|  |  |
| --- | --- |
| National partnership on [Title of NP] | |
|  |  |
|  |  |
| An agreement between | |
|  | * the Commonwealth of Australia and * the States and Territories, being: |
|  | * New South Wales * Victoria * Queensland * Western Australia * South Australia * Tasmania * the Australian Capital Territory * the Northern Territory   [*Note: Some NPs will not be signed by all jurisdictions. Delete any jurisdictions that are not applicable*] |
|  | |
| This Agreement will contribute to [*include a short overview of the objective of this National Partnership*]. | |

National Partnership  
on   
[Title of NP]

[*Notes: This template makes use of styles. Please use the custom style toolbar to ensure you have consistent formatting throughout your document.*

*All relevant Federal Finances Circulars referenced in this template are available from the [Council on Federal Financial Relations website.](http://www.federalfinancialrelations.gov.au/content/circulars.aspx)*

*Other material available on the website includes:*

* *a short guide to the Intergovernmental Agreement on Federal Financial Relations; and*
* *a short guide to payments that fall within the federal financial relations framework.*

*This template is provided as a guide for agencies in drafting National Partnerships (NPs). While flexibility within agreements is a key principle of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR), NPs have a defined structure, consistent with the design principles set out in the IGA FFR, that should be applied consistently across NPs to assist public transparency and accountability.*

*First ministers’ departments and treasuries must be consulted on draft agreements as early as possible in their development and before negotiations between Commonwealth and State portfolio agencies commence.*

*National Partnerships are forward looking documents. This means that the inclusion of any policy background, contextual, historical or advocacy content should be avoided — paragraph 41, section 3.1 of Federal Finances Circular 2015/01 refers.*

*Where an NP requires a Participating Authority, i.e. a party other than a State or Territory government agency, to deliver outcomes, this will need to be reflected appropriately throughout the NP — section 4.2 of Federal Finances Circular 2015/01 provides further advice. Schedule E to the IGA FFR outlines the types of national reform or service delivery improvements in areas of State or Territory responsibility that may be suitable for coverage by an NP. Key principles that will guide the drafting of all NPs are covered in Federal Finances Circular 2015/01.*

*All agreements, including NPs and subsidiary Implementation Plans, must comply with the design principles as set out in Schedule C — Public Accountability and Performance Reporting, Schedule D Payment Arrangements and Schedule E — National Policy and Reform Objectives of the IGA FFR.*

*Further guidance on the process for developing NPs is provided in Federal Finances Circular 2015/03. A summary of the Structure of National Partnerships is provided at* ***Attachment A****. A checklist to assist drafters in ensuring that they have covered all key components and considerations when developing an NP is at* ***Attachment B****.*

*The relevant Commonwealth portfolio minister is required to write to the Prime Minister seeking approval of the final National Partnership and requesting it be circulated to State first ministers for signature – paragraph 27, section 2.3 of Federal Finances Circular 2015/03 refers.*]

# overview

[*Note: This box should provide a summary of the Agreement and include key information on its purpose as well as reporting and funding arrangements.*]

1. This National Partnership (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.

**Purpose**

1. In entering this Agreement, the Commonwealth and the States and Territories (the States) recognise that they have a mutual interest in improving outcomes in [*subject area of the Agreement*] and need to work together to achieve those outcomes.
2. This Agreement will contribute to [*include a short overview of the objective of this NP agreement including any linkages to a National Agreement, where this Agreement is in a sector covered by a National Agreement*].

**Reporting Arrangements**

1. The States will report [the minimum required to demonstrate that milestones have been met, that is, yearly and at most six-monthly] against the agreed [performance indicators and/or performance benchmarks or milestones] during the operation of the Agreement, as set out in Part 4 – Performance Monitoring and Reporting.

**Financial Arrangements**

1. The Commonwealth will provide an estimated total financial contribution to the States of [$xx (GST exclusive)] in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

# Part 1 — Formalities

## Parties to this Agreement

1. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the States and Territories (the States) [o*r the State/Territory in question*].

