

# PROJECT AGREEMENT FOR THE DELIVERY OF TOURISM DEMAND-DRIVER INFRASTRUCTURE

An agreement between:

- n the **Commonwealth of Australia**; and
- n the **States and Territories of**
  - t New South Wales,
  - t Victoria,
  - t Queensland,
  - t Western Australia,
  - t South Australia,
  - t Tasmania,
  - t the Australian Capital Territory, and
  - t the Northern Territory.

The output of this agreement will be projects that deliver tourism demand-driver infrastructure across Australia.

# Project Agreement for the delivery of Tourism Demand-Driver Infrastructure

## PRELIMINARIES

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.
2. This Agreement will support the delivery of infrastructure projects in the States and Territories that contribute to Tourism 2020 outcomes by driving demand, improving quality and increasing tourism expenditure.
3. Projects under this Agreement will be selected in accordance with six principles. The principles are that States and Territories will:
  - (a) align projects to one or more of the Tourism 2020 strategic areas or to a request by Tourism Ministers;
  - (b) demonstrate that each project will yield a return on the Commonwealth's investment across the tourism supply chain;
  - (c) ensure the provision of funding that at least matches the Commonwealth's, noting that the funding can be sourced from either the public or private sector, or a combination of both. In kind contributions are not considered as matching funds;
  - (d) not use funding to create a state-based substitute for T-QUAL Tourism Quality Projects or Tourism Industry Regional Development Fund discretionary grants programmes;
  - (e) cooperate on projects where benefits cross state borders; and
  - (f) report annually on progress to the Commonwealth through the Tourism Ministers' Meetings.
4. This Agreement constitutes the entire agreement for this project.

## 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 the Agreement and will expire on 30 June 2018 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 the Parties.

## PART 2 – PROJECT OUTPUTS

### Outputs

7. The outputs of this Agreement will be projects that deliver tourism demand-driver infrastructure for the States, as detailed in the Schedules to this Agreement. Projects will also support Tourism 2020 outcomes.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

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

### Role of the States

9. The States will be responsible for:
  - (a) ensuring a financial contribution that at least matches the Commonwealth's 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 projects align strategically with relevant State, regional and destination plans, drive demand and increase visitor expenditure to assist the tourism industry in meeting Tourism 2020 targets;
  - (e) ensuring that projects fall into at least one of the following categories:
    - (i) Environmental – the development or enhancement of natural assets such as, but not limited to, protected and recreational areas, public spaces such as beaches and parks and walking trails;
    - (ii) Built – such as, but not limited to, mixed-used facilities, exhibition, convention and events facilities, cultural institutions, entertainment and sporting facilities, city/town precincts and tourist attractions;
    - (iii) Transport – such as, but not limited to, roads, rail networks, ports and airports; and

- (iv) Enabling – such as, but not limited to, Indigenous tourism development, the development of tourism networks, plans and feasibility studies, and programmes to improve industry capability and capacity; and
- (f) ensuring funds are not used for projects or components of projects that are:
  - (i) marketing, advertising or product promotion; regular repairs and maintenance;
  - (ii) upgrading or developing facilities predominantly for local communities;
  - (iii) engaging or paying permanent employees;
  - (iv) buying or leasing real estate of any type; or
  - (v) administrative or running costs that are normally the responsibility of a business, state or territory administration or local council.

## Shared roles

10. The Commonwealth and the States will be jointly responsible for agreeing milestones, for inclusion in 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 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

12. Achievement of the outputs of this Agreement will be assessed against the performance milestones to be set out in bilateral Schedules to this Agreement, which will be agreed in writing by relevant Commonwealth and State Ministers.

## Reporting arrangements

13. The States will provide performance reports in accordance with the relevant Schedule outlining achievements against the agreed performance milestones.
14. Reporting will be limited to that which is required to demonstrate that agreed outputs, as measured by achievement against performance milestones, have been met.
15. Where all relevant milestones are met before a performance report due date, subject to the relevant performance report demonstrating the milestones have 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.

## PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide a total financial contribution to the States of \$43.09 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners through innovative and collaborative partnerships.
18. The Commonwealth's and the State's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 1.

**Table 1: Estimated financial contributions**

(\$ million)	2014-15	2015-16	2016-17	2017-18	Total
<b>Estimated total budget</b>	<b>22.04</b>	<b>21.38</b>	<b>21.38</b>	<b>21.38</b>	<b>86.18</b>
Less estimated National Partnership Payments	11.02	10.69	10.69	10.69	43.09
New South Wales	2.452	2.379	2.379	2.379	9.589
Victoria	1.846	1.791	1.791	1.791	7.219
Queensland	2.011	1.951	1.951	1.951	7.864
Western Australia	1.295	1.256	1.256	1.256	5.063
South Australia	1.019	0.989	0.989	0.989	3.986
Tasmania	0.799	0.775	0.775	0.775	3.124
Australian Capital Territory	0.799	0.775	0.775	0.775	3.124
Northern Territory	0.799	0.775	0.775	0.775	3.124
<b>Balance of non-Commonwealth contributions</b>	<b>11.02</b>	<b>10.69</b>	<b>10.69</b>	<b>10.69</b>	<b>43.09</b>

(a) The non-Commonwealth contributions will at least match the value of the National Partnership Payments to the States.

19. Having regard to the agreed estimated costs of projects specified in a Project Agreement, a State or Territory 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

20. 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

21. The Agreement may be amended at any time by agreement in writing by all Parties.
22. 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.
23. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all Parties 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. Any Party may give notice to other Parties of a dispute under this Agreement.
26. Officials of relevant Parties 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.

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

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

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**The Honourable Andrew Robb AO MP**

Minister for Trade and Investment

/ /2014

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

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

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**The Honourable Troy Wayne Grant MP**

Minister for Tourism and Major Events

/ /2014

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**The Honourable Louise Asher MP**

Minister for Tourism and Major Events

/ /2014

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

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

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**The Honourable Janet (Jann) Stuckey MP**

Minister for Tourism, Major Events, Small Business and the Commonwealth Games

/ /2014

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**The Honourable Liza Harvey MLA**

Minister for Police; Tourism; Road Safety; Women's Interests

/ /2014

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

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

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**The Honourable Leon Bignell MP**

Minister for Tourism

/ /2014

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**The Honourable Will Hodgman MP**

Minister for Tourism

/ /2014

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

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

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**Andrew Barr MLA**

Minister for Tourism and Events

/ /2014

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**The Honourable Matthew (Matt) Conlan MLA**

Minister for Tourism

/ /2014

## New South Wales

Table 1: Example Milestones, reporting and payment summary

Output	Milestone	Report due date	Payment
Projects that deliver tourism demand-driver infrastructure	1 2014-15 [Jurisdiction to draft in consultation with the Cth – must be agreed to by the Cth]	/ /2015 (date proposed by jurisdiction – must be agreed to by the Cth)	To be agreed
	2 2014-15 [Jurisdiction to draft in consultation with the Cth – must be agreed to by the Cth]	30/4/2015	As above
	3 2015-16 [Jurisdiction to draft in consultation with the Cth – must be agreed to by the Cth]	/ /2015 (date proposed by jurisdiction – must be agreed to by the Cth)	As above
	4 2015-16 [Jurisdiction to draft in consultation with the Cth – must be agreed to by the Cth]	30/4/2016	As above
	5 Milestones to be added as required [Jurisdiction to draft in consultation with the Cth – must be agreed to by the Cth]		