

PROJECT AGREEMENT FOR MARINUS LINK

An agreement between:

- n the **Commonwealth of Australia**; and
- n **Tasmania**.

The output of this project will be progress towards the delivery of the definition and approvals phase of the Mariner Link project in the national interest.

Project Agreement for Marinus Link

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.
2. Consistent with letters exchanged between the Prime Minister of Australia and the Premier of Tasmania on 24 February 2019, the Commonwealth and Tasmania have also agreed to work together on the Battery of the Nation project, to be progressed through other mechanisms.

Purpose

3. This Agreement will support progress towards the delivery of the definition and approvals phase of the Marinus Link project in the national interest.

Reporting Arrangements

4. 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

5. The Commonwealth will provide an estimated total financial contribution to Tasmania of \$56 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

6. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

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

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and Tasmania sign the Agreement and will expire 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 OUTPUT

Output

9. The output of this Agreement is progress towards the delivery of the definition and approvals phase of the Marinus Link project.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

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

Role of Tasmania

11. Tasmania will be responsible for:
 - (a) all aspects of delivering on the project outputs set out in this Agreement;
 - (b) ensuring that the Commonwealth is kept fully informed of significant project developments;
 - (c) progressing the definition and approvals phase, which may include the technical, regulatory, commercial and policy approvals required to deliver Marinus Link; and
 - (d) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

12. 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

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

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestones or benchmarks	Report due	Payment
Definition and Approvals Phase Overview	Completion and delivery of a Definition and Approvals Phase Project Plan overview (including a budget and approach to stakeholder engagement) and risk management plan	30 March 2019	\$56 m
Definition and Approvals Phase Project Scope	Completion of Definition and Approvals Phase Project Scope, outlining the activities to be delivered from the \$56 million Commonwealth grant funding	30 June 2019	\$0
Environmental Referrals	Environmental Referrals submitted to relevant authorities	31 August 2019	\$0
Project Delivery Strategy & Framework Overview	Completion of the Project Delivery Strategy & Framework Overview	30 June 2020	\$0

Reporting arrangements

14. Tasmania will provide performance reports in accordance with Table 1 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.
15. The Parties will meet quarterly or otherwise as agreed to review and discuss progress on the project, emerging risks, opportunities and areas of mutual interest. The Commonwealth shall be represented by the Secretary of the Department of Environment and Energy (or a nominated delegate). Tasmania shall be represented by the Secretary of the Department of State Growth (or a nominated delegate).

PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide a total financial contribution to Tasmania of \$56 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will not be reduced where the State secures funding from other activity partners.

18. The Commonwealth's and Tasmania'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 2.

Table 2: financial contributions

(\$ million)	<i>2018-19</i>	Total
Estimated total budget	56.0	56.0
Less estimated National Partnership Payments	56.0	56.0
Balance of non-Commonwealth contributions	0.0	0.0

19. Having regard to the agreed 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 cost of the project.
20. Should additional funding at a later date be required, a separate agreement for this additional funding will be negotiated.

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 both the Parties.

Delegations

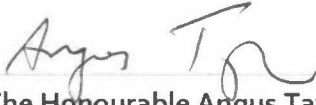
23. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

24. Either Party may give notice to the other Party of a dispute under this Agreement.
25. Officials of both Parties will attempt to resolve any dispute in the first instance.
26. 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 Angus Taylor MP

Minister for Energy

27 / March / 2019

Signed for and on behalf of the
State of Tasmania by

The Honourable Guy Barnett MP

Minister for Energy

/ March / 2019

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The Honourable Guy Barnett MP

Minister for Energy

28 / March / 2019