## Term of the Agreement

1. This Agreement will commence as soon as the Commonwealth and one other Party sign it and will expire on [date/month/year], or on completion of the project or reform, including final performance reporting and processing of final payments against performance benchmarks or project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

[*Note: NPs should be time limited and framed around financial years — paragraph 39, section 3.1 of Federal Finances Circular 2015/01 refers.*]

# part 2 — objectives, outcomes and outputs

[*Note: NPs have a focus on objectives, outcomes and outputs. Where the NP supports the objectives and outcomes of a National Agreement, its objectives, outcomes and outputs should clearly demonstrate that link. A clear link should also be established between the overarching objective of the National Partnership, the expected outcomes and outputs, and the performance reporting framework that specifies how progress towards the objectives, outcome and outputs will be achieved — paragraphs 45-49, section 3.1 of Federal Finances Circular 2015/01 refers.*]

## Objectives

[*Note: Examples of objectives include:*

*an efficient and effective public hospital system that is able to adapt to the pressures of rising health costs and increasing demand;*

*people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion; and*

*Australian communities are resilient to natural disasters.*]

1. The objective of this Agreement is to … [*objective/s of this Agreement*].

## Outcomes

[*Note: Examples of outcomes include:*

*a reduction in the number of Australians waiting longer than clinically recommended times for elective surgery;*

*fewer people will become homeless and fewer of these will sleep rough; and*

*reduced risk from the impact of disasters and appropriate emergency management capability and capacity, consistent with State and Territory risk profiles.*]

1. This Agreement will facilitate achievement of the following outcomes:
2. [outcome 1];
3. [outcome 2]; and
4. [outcome 3].

## Outputs

[*Note: Outputs should be concrete and action-oriented and should describe the projects or services to be delivered to achieve outcomes. Examples of outputs include:*

*providing treatment for 400,000 patients of public dental services;*

*supply of safe and adequate housing that will contribute to improved living standards for Indigenous people in remote communities; and*

*implementing a program of natural disaster resilience activities to address priorities identified in State-wide and other relevant risk assessments, consistent with Natural Strategy for Disaster Resilience.*]

1. The objectives and outcomes of this Agreement will be achieved by:
2. [output 1];
3. [output 2]; and
4. [output 3].

# Part 3 — roles and responsibilities of each party

[*Note: A key objective of the framework is increased accountability of Commonwealth and State governments to the public, underpinned by clearer roles and responsibilities in respect of each jurisdiction. This section should provide a clear statement of the role of each jurisdiction and the responsibilities for which they undertake to be accountable. Information regarding roles and responsibilities can be found at section 4 of Federal Finances Circular 2015/01.*

*The Australian Government Building and Construction WHS Accreditation Scheme (the Scheme) and the Building Code 2016 (the Code) (as amended from time to time)* *apply to all construction projects indirectly funded by the Australian Government through grant and other programs where, from 1 January 2015:*

*(a)      for the purposes of the Scheme, the value of the Commonwealth contribution is at least $6,000,000 (including GST) and represents at least 50% of the total project value, and for the purposes of the Code, the value of the Commonwealth contribution is at least $5,000,000 (including GST) and represents at least 50% of the total project value; or*

*(b)      for the purposes of the Scheme and Code, the value of the Commonwealth contribution is $10,000,000 (including GST) or more, irrespective of the proportion of Commonwealth funding; and*

*(c)       for the purposes of the Scheme, the head contract for building work is valued at $4,000,000 or more, and for the purposes of the Code, the head contract for building work is valued at $3,000,000 or more.*

*From 1 January 2015, an accredited builder will not be required for the construction of ‘single dwelling houses’ regardless of the value or number to be constructed. The change to the Scheme Regulations to exclude ‘single dwelling houses’ does not extend to townhouses of semi-detached housing.*]

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

## Role of the Commonwealth

[*Note: This section should be modified as necessary to suit the requirements of the specific circumstances.*]

1. The Commonwealth agrees to be ­responsible for:
2. [*where applicable*] assessing and determining which projects are to be funded under this Agreement, in consultation with the States and in accordance with the assessment guidelines and project eligibility criteria at Schedule A;
3. providing a financial contribution to the States to support the implementation of this Agreement;
4. monitoring and assessing the performance in the delivery of[services/reforms/projects]under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe;
5. [*where applicable*] delivering on outcomes and outputs assigned to the Commonwealth for implementation;
6. [*where applicable*] reporting on the delivery of outcomes and outputs as set out in Part 4 – Performance Monitoring and Reporting;
7. [*where applicable – see note below on financial thresholds*] in accordance with the *Building and Construction Industry (Improving Productivity) Act 2016*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2016 are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted; and
8. [*where applicable*] ensuring that compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is a condition of Australian Government funding; and
9. [*any further roles*]*.*

[*Note: The inclusion of clauses 13(g) and (h) relating to the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme and the Building Code 2016 may be more appropriate to include in Implementation Plans, where relevant and could be deleted from the NP.*]

## Role of the States and Territories

[*Note: This section should be modified as necessary to suit the requirements of the specific circumstances.*]

1. The States agree to be responsible for:
2. [*where applicable*] providing a [financial and/or in-kind] contribution to support the implementation of this Agreement;
3. [*where applicable*] developing Implementation Plans in consultation with the Commonwealth;
4. delivering on outcomes and outputs assigned to the States for implementation;
5. reporting on the delivery of outcomes and outputs as set out in Part 4 – Performance Monitoring and Reporting;
6. [*where applicable*] ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth;
7. [*where applicable*] ensuring that compliance with the Building Code 2016 is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth; and
8. [*any further roles*].

