

PROJECT AGREEMENT FOR TEMPORARY ASSISTANCE FOR TASMANIAN EXPORTERS

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Tasmania

The output of this project will be the delivery of direct shipping transition assistance for exporters, Burnie Port improvements and an industry-led freight logistics coordination team, in response to the loss of direct international container shipping services to Tasmania.

Project Agreement for Temporary Assistance for Tasmanian Exporters

INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements.
2. This Agreement will support the delivery of direct shipping transition assistance for exporters, Burnie Port improvements and an industry-led freight logistics coordination team, in response to the cessation of direct international container shipping services to Tasmania.
3. This Agreement constitutes the entire agreement for this project.

PART 1 – FORMALITIES

Parties to this Agreement

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

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and Tasmania sign the Agreement and will expire on 30 June 2014 or on completion of the project, including acceptance of final performance reporting, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUTS

Outputs

6. The outputs of this Agreement will be:
 - (a) Direct shipping transition assistance for exporters with funding to be provided via a two-tranche allocation process.
 - (i) \$11 million will be made available to previous users of direct international services who can demonstrate they have suffered increased costs as a result of cessation of those services, and who can provide evidence of positive measures that they have implemented or plan to implement to respond to the new shipping environment.

- (ii) \$3.5 million will be available to other exporters who are able to provide evidence of positive measures they have implemented or plan to implement to maintain competitiveness on an ongoing basis.
- (b) Burnie Port improvements
 - (i) \$4 million to fund Stage 1.1 of the planned redevelopment of Burnie Port, which includes the redevelopment of the Southern railyard and the closure of a public street and creation of a High Productivity transport link within the port precinct from the Southern railyard to the existing shipping terminal.
- (c) Industry-Led Freight Logistics Coordination Team
 - (i) \$1.5 million to establish an industry-led freight logistics coordination team to consider strategic issues associated with the development of Tasmania's freight and logistics sector. The team will focus on individual industry issues, encourage coordination between customers and progress long term planning work.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

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

Role of Tasmania

- 8. Tasmania will be responsible for:
 - (a) all aspects of delivering on the project outputs set out in this Agreement;
 - (b) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

- 9. 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

- 10. The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made.

Table 1: Milestones, reporting and payment summary

Output	Milestone(s)	Date due	Payment
Infrastructure/ shipping projects and direct assistance for Tasmanian exporters – see clause 6 of this Agreement, 'Outputs'.	Commonwealth contribution to the costs of delivering the project	31/05/2012	\$20 million

Reporting arrangements

11. Tasmania will provide an interim performance report by no later than 30 June 2013. The interim performance report is to contain the following information:
 - (a) a description of Tasmania's actual performance in the period to date in delivering the project outputs ;
 - (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the outputs, and how Tasmania proposes to resolve this/these matter(s); and:
 - (c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.
12. Tasmania will also prepare a final Project Report by no later than 30 June 2014 or within 90 days of the completion of the project agreed under the Project Agreement, whichever is the earlier. The Project Report will be a stand-alone 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(s);
 - (b) evaluate the Project(s) from the responsible Party's perspective, including assessing the extent to which the project outputs have been achieved and why any aspect was 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, as agreed between the Commonwealth and Tasmania at least 60 days before it is due.

PART 5 – FINANCIAL ARRANGEMENTS

13. The Commonwealth will provide a total financial contribution to Tasmania of \$20 million in respect of this Agreement. No further Commonwealth funding will be available in respect of the outputs identified in this Agreement. All payments are GST exclusive.
14. The Commonwealth's funding contribution will not be reduced where Tasmania secures funding from other activity partners through innovative and collaborative partnerships.
15. The Commonwealth's and Tasmania's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to Tasmania paid in accordance with *Schedule D – Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

Table 2: Estimated financial contributions

(\$ million)	2011-12
Estimated total budget	20.0
Less estimated National Partnership Payments	20.0
Balance of non-Commonwealth contributions	0

16. Having regard to the agreed estimated costs of projects specified in a Project 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

17. 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

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

Delegations

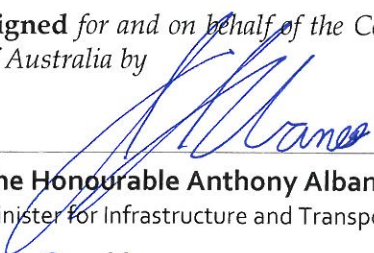
20. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

21. A Party may give notice to the other Party of a dispute under this Agreement.
22. Officials of the relevant Parties will attempt to resolve any dispute in the first instance.
23. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the relevant Standing Council.
24. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

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

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



The Honourable Anthony Albanese MP
Minister for Infrastructure and Transport

May 2012
8 JUNE

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

The Honourable David O'Byrne MP
Minister for Infrastructure

May 2012

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31 May 2012