

# PROJECT AGREEMENT FOR SMALL BUSINESS REGULATORY REFORM

An agreement between:

- n the **Commonwealth of Australia**; and
- n the **States and Territories, being:**

New South Wales,

Victoria,

Queensland,

Western Australia,

South Australia,

Tasmania,

the Australian Capital Territory, and

the Northern Territory.

The output of this Agreement will be the delivery of projects that reduce the regulatory burden on small business.

# Project Agreement for Small Business Regulatory Reform

## 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 deliver projects that reduce the regulatory burden on small business.

### Reporting Arrangements

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

### Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to the States of up to \$300 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

## PART 1 – FORMALITIES

### Parties to this Agreement

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the States and Territories (the States).

### Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and one other Party sign it and will expire on 30 June 2021 or on completion of the projects set out in the Schedules, including 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 OUTPUT

### Output

7. The output of this Agreement will be the delivery of projects that reduce the regulatory burden on small business.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

8. The Commonwealth will be responsible for:
  - (a) assessing and agreeing the State-nominated projects to be funded;
  - (b) monitoring and assessing achievement against milestones in the delivery of regulatory reform for small business under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (c) providing a consequent financial contribution to the States to support implementation of this Agreement.

### Role of the States

9. The States will be responsible for:
  - (a) submitting project proposals and supporting evidence;
  - (b) all aspects of delivering on the outputs set out in this Agreement; and
  - (c) reporting on the delivery of the output as set out in Part 4 – Project Milestones, Reporting and Payments.

### Shared roles

10. The Commonwealth and the States will be jointly responsible for agreeing bilateral schedules to this Agreement in accordance with Part 4 – Project Milestones, Reporting and Payments.
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 – PROJECT MILESTONES, REPORTING AND PAYMENTS

12. Milestones for agreed projects, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made will be set out in bilateral schedules to this Agreement. The Commonwealth will make single, in-arrears payments on delivery of each project subject to the annual performance report demonstrating the relevant milestone has been met.
13. Where the relevant performance report demonstrates that the milestone has been met in advance of the due date, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

### Reporting arrangements

14. The States will provide annual performance reports to the Commonwealth in accordance with the Schedules to this Agreement 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 an estimated total financial contribution to the States of up to \$300 million in respect of this Agreement. All payments are GST exclusive.
16. The States will be eligible for funding up to their per capita share of \$300 million in accordance with Table 1 of this Agreement.
17. To be eligible for funding projects will:
  - (a) focus on regulatory reform that assists small business, including by:
    - i. reducing the costs and time in starting a business;
    - ii. reducing the costs and time in operating and growing a business;
    - iii. reducing the costs in employing new staff;
    - iv. reducing regulatory burdens imposed by local government; or
    - v. harmonising regulations across jurisdictions;
  - (b) deliver sufficiently ambitious regulatory reforms;
  - (c) not have already been announced; and
  - (d) be supported by evidence which enables the Commonwealth to assess project proposals.
18. In assessing and agreeing projects to be funded, the Commonwealth will have regard to the eligibility criteria at clause 17 and the relative merit of proposals within jurisdictions in allocating funding up to their per capita share.
19. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners.
20. The Commonwealth's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with Schedule D – Payment Arrangements of the IGA FFR, are shown in Table 1.

**Table 1: Estimated financial contributions**

(\$ million)	2018-19	2019-20	2020-21	Total
<b>Estimated total budget</b>	<b>225.0</b>	<b>70.0</b>	<b>5.0</b>	<b>300.0<sup>(a)</sup></b>
Less estimated National Partnership payment				
New South Wales	72.0	22.4	1.6	95.9
Victoria	57.6	17.9	1.3	76.8
Queensland	45.1	14.0	1.0	60.1
Western Australia	23.7	7.4	0.5	31.6
South Australia	15.8	4.9	0.4	21.1
Tasmania	4.8	1.5	0.1	6.4
Australian Capital Territory	3.8	1.2	0.1	5.0
Northern Territory	2.3	0.7	0.1	3.0
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0

<sup>(a)</sup> Per capita shares do not add to estimated total budget due to rounding.

