

# NATIONAL PARTNERSHIP AGREEMENT ON THE NATION BUILDING AND JOBS PLAN: BUILDING PROSPERITY FOR THE FUTURE AND SUPPORTING JOBS NOW

Council of  
Australian  
Governments

An agreement between

- n the Commonwealth of Australia and
- n the States and Territories, being:
  - t The State of New South Wales
  - t The State of Victoria
  - t The State of Queensland
  - t The State of Western Australia
  - t The State of South Australia
  - t The State of Tasmania
  - t The Australian Capital Territory
  - t The Northern Territory of Australia

An agreement between the Commonwealth and the States and Territories to facilitate coordination, monitoring and delivery of timely economic stimulus through building prosperity for the future and supporting jobs now.

# National Partnership on the Nation Building and Jobs Plan

## PRELIMINARIES

1. This 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.
2. The Parties are committed to taking steps to address the implications of the global economic recession for Australia. That commitment is embodied in the objectives and outcomes of this agreement. However, the Parties have also agreed other objectives and outcomes which the Parties will pursue through the broadest possible spectrum of government action. Consequently, this agreement will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships entered into by the Parties.
3. This National Partnership Agreement is aimed at maximising the timely and effective delivery of the Commonwealth's Nation Building and Jobs Plan announced on 3 February 2009 and the December 2008 Nation Building Statement. The Plan will have maximum impact only if the Parties ensure the capital investment committed is genuinely additional to existing effort (i.e. maintenance of effort) and has a net stimulus impact across all areas funded under the Plan, including regional roads, black spots and boom gates, energy efficient homes, social housing and building the education revolution.
4. The Agreement involves:
  - (a) support for implementation and monitoring of these commitments through new National Coordination arrangements, reporting to the Council of Australian Governments (COAG) (see Schedule A);
  - (b) a process overseen by Heads of Treasuries and reporting to COAG through the Ministerial Council for Federal Financial Relations (see schedule B) to ensure the maximum additional benefit is derived from new infrastructure and stimulus measures;
  - (c) the commitment by all jurisdictions, within a best value approach, to give priority in contracting and tendering arrangements to businesses that have a demonstrated commitment to adding or retaining trainees and apprentices; and
  - (d) facilitation payments by the Commonwealth for Social Housing and Building the Education Revolution (see Schedules C and D).

## FORMALITIES

### Parties to this Agreement

5. In entering this Agreement, the Commonwealth and the States and Territories (the Parties) recognise that they have a mutual interest in the timely delivery of additional economic stimulus to address the current global financial crisis.

### Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 31 December 2012, or earlier termination as agreed in writing by the Parties.

## OBJECTIVES, OUTCOMES AND OUTPUTS

7. Through this Agreement, the Parties commit to meeting the objective of timely economic stimulus aimed at improved nation building and supporting economic growth and jobs. The Agreement will contribute to outcomes of boosting demand and supporting employment over the next two years, and adding to the productive capacity of the economy in the longer term. It will include the following outputs:
  - a) governance arrangements for overseeing, monitoring and implementing the commitments, including through:
    - (i) National Coordination arrangements as outlined in Schedule A; and
    - (ii) Heads of Treasuries arrangements for reporting expenditure as outlined in Schedule B;
  - b) around 20,000 social housing units and repairs and maintenance to around 2,500 existing public housing dwellings, providing stimulus to the building and construction industry and, through consolidation of waiting lists, growth of the not-for-profit sector, funding reform and reduction of concentrations of disadvantage, providing significant reform of social housing (see Schedule C);
  - c) new facilities such as libraries and multi-purpose halls in primary schools, and science and language laboratories in secondary schools, and upgrading, refurbishment and minor capital works in all schools, improving infrastructure and learning environments and creating jobs in local communities (see Schedule D);
  - d) additional Black Spot safety projects; additional regional road maintenance; and accelerated installation of boom gates and other active control mechanisms at high-risk rail crossings boom gates; and
  - e) other commitments that may in future be added to this agreement through additional schedules agreed by the Parties.

## ROLES AND RESPONSIBILITIES OF EACH PARTY

8. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities outlined in the schedules to this agreement.

## Role of the Commonwealth

9. The Commonwealth will provide financial contributions to States, as set out in this Agreement, and undertake other activity as set out in Schedules C and D to this Agreement.

