

PROJECT AGREEMENT FOR ADELAIDE OVAL REDEVELOPMENT AND PRECINCT WORKS

Council of
Australian
Governments

An agreement between

the Commonwealth of Australia and
South Australia

The output of this project will be the redevelopment of Adelaide Oval and surrounding precinct, providing a major multi-purpose sporting facility in the Adelaide CBD that is easily accessible with high quality links to public transport networks and the City

Project Agreement for Adelaide Oval Redevelopment and Precinct Works

INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations 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 Intergovernmental Agreement on Federal Financial Relations.
2. This Agreement will support the delivery of the Adelaide Oval Redevelopment and Precinct Works. The Commonwealth's funding contribution will be directed towards the construction of car parking facilities, incorporated into the stadium and public realm improvements to the adjacent northern bank of the Torrens, adding value and amenity, including wetland features. The project is scheduled for completion by October 2014.
3. The Redevelopment of the Oval is subject to the *Adelaide Oval Redevelopment and Management Act 2011* of the Parliament of South Australia.
4. This Agreement constitutes the entire agreement for this project.

PART 1 – FORMALITIES

Parties to this Agreement

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

Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth, as represented by the Minister for Sport, and South Australia, as represented by the Minister for Transport and Infrastructure, sign the Agreement and will expire on 30 October 2014 or on completion of the project, including acceptance of 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

7. The output of this Agreement will be: the redevelopment of the Adelaide Oval; and enhancement works to the adjacent northern Riverbank precinct.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

8. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against milestones in the delivery of the Adelaide Oval Redevelopment and adjacent Riverbank improvement under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to South Australia to support the implementation of this Agreement;
 - (c) in accordance with the *Building and Construction Industry Improvement Act 2005*, ensuring that financial contributions to a building project or projects as defined under the Building and Construction Industry (Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and
 - (d) ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry is a condition of Australian Government funding.

Role of the State

9. South Australia will be responsible for:
- (a) providing a financial and in kind contribution to support the implementation of this Agreement;
 - (b) all aspects of delivering on the project outputs set out in this Agreement;
 - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments;
 - (d) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth;
 - (e) ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth; and
 - (f) ensuring that an Industry Participation Plan applies to this agreement. As part of receiving Commonwealth funds, the State Government agrees to apply state Local Industry Participation (LIP) policies and require a LIP Plan for the underground carparking component of the project, as far as practicably can be applied, since this work is already included within the scope of the current contract. LIP will also apply to any other works, or purchasing of goods or services, to be procured using the Commonwealth funding resulting from this Agreement.

Application of LIP policy should be confirmed in writing to the Department of Regional Australia, Local Government, Arts and Sport. The State Government should also confirm in writing that it is applying current state LIP policies to the project.

Shared roles

10. The Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, 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

11. The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made, once a report certifying that milestones have been met is received and accepted.

Table 1: Milestones, reporting and payment summary

Output	Milestone	Date due	Relevant Report due	Payment
Redevelopment of the Adelaide Oval	Commencement of site works	5 April 2012	30 April 2012	\$18.0m
	Completion of Southern Stand	1 December 2013	31 December 2013	-
	Construction complete and certificate of occupancy issued	30 March 2014	30 June 2014	-
Enhancement works to adjacent northern Riverbank Precinct	Initiate project scoping	30 April 2012	30 April 2012	\$12.0m
	Contract let	31 May 2013	30 June 2013	-
	Works complete	30 June 2014	30 October 2014	-

Reporting arrangements

12. South Australia will provide performance reports in accordance with the above table during the operation of the Agreement. Each performance report is to contain the following information:
- a description of actual performance in the period to date against the project milestones;
 - details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how South Australia proposes to resolve this/these matter(s); and

- (c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.
13. South Australia will also prepare a final Project Report within 90 days on the completion of the project agreed under the Project Agreement. The Project Report will be a stand-alone document that can be used for public information dissemination purposes. The final Project Report will:
- (a) describe the conduct, benefits and outcomes of the Project;
- (b) evaluate the Project(s) from the responsible Party's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and
- (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance and agreed between the Commonwealth and South Australia, at least 60 days before it is due.

PART 5 – FINANCIAL ARRANGEMENTS

14. The Commonwealth will provide a total financial contribution to South Australia of \$30m in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced where South Australia secures funding from other activity partners through innovative and collaborative partnerships.
16. The Commonwealth's and South Australia's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the State paid in accordance with *Schedule D – Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

Table 2: Estimated financial contributions (GST exclusive)

(\$ million)	2011-12	2012-13	2013-14	Total
Estimated total budget including Commonwealth Contribution	180.1	197.2	172.81	550.11
Less estimated National Partnership Payments	30.0	0.0	0.0	30.0
Balance of non-Commonwealth contributions	150.1 ¹	197.2	172.81	520.11

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

¹ The State of South Australia committed and spent \$14.89m on the Adelaide Oval Redevelopment up to 30 June 2011.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

18. 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

19. The Agreement may be amended at any time by agreement in writing by all the Parties.
20. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

21. 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

22. Any Party may give notice to other Parties of a dispute under this Agreement.
23. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
24. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the relevant Standing Council.
25. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

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

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



Senator The Honourable Kate Lundy
Minister for Sport

Date..... 10/5/12.....

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

The Honourable Patrick Conlon MP
Minister for Transport and Infrastructure
Minister for Housing and Urban Development

Date.....

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Date.  23/4/12