21. Having regard to the agreed estimated costs of projects specified in this Agreement, a State 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, the States bear all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects cost effectively and efficiently.

## **PART 6 – GOVERNANCE ARRANGEMENTS**

### **Enforceability of the Agreement**

22. 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**

23. The Agreement may be amended at any time by agreement in writing by all the Parties.
24. Bilateral schedules to this Agreement that have no impact on other Parties may be amended at any time by agreement in writing by the relevant Commonwealth and State portfolio ministers.
  - (a) Bilateral schedules may be amended from time to time to include additional projects up to the maximum estimated Commonwealth financial contribution for that State, subject to Commonwealth budget rules as appropriate, and the written agreement of relevant Commonwealth and State portfolio ministers.
  - (b) If a State cannot introduce a policy that supports delivery of a project selected for funding under this Agreement, or introduces a policy that prevents delivery of such a project, the State must advise the Commonwealth within 30 days of that decision. In these circumstances, the associated funding may be reallocated to the same State or another State subject to the submission of a successful proposal, timing and Commonwealth budget rules.
25. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all Parties in writing.

### **Delegations**

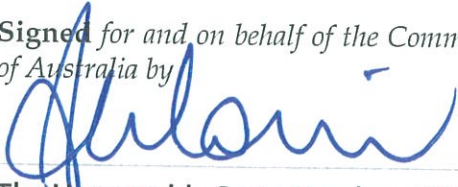
26. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### **Dispute resolution**

27. Any Party may give notice to other Parties of a dispute under this Agreement.
28. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
29. If a dispute cannot be resolved by officials, it may be escalated to the relevant 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 Scott Morrison MP**  
Treasurer

[Day] [Month] [Year]

*Signed for and on behalf of the State of New South Wales by*

**The Honourable Dominic Perrottet MP**  
Treasurer of New South Wales

[Day] [Month] [Year]

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

**The Honourable Timothy Pallas MP**  
Treasurer of Victoria

[Day] [Month] [Year]

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

**The Honourable Jacklyn Trad MP**  
Treasurer of Queensland

[Day] [Month] [Year]

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

**The Honourable Ben Wyatt MLA**  
Treasurer of Western Australia

[Day] [Month] [Year]

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

**The Honourable Robert Lucas MLC**  
Treasurer of South Australia

[Day] [Month] [Year]

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

**The Honourable Peter Gutwein MP**  
Treasurer of Tasmania

[Day] [Month] [Year]

*Signed for and on behalf of the Australian Capital Territory by*



**Mr Andrew Barr MLA**  
Chief Minister and Treasurer of the Australian Capital Territory

[Day] [Month] [Year]

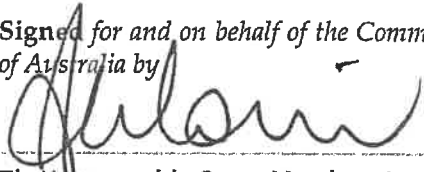
*Signed for and on behalf of the Northern Territory by*

**The Honourable Nicole Susan Manison MLA**  
Treasurer of the Northern Territory

[Day] [Month] [Year]

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

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



**The Honourable Scott Morrison MP**  
Treasurer

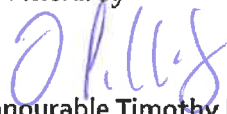
[Day] [Month] [Year]

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State of New South Wales by*

**The Honourable Dominic Perrottet MP**  
Treasurer of New South Wales

[Day] [Month] [Year]

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State of Victoria by*



**The Honourable Timothy Pallas MP**  
Treasurer of Victoria

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Treasurer of Queensland

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**The Honourable Robert Lucas MLC**  
Treasurer of South Australia

[Day] [Month] [Year]

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

**The Honourable Peter Gutwein MP**  
Treasurer of Tasmania

[Day] [Month] [Year]

*Signed for and on behalf of the Australian  
Capital Territory by*

**Mr Andrew Barr MLA**  
Chief Minister and Treasurer of the Australian  
Capital Territory

[Day] [Month] [Year]

*Signed for and on behalf of the Northern  
Territory by*

**The Honourable Nicole Susan Manison MLA**  
Treasurer of the Northern Territory

[Day] [Month] [Year]