NATIONAL PARTNERSHIP AGREEMENT TO SUPPORT LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

An agreement between

n the Commonwealth of Australia and
n the States and Territories, being:

 liberté = The State of New South Wales;
 liberté = The State of Victoria;
 liberté = The State of Queensland;
 liberté = The State of Western Australia;
 liberté = The State of South Australia;
 liberté = The State of Tasmania;
 liberté = The Australian Capital Territory; and
 liberté = The Northern Territory of Australia.

This Agreement will contribute to improving the capacity, resilience and infrastructure in communities, and will implement financial management frameworks that build capacity and resilience of local governments.
National Partnership Agreement to Support Local Government and Regional Development

INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

1. This National Partnership 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 subsidiary schedules. In particular, the schedules include direction in respect of performance reporting and payment arrangements.

2. This Agreement has been established to implement initiatives for Regional Development and Local Government Programs.

3. Where there are inconsistencies between this Agreement and Guidelines for Regional Development and Local Government Programs as they relate to projects that are being implemented solely by a State or Territory Government agency or jointly with a Local Government Participating Authority, the provisions of this Agreement will apply.

4. This Agreement will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships agreed by the Parties. In particular, the Parties are committed to addressing the issue of social inclusion, including responding to Indigenous disadvantage (for example, the reform commitments provided in the National Indigenous Reform Agreement) and those commitments are embodied in the objectives and outcomes of this Agreement.

PART 1 — FORMALITIES

Parties to this Agreement

5. The Parties to this Agreement are the Commonwealth of Australia and the States and Territories.

6. In entering this Agreement, the Parties recognise that they have a mutual interest in implementing Regional Development and Local Government Programs. The Parties will work together in collaboration to fulfil the objectives of any program under this Agreement and achieve the intended outcomes.
Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2011, or if agreed projects as outlined in Implementation Plans and Project Plans are not completed by this date, when these projects are completed. The Agreement can be terminated at an earlier date if agreed in writing by all the Parties.

Enforceability of the Agreement

8. 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.

Delegations

9. The Commonwealth Minister for Infrastructure, Transport, Regional Development and Local Government is authorised to agree or amend Schedules, including Implementation Plans, to this Agreement and certify that payments may be made on the achievement of milestones specified under this Agreement.

10. Respective State and Territory Ministers with portfolio responsibility for the programs in each jurisdiction are authorised to agree or amend Schedules, excluding Guidelines for Regional Development and Local Government Programs but including Implementation Plans to the Agreement.

Interpretation

11. Unless otherwise specified, the following terms and definitions are used throughout this Agreement:

(a) Agreement means this National Partnership Agreement including this document, the clauses, information in the signatures page, any schedules and any Implementation Plans.

(b) Department means the Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government.

(c) Guidelines means Guidelines for Regional Development and Local Government Programs referred to in Schedules A and B to this Agreement.

(d) Implementation Plan means a plan that includes the budget, milestones and reporting requirements for each specific project where that project is being implemented solely by a State or Territory Government agency or jointly with a Local Government Participating Authority.

(e) Local Government Participating Authority means those eligible local government entities that are granted project funding under this Agreement.

(f) Project Plan means a plan that includes the budget, milestones and reporting requirements for each specific project where that project is being implemented solely by a Local Government Participating Authority.

(g) Program(s) means:

(i) Infrastructure Employment Projects as outlined in Schedule A;

(ii) Local Government Reform Fund as outlined in Schedule B; and
subject to the necessary policy and Budgetary authority, any other programs leading to the achievement of the objective of this Agreement, as nominated by the Commonwealth Minister for Infrastructure, Regional Development and Local Government and agreed by the States and Territories will be Schedules to this Agreement.

PART 2 — OBJECTIVES, OUTCOMES AND OUTPUTS

Objective

12. The objective of this Agreement is to improve the capacity, resilience and infrastructure in communities and build capacity and resilience of local governments.

Outcomes

13. The outcomes sought in achieving this objective are:
   
   (a) increased capacity within local government in asset and financial management, workforce planning and adaption to demographic and climate change;
   
   (b) resilience to economic downturn;
   
   (c) improved local infrastructure;
   
   (d) a more skilled workforce; and
   
   (e) improved social capital in local communities.

Outputs

14. Project outputs will be detailed in the Implementation Plans and will contribute to achieving the objective and outcomes of this Agreement.

PART 3 — ROLES AND RESPONSIBILITIES OF EACH PARTY

15. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities, as outlined below and as detailed in Implementation Plans.