[*Note: The inclusion of clauses 14(e) and (f) relating to the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme and the Building Code 2016 may be more appropriate to include in Implementation Plans, where relevant and could be deleted from the NP.*]

## Shared roles and responsibilities

[*Note: This section should be modified as necessary to suit the requirements of the NP.* ***Shared responsibilities should be avoided wherever possible****, except for the area of evaluation and monitoring or policy collaboration. Where shared roles and responsibilities cannot be avoided, they must be clearly defined, accepted and understood, and it must be made clear how the responsibility will be shared, i.e. what portion of responsibility is held by each party, and how outcomes are to be achieved through a combination of joint action.*]

1. The Commonwealth and the States agree to be jointly responsible for:
2. participating in consultations as appropriate regarding the implementation of this Agreement;
3. negotiating new or revised Schedules, including Implementation Plans, to this Agreement;
4. conducting evaluations and reviews of services and outputs delivered under this Agreement; and
5. [*any further roles*].
6. 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 an Implementation Plan, and that the roles of both Parties will be acknowledged and recognised appropriately.

## Role of Participating Authorities [*delete if no Participating Authorities*]

[*Note: This is an optional section where Participating Authorities such as local government authorities and independent State government agencies may participate in the Agreement through agreement to a project-based Project Plan. Where there are participating authorities their role will need to be recognised throughout the Agreement – paragraphs 69-71, section 4.2 of Federal Finances Circular 2015/01 refers. Central agencies can also provide advice in this respect.*]

1. Participating Authorities will have responsibility for:
2. applying for Commonwealth financial contributions for projects in accordance with the assessment guidelines and project eligibility criteria at Schedule X [*Note: modify reference as appropriate*];
3. delivering projects in accordance with agreed Project Plans;
4. reporting on the delivery of projects as set out in Part 4 – Performance Monitoring and Reportingof this Agreement and [*where appropriate*] Implementation Plans; and
5. [*any further roles*].

## Implementation Plans [*delete if no Implementation Plans*]

[*Note: The IGA FFR states that: ‘where a National Partnership involves different characteristics between the States and Territories, state and territory specific implementation plans may form schedules to the National Partnership…’ Further guidance is provided in the Federal Finances Circular 2015/02.*]

1. The Commonwealth and the States and Territories will agree Implementation Plans that set out each jurisdiction’s strategy for delivering on [*insert outcome/outputs*], including [*financial information where applicable – see notes under Part 5.*]

# Part 4 — Performance monitoring and reporting

[*Note: Information regarding performance monitoring and reporting can be found at section 5 of Federal Finances Circular 2015/01. This section should be modified as necessary to suit the requirements of the specific circumstances.*

## *Definitions of performance indicators and performance benchmarks can be found at Appendix A – Table 1 of Federal Finances Circular 2015/01.*]

## Performance indicators [delete if not required]

[*Note: Performance indicators and benchmarks need to link directly to the outcomes and/or outputs that the agreement aims to achieve. Performance indicators should be limited to the minimum necessary to monitor performance against the agreed outcomes and/or outputs.*

*Information on performance indicators can be found at section 5, Federal Finances Circular 2015/01****.***]

1. Achievement of the objectives and outcomes in this Agreement will be informed with reference to the following performance indicators:
2. [performance indicator 1]; and
3. [further performance indicators].

## Performance benchmarks or milestones

[*Note: Performance benchmarks may be specified in IPs, but only where there are State-specific or project specific aspects to the implementation of a reform or project that are unable to be captured within the overarching NP.*

*Information on performance milestones and performance benchmarks can be found at paragraphs 84 and 85 (respectively), section 5, Federal Finances Circular 2015/01****.***]

1. The Parties agree to meet the following [performance benchmarks/milestones]:
2. [performance benchmark/performance milestone 1]; and
3. [further performance benchmarks/performance milestones].

