

**Accelerated East Tamar Highway  
Upgrade Package**

**Memorandum of Understanding between  
the Commonwealth of Australia and the  
State of Tasmania**

**Memorandum of Understanding (MOU)**  
**Between the Commonwealth of Australia and the State of Tasmania in**  
**Respect of the Accelerated East Tamar Highway Upgrade Package**

1. Upon signing this MOU, the Commonwealth of Australia ('the Australian Government') will pay \$60 million ('the Funding') to the State of Tasmania (Tasmania) before 30 June 2006, for the works specified in Attachment A to this MOU which collectively form the Accelerated East Tamar Highway Upgrade Package ('the Package').
2. The Australian Government will provide Tasmania with the Funding and Tasmania will implement the Package in accordance with:
  - (a) the *AusLink (National Land Transport) Act 2005* (Cth) (the Act);
  - (b) the Project Approval Instrument under subsections 9(1) and 17(1) of the Act;
  - (c) the parts of the *Notes on Administration for the Auslink Investment Programme* issued in March 2006 ('Notes on Administration'), as amended from time to time, specified in paragraph 3(f) below;
  - (d) the parts of the agreement between the Australian Government and the State of Tasmania for the *Implementation of the AusLink National Land Transport Plan in the period 2004-2009* ('the Bilateral Agreement'), specified in paragraph 3(h) below; and
  - (e) this MOU.
3. **The following matters are agreed between the parties to this MOU:**
  - (a) Tasmania will complete the Package by 31 December 2009.
  - (b) Subject to paragraph 3(e) below, Tasmania will ensure that the Funding, and any interest earned on the Funding, is only expended on the works set out in Attachment A.
  - (c) Tasmania will hold the Funding in such a way as to enable the Funding, and any interest earned, to be separately identifiable.
  - (d) The Australian Government will not provide any further funding to Tasmania for completion of the Package and Tasmania will bear any costs over \$60 million, plus any interest earned on the Funding, that may be required to complete the Package.
  - (e) After the Package is completed, Funding and any interest that is earned on the Funding that remains unspent may, subject to the Australian Government's agreement, be applied to other works on the AusLink National Network in Tasmania. In such a case, the Australian Government will issue a new project approval instrument or vary an existing project approval instrument under the Act.
  - (f) Tasmania will comply with the reporting requirements set out in Appendices B, D and E in the Notes on Administration. Tasmania will

also provide monthly reports in the form set out in Appendix C, although as Funding will have already been provided no payments will be made.

- (g) In addition, Tasmania will provide statements of expenditure and details of the balance of funding at any time the Australian Government requests such statements.
  - (h) The parties agree to cooperate in the joint evaluation of the works specified in Attachment A so as to facilitate continuous improvement of investment decision making.
  - (i) The following clauses of the Bilateral Agreement will apply to Tasmania in respect of the individual works in the Package:
    - i. Clauses 27 and 28 which deal with eligible and ineligible costs (with the clarification that for the purposes of this MOU that land acquisition will be an eligible cost);
    - ii. Sub-Clause 32 (a) (provision of an expenditure budget by 28 February each year);
    - iii. Clause 50 which deals with the National Code of Practice for the Construction Industry and Implementation Guidelines;
    - iv. Clauses 52 to 58 and Schedule C which deal with recognition arrangements with the added requirement that a media events schedule will also be prepared for the Package, which will include a six-monthly joint public announcement on progress with the Package;
    - v. Clause 63 which deals with the Australian Government's right to participate in project planning and/or to review project delivery. (For the purposes of this MOU this could be the Package and/or works included in the Package.); and
    - vi. Clause 90 which deals with notification and resolution of issues.
4. Tasmania will comply with all relevant Commonwealth and State legislation and statutory requirements, including environment and heritage legislation and local government planning approvals and the tender requirements regarding the Free Trade Agreement set out in the Bilateral Agreement.
5. In the event that Tasmania does not comply with the terms of this MOU the Australian Government:
- (a) may recover part or all of the funding to the extent it has not already been properly expended or committed on the Package, on condition that the funding recovered is directly related and proportional to that non-compliance; and/or
  - (b) take this into account when considering future land transport infrastructure funding for the States and Territories.
6. This MOU may be amended with the agreement of both parties. Any amendments will be in writing.



## **Attachment A – Accelerated East Tamar Highway Upgrade Package**

For the purposes of specifying the Package, the East Tamar Highway commences from the northern abutment of the Charles Street Bridge in Launceston and runs north to its intersection with Bell Bay Road. The Accelerated East Tamar Highway Upgrade Package comprises the following works:

- Traffic flow improvements within Launceston from the Esplanade north to Forster Street, 0.7 kilometres north of the Charles Street Bridge.
- Duplication (dual carriageway) around Barnards Creek from existing dual carriageway 8.4 kilometres north of the Charles Street Bridge to a point 9.9 kilometres north of the Charles Street Bridge.
- Bypass of Dilston along a new eastern alignment starting 10.7 kilometres north of the Charles Street Bridge running northwards to rejoin the existing alignment 13.7 kilometres north of the Charles Street Bridge.
- Flood mitigation and estuary improvements 15.4 kilometres north of the Charles Street Bridge to a point 16.2 kilometres north of the Charles Street Bridge including raising the existing pavement level around Coulsons Creek.
- Pavement widening 16.7 kilometres north of the Charles Street Bridge to a point 16.8 kilometres north of the Charles Street Bridge including bridge replacement at Doctors Creek.
- Pavement strengthening and widening around Dalrymple, 19.8 kilometres north of the Charles Street Bridge to a point 24.7 kilometres north of the Charles Street Bridge.
- Pavement strengthening and widening 24.7 kilometres north of the Charles Street Bridge to a point 31.2 kilometres north of the Charles Street Bridge including replacement of the Egg Island Creek bridge.
- Grade separation of the Batman Highway junction 31.2 kilometres north of the Charles Street Bridge.
- Shoulder sealing along various sections:
  - 9.0 kilometres north of the Charles Street Bridge to a point 10.9 kilometres north of the Charles Street Bridge,
  - 13.7 kilometres north of the Charles Street Bridge to a point 14.3 kilometres north of the Charles Street Bridge,
  - 32.6 kilometres north of the Charles Street Bridge to a point 34.8 kilometres north of the Charles Street Bridge,
- Pavement strengthening 40.8 kilometres north of the Charles Street Bridge to a point 41.8 kilometres north of the Charles Street Bridge.

- Safety facility improvements along the entire route including installation of safety fences, improved delineation and signage, minor junction improvements and the removal of hazards.