## Role of the States

10. The States and Territories ('States') will implement the agreement, maintain expenditure effort in the areas set down in paragraph 3 and provide any financial contributions or in-kind support identified within the respective Bilateral Agreements or Implementation Plans as set out in this Agreement, and undertake other activity as set out in Schedules C and D to this Agreement.

## Shared

11. The States and the Commonwealth together will work in partnership to:
  - a) establish the monitoring mechanisms set out in Schedules A and B to facilitate problem solving as well as to ensure that the development and implementation of the stimulus package proceeds quickly and smoothly;
  - b) participate in consultations as appropriate regarding implementation of this Agreement;
  - c) plan and implement Implementation Plans attached to this Agreement;
  - d) reach prior agreement on the nature and content of any events, announcements, promotional material or publicity relating to activity under this agreement, and the roles and contributions of both the Commonwealth and the States will be acknowledged and recognised appropriately;
  - e) identify and share best practice across all parties to this Agreement and provide information and assistance with the overarching evaluation of this Agreement; and
  - f) provide sufficient data to enable effective planning and a thorough evaluation of outcomes of the Agreement.

## Delegations

12. Within the Commonwealth:
  - a) the Prime Minister is responsible for the coordination mechanism described in Schedule A;
  - b) the Treasurer is responsible for the monitoring mechanism described in Schedule B;
  - c) the Minister for Families, Housing, Community Services and Indigenous Affairs is responsible for the approval of bilateral agreements or other implementation plans under Schedule C; and
  - d) the Minister for Education, Employment and Workplace Relations is responsible for the approval of bilateral agreements or other implementation plans under Schedule D.

13. Relevant Ministers will be responsible for approving bilateral agreements or implementation plans for any additional Schedules that may be added in the future.
14. Within the states:
  - a) Premiers and Chief Ministers are responsible for the coordination mechanism described in Schedule A;
  - b) Treasurers are responsible for the monitoring mechanism described in Schedule B;
  - c) Ministers responsible for housing are responsible for the approval of bilateral agreements or other implementation plans under Schedule C; and
  - d) Ministers for education are responsible for the approval of bilateral agreements or other implementation plans under Schedule D.
15. Relevant Ministers will be responsible for approving bilateral agreements or other implementation plans for any additional Schedules that may be added in the future.

## PERFORMANCE BENCHMARKS AND REPORTING

### Performance benchmarks and indicators

16. The Commonwealth and the States agree to:
  - (a) follow the coordination and implementation arrangements set out in Schedule A;
  - (b) report on expenditure and output benchmarks as set out in Schedule B; and
  - (c) meet key milestones set out in detail in Bilateral Agreements or Implementation Plans under schedules C and D.

### Reporting

17. The reporting requirements under this Agreement are set out in Schedules A to D.

## FINANCIAL ARRANGEMENTS

### Funding

18. The Commonwealth will make National Partnership payments to the States pursuant to this Agreement.
19. Arrangements for developing, monitoring and reporting on expenditure and output benchmarks for each of the sectors covered by this Agreement are set out in Schedule B.

### Payment schedule

20. The Commonwealth will provide facilitation payments to the States as set out in Schedules C and D.

## GOVERNANCE ARRANGEMENTS

### Dispute resolution

21. Any Party may give notice to other Parties of a dispute under this Agreement.
22. If a dispute is unable to be resolved between the Parties, it may be referred by a Party to COAG for consideration.

### Review of the Agreement

23. The Commonwealth will review the Agreement, in consultation with the States, in 2010.

### Variation of the Agreement

24. The Agreement may be amended at any time by agreement in writing by all the Parties and under terms and conditions as agreed by all the Parties.
25. A Party to the Agreement may terminate its participation in the Agreement at any time by notifying all the other Parties in writing.