## Reporting arrangements

[*Note: Reporting cycles should balance the administrative responsibilities and burden on the Commonwealth, compliance burden on the States, the preference to link payments to performance based on achievement of outcomes, and the need to provide the public with timely performance information.*

*Frequency of performance reporting should be the minimum required to demonstrate that agreed outputs and outcomes, as measured by achievement against performance milestones and/or benchmarks, have been met, and no more frequent than six-monthly. Additional reporting, such as on promotional activities, media coverage and any issues that have arisen during project delivery should only be included in exceptional circumstances. Progress reports that are not linked to payment milestones should be avoided.*

*While there are advantages in consistent reporting across jurisdictions, the administrative burden associated with an initiative should take State-specific characteristics into account. The States should, where possible, be allowed to use any appropriate data sources, including existing State reporting mechanisms such as performance audit reports from Auditors-General, to meet the Commonwealth’s requirements.*

*Where the Commonwealth is responsible for outcomes or outputs, the Commonwealth may also have a reporting role and needs to be accountable for the funds provided. This may take the form of a report provided on the relevant agency’s website.*]

1. The States will report the minimum required to demonstrate that milestones have been met, [that is yearly or at most six-monthly] against the agreed [performance indicators and/or performance benchmarks or milestones] during the operation of the Agreement. Reports are expected by [agreed dates] each year.

*[Note: Final program reports may be a useful way of evaluating the program and progress towards broader objectives or outcomes but should only be used selectively. Acknowledging the administrative burden placed on jurisdictions through other reporting requirements, final reports should only be required where they would add value to other regular reports or any reviews of the Agreement or program. Where a final program report is not required, the following clause should be deleted.]*

1. The States will also prepare a final Program Report within 90 days of the completion of all the projects agreed under the National Partnership and/or Implementation Plans. The Program Report will be a stand‑alone document that can be used for public information dissemination purposes regarding the Program. The final Program Report will:
2. evaluate the Program from the responsible Party’s perspective, including assessing the extent to which the objective and outcomes have been achieved against the key performance benchmarks and indicators contained in the National Partnership and/or Implementation Plans over the period of the Program, and explaining why any aspect was not achieved; and
3. include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance and as agreed between the Commonwealth and the State(s), at least 60 days before it is due.

# Part 5 — financial arrangements

[*Note:* *Payment design is a crucial element of good program design, and should reinforce the reform objectives of the IGA FFR. Section 6 of Federal Finances Circular 2015/01* provides ***information on payment design and structure****.*

*The NP should provide the estimated annual financial contribution from each jurisdiction and detail the financial transfers between jurisdictions. Commonwealth or State own purpose expenses should also be disclosed where they contribute directly to the objectives, outcomes and outputs specified in the NP.*

*Clause D5(b) of the IGA FFR states there are three types of NP payments:* ***project, facilitation and reward****. Further information on the types of payments and definitions is included at sections 6.2-6.4 of Federal Finances Circular 2015/01.*

*In almost all cases, GST does not apply to payments of financial assistance to the States**. Paragraphs 119-123, section 6.12 of Federal Finances Circular 2015/01 refer.*

## Financial contributions

1. The Commonwealth will provide an estimated total financial contribution to the States of [$XX] in respect of this Agreement. All payments are exclusive of GST.
2. [*Note: The following clause is standard for project payments and should not be deleted.*] The Commonwealth’s funding contribution will not be reduced where the States secure funding from other activity partners.
3. [*Note: The following is a sample clause for facilitation/reward payments, to be modified as required or deleted as necessary.*] The Commonwealth has committed to the provision of a maximum of [$XXX] million from [YEAR 1] to [YEAR N], through facilitation [*and/or*]reward payment*[s]* to the States to support the reforms covered by this Agreement.
4. [*Note: Where reward payments are included as part of the payment structure, all relevant parties must agree on the details of any independent assessment, including the relevant body to conduct the assessment. Where applicable this clause must be included.*] Reward payments will be considered once the required data has been provided to the Commonwealth in accordance with Part 4, following independent assessment [by XXXX]. The Commonwealth will consider the independent assessment and make a decision as to whether reward payments will be made.
5. Where a performance report demonstrates that a milestone is met in advance of the due date, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.
6. The Commonwealth’s and the States’ 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 1.

