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Public

**Approving Officer:**  
Mark Goldstone, Chief Executive  
Officer

## EXECUTIVE SUMMARY:

This report is provided to ensure Council is kept informed of progress in relation to the Adelaide City Deal.

A City Deal is a tripartite agreement between Federal, State and Local governments to deliver collaborative, bold and strategic programs that require significant investment.

A City Deal should be collaborative and consist of projects that can be replicated in other local government areas around Australia.

On the 12th December 2018, the Prime Minister Scott Morrison signed an Adelaide City Deal Memorandum of Understanding (MoU) with Premier Steven Marshall (**Attachment A**).

Following this announcement, the Australian Government Department for Cities requested input from the City of Adelaide for consideration in future negotiations.

Those negotiations are to be undertaken in early 2019.

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## RECOMMENDATION:

### THAT COUNCIL

1. Notes the Adelaide City Deal update.
2. Notes the CEO will keep Council informed of negotiations as they progress.

## IMPLICATIONS AND FINANCIALS:

City of Adelaide 2016-2020 Strategic Plan	There is potential for the Adelaide City Deal to be closely aligned with the City of Adelaide 2016-2020 Strategic Plan.
Policy	Not applicable to this report.
Consultation	Not applicable to this report.
Resource	Not applicable to this report.
Risk / Legal / Legislative	Both the Federal and State Governments would provide legal advice and each City Deal project will include a comprehensive risk analysis through its delivery planning. A robust governance structure will be put in place prior to signing to oversee delivery of the City Deal.
Opportunities	An Adelaide City Deal would potentially enable the progress of deliverables in the City of Adelaide Strategic Plan that in turn will provide benefits to our community.
18/19 Budget Allocation	Dependent upon negotiations with both Federal and State Governments.
Proposed 19/20 Budget Allocation	Dependent upon negotiations with both Federal and State Governments.
Life of Project, Service, Initiative or (Expectancy of) Asset	Dependent upon negotiations with both Federal and State Governments
18/19 Budget Reconsideration (if applicable)	Will be dependent upon negotiations with both Federal and State Governments.
Ongoing Costs (eg maintenance cost)	Each project will require detailed budget plans, projections and operational costings, savings, revenue and returns on the investment.
Other Funding Sources	Support from Federal and State Governments, universities, private enterprise and other key stakeholders investments.

## DISCUSSION

1. The Australian Government's City Deals concept, is a collaborative funding model between the Australian Government, a state or territory government, and local governments, that will make our cities better places to live in and do business.
2. City Deals enable governments, industries and communities to develop collective plans for growth and commit to the actions, investments, reforms and governance needed to implement them.
3. Through making the most of new and existing investments of governments, City Deals set out the specific investments and reforms needed to unlock business and industry development and growth and ensure community wellbeing.
4. By bringing together all levels of government, the private sector and the community, City Deals provide a coordinated investment opportunity for a city.
5. City Deals need to demonstrate a capacity for the City Deal to effectively replicate its projects in other city and town locations around Australia.
6. The Australian Government has signed City Deals for Townsville, Launceston, Darwin and Western Sydney, with future deals having been announced for Perth, Geelong and Hobart.
7. On 22<sup>nd</sup> November 2018, CEO Mark Goldstone was invited by Minister Tudge to attend a 'City Deal Roundtable' held in Adelaide between the Premier of South Australia, the CEO's of several metropolitan Adelaide councils, Australian Government representatives and other key City Deal stakeholders.
8. On the 12th December 2018 Prime Minister Scott Morrison signed a Memorandum of Understanding (MoU) with Premier Steven Marshall for an Adelaide City Deal.
9. The Commonwealth and South Australian Government have agreed that the redevelopment of Lot 14 will form the centrepiece of the City Deal.
10. The Adelaide City Deal will contain the following priority themes:
  - 10.1. Targeted investment to deliver a precinct that drives entrepreneurship and innovation
  - 10.2. Getting the settings right to better manage population growth and city planning
  - 10.3. Enhancing Adelaide's liveability through investment in culture and the arts.
11. Following the MoU signing, the Federal Government Department for Cities requested input from CEO Mark Goldstone to progress the Adelaide City Deal.
12. It is anticipated further negotiations will be undertaken and concluded in early January 2019.

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## ATTACHMENTS

**Attachment A** – Memorandum of Understanding (MoU)

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- END OF REPORT -



**Australian Government**



**Government of  
South Australia**

**MEMORANDUM OF UNDERSTANDING  
TO ESTABLISH AND IMPLEMENT CITY DEALS**

**between**

**The Commonwealth of Australia**

**and**

**The State of South Australia**

**December 2018**

### **Preamble**

This Memorandum of Understanding (MoU) provides an undertaking by the Commonwealth and the State of South Australia (South Australia) to work together on City Deals.

City Deals bring together all three levels of government aligning planning, investment and governance to better manage population growth, accelerate job creation, stimulate urban renewal and drive economic reforms.

The Commonwealth and South Australia will consider all appropriate levers to give effect to City Deals. South Australia and participating local government partners will in turn align land use, policy and regulatory settings and infrastructure priorities to implement the City Deal. This will enable the full economic potential of our cities to be realised.

As a first priority, the Commonwealth and South Australia will work with relevant local governments to deliver a City Deal for Adelaide in the first quarter of 2019.