Role of the Commonwealth

16. The Commonwealth agrees to be accountable for the following roles and responsibilities:

   (a) approving projects for funding, through the Commonwealth Minister for Infrastructure, Regional Development and Local Government;
   
   (b) providing a financial contribution to the States and Territories for each project that is approved for funding under this Agreement;
   
   (c) monitoring and assessing the performance in the delivery of projects under this Agreement;
   
   (d) gathering nationally consistent local government asset and financial data; and
(e) revising Guidelines for Regional Development and Local Government Programs, as they relate to projects that are being implemented solely by a State or Territory Government agency or jointly with a Local Government Participating Authority, to ensure consistency with the Intergovernmental Agreement on Federal Financial Relations.

Role of the States and Territories

17. The States and Territories agree to be accountable for the following roles and responsibilities:

(a) providing a financial or in-kind contribution to support the implementation as agreed in the Implementation Plans or Project Plans under this Agreement;

(b) working with the Commonwealth to develop Implementation Plans;

(c) delivering projects in accordance with Implementation Plans where a State or Territory Government agency is solely responsible for implementing the project;

(d) jointly delivering and overseeing projects in accordance with Implementation Plans where a State or Territory agency is jointly responsible, with a Local Government Participating Authority, for implementing the project;

(e) reporting on the delivery of projects as set out in Part 4 Performance Reporting; and

(f) ensuring that prior agreement is reached with the Commonwealth on the nature and content of any events, announcements, promotional material or publicity relating to activities under an Implementation Plan, and that the roles of both Parties will be acknowledged and recognised appropriately.

18. State and Territory Treasuries will on-forward funding to Local Government Participating Authorities in line with this Agreement and related schedules, and in accordance with the payment arrangements outlined in Schedule D of the Intergovernmental Agreement on Federal Financial Relations. The responsibilities of the States and Territories will be limited to this role where Local Government Participating Authorities are solely responsible for delivering projects funded under this Agreement.

19. To the extent that the Guidelines, Implementation Plans and/or Project Plans establish any obligations for the future funding of maintenance, upgrade and/or replacement of infrastructure implemented under this Agreement, it is not intended the States and Territories be responsible for such costs in relation to infrastructure where Local Government Participating Authorities are solely responsible for delivery of projects under this Agreement.

Role of Local Government Participating Authorities

20. Local Government Participating Authorities, where they are solely responsible for delivering projects funded under this Agreement, will have responsibility for:

(a) complying with the Guidelines;

(b) delivering projects in accordance with agreed Project Plans; and

(c) reporting directly to the Commonwealth on the delivery of projects as set out in Part 4 - Performance Reporting of this Agreement, the Guidelines and Project Plans.
PART 4 — PERFORMANCE REPORTING

21. The Parties agree to meet the milestones specified in the Implementation Plan developed for each project where that project is being implemented solely by a State or Territory Government agency or jointly with a Local Government Participating Authority.

Implementation arrangements

22. States and Territories entering into this Agreement will implement projects in accordance with the Implementation Plan for each project where that project is being implemented solely by a State or Territory Government agency or jointly with a Local Government Participating Authority.

23. Local Government Participating Authorities will implement projects in accordance with the Project Plan for each project, where that project is being implemented solely by the Local Government Participating Authority.

Reporting arrangements

24. Where a project is being implemented solely by a State or Territory Government agency or jointly with a Local Government Participating Authority, the States and Territories will each provide:

   (a) progress reports to the Commonwealth in accordance with the Implementation Plan; and

   (b) a final report to the Commonwealth for each project within three months of the relevant project completion date unless otherwise specified in the Implementation Plan.

25. Where a project is being implemented solely by a Local Government Participating Authority, that Authority will provide reports to the Commonwealth in accordance with the Project Plan.

PART 5 — FINANCIAL ARRANGEMENTS

Financial contributions

26. Subject to the approval of projects for funding by the Commonwealth, total funding potentially available under this Agreement is:

   (a) Infrastructure Employment Projects (IEP) Program: $150 million over two years (2009-10 and 2010-11)

   (b) Local Government Reform Fund: $24 million over two years:

       (i) 2009-10 - $ 12 million

       (ii) 2010-11 - $ 12 million; and

   (c) Subject to the necessary policy and Budgetary authority, other funding may be agreed to support additional programs nominated under the provisions of Clause 11(g)(iii).

27. Of the Local Government Reform Fund, $1 million is classified as Commonwealth Own Purpose Expense and will be allocated to gather nationally consistent local government asset and financial data.
28. The distribution of funding will be determined by the Minister for Infrastructure, Transport, Regional Development and Local Government in accordance with the relevant Schedules.

29. The amount the Commonwealth will pay to a State or Territory for an approved project will be specified in the Implementation Plan or Project Plan.

30. The Commonwealth will make a financial contribution to the estimated cost of the projects specified in Implementation Plans and Project Plans. The Commonwealth’s funding contribution will not be reduced where the States and Territories or Local Government Participating Authorities secure funding from other activity partners through innovative and collaborative partnerships.