Table 1: Estimated financial contributions [*Note: figures below are for illustrative purposes only and Year 1, Year 2 etc should be replaced with actual years, e.g. 2016-17. Where the term of the agreement is less than four years, redundant columns should be deleted.*]

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **($ million)** | Year 1 | Year 2 | Year 3 | Year 4 | Total |
| ***Estimated*** total budget (1) | 3.5 | 3.5 | 5.5 | 7.5 | 20.0 |
| ***Estimated*** National Partnership payment (2) | **2.0** | **1.5** | **3.0** | **3.5** | **10.0** |
| Commonwealth own purpose expense (3) | 0.5 | 1.0 | 1.5 | 2.0 | 5.0 |
| Total Commonwealth contribution  (4) = (2) + (3) | 2.5 | 2.5 | 4.5 | 5.5 | 15.0 |
| Balance of non-Commonwealth contributions  (5) = (1) – (4) | 1.0 | 1.0 | 1.0 | 2.0 | 5.0 |

1. Notes: XXXXXXXXXX [*delete notes where not applicable*]

[*Note: It needs to be clear what States are expected to deliver before a payment will be made. Reward payments should be tied to performance benchmarks that are achievable and measurable, and linked directly to performance indicators, while project payments should be linked directly with project milestones. Both performance benchmarks and project milestones should link directly to outcomes and/or outputs. Facilitation payments are not tied to performance benchmarks or milestones, but are an incentive for a State or Territory that represent a contribution to the costs associated with implementing reform.*

*The format for presenting the financial arrangements will differ depending on the initiative. Typically a simple table setting out milestones and associated payments is sufficient for project payments, whilst reward payments may be more complex.*]

## Financial risk management

[*Note: The following is a standard paragraph for inclusion in all NPs, with the exception of NPs for demand-driven programs that are fully funded by the Commonwealth.*]

1. Having regard to the agreed estimated costs of projects or reforms under this Agreement, States will not be required to pay a refund to the Commonwealth if the actual cost is less than the agreed estimated cost. Similarly, the States bear all risk should the costs exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects and reforms cost effectively and efficiently.

# Part 6 — governance arrangements

## Enforceability of the Agreement

[*Note: This section is standard and should not be modified.*]

1. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, this does not lessen the Parties’ commitment to this Agreement.

## Review of the Agreement

[*Note: Clause E23 of the IGA FFR states that NPs are generally expected to have limited time horizons and should lead to either termination or a decision as to whether further funding is needed and if so, in what form. Final (as opposed to mid-term) reviews provide a means of assessing whether policy objectives and outcomes and/or outputs of NPs have been achieved and inform decisions regarding the treatment of expiring NPs.*

*Depending on the complexity of NPs and timing of their expiry, final reviews should be scheduled to be completed no later than six to 12 months prior to the expiry of the agreement, with the exact timing depending on the complexity of the NP and when it expires. Final reviews may be supplemented by mid-term reviews, where the NP is of sufficient duration.*

*For NPs that deal with large, sensitive or complex issues, or involve significant financial risk, final reviews should be scheduled to be completed 12 months prior to their expiry. For other NPs, final reviews should be scheduled to be completed no later than six months prior to the expiry of the NP, depending on the period of the agreement.*

*Further information on the review process is included at section 7 of Federal Finances Circular 2015/01.In addition, information on the requirements and arrangements for conducting final reviews of NPs, including the need to consider the timing of annual budget processes in determining the timing of reviews, is provided in ‘A Short Guide to Reviewing National Partnerships’.*]

1. In accordance with clause E23 of the IGA FFR, this Agreement is time limited. To assess the degree to which the agreed objectives and outcomes and/or outputs have been achieved, and inform decisions regarding the appropriate treatment following its expiry, a review of the Agreement will be scheduled to be completed approximately [six or 12 months] prior to its expiry.

[*Note: The following clauses should be included in NPs that provide funding to support increased service or activity levels in such a way that further funding beyond the term of the agreement may be required if those levels are to be maintained.*]

1. This Agreement or elements of this Agreement is intended to provide funding to support the delivery of services in the areas of [*insert a short list of relevant services, increases in which are to be measured using the performance benchmarks specified in Part 4, Performance Monitoring and* Reporting*, of this template*]. In reviewing this Agreement, the Parties should consider whether it has increased [service/activity] [*delete whichever is not applicable*] levels in these areas in such a way that further funding beyond the expiry of this Agreement may be required if those levels are to be maintained.
   1. As part of this process, the Parties should consider whether the overall objectives, outcomes and/or outputs of the Agreement have been achieved and whether the [service/activity] [*delete whichever is not applicable*] levels have been raised in an effective, efficient and appropriate manner.
2. Subject to the outcomes of the review, if the Parties agree that further funding beyond the term of this Agreement may be required to maintain increased [service/activity] [*delete whichever is not applicable*], they will also consider this issue when framing their budgets, noting that the necessary policy and budget authority, including in relation to new policy reforms, are subject to the outcomes of budget processes at both the Commonwealth and State level.

