

Accelerated Sturt Highway Upgrade Package

**Memorandum of Understanding between
the Commonwealth of Australia and the
State of South Australia**

Memorandum of Understanding (MOU)
Between the Commonwealth of Australia and the State of South
Australia in Respect of the Accelerated Sturt Highway Upgrade
Package

1. Upon signing this MOU, the Commonwealth of Australia ('the Australian Government') will pay \$100 million ('the Funding') to the State of South Australia (South Australia) before 30 June 2006, as an advance for the works specified in Attachment A to this MOU which collectively form the Accelerated Sturt Highway Upgrade Package ('the Package').
2. The Australian Government will provide South Australia with the Funding and South Australia will implement the Package in accordance with:
 - (a) the *AusLink (National Land Transport) Act 2005* (Cth) (the Act);
 - (b) the Project Approval Instrument under subsections 9(1) and 17(1) of the Act;
 - (c) the parts of the *Notes on Administration for the Auslink Investment Programme* issued in March 2006 ('Notes on Administration'), as amended from time to time, specified in paragraph 3(g) below;
 - (d) the parts of the agreement between the Australian Government and the State of South Australia for the *Implementation of the AusLink National Land Transport Plan in the period 2004-2009* ('the Bilateral Agreement'), specified in paragraph 3(k) below; and
 - (e) this MOU.
3. **The following matters are agreed between the parties to this MOU:**
 - (a) South Australia will complete the Package by 31 December 2009.
 - (b) Subject to paragraph 3(f) below, South Australia will ensure that the Funding, and any interest earned on the Funding, is only expended on the works set out in Attachment A.
 - (c) South Australia will hold the Funding in such a way as to enable the Funding, and any interest earned, to be separately identifiable.
 - (d) Any interest earned on the Funding will be applied to the Package prior to the application of the Funding.
 - (e) The Australian Government will not provide any further funding to South Australia for completion of the Package and South Australia will bear any costs over \$100 million, and any interest earned on the Funding, that may be required to complete the Package.
 - (f) After the Package is completed, Funding, and any interest earned on the Funding, that remains unspent may, subject to the Australian Government's agreement, be applied to other works on the AusLink National Network in South Australia. In such a case, the Australian

Government will issue a new project approval instrument or vary an existing project approval instrument under the Act.

- (g) South Australia will comply with the reporting requirements set out in Appendices B, D and E in the Notes on Administration. South Australia will also provide monthly reports in the form set out in Appendix C, although as Funding will have already been provided no payments will be made.
 - (h) South Australia will make payments against the Commonwealth funding advance and interest earned based upon the expenditures reflected in the monthly reports required in paragraph 3(g).
 - (i) In addition, South Australia will provide statements of expenditure and details of the balance of funding at any time the Australian Government requests such statements.
 - (j) The parties agree to cooperate in the joint evaluation of the works specified in Attachment A so as to facilitate continuous improvement of investment decision making.
 - (k) The following clauses of the Bilateral Agreement will apply to South Australia in respect of the Package:
 - i. Clauses 29 and 30 which deal with eligible and ineligible costs (with the clarification that for the purposes of this MOU that land acquisition will be an eligible cost);
 - ii. Sub-Clause 34(a) (provision of an expenditure budget by 28 February each year);
 - iii. Clause 53 and Schedule D which deal with the National Code of Practice for the Construction Industry and Implementation Guidelines;
 - iv. Clauses 56 to 63 and Schedule C which deal with recognition arrangements with the added requirement that a media events schedule will also be prepared for the Package, which will include a six-monthly joint public announcement on progress with the Package;
 - v. Clause 69 which deals with the Australian Government's right to participate in project planning and/or to review project delivery. (For the purposes of this MOU this could be the Package and/or works included in the Package.); and
 - vi. Clause 97 which deals with notification and resolution of issues.
4. South Australia will comply with all relevant Commonwealth and State legislation and statutory requirements, including environment and heritage legislation and local government planning approvals and the tender requirements regarding the Free Trade Agreement set out in the Bilateral Agreement.

5. In the event that South Australia does not comply with the terms of this MOU the Australian Government:
 - (a) may recover part or all of the funding; and/or
 - (b) take this into account when considering future land transport infrastructure funding for the States and Territories.
6. This MOU may be amended with the agreement of both parties. Any amendments will be in writing.

SIGNED by the parties on the ...27..... Day ofJUNE..... 2006

SIGNED for and on behalf of the
COMMONWEALTH OF AUSTRALIA
by the Minister for Transport and
Regional Services

)
)
)
)
)
.....
)
)
)
)
)
)

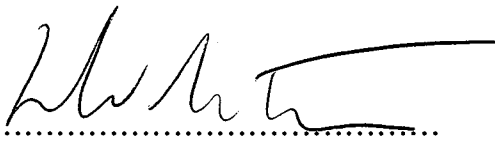


in the presence of

.....
DAVID WHITTON

[Name of Witness]

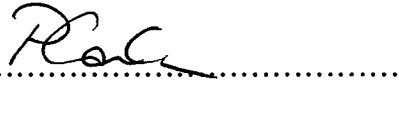
)
)
)
)
)
.....
)
)
)
)
)
)



[Signature of Witness]

SIGNED for and on behalf of the
STATE OF SOUTH AUSTRALIA by
the Minister for Transport, Minister for
Infrastructure and Minister for Energy

)
)
)
)
)
.....
)
)
)
)
)
)

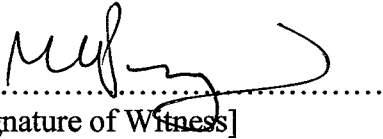


in the presence of

.....
MATT PINNACAR

[Name of Witness]

)
)
)
)
)
.....
)
)
)
)
)
)



[Signature of Witness]

Attachment A – Accelerated Sturt Highway Upgrade Package

The Accelerated Sturt Highway Package comprises the following works on the Sturt Highway:

- Duplication of the road from Argent Road to Seppeltsfield Road, a length of approximately 17km;
- Extension of acceleration and deceleration lanes and access improvements at the two Greenock interchanges at Seppeltsfield Road and Greenock Road;
- Improvement of the Belvidere Road and Murray Street junctions;
- Extension of the acceleration lane for west bound traffic at Old Kapunda Road;
- Removal or protection of roadside hazards from Seppeltsfield Road to Murray Street; and
- Pavement strengthening of the existing carriageway where required between Argent Road and Nuriootpa.