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

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

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The Honourable Kevin Rudd MP  
Prime Minister of the Commonwealth of Australia  
5 February 2009

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

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The Honourable Nathan Rees MP  
Premier of the State of New South Wales  
5 February 2009

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

---

The Honourable John Brumby MP  
Premier of the State of Victoria  
5 February 2009

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

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The Honourable Anna Bligh MP  
Premier of the State of Queensland  
5 February 2009

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

---

The Honourable Colin Barnett MP  
Premier of the State of Western Australia  
5 February 2009

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

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The Honourable Mike Rann MP  
Premier of the State of South Australia  
5 February 2009

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

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The Honourable David Bartlett MP  
Premier of the State of Tasmania  
5 February 2009

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

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Jon Stanhope MLA  
Chief Minister of the Australian Capital Territory  
5 February 2009

**Signed for and on behalf of the Northern Territory by**

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The Honourable Paul Henderson MLA  
Chief Minister of the Northern Territory of Australia  
5 February 2009

26. 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

5 February 2009

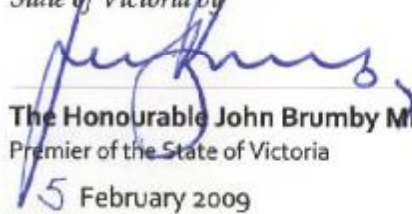
Signed for and on behalf of the State of New South Wales by



**The Honourable Nathan Rees MP**  
Premier of the State of New South Wales

5 February 2009

Signed for and on behalf of the State of Victoria by



**The Honourable John Brumby MP**  
Premier of the State of Victoria

5 February 2009

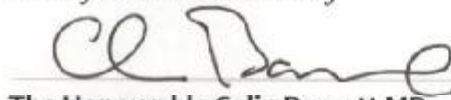
Signed for and on behalf of the State of Queensland by



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

5 February 2009

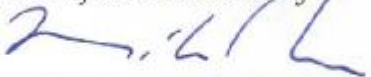
Signed for and on behalf of the State of Western Australia by



**The Honourable Colin Barnett MP**  
Premier of the State of Western Australia

5 February 2009

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



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

5 February 2009

Signed for and on behalf of the State of Tasmania by



**The Honourable David Bartlett MP**  
Premier of the State of Tasmania

5 February 2009

Signed for and on behalf of the Australian Capital Territory by



**Jon Stanhope MLA**  
Chief Minister of the Australian Capital Territory

5 February 2009

Signed for and on behalf of the Northern Territory by



**The Honourable Paul Henderson MLA**  
Chief Minister of the Northern Territory of Australia

5 February 2009



## Schedule A

# Oversight of the delivery of significant infrastructure and stimulus commitments

## NATIONAL PARTNERSHIP AGREEMENT ON THE NATION BUILDING AND JOBS PLAN

### PRELIMINARIES

- A1. Australian Government funded infrastructure and stimulus projects are largely delivered by the States through their agencies or through commercial contracts put in place by them. New governance arrangements are required in order to ensure timely delivery of the Commonwealth's objectives for additional economic stimulus.

### OBJECTIVES, OUTCOMES AND OUTPUTS

#### Objective

- A2. To establish oversight and monitoring arrangements to ensure the elements that are to be delivered through the states of the Australian Government's infrastructure investment program, set out in the December 2008 Nation Building Statement and February 2009 Nation Building and Jobs Plan, are delivered on time and meet Australian Government specifications and desired outcomes.

#### Outcomes

- A3. These arrangements will enable timely, regular advice to governments on whether projects are meeting delivery timetables and objectives, and also provide advice on possible strategies and interventions to prevent slippage.

#### Outputs

- A4. Under this agreement:
- (a) the Commonwealth will:
    - (i) establish an Oversight Group within the Department of the Prime Minister and Cabinet chaired by a 'Coordinator-General' to support and monitor the implementation of key infrastructure and stimulus measures;

- (ii) for each major infrastructure or stimulus measure, nominate a National Coordinator from the relevant implementing agency, with responsibility for ensuring that milestones are achieved and any implementation issues are addressed as a matter of urgency; and
- (b) the states will establish monitoring arrangements in their respective jurisdictions similar to those outlined in A4(a) above to ensure that there is a co-ordinated project management and monitoring approach being taken to key infrastructure and stimulus measures.