***AND/OR***

[*Note: The following clause should be included in NPs that provide funding on a one off basis, for example to clear service delivery backlogs, develop and embed new or improved service delivery models, or for one off activities including the building of service capacity and capital projects. It should also be included in NPs that include elements that provide funding to both support increased service or activity levels in such a way that further funding beyond the term of the agreement may be required if those levels are to be maintained and on a one off basis. In this case, the clause will be the equivalent of clause 33.*]

1. This Agreement is [also] [*delete if not applicable*] intended to provide Commonwealth funding on a one off basis to [*briefly describe the specific one-off activities*] as specified in [clause x] [*insert clause number*]. It is not anticipated that the Commonwealth will provide any further funding for [this activity/these activities] [*delete whichever is not applicable*] beyond the expiry of the Agreement. Whether any further funding is provided by the States is a matter for them to consider when framing their budgets, as States are responsible for related [services/activities] [*delete whichever is not applicable*].

## Variation of the Agreement

[*Note: Agreements should not be unilaterally varied. Further information is included in Part VI of Federal Finances Circular 2015/03.*]

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

## Delegations

*[Note: A delegation may be included in an NP to allow Commonwealth and State portfolio ministers to agree or amend schedules, including IPs.]*

1. The relevant Commonwealth Minister with portfolio responsibility for [subject area of this Agreement] is authorised to agree and amend Schedules, including Implementation Plans, to this Agreement and to certify that performance benchmarks specified under this Agreement have been achieved, so that payments may be made.
2. Respective State and Territory Ministers with portfolio responsibility for [subject area of this Agreement] are authorised to agree and amend Schedules, including Implementation Plans, to this Agreement.
3. The Commonwealth Minister may delegate the assessment of project-based performance benchmarks or milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

[*Note: Portfolio ministers should consult with their respective first ministers and treasurers where agreements or amendments relate to payments, in particular reward payments.*

*Clause [X] should only be used for project-based National Partnerships and cannot be used for reform‑based NPs, particularly those with reward payments. Commonwealth portfolio ministers retain responsibility for determining whether facilitation and reward payments are made for reform-based NPs, with an independent assessment determining whether performance benchmarks have been achieved, in accordance with Schedule D of the Intergovernmental Agreement.*]

## Dispute resolution

[*Note: This section is standard and should not be modified.*]

1. Any Party may give notice to other Parties of a dispute under this Agreement.
2. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
3. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

## Interpretation

[*Note: The interpretation section should only be included where the absence of a definition would result in confusion as to the meaning of a clause in the Agreement. National Partnerships are not expected to be legally enforceable, so defining the Parties is not necessary. Defining ‘Agreement’ or other terms relating to the provisions of the Agreement, such as ‘dispute resolution’ is also unnecessary.*]

1. For the purposes of this Agreement:

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

|  |  |  |
| --- | --- | --- |
| Signed for and on behalf of the Commonwealth of Australia by    The Honourable Scott Morrison MP  Prime Minister of the Commonwealth of Australia  [Day] [Month] [Year] |  |  |
|  |  |  |
| Signed for and on behalf of the  State of New South Wales by    The Honourable Gladys Berejiklian MP  Premier of the State of New South Wales  [Day] [Month] [Year] |  | Signed for and on behalf of the State of Victoria by    The Honourable Daniel Andrews MLA  Premier of the State of Victoria  [Day] [Month] [Year] |
|  |  |  |
| Signed for and on behalf of the State of Queensland by    **The Honourable Annastacia Palaszczuk MP**  Premier of the State of Queensland  [Day] [Month] [Year] |  | Signed for and on behalf of the State of Western Australia by    The Honourable Mark McGowan MLA  Premier of the State of Western Australia  [Day] [Month] [Year] |
|  |  |  |
| Signed for and on behalf of the State of South Australia by    The Honourable Steven Marshall MP  Premier of the State of South Australia  [Day] [Month] [Year] |  | Signed for and on behalf of the State of Tasmania by    The Honourable Will Hodgman MP  Premier of the State of Tasmania  [Day] [Month] [Year] |
|  |  |  |
| Signed for and on behalf of the Australian Capital Territory by    Andrew Barr MLA  Chief Minister of the Australian Capital Territory  [Day] [Month] [Year] |  | Signed for and on behalf of the Northern Territory by    The Honourable Michael Gunner MLA  Chief Minister of the Northern Territory of Australia  [Day] [Month] [Year] |

[Schedule heading]

National Partnership on   
[Title of NP]

[*Note: This schedule is included as a guide. Schedules should be used for material which is too detailed to be included in the main part of the Agreement.*

*Schedules should only be included where there is a compelling reason for the inclusion of the detail with the Agreement — where the absence of that detail would lead to a lack of clarity or confusion in the public understanding the purpose of the Agreement or where the detail is necessary to the operation of the Agreement.*

*Drafters should ensure that Schedules are consistent with the NP. Where there are inconsistencies between the Schedules and the NP, the NP takes precedence.*]

# heading 1

## Sub-heading

* 1. Paragraph text.

