

# PROJECT AGREEMENT FOR TOURISM GROWTH PACKAGE FEASIBILITY STUDIES (TASMANIA)

An agreement between:

- the Commonwealth of Australia; and
- Tasmania.

The outputs of this project will be feasibility studies for three tourism ventures that will inform decisions on whether they progress to investment stage.

# Project Agreement for Tourism Growth Package Feasibility Studies (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 the delivery of feasibility studies for three tourism ventures that will inform decisions on whether they progress to investment stage to boost Tasmania's tourism industry.

### Reporting Arrangements

3. The State will report 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 State of \$1,120,000, 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 Parties sign the Agreement and will expire on 30 June 2018 or on completion of the three projects, including final performance reporting.

## PART 2 – PROJECT OUTPUTS

### Outputs

8. The outputs of this Agreement will be feasibility studies into:
  - (a) Cradle Mountain Master Plan (\$1 million) – (i) employment of a project director; and (ii) completion of a full business case and economic impact statement to progress the Cradle Mountain Master Plan<sup>1</sup> to investment-ready stage including further detailed design work, engineering advice and preliminary environmental assessments;
  - (b) 'Geeves Effect' (\$70,000) – completion of a demand study into the 'Geeves Effect', a wilderness precinct development proposal for the area adjacent to the Tasmanian World Heritage Area at Lake Geeves; and
  - (c) Ferment Tasmania (\$50,000) – completion a full business case and scoping study for a world class fermentation centre to help boost sustainable Tasmanian development in food manufacture, value adding and tourism.

## 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 the Tasmanian Tourism Package under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a financial contribution to the Tasmanian Government to support the implementation of this Agreement.

### Role of Tasmania

10. Tasmania will be responsible for:
  - (a) all aspects of delivering on the project outputs set out in this Agreement; and
  - (b) reporting on the delivery of outputs 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.

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<sup>1</sup> The Cradle Mountain Master Plan includes proposals to: revitalise the Cradle Mountain arrival area, visitor centre and services; and establish transport links between the visitor centre precinct and Dove Lake and the Dove Lake visitor experience.

## PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

12. Table 1 summarises the milestones for the project, their relationship to the outputs, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the performance report demonstrating the relevant milestone has been met.

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

Outputs	Milestones	Report due	Payment
Feasibility studies for Cradle Mountain Master Plan, 'Geeves' Effect and Fermentation Centre	Employment of a project director (Cradle Mountain Master Plan); and Commencement of three feasibility studies.	Within 1 month of this Agreement being finalised	\$1.12m

13. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, 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. Tasmania will provide performance reports in accordance with Table 1 and six monthly until the completion of each of the feasibility studies. Each performance report is to contain a description of actual performance in the period to date. The final report will also contain advice on whether the proposals will progress to investment stage.

## PART 5 – FINANCIAL ARRANGEMENTS

15. The Commonwealth will provide an estimated total financial contribution to the State of \$1,120,000 in respect of this Agreement. All payments are GST exclusive.
16. The Commonwealth's funding contribution will not be reduced where Tasmania secures funding from other activity partners.
17. The Commonwealth's and the State's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the State paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

**Table 2: Estimated financial contributions**

(\$ million)	2016-17	Total
<b>Estimated total budget</b>	<b>1.12</b>	<b>1.12</b>
Less estimated National Partnership Payments	1.12	1.12
Balance of non-Commonwealth contributions	0.0	0.0

18. Having regard to the agreed estimated costs of projects specified in this Agreement, Tasmania 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, Tasmania bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Tasmania to deliver projects 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.

### **Delegations**

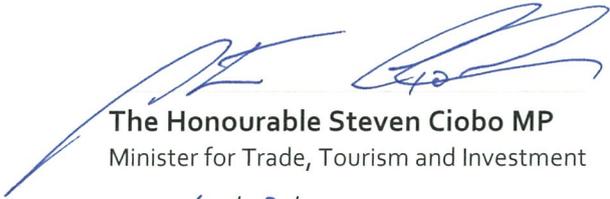
21. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### **Dispute resolution**

22. Either Party may give notice to the other Party of a dispute under this Agreement.
23. Officials of both Parties will attempt to resolve any dispute in the first instance.
24. 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 Steven Ciobo MP**  
Minister for Trade, Tourism and Investment

14/02/2017

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



**The Honourable Will Hodgman MP**  
Minister for Tourism

14/2/2017