## ROLES AND RESPONSIBILITIES OF THE PARTIES

- A5. The Commonwealth will establish an Oversight Group within the Department of the Prime Minister and Cabinet chaired by a 'Coordinator-General' to be appointed by the end February 2009.
- (a) The Oversight Group will work with the responsible line agencies at Commonwealth and state levels to develop project plans, including mechanisms for reducing lead times on projects and project oversight and monitoring arrangements for each of the key infrastructure and stimulus measures.
  - (b) To assist this work agencies will provide the Coordinator-General with an opportunity to work with them to develop bilateral agreements or implementation plans, or any amendments to them, prior to their finalisation, and will ensure bilateral agreements or implementation plans, and any amendments to them, are lodged with the Coordinator-General as soon as possible after they have been agreed.
- A6. States will establish similar monitoring arrangements in their respective jurisdictions by the end of February 2009 to ensure that there is a co-ordinated project management approach being taken to the investment commitments.
- A7. The Coordinators-General will oversee the work of the Commonwealth and State/Territory agencies implementing the infrastructure and stimulus measures.
- (a) At the Commonwealth level, implementing agencies will nominate by the end February 2009 a senior official as National Coordinator for each major infrastructure and stimulus measure.
  - (b) National Coordinators will have responsibility for ensuring that milestones are achieved and any implementation issues are addressed as a matter of urgency.

## REPORTING

- A8. The Oversight Group will prepare reports for COAG on the progress of implementation.
- A9. In consultation with agencies, the Oversight Group may recommend to COAG possible interventions to prevent and address concerns with project slippage, cost overruns and project delivery.

## DISPUTE RESOLUTION, REVIEW AND VARIATION

- A10. In the first instance the Parties endeavour to resolve any matters of dispute through the coordination arrangements outlined in A5 to A7 above.
- A11. If a dispute is unable to be resolved it may be referred to COAG.
- A12. COAG Senior Officials may provide advice to COAG regarding the review and variation of the operation of the coordination and arrangements under this schedule. Such advice may be informed by advice from the Coordinator-General and Commonwealth and state coordinators.

# Coordination and monitoring principles for additional funding to the States

## NATIONAL PARTNERSHIP AGREEMENT ON NATION BUILDING AND PROTECTING JOBS

### PRELIMINARIES – MAINTENANCE OF EFFORT

- B1. For the fiscal stimulus package to have the desired impact on the economy, it is essential that the additional stimulus flow quickly into aggregate demand. This would require that State capital expenditure in each of the targeted areas increases by the amount of the fiscal package provided, and that state capital effort already directed at the areas of the Nation Building and Jobs Plan – schools, energy efficient homes, social housing, roads and boom gates– is maintained, and that the capital investments under the Plan are additional to such effort.
- B2. This schedule establishes a framework under the new *Intergovernmental Agreement on Federal Financial Relations* to ensure the maximum additional benefit is derived from the new infrastructure and stimulus measures, and to assess whether the states have at least maintained their post-COAG expenditure effort during the period of increased Commonwealth expenditure.

### DEVELOPMENT AND COORDINATION OF SPENDING AND OUTPUT BENCHMARKS

- B3. Heads of Treasuries will establish expenditure and output benchmarks for each of the sectors to receive additional Commonwealth funding ('Expenditure Sectors'). The benchmarks will take account of:
  - (a) previously budgeted state expenditure;
  - (b) additional Commonwealth expenditure from the 29 November 2008 COAG financial package;
  - (c) State contributions to the 29 November 2008 COAG financial package;
  - (d) the additional Commonwealth funding from this fiscal stimulus package, as outlined in schedules C and D of this National Partnership agreement;
  - (e) any co-investment costs to be contributed by the states, including any on-going administration or maintenance costs; and

- (f) the timeframe over which the expenditure is expected to occur.
- B4. Benchmarks would be agreed by the Ministerial Council for Federal Financial Relations.
- B5. Should states indicate to the Ministerial Council or to Heads of Treasuries that they consider they will not be able to expend the whole fiscal package allocated to them in the timeframe required, spending would be able to be reallocated by the Commonwealth to other States or to Commonwealth own-purpose programs.

## REPORTING AND ASSESSMENT

- B6. States will report every three months to Heads of Treasuries on activity undertaken in the previous three months against these benchmarks, such reports to be provided within six weeks of the end of the period to which the reports relate.
- (a) Reporting is to cover expenditure in each of the relevant sectors over the designated three month reporting period and should include an explanation in respect of any expenditure that does not meet the agreed benchmark.
  - (b) Heads of Treasuries will collate the information and provide it to the Ministerial Council within two weeks of the reporting date.
- B7. The Ministerial Council will make an assessment against the benchmarks, having regard to any explanations for failure to achieve benchmarks.

