

# PROJECT AGREEMENT FOR IRRIGATION INFRASTRUCTURE FEASIBILITY STUDIES IN TASMANIA

An agreement between:

- the Commonwealth of Australia; and
- Tasmania

The output of this agreement will be feasibility studies that inform investment decisions on water infrastructure projects on potential new or augmented irrigation infrastructure.

# Project Agreement for Irrigation Infrastructure Feasibility Studies in Tasmania

## 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 delivery of feasibility studies that inform investment decisions on potential new or augmented irrigation infrastructure schemes that will assist communities, irrigators and businesses to use water resources sustainably and efficiently, consistent with nationally agreed water reforms.

### Reporting Arrangements

3. The State will report against agreed milestones during the operation of this Agreement, as set out in Part 4 – Milestones, Reporting and Payments.

### Financial Arrangements

4. The Commonwealth will provide a total financial contribution to the State of \$1.78 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 Tasmania.

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Tasmania sign the Agreement and will expire on 30 June 2019 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 all Parties.

## PART 2 – OUTPUT

8. The output of this Agreement will be feasibility studies that inform investment decisions for potential water infrastructure projects in Tasmania. The studies will:
  - (a) Enhance the knowledge base underpinning irrigation infrastructure planning and decision making;
  - (b) provide the detailed planning required to inform irrigation infrastructure investment decisions; and
  - (c) expedite the construction of irrigation infrastructure when funds for such become available.

## 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 feasibility studies funded under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a consequent financial contribution to the State to support the implementation of this Agreement.

### Role of the State

10. The State will be responsible for:
  - (a) providing a financial and/or in-kind contribution to support the implementation of this Agreement;
  - (b) all aspects of delivering the feasibility studies as set out in this Agreement which may include on-forwarding Commonwealth funding contributions to, and coordinating with, non-government organisations for the purpose of meeting the requirements of this Agreement; and
  - (c) reporting on the delivery of feasibility studies as set out in Part 4 – Project Milestones, Reporting and Payments;

### Shared roles

11. 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.

## PART 4 – MILESTONES, REPORTING AND PAYMENTS

12. 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 a performance report demonstrating the relevant milestone has been met.

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

| Output  | Performance milestones  | Report due | Payment |
|---|---|------------|---------|
| Feasibility studies that inform investment decisions on water infrastructure projects on potential new or augmented water infrastructure. | Completion of the strategic assessment on potential new irrigation developments and priority opportunities. | March 2018 | \$0.6m  |
|   | Completion of the feasibility studies on potential new irrigation developments and priority opportunities.  | March 2019 | \$1.2m  |

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

### Reporting arrangements

14. The State 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.

## PART 5 – FINANCIAL ARRANGEMENTS

15. The Commonwealth will provide a total financial contribution to the State of up to \$1.78 million in respect of this Agreement. All payments are GST exclusive.
16. The Commonwealth’s funding contribution will not be reduced where the State secures funding from other activity partners.
17. The Commonwealth and the State estimated financial contributions to the operation of this Agreement, are shown in Table 2.

**Table 2: Estimated financial contributions**

| (\$ million)                                 | 2017-18    | 2018-19    | Total      |
|--|------------|------------|------------|
| <b>Estimated total budget</b>                | <b>0.6</b> | <b>1.2</b> | <b>1.8</b> |
| Less estimated National Partnership payments | 0.6        | 1.2        | 1.8        |
| Balance of non-Commonwealth contributions    | 0.0        | 0.0        | 0.0        |

18. Having regard to the agreed estimated costs of feasibility studies specified in this Agreement, the State will not be required to pay a refund to the Commonwealth if the actual cost of a feasibility study is less than the agreed estimated cost of the feasibility studies. Similarly, the State bears all the risk should the costs of a feasibility study exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the State to deliver feasibility studies cost effectively and efficiently.

## **PART 6 – GOVERNANCE ARRANGEMENTS**

### **Enforceability of the Agreement**

19. 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**

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

### **Delegations**

22. The Commonwealth portfolio 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**

23. Either Party may give notice to the other Party of a dispute under this Agreement.
24. Officials of the Parties will attempt to resolve any dispute in the first instance.
25. If a dispute cannot be resolved by officials, it may be escalated to the relevant portfolio 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 Barnaby Joyce MP**  
Minister for Agriculture and Water Resources

17 / 7 / 2017

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



**The Honourable Jeremy Rockliff MP**  
Minister for Primary Industries and Water

10 / 7 / 2017