Queensland Stadium website, and in all publications and promotional material for the first four years;
  - (b) is required to erect and maintain a sign at the North Queensland Stadium entry and a sponsors’ board inside facility to acknowledge the Commonwealth contribution. Signage must include the Commonwealth logo and the words “The North Queensland Stadium was jointly funded by the Australian Government and forms part of the Townsville City Deal signed in December 2016”;
  - (c) agrees to acknowledge the Commonwealth by including branding on signage that is displayed to mark an official opening or other official public functions for activities relating to the North Queensland Stadium;
  - (d) must only use the Commonwealth logo with approval and in accordance with Commonwealth branding guidelines;
  - (e) agrees to invite the relevant Commonwealth Minister to speak at the opening of the North Queensland Stadium in 2020; and
  - (f) must invite a Commonwealth representative to official openings or other official public functions for activities relating to the North Queensland Stadium.

### Shared roles

12. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached in a timely manner 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

13. 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

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<sup>2</sup> ABS data indicates that Indigenous people represent 6.6% of the working-age population of the Townsville area.

Commonwealth will make payments subject to the performance report demonstrating that the relevant milestone has been met.

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

Output	Milestones	Report due	Payment
Site planning, the North Queensland Stadium and enabling services infrastructure in accordance with clause 8 of this Agreement	Contract awarded for Managing Contractor Stage 1 (MC-1).	30/04/2017	\$10.0m
	Early works 80% completed, including clearing, remediation, building platform and piling.	28/02/2018	\$20.0m
	Early works fully completed, completion of pile caps, footings and lift pits, 50% of deep in-ground services and structural steel bowl frame installed.	30/04/2018	\$30.0m
	Completion of deep in-ground services and roof steel frame and cladding.	31/10/2018	\$20.0m
	Completion of pitch construction, general finishes, fit-out, concourse pavement and external works.	30/04/2019	\$15.0m
	Practical completion and Stadium handover to Stadiums Queensland.	31/08/2019	\$5.0m

14. 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

15. Queensland will provide performance reports on milestones in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain the following information for the Project:
- a description of actual performance in the period to date against the milestones;
  - details of any matter(s) that have arisen which could adversely impact on the delivery of the outputs, and a plan on how this/these matter(s) will be resolved.
16. Queensland will update the Project Steering Committee on any matters arising under clause 15 above.

## PART 5 – FINANCIAL ARRANGEMENTS

17. The Commonwealth will provide a total financial contribution to Queensland of \$100.0 million (exclusive of GST) in respect of this Agreement, contingent on the Townsville City Deal being agreed by the Commonwealth, Queensland, and the Townsville City Council.
18. The Commonwealth's funding contribution will not be reduced where Queensland secures funding from other activity partners.
19. The Commonwealth's and Queensland'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)**

	2016-17	2017-18	2018-19	2019-20	Total
<b>Estimated total budget</b>	20.0	105.0	120.0	5.0	250.0
Less estimated National Partnership Payments	10.0	50.0	35.0	5.0	100.0
Estimated Queensland contribution	10.0	55.0	75.0	0.0	140.0
National Rugby League (NRL) contribution	0.0	0.0	10.0	0.0	10.0
Balance of non-Commonwealth contributions	10.0	55.0	85.0	0	150.0

20. Having regard to the agreed estimated cost of the Project specified in this Agreement, Queensland 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, Queensland bears all risk should the costs of the Project exceed the agreed estimated cost. The Parties acknowledge that this arrangement provides the maximum incentive for Queensland to deliver the project cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

21. 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

22. The Agreement may be amended at any time by agreement in writing by both Parties.

### Delegations

23. The Commonwealth Minister for Urban Infrastructure 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.

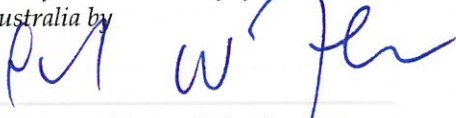
### Dispute resolution

24. Either Party may give notice to the other Party of a dispute under this Agreement.
25. Officials of both Parties will attempt to resolve any dispute in the first instance.

26. 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 Paul Fletcher MP**  
Minister for Urban Infrastructure

19 December 2016

**The Honourable Angus Taylor MP**

Assistant Minister for Cities and Digital  
Transformation

\_\_\_\_\_ December 2016

**Signed** for and on behalf of the  
State of Queensland by

**The Honourable Dr Anthony Lynham MP**

Minister for State Development and Minister for  
Natural Resources and Mines

\_\_\_\_\_ December 2016



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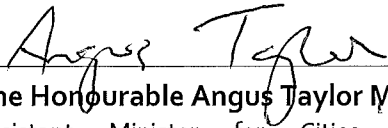
*Signed for and on behalf of the Commonwealth  
of Australia by*

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**The Honourable Paul Fletcher MP**

Minister for Urban Infrastructure

\_\_\_\_\_ December 2016



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**The Honourable Angus Taylor MP**

Assistant Minister for Cities and Digital  
Transformation

\_\_\_\_\_ December 2016

*Signed for and on behalf of the  
State of Queensland by*



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**The Honourable Dr Anthony Lynham MP**

Minister for State Development and Minister for  
Natural Resources and Mines

20 December 2016