

# PROJECT AGREEMENT FOR ENERGISING TASMANIA

An agreement between:

- the **Commonwealth of Australia**; and
- the **State of Tasmania**

The output of this project will be a Tasmanian workforce better equipped with the priority skills necessary to build Tasmania's capability in the renewable energy and related sectors and to support the Battery of the Nation initiative.

# Project Agreement for Energising 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. Through the delivery of fee free training and support for non-tuition fee costs, this Agreement will support Tasmania to develop a skilled workforce equipped with the expertise needed for the Battery of the Nation initiative and more broadly the renewable energy and related sectors in Tasmania. To ensure the successful labour market outcomes of the training under this Agreement, support will also be provided for industry engagement, workforce planning and development, and building training provider capacity.

### Reporting Arrangements

3. Tasmania 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 Tasmania of \$16,143,000, 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 Commonwealth and Tasmania sign it and will expire on 30 June 2023 or on completion of final performance reporting and processing of final payments against performance milestones, whichever is later. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.



## PART 2 – PROJECT OUTPUT(S)

### Output(s)

8. The output of this Agreement will be a Tasmanian workforce better equipped with the skills necessary to build Tasmania's capability in areas of priority skills needed to support the Battery of the Nation initiative and more broadly the renewable energy and related sectors, through:
- (a) a new training grants fund to deliver up to 2,500 fully subsidised training places in areas of identified skills need and provide up to \$1,000 per learner to assist with non-tuition fee costs (such as training materials);
  - (b) a new training market development fund to support capacity building of training providers (including trainer recruitment, upskilling trainers, supporting trainers to relocate) as well as developing courses and delivery methods that meet the needs of industry;
  - (c) a new workforce development fund to deliver an industry-led workforce development plan to inform and drive priority training and undertake activities identified in the plan that support necessary workforce development; and
  - (d) a new industry advisory group dedicated to building the skills needed to support the Battery of the Nation initiative and more broadly the renewable energy and related sectors that will engage with employers and registered training organisations and support the development of the workforce plan and implementation of activities identified in the plan.

## 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 agreed performance milestones;
  - (b) providing a financial contribution to Tasmania to support the implementation of this Agreement; and
  - (c) supporting Tasmania in their management of RTOs involved in fee free training in respect to the Agreement.

### Role of Tasmania

10. Tasmania will be responsible for:
- (a) all aspects of delivering on the project outputs set out in this Agreement;
  - (b) monitoring RTOs involved in fee free training in respect to this Agreement to ensure quality and efficiency of delivery, and providing updates on this as part of the annual reporting process.
  - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

## Shared roles

11. Developing and agreeing an annual Implementation Plan in accordance with Clause 15 of this Agreement.
12. Agreeing the priority training requirements for the energy and related sectors (including eligible qualifications) for the fully subsidised training places throughout the life of the Agreement.
13. 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.

## Implementation Plan

14. The Commonwealth and Tasmania will agree annual Implementation Plans that outline the key activities and milestones for the delivery of agreed Outputs (as per clause 8), including
  - a. agreed priority training requirements and how fee free training will be implemented to ensure quality and efficiency of outcomes;
  - b. the activities to be delivered through the training market development fund and the workforce development fund; and
  - c. the work plan for the industry advisory group and planned engagement with major energy and related companies and organisations operating in Tasmania.

## PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

15. The Commonwealth will make payments subject to agreement to Implementation Plans and delivery of milestones as set out in Table 1.

Table 1: Milestones, reporting and payment summary

Outputs	Milestones	Report due	Payment
Preparation for Delivery	Signed Implementation Plan for: <ul style="list-style-type: none"> <li>2019–20</li> <li>2020–21</li> <li>2021–22</li> <li>2022–23</li> </ul>	24/01/2020 01/09/2020 01/09/2021 01/09/2022	\$2,251,000 \$2,282,500 \$2,314,500 \$2,349,000
Training grants fund	Delivery of fee free training programs (including support for non-tuition costs) in industry agreed eligible qualifications: <ul style="list-style-type: none"> <li>Making available an estimated 950 fully subsidised training places during the period 1 January 2020 to 30 April 2021.</li> <li>Making available an estimated 660 fully subsidised training places subsidised training places during the period 1 May 2021 to 30 April 2022</li> <li>Making available an estimated 670 fully subsidised training places during the period 1 May 2022 to 30 April 2023</li> </ul> Reporting to include the qualifications supported.	30/04/2021 30/04/2022 30/04/2023	\$1,664,573 \$1,687,385 \$1,711,521
Training market development fund	Delivery of: <ul style="list-style-type: none"> <li>Program guidelines and activities identified in the 2019–20 and 2020–21 Implementation Plans, during the period 1 January 2020 to 30 April 2021</li> <li>Activities identified in the 2021–22 Implementation Plan, during the period 1 May 2021 to 30 April 2022</li> <li>Activities identified in the 2022–23 Implementation Plan, during the period 1 May 2022 to 30 April 2023</li> </ul>	30/04/2021 30/04/2022 30/04/2023	\$319,100 \$318,681 \$318,614
Workforce development fund	Delivery of: <ul style="list-style-type: none"> <li>Workforce development plan and activities identified in the plan, during the period 1 January 2020 to 30 April 2021</li> </ul>	30/04/2021	\$179,947



16. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone and performance arrangement 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.

17. Tasmania will provide an annual performance report on 30 April each year during the operation of the Agreement, which will report on activity for the financial year to date and previous year performance (as the reporting progresses over the term of the Agreement). Information to be provided in annual performance reports includes achievement of the milestones outlined in Table 1 and previously agreed in the relevant year's Implementation Plan.

18. The Commonwealth will provide an estimated total financial contribution to Tasmania of \$16.143m in respect of this Agreement. All payments are GST exclusive.
19. Tasmania may use up to \$250,000 in 2019–20 and up to \$350,000 in 2020–21, 2021–22 and 2022–23 to establish a project team, and assist with administrative costs, to deliver the outputs of this Agreement.
20. The Commonwealth’s funding contribution will not be reduced where Tasmania secures funding from other activity partners.

21. The Commonwealth's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to Tasmania paid in accordance with *Schedule D — Payment Arrangements* of the IGA FFR, are shown in Table 2.

**Table 2: Estimated financial contributions**

(\$ million)	2019- 20	2020- 21	2021- 22	2022- 23	Total
<b>Estimated total budget</b>	<b>2.251</b>	<b>4.565</b>	<b>4.629</b>	<b>4.698</b>	<b>16.143</b>
Less estimated National Partnership Payments	2.251	4.565	4.629	4.698	16.143
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0

22. 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 project costs effectively and efficiently.

## PART 6 — GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

23. 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

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

### Delegations

26. The Commonwealth Minister delegates authority under this Agreement to senior Commonwealth officials to agree and amend annual Implementation Plans and for the authorisation of payments related to the 'Preparation for Delivery' milestones, as outlined in Table 1.
27. The Commonwealth Minister may also delegate the assessment of performance against other milestones and the authorisation of related payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### Dispute resolution

28. Either Party may give notice to the other Party of a dispute under this Agreement.
29. Officials of both Parties will attempt to resolve any dispute in the first instance.
30. 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



**Senator the Honourable Michaelia Cash**

Minister for Employment, Skills, Small and Family Business

[Day] [Month] [Year]

18 December 2019

Signed for and on behalf of the State of Tasmania by



**The Honourable Jeremy Rockliff MP**

Deputy Premier and Minister for Education and Training

[Day] [Month] [Year]

23 December 2019