### **Adelaide City Deal**

The City Deal will support the growth of Adelaide as a vibrant, innovative city that drives the economy forward. It will focus on fostering, attracting and retaining a skilled workforce and establishing a framework for all three levels of government to work together to achieve the city's goals of a growing population and a growing economy.

The Commonwealth and the South Australian Government have agreed that the redevelopment of the old Royal Adelaide Hospital site - Lot Fourteen - will form the centrepiece of the City Deal. The development of this world-leading innovation hub, under transformation over the next seven years, will harness the city's greatest strengths - its cultural depth, research excellence and commercial potential.

As an initial Commonwealth contribution to the Adelaide City Deal, the Australian Space Agency will be headquartered at Lot Fourteen and form the heart of its innovation ecosystem. The Space Agency is charged with working across the nation to grow a globally respected Australian space industry, inspiring the community and the next generation of space entrepreneurs. The formation of the new Space Agency in Adelaide will foster new and emerging industries, support new jobs and attract highly skilled talent to secure the city's future prosperity.

The Adelaide City Deal will also have a key focus on delivering a long-term vision for the city, supported by an integrated population plan that ensures the jobs, infrastructure, services and public spaces are in place to create a fast-growing, productive and liveable Adelaide.

## **Adelaide City Deal – Priority Themes**

To deliver this vision, we agree to work collaboratively to develop a City Deal for Adelaide structured around the following themes:

### **Targeted investment to deliver a precinct that drives entrepreneurship and innovation**

The centrepiece of the Adelaide City Deal will be a world-class creation and innovation precinct, catalysed through the redevelopment of the old Royal Adelaide Hospital site, known as **Lot Fourteen**. Lot Fourteen will become Adelaide's new home of innovation by attracting investment from technology-rich industries. In doing so our aim is to create new opportunities for Adelaide to establish an international reputation for excellence and innovation among the fast growing new industries such as artificial intelligence, robotics, big data and defence and space technologies and support a highly skilled and educated workforce. The South Australian Government is leading the Lot Fourteen redevelopment, and the Commonwealth will identify opportunities for co-investment.

Our commitment to Lot Fourteen will leverage other initiatives including the roll out of the **GigCity network** and the substantial Commonwealth investments under the **Naval Shipbuilding Plan**.

### **Getting the settings right to better manage population growth and city planning**

All levels of government are working together through the Council of Australian Governments (COAG) to improve population planning and management. In South Australia, the Adelaide City Deal will be a key vehicle for supporting this process and helping reform the way the Commonwealth and South Australia plan for stronger **population growth**.

The Commonwealth will commit to working with South Australia to ensure it can access overseas workers where Australians are not available. This could include measures such as developing a Designated Area Migration Agreement to tailor temporary and permanent visa arrangements to the specific needs of the Adelaide and South Australian labour market. The Commonwealth will also work with South Australia as the pilot state for the three-year Supporting Innovation in South Australia (SISA) visa which will encourage budding foreign entrepreneurs. This will support Adelaide's aim of being a world-class destination for technology and engineering expertise and complement strategies for retaining more of its highly skilled professionals through investment in the Lot Fourteen development.

The Adelaide City Deal will put in place a new governance mechanism through which Commonwealth, State and local governments can work cooperatively to support the growth of Adelaide.

### **Enhancing Adelaide's liveability through investment in culture and the arts**

Adelaide already has a reputation for its cultural and culinary attractions, which support a strong visitor economy and give its residents an enviable lifestyle. The Adelaide City Deal will identify opportunities for all levels of government to build on and highlight Adelaide's strengths as a **cultural, arts, education and tourism destination** including through new galleries and cultural education.

In addition to these focus areas, other projects that are consistent with the vision and objectives may also be agreed during the development of the Adelaide City Deal.

### ***Principles for collaboration***

The Commonwealth and South Australian Governments commit to the following foundational principles in support of City Deals. City Deals will:

- Involve the community and private sector in determining priorities and how they can contribute to delivery.
- Prioritise local needs within a context of nationally significant reform, including actions that drive productivity and competition.
- Take a long-term approach to achieve transformative change within the period of a City Deal, with clear short and medium term actions that provide certainty to business and the community.
- Identify the 'game-changers' and catalyst actions that will deliver a step-change in growth outcomes and then prioritise delivery.
- Be flexible to allow for changing needs and emerging priorities.
- Deliver action and reform that are additional to governments' usual operations.
- Establish streamlined governance to enable effective collaboration, coordination within and across governments and strong leadership with clear accountabilities.
- Support open access to data for transparent, evidence-based decision making, performance monitoring and smart technology solutions.
- Define measurable goals, priorities, actions and implementation timeframes to enable performance to be measured and all parties held to account.

**Agreement**

Through this Memorandum of Understanding the Commonwealth and South Australian Governments agree to work cooperatively and collaboratively to agree priority locations and improve South Australia's cities through the implementation of tailored City Deals.

Relevant local governments will be invited to participate in developing and implementing City Deals in South Australia.

**SIGNED** for and on behalf of the Commonwealth of Australia by:

**The Hon Scott Morrison MP**

Prime Minister  
Commonwealth of Australia

12/12/2018

**SIGNED** for and on behalf of the State of South Australia by:

**The Hon Steven Marshall MP**

Premier  
State of South Australia

13/12/2018