

PROJECT AGREEMENT FOR THE LAUNCESTON CITY DEAL: TAMAR ESTUARY - IMPROVED CATCHMENT MANAGEMENT

An agreement between:

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

The output of this project will be to improve the health of the Tamar Estuary, through improved catchment management.

Project Agreement for the Launceston City Deal: Tamar Estuary – Improved Catchment Management

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. This Agreement should be read in conjunction with the Launceston City Deal and the Tamar Estuary River Health Action Plan (2017).

Purpose

3. This Agreement will support the delivery of value for money actions in the Tamar Estuary's catchments to stop the flow of pathogens, nutrients and sediment into the Tamar River to improve the health of the Tamar Estuary, improving public health outcomes as part of the Launceston City Deal.

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 \$5 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 the State of Tasmania (Tasmania).

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and Tasmania sign it and will expire on 30/06/2024 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

9. Delivery of the following outputs as recommended in the Tamar Estuary River Health Action Plan (2017):
 - a) delivery of \$10 million of improved catchment management actions across grazing, dairy and urban areas in the Tamar Estuary's catchments to reduce the flow of pathogens into the Tamar River.

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 projects 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) ensuring the delivery of all aspects of the project outputs set out in this Agreement and seeking the Commonwealth's agreement to any changes to works that are not consistent with Tamar Estuary River Health Action Plan (2017),
 - b) preparing and implementing an overarching Project Management Plan ;
 - c) providing a matching financial contribution to support the implementation of this Agreement as detailed in Part 5;
 - d) establishing a Project Management Committee (the Committee) to monitor and oversee the implementation of the project. The Commonwealth, at its discretion, may be an observer;

- e) for the catchment management actions, ensuring that the width of protected riparian buffers are maximised, with riparian fencing to be no less than 5 metres from the point of the highest bank edge on the same side of the stream;
- f) for the catchment management actions, ensuring Commonwealth funding is not used for dairy effluent management or urban stormwater intrusion projects;
- g) ensuring the development of a Local Industry Participation Plan; and
- h) 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 catchment projects, its 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
<i>Improved Tamar catchment management program</i>			
Exclusion of stock from streams and rehabilitation of riparian vegetation buffers – measured in kms of fencing and hectares of land (minimum targets)	Development of a project plan and 20 km riparian fencing* & 1.0 ha of associated riparian revegetation or area managed for regeneration**	31 March 2020	\$1m
	95 km riparian fencing* & 4.2 ha of associated riparian revegetation or area managed for regeneration**	31 March 2021	\$1m
	75.5 km riparian fencing* & 3.8 ha of associated riparian revegetation or area managed for regeneration**	31 March 2022	\$1m
	56 km riparian fencing* & 3.3 ha of associated riparian revegetation or area managed for regeneration**	31 March 2023	\$1m
	75.5 km riparian fencing* & 3.8 ha of associated riparian revegetation or area managed for regeneration**	31 March 2024	\$1m
	Total: 322 km of riparian fencing* & 16 ha of riparian revegetation or area managed for regeneration**		

* Fencing distance calculated for stock exclusion along one side of a stream

** Riparian vegetation may include revegetation or stock exclusion and management for natural regeneration

14. 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

15. Tasmania will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain the following information:
- a description of actual performance of Tasmania in the period to date against the project milestones, including a statement as to whether the project is proceeding in accordance with the milestones and, if it is not, an explanation as to why and the action the State proposes to take to address the matter/s;

- (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the outputs, and how Tasmania propose to resolve this/these matter(s);
 - (c) a description of the work that will be undertaken to complete the remaining project milestones.
16. Tasmania will also prepare a final Project Report on the completion of the project agreed under the Project Agreement. The final Project Report will be a standalone document that can be used for public information dissemination purposes. The final Project Report will:
- (a) describe the conduct, benefits and outcomes of the project;
 - (b) evaluate the project, including assessing the extent to which the project's objectives have been achieved and why any aspects were not achieved; and
 - (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance and agreed between the Commonwealth and the State at least 60 days before it is due.
17. Tasmania agrees to meet any reasonable requests by the Commonwealth to provide other information regarding the project implementation or funding conditions.

PART 5 – FINANCIAL ARRANGEMENTS

18. The Commonwealth will provide an estimated total financial contribution to Tasmania of \$5m in respect of this Agreement. All payments are exclusive of GST.
19. The Commonwealth's funding contribution will not be reduced where Tasmania secures funding from other activity partners.
20. 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: Estimated financial contributions

(\$ million)	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Estimated total budget	2	2	2	2	2	10
Less estimated National Partnership Payments	1	1	1	1	1	5
Balance of non-Commonwealth contributions	1	1	1	1	1	5

21. 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

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 both the Parties.
24. Either party to this Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

25. The relevant 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

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

Signed for and on behalf of the
State of Tasmania by

The Honourable Alan Tudge MP
Minister for Population, Cities and Urban
Infrastructure

The Honourable Michael Ferguson MP
Minister for Infrastructure and Transport

[Day] [Month] [Year]

[Day] [Month] [Year]

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[Day] [Month] [Year]

6 / 4 / 2020

Signed for and on behalf of the State of Tasmania by



The Honourable Michael Ferguson MP
Minister for Infrastructure and Transport

[Day] [Month] [Year]

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