## SANCTIONS

- B8. Under the agreement, if a state's expenditure does not meet the benchmark, the Commonwealth will impose sanctions as follows:
- (a) making the assessment public;
  - (b) requiring the state to return the shortfall in expenditure to the Commonwealth, noting that the Commonwealth will reallocate the amount to other states and/or use it for Commonwealth own-purpose programs;
  - (c) halting further funding for that state for the relevant initiative; or
  - (d) withdrawing an amount equivalent to the reduced effort from future Commonwealth payments to the state.

## DISPUTE RESOLUTION, REVIEW AND VARIATION

- B9. In the first instance the Parties endeavour to resolve any matters of dispute through the coordination arrangements outlined in B6 to B7 above.
- B10. If a dispute is unable to be resolved it may be referred to COAG by the Ministerial Council.

## Schedule C

# Social Housing

## NATIONAL PARTNERSHIP AGREEMENT ON THE NATION BUILDING AND JOBS PLAN

### PRELIMINARIES

- C1. The Social Housing Initiative represents a commitment by the Commonwealth Government and State and Territory Governments to significantly increase the supply of social housing throughout Australia and provide much needed accommodation to many disadvantaged Australians, particularly those who are homeless or at risk of becoming homeless. It supports existing initiatives that have previously been agreed by the COAG in November 2008 to improve social and indigenous housing and reduce homelessness.
- C2. Through this initiative the Commonwealth will commit funding of \$6.4 billion over the years 2008-09 to 2011-12. Over this period, around 20,000 additional social housing dwellings will be built together with around 2,500 existing public housing dwellings being refurbished so that they can remain available for occupancy, further increasing the net social housing stock.
- C3. Funding will be allocated to states generally on a per capita basis, subject to jurisdictions submitting suitable proposals that meet the requirements of the initiative.

### OBJECTIVES, OUTCOMES AND AGREED REFORMS

#### Objectives

- C4. The Initiative will contribute to the overarching Objective of the National Affordable Housing Agreement:  
  
"All Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation".
- C5. The specific objectives of this Initiative are as follows:
  - (a) to increase the supply of social housing through:
    - (i) new construction; and
    - (ii) the refurbishment of existing stock that would otherwise be unavailable for occupancy.
  - (b) to provide increased opportunities for persons who are homeless or at risk of homelessness to gain secure long term accommodation; and

- (c) to stimulate the building and construction industry, both through funding additional dwellings and increasing expenditure on repairs and maintenance. This will help stimulate businesses which supply construction materials and help to retain jobs in the industry.

## Outcomes

- C6. Through this initiative the following key outcomes are expected to be achieved:
- (a) within three years around 20,000 new social housing dwellings will be built primarily for people who are homeless or at risk of homelessness;
  - (b) dwellings built will meet the needs of people on public housing waiting lists, including age and disability pensioners, Indigenous people and women with children escaping domestic violence;
  - (c) new dwellings will provide around a 50 per cent reduction in the waiting time for people with high housing needs on public housing lists and a reduction in the number of low income households paying more than half their income in rent;
  - (d) 75 per cent of the new dwellings constructed through this initiative will be completed by December 2010;
  - (e) around 2,500 existing public housing stock will become available that would otherwise become unfit for occupation; and
  - (f) this initiative will provide an immediate stimulus to the building and construction industry .

## Reform directions

- C7. In addition to the key objectives and outcomes of this initiative, the allocation of funding to each jurisdiction under the initiative will be contingent on the jurisdiction agreeing to implement a number of reforms in the social housing sector and making a detailed progress report to COAG by December 2009. These reform directions will include:
- (a) integration of public and community housing waiting lists;
  - (b) better social and economic participation for social housing tenants by locating housing closer to transport, services and employment opportunities;
  - (c) implementation of support arrangements to assist social housing tenants to transition from social housing arrangements to affordable private rental and home ownership as their circumstances change;
  - (d) reducing concentrations of disadvantage through appropriate redevelopment to create mixed communities that improve social inclusion;
  - (e) introduction of a national regulatory and registration system for not-for-profit housing providers to enhance the sector's capacity to operate across jurisdictions;
  - (f) increased transparency through the establishment of consistent and comparable accounting and reporting standards across jurisdictions that allow clear and objective assessments of performance that meet public accountability requirements;

- (g) social housing providers to be subject to independent prudential supervision to protect public investment in the sector;
- (h) improved tenancy management and maintenance benchmarks for social housing;
- (i) improved efficiency of social housing including through better matching of tenants with appropriate dwelling types and the introduction of rent-setting policies that reflect the type of dwellings occupied by tenants;
- (j) Introducing contestability in the allocation of funds to encourage a range of new providers and create diversification in the not-for-profit sector to enhance the ability of providers to offer housing options to a broader range of client types;
- (k) leveraging of government capital investment to enhance the provision of social housing;
- (l) better use of government owned land to provide more affordable housing opportunities for low income earners; and
- (m) improved procurement practices that promote competition between proponents and provide participation opportunities for small and medium enterprises.