31. States and Territories and Local Government Participating Authorities must not use funding for projects other than those agreed through Implementation Plans and Project Plans, or for projects already funded by the Commonwealth.

Payment schedule

32. The distribution of funding is set out in the relevant Implementation Plan or Project Plan. Payments will be paid when the milestones specified in the Implementation Plan or Project Plan have been successfully completed by the State or Territory and/or the Local Government Participating Authority.

33. National Partnership payments to the States and Territories will be paid in accordance with Schedule D – Payment Arrangements of the Intergovernmental Agreement on Federal Financial Relations.

Project management risk

34. Having regard to the agreed estimated costs of projects specified in an Implementation Plan, a State, Territory or Local Government Participating Authority 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, a State, Territory or Local Government Participating Authority bear all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States, Territories and Local Government Participating Authorities to deliver projects cost effectively and efficiently.

PART 6 — ACKNOWLEDGEMENT AND PUBLICITY

35. If appropriate, signage acknowledging the financial and other support of the Commonwealth, including publicity/events opportunities for the Australian Government will be determined in the Implementation Plans.

PART 7 — GOVERNANCE ARRANGEMENTS

Dispute resolution

36. Any Party may give notice to other Parties of a dispute under this Agreement.

37. The relevant Minister will attempt to resolve any dispute in the first instance.

38. If a dispute cannot be resolved by the relevant delegates, it may be escalated to the relevant Ministerial Council for consideration.
39. If a dispute cannot be resolved by the relevant Ministerial Council it may be referred by a Party to COAG for consideration.

**Review of the Agreement**

40. The Agreement will be reviewed by 30 November 2010 with regard to progress made by the Parties in respect of achieving the agreed outcomes.

**Variation of the Agreement**

41. The Agreement may be amended at any time by agreement in writing by all the Parties.

42. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.
The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth of Australia by

The Honourable Kevin Rudd MP
Prime Minister of the Commonwealth of Australia
April 2010

Signed for and on behalf of the State of New South Wales by

The Honourable Kristine Keneally MP
Premier of the State of New South Wales
April 2010

Signed for and on behalf of the State of Queensland by

The Honourable Anna Bligh MP
Premier of the State of Queensland
April 2010

Signed for and on behalf of the State of South Australia by

The Honourable Mike Rann MP
Premier of the State of South Australia
April 2010

Signed for and on behalf of the Australian Capital Territory by

Jon Stanhope MLA
Chief Minister of the Australian Capital Territory
April 2010

Signed for and on behalf of the State of Victoria by

The Honourable John Brumby MP
Premier of the State of Victoria
April 2010

Signed for and on behalf of the State of Western Australia by

The Honourable Colin Barnett MLA
Premier of the State of Western Australia
April 2010

Signed for and on behalf of the State of Tasmania by

The Honourable David Bartlett MP
Premier of the State of Tasmania
April 2010

Signed for and on behalf of the Northern Territory by

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Chief Minister of the Northern Territory of Australia
April 2010
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April 2010

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Premier of the State of Queensland
April 2010

Signed for and on behalf of the
State of South Australia by

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Premier of the State of South Australia
April 2010

Signed for and on behalf of the Australian Capital Territory by

Jon Stanhope MLA
Chief Minister of the Australian Capital Territory
April 2010

Signed for and on behalf of the
State of Victoria by

The Honourable John Brumby MP
Premier of the State of Victoria
28 JUN 2010

Signed for and on behalf of the
State of Western Australia by

The Honourable Colin Barnett MLA
Premier of the State of Western Australia
April 2010

Signed for and on behalf of the
State of Tasmania by

The Honourable David Bartlett MP
Premier of the State of Tasmania
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The Honourable John Brumby MP
Premier of the State of Victoria
April 2010

Signed for and on behalf of the State of Queensland by

The Honourable Anna Bligh MP
Premier of the State of Queensland
1 May 2010

The Honourable Colin Barnett MLA
Premier of the State of Western Australia
April 2010

Signed for and on behalf of the State of South Australia by

The Honourable Mike Rann MP
Premier of the State of South Australia
April 2010

Signed for and on behalf of the State of Tasmania by

The Honourable David Bartlett MP
Premier of the State of Tasmania
April 2010

Signed for and on behalf of the Australian Capital Territory by

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Chief Minister of the Australian Capital Territory
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April 2010

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April 2010

Signed for and on behalf of the Australian Capital Territory by

[Signature]
Jon Stanhope MLA
Chief Minister of the Australian Capital Territory
April 2010

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April 2010

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Premier of the State of Western Australia
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Premier of the State of Tasmania
April 2010