# Heading 2

## Sub-heading

* 1. Paragraph text.

# Attachment a

## The structure of National Partnerships

|  |  |  |
| --- | --- | --- |
| **Component** | **Purpose** | **Reference to Federal Finances Circulars** |
| Overview | A short introduction summarising the agreement. Should be forward looking and should not include any policy background, contextual, historical or advocacy content. | FFC 2015/01 Section 3.1 Paragraph 41 |
| Parties | The Parties to the agreement are the jurisdictions — the Commonwealth and the States and Territories, represented by the signatories (in most cases, first ministers) — not portfolio ministers or government officials. Agreements are to be multi‑lateral and include all jurisdictions unless geographical reasons dictate otherwise (for example, Western Australia would be the only likely Party to an agreement specific to the Kimberley region of Western Australia). Local governments are entities created by the States, so would not be a Party to a National Partnership. Agreements should be written in anticipation that all relevant jurisdictions may sign the agreement. | - |
| Term | Agreements should be time limited. Usually the expiry is dictated by the duration of the Commonwealth funding commitment, but may be longer where necessary in the design of reforms or projects. | FFC2015/01 Section 3.1 Paragraph 39 |
| Delegations | Authority for agreeing schedules to the agreement may be delegated to portfolio ministers. | FFC 2015/03 Section 3.1 Paragraph 37 |
| Objectives | Describe the mutually‑agreed overarching policy aspirations. | FFC 2015/01 Section 3.2 Paragraphs 45-49 |
| Outcomes | Describe the impact a government activity is expected to have on community well‑being. Outcomes should be strategic, high‑level and observable goals expressed in clear, measurable and achievable terms. |
| Outputs | Describe the services or projects being delivered by governments to achieve outcomes. Alternatively, they may be used as a proxy for outcomes where outcomes are not readily observable. Outputs can also help to define roles and responsibilities. Outputs should be high level, as detailed outputs run the risk of constraining States’ responses to changing demand, cost drivers, priorities and service delivery models. |
| Roles and responsibilities | A clear statement of the role of each jurisdiction and the responsibilities for which they undertake to be accountable. Joint responsibilities should generally be avoided, except for the area of evaluations and monitoring or policy collaboration. | FFC 2015/01 Section 4 |
| Performance indicators | Data that informs the community about how governments are progressing towards achieving the objectives, outcomes and outputs. The form and content of performance indicators should focus on the information needs of the community, while providing sufficient evidence to satisfy public accountability requirements that funds are achieving or progressing satisfactorily towards the achievement of the desired outcomes and outputs. | FFC 2015/01 Section V and the Conceptual Framework |
| Performance benchmarks | Quantifiable changes in a performance indicator, usually expressed in respect of a period of time. Where necessary to inform the community or, for relevant National Partnerships, to assess performance for the purpose of providing reward payments, they should be few in number, high‑level and reflect the highest order, most challenging goals toward attainment of outcomes. | FFC 2015/01 Section V and the Conceptual Framework |
| Financial arrangements | The estimated annual financial commitment from each jurisdiction — financial transfers between jurisdictions plus Commonwealth or State own purpose expense. Detailed funding arrangements and associated performance benchmarks may be included in Implementation Plans, if there is a compelling reason to do so, with aggregate information provided in the National Partnership. | FFC 2015/01 Section 6 |
| Governance arrangements | Standard, collaborative, COAG‑based variation, review and dispute resolution arrangements apply including in relation to payments. Where relevant, reviews should be arranged to inform decision making processes about whether subsequent arrangements may be required. | FFC 2015/01 Section 7 in respect of reviews |
| Variation | National Partnership agreements must have a standard variation clause, allowing them to be ‘amended at any time by agreement in writing by all the Parties and under terms and conditions as agreed by all the Parties’. Amendments must be negotiated through first ministers’ departments and treasuries. | FFC 2015/03 Section 6 |
| Signature page | Agreements must be signed by Ministers.  At the Commonwealth level, National Partnerships are signed by the Prime Minister (or delegate), and Project Agreements are generally signed by the relevant Portfolio Minister.  While the state signatory will generally mirror that of the Commonwealth, states are responsible for determining who will sign on behalf of their government. | - |