## ROLES AND RESPONSIBILITIES OF GOVERNMENT

C8. To realise the objectives and commitments of this initiative, each Government has specific roles and responsibilities, as outlined below.

### Role of the Commonwealth

- C9. The Commonwealth will be responsible for allocating the total agreed level of Commonwealth funds to the states for the social housing proposals that are approved for funding through the initiative. The Commonwealth will:
- (a) provide a National Coordinator to oversee the measures;
  - (b) make final decisions on which proposals will receive funding; and
  - (c) negotiate and have responsibility for the management of an implementation plan with each jurisdiction that sets out the proposals and funding that will be supported through the initiative. An agreed implementation plan will need to be in place before any funding can be released through the initiative. The implementation plan will be amended as necessary to reflect additional funded proposals.

### Role of the States

- C10. States will be responsible for identifying social housing projects within their jurisdiction that are already in their development pipelines and can be brought forward and be completed before 30 June 2010. These projects will be funded through Stage 1 of the new construction element of the initiative.
- C11. States will be responsible for undertaking a competitive process to determine suitable social housing projects to be funded through Stage 2 of the new construction element of the initiative for 2009-10 onwards.



- C12. States will be responsible for identifying social housing dwellings within their jurisdiction that are not suitable for occupation and would be suitable for refurbishment through the repair and maintenance element of the initiative.
- C13. States will identify, manage and report on Commonwealth approved construction projects and Commonwealth funded repair/ maintenance programs in their jurisdiction.

## IMPLEMENTATION

- C14. The Initiative will comprise of two elements as follows:

(a) Element 1 – New Construction

Through this element, the initiative will support the construction of new social housing dwellings that will be managed through two distinct stages:

- (i) Stage 1 will provide funding for social housing projects within jurisdictions that are already in their development pipelines and can be brought forward so that around 6,500 dwellings will be started in 2009 and will be completed before 30 June 2010
- (ii) Stage 2 will provide funding for social housing projects following the completion of a competitive process to be conducted by each jurisdiction to identify suitable projects in the market. It is expected that around 3,500 dwellings will start in 2009 and a further 10,000 in the first half of 2010, and they will be 75 per cent completed by December 2010.

(b) Element 2 – Repair and Maintenance

Through this element, the initiative will support the refurbishment of existing social housing dwellings that are not currently suitable for occupation so that they can add to the social housing stock in each jurisdiction. The repairs and maintenance will all be started in 2009.

- C15. Element 1 – New Construction (Stage 1)

States will be provided with an indicative funding allocation for this Stage and will be required to provide the Commonwealth with proposals for funding by 15 March 2009. The Commonwealth will assess the proposals against the key requirements of the initiative and subject to proposals meeting the key requirements, jurisdictions will receive approvals by 1 April 2009.

- C16. Element 1 – New Construction (Stage 2)

States will be provided with an indicative funding allocation based generally on a per capita basis for this Stage and will be required to provide the Commonwealth with proposals for funding by 30 June 2009. Each jurisdiction will be required to undertake a comprehensive process to identify suitable proposals in the market for funding and provide information to the Commonwealth on the approach that was taken and a summary of the process. As with Stage 1, the Commonwealth will assess the proposals against the key requirements of the initiative and subject to proposals meeting the key requirements, jurisdictions will receive approvals by 30 August 2009.

#### C17. Element 2 – Repair and Maintenance

States will be provided with an indicative funding allocation for this element, based generally on a per capita basis, and will be required to provide the Commonwealth with proposals for funding by 15 February 2009. Proposals will need to clearly demonstrate that the existing social housing dwellings were unsuitable for occupation and would otherwise remain unoccupied or sold off without the additional funding. The Commonwealth will provide approvals by 1 March 2009.