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April 2010

**Signed for and on behalf of the State of New South Wales by**

**The Honourable Kristina Keneally MP**
Premier of the State of New South Wales
July 2010

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

**The Honourable Anna Bligh MP**
Premier of the State of Queensland
April 2010

**Signed for and on behalf of the State of South Australia by**

**The Honourable Mike Rann MP**
Premier of the State of South Australia
April 2010

**Signed for and on behalf of the Australian Capital Territory by**

**Jon Stanhope MLA**
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April 2010

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April 2010

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Premier of the State of Western Australia
April 2010

Signed for and on behalf of the State of Tasmania by

The Honourable David Bartlett MP
Premier of the State of Tasmania
April 2010

Signed for and on behalf of the Northern Territory by

The Honourable Paul Henderson MLA
Chief Minister of the Northern Territory of Australia
April 2010
Schedule A – Infrastructure Employment Projects

A JOBS FUND INITIATIVE

PRELIMINARIES

1. The $150 million Infrastructure Employment Projects (IEP) is administered by the Department of Infrastructure, Transport, Regional Development and Local Government as part of the Jobs Fund initiative.

2. The IEP has been initiated by the Commonwealth and approved by the Minister for Infrastructure, Transport, Regional Development and Local Government as described in the IEP Guidelines, as amended from time to time. This can be accessed at: http://www.infrastructure.gov.au/regional/infrastructure_employment_projects.aspx

OBJECTIVES, OUTCOMES AND OUTPUTS

3. The objective of the IEP is to provide investment in infrastructure projects which will generate jobs and increases skills in regions affected by the economic downturn.

4. The IEP will contribute to the following outcomes:
   (i) improved resilience in regions affected by the economic downturn through the development of infrastructure projects; and
   (ii) improved employment opportunities and development of skills in areas that are vulnerable to the impact of unemployment as a result of the economic downturn.

5. The outputs of the IEP will be the completion of significant infrastructure projects and the creation of jobs in regions affected by the economic downturn.

IMPLEMENTATION ARRANGEMENTS

6. An Implementation Plan will be developed for each Project initiated by the Minister for Infrastructure, Transport, Regional Development and Local Government under the IEP program.

7. Refer to Clauses 22-23 of the National Partnership Agreement for additional requirements.
REPORTING

8. Refer to Clauses 24-25 of the National Partnership Agreement for the reporting requirements.

FINANCIAL ARRANGEMENTS

9. Funding for individual projects under the IEP program will be determined by the Commonwealth Minister for Infrastructure, Regional Development and Local Government on a case by case basis.

10. Payments will be made on achievement of project milestones as set out in Implementation Plans.

11. Refer to Clauses 26-31 of the National Partnership Agreement for the financial arrangements requirements.
Schedule B – Local Government Reform Fund

PRELIMINARIES

1. The $25 million Local Government Reform Fund (LGRF) is administered by the Department of Infrastructure, Transport, Regional Development and Local Government.

2. The LGRF has been initiated by the Commonwealth and approved by the Minister for Infrastructure, Transport, Regional Development and Local Government as described in the LGRF Guidelines, as amended from time to time. This can be accessed at: http://www.infrastructure.gov.au/local/pdf/Reform_Fund_FINAL_GUIDELINES_9_OCT.pdf.

OBJECTIVES, OUTCOMES AND OUTPUTS

3. The objectives of the LGRF are to accelerate the implementation of the Local Government and Planning Ministers’ Council agreed asset and financial management frameworks; build capacity and resilience in local government; and improve the consistency and quality of local government data.

4. The LGRF will contribute to the following outcomes:
   (i) better communities, achieved through sound business and financial planning within councils to support stronger asset management;
   (ii) improved local government capability and resilience; and
   (iii) improved efficiency in local government operation and services through the promotion of ‘best practice’ as outlined in the LGRF Guidelines.

5. The outputs of the LGRF will be national consistency in the asset and financial management frameworks administered by local government, and increased collaboration between councils in planning and service delivery through the delivery of capacity building projects.

6. Parties to this Agreement will ensure all material developed as a direct result of a LGRF funded project will be accessible to other States and Territories to support local government reform activities within their jurisdiction.
IMPLEMENTATION ARRANGEMENTS

7. An Implementation Plan or Project Plan will be developed for each project agreed to by the Minister for Infrastructure, Transport, Regional Development and Local Government under the LGRF program.

8. Refer to Clauses 22-23 of the Agreement for additional requirements.

REPORTING

9. Refer to Clauses 24-25 of the Agreement for the reporting requirements.

FINANCIAL ARRANGEMENTS

10. Funding for individual projects under the LGRF program will be determined by the Commonwealth Minister for Infrastructure, Regional Development and Local Government on a case by case basis.

11. Payments will be made on achievement of project milestones as set out in Implementation Plans or Project Plans.

12. Refer to Clauses 26-31 of the Agreement for the financial arrangements requirements.