# ATTACHMENT B

## NATIONAL PARTNERSHIP CHECKLIST

[*This checklist is a guide for drafters – it does not form part of the National Partnership agreement.*]

|  |  |
| --- | --- |
| **PRE-DRAFTING CONSIDERATIONS** | ✓  🗶 |
| Has consideration been given to:   * ensuring that agreements are [consistent and mutually reinforcing](#_3._1_Agreements)? * ensuring that [jurisdictional differences](#_3.3__Consideration) are considered as part of the drafting process? * whether the agreement could be incorporated in a National Agreement or a schedule to an existing NP or a [Project Agreement](#_2._4_Project) (for low value and / or low risk initiatives)? |  |
| Has consideration been given to whether the NP involves multi-element or cross-portfolio components? |  |
| **GENERAL** |  |
| Constitutes the appropriate form for implementation |  |
| Is well-aligned to its National Agreement and related National Partnerships (if relevant) |  |
| Written in plain English (avoids jargon, legalese, and dense technical language) |  |
| Time limited |  |
| Project based and/or reform focused |  |
| Focuses on achieving outcomes |  |
| Avoids financial controls |  |
| Avoids other input controls |  |
| Periodic review is scheduled |  |
| **FORM AND CONTENT** |  |
| Title page includes a short overview of the objective of the agreement |  |
| Correct use of overview |  |
| Correct use of formalities |  |
| Appropriate use of delegations |  |
| Appropriate use of interpretation |  |
| Objective is a clear and concise expression of the ultimate goal to which all parties to the agreement aspire |  |
| Outcomes are a clear and concise expression of the improvements that government expect to achieve as a result of policy implementation through the agreement |  |
| Outputs describe the services/projects being delivered to achieve outcomes |  |
| Objectives, outcomes and outputs are aligned and classified correctly |  |
| Roles and responsibilities of the Commonwealth are specified clearly |  |
| Roles and responsibilities of the State/s are specified clearly |  |
| Roles and responsibilities of any Participating Authorities are specified clearly |  |
| Shared roles and responsibilities are minimised and where they exist, their operation is explained clearly |  |
| Is the appropriate level of detail devolved to schedules or implementation plans? |  |
| Standard dispute resolution clause included |  |
| Standard variation clause included |  |
| **PERFORMANCE INDICATORS AND BENCHMARKS** |  |
| Performance indicators are consistent and complementary between related National Agreements and National Partnerships |  |
| Performance indicators and benchmarks link logically to objectives, outcomes and outputs |  |
| Performance indicators and data requirements are: |  |
| meaningful |  |
| understandable |  |
| timely |  |
| comparable |  |
| administratively simple |  |
| cost effective |  |
| accurate |  |
| hierarchical |  |
| Quantity of performance indicators and benchmarks is proportional to the agreement |  |
| Performance indicators and benchmarks cover all outcomes and outputs |  |
| Performance benchmarks show the trajectory of progress against outcomes (i.e. not just the expected end point) |  |
| For National Partnerships with Reward Funding, reporting frameworks are developed in line with the [Conceptual Framework for Performance Reporting](http://www.federalfinancialrelations.gov.au/content/performance_reporting/conceptual_framework_performance_reporting_feb_11.pdf) |  |
| **REPORTING PROCESSES** |  |
| Reporting requirements do not unnecessarily overlap across agreements |  |
| Reporting roles and responsibilities clearly defined |  |
| frequency and level of detail of reporting requirements are proportional to the agreement |  |
| Periodic review is supported by data |  |
| Feedback loops and authority for continuous improvements are in place |  |
| States have the flexibility to determine appropriate data sources to meet Commonwealth reporting requirements |  |
| **FINANCIAL ARRANGEMENTS** |  |
| Estimated financial contributions from Commonwealth and States are clearly specified |  |
| Estimated payments are specified |  |
| Estimated payments are clearly tied to measureable benchmarks and/or milestones |  |
| Estimated payments are structured to create an incentive for the achievement of objectives, outcomes and outputs |  |
| Estimated payments recognise partial performance where appropriate |  |
| Financial risk management clause is included for project NPs. |  |
| Payments correctly classified |  |
| **PUBLIC TRANSPARENCY** |  |
| To improve public transparency, National Partnerships (including Project Agreements) and any Schedules, including Implementation Plans, will be publicly available from the [Council on Federal Financial Relations](http://www.federalfinancialrelations.gov.au/) website in the form they are agreed.  Consideration should be given to whether:   * the agreement cross-references to other documents; * all cross-referenced documents are publicly accessible; and * website addresses are provided for cross-referenced documents.   There are limited circumstances in which the relevant content of agreements and associated documents under the IGA FFR may not be disclosed publicly to protect commercial-in-confidence or other sensitive information. Agreements should be designed to avoid using such sensitive information where possible. |  |