

PROJECT AGREEMENT FOR THE ABT RAILWAY

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Tasmania

The output of this project will be the continued operation of the Abt Railway for a period of no less than four years.

Project Agreement for the Abt Railway

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 continued operation of the Abt Railway, being the railway from Queenstown to Regatta Point at Strahan, in Tasmania.
3. This Agreement constitutes the entire agreement for this project.

PART 1 – FORMALITIES

Parties to this Agreement

4. This Agreement is between the Commonwealth of Australia (the Commonwealth) and Tasmania.

Term of the Agreement

5. This Agreement will commence as soon as both parties sign the Agreement and will expire on 31 December 2017 or on completion of the project, whichever is the sooner, including acceptance of final performance reporting and return of any unspent funds, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUTS

Outputs

6. The outputs of this Agreement will be:
 - (a) a contract with an operator to provide rail services on the Abt Railway for at least four years from the completion of the upfront works;
 - (b) upfront works on the Abt Railway, including but not be limited to:
 - i. re-grading and clearing of open drains,
 - ii. tamping and regulating the track,
 - iii. removing track surface debris,

- iv. replacing sleepers which have failed and upgrading fasteners where required,
 - v. replacing 61 pound rail,
 - vi. upgrading priority defective turnouts,
 - vii. rectifying bridges for the short to medium term, and
 - viii. safety and environmental improvements to the marshalling area in Queenstown;
- (c) ongoing maintenance of the Abt Railway; and
- (d) continuous operations of the Abt Railway for at least four years from the completion of the upfront works.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

7. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against milestones in the delivery of the upfront works and maintenance work on the Abt Railway and continued operations of the railway under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a financial contribution to Tasmania of no more than \$6 million 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 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 Tasmania

8. Tasmania will be responsible for:
- (a) providing a financial contribution totalling no less than \$4 million 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; and
 - (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.

Shared roles

9. 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

10. 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.

Output	Milestones	Date due	Relevant Report due	Payment
Both parties agree to and sign this Project Agreement	Commonwealth contribution to assist with project costs.	21/05/2013	N/A	\$6.00m

Reporting arrangements

11. Tasmania will provide a performance report in accordance with Table 1 of this Agreement and every six months thereafter. Each performance report is to contain the following information:
 - (a) a description of actual performance of Tasmania in the period to date against the project milestones;
 - (b) a description of the Tasmanian Government's or its agents' delivery of the project outputs (as detailed in Part 2 – Project Outputs) in the period since to the previous report;
 - (c) photos of completed works undertaken during the period since to the previous report;
 - (d) details of any matter(s) that have arisen which could adversely impact on the delivery of the outputs specified in clause 6 of this Agreement, and how Tasmania proposes to resolve this/these matter(s); and
 - (e) 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.
12. Tasmania will provide audited annual financial statements of spending against the outputs specified in clause 6 of this Agreement.

13. Tasmania will also prepare a final Project Report within 90 days of 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:
- describe the conduct, benefits and outcomes of the Project;
 - evaluate the Project 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
 - 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 Tasmania, at least 60 days before it is due.

PART 5 – FINANCIAL ARRANGEMENTS

14. The Commonwealth will provide a maximum financial contribution to Tasmania of \$6 million in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced in the event that Tasmania secures funding from other activity partners through innovative and collaborative partnerships.
16. Tasmania will contribute a minimum of \$4 million to support the ongoing maintenance and operations of the Abt Railway over the next four years.
17. If Tasmania is unable to find an operator for the railway by 31 December 2013 Tasmania will return to the Commonwealth all Commonwealth funding contributions to the project within 60 days.
18. If the outputs specified in clause 6 of this Agreement are not met prior to 31 December 2017, Tasmania will return to the Commonwealth all Commonwealth funding contributions to the project.
19. Any unspent Commonwealth funds under this Project Agreement at the completion of the project, must be returned by Tasmania to the Commonwealth within 60 days of 31 December 2017 or on completion of the project, whichever is the sooner.
20. The Commonwealth's and Tasmania's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Tasmania 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

(\$ million)	12-13	13-14	14-15	15-16	16-17	Total
Estimated total budget (a)	6.0	1.0	1.0	1.0	1.0	10.00
Less estimated National Partnership Payments	6.0	0.0	0.0	0.0	0.0	6.0
Balance of non-Commonwealth contributions	0.0	1.0	1.0	1.0	1.0	4.0*

* \$4 million is Tasmania's minimum contribution in accordance with clause 16 of this Agreement. 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 the Parties.
23. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

24. 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

25. Either Party may give notice to the other Party of a dispute under this Agreement.
26. Officials will attempt to resolve any dispute in the first instance.
27. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
28. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to First Ministers for consideration.

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

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Anthony Albanese MP
Minister for Infrastructure and Transport

[Day] [Month] [Year]

7 APR 2013

Signed for and on behalf of the
State of Tasmania by



The Honourable David O'Byrne MP
Minister for Infrastructure

[Day] [Month] [Year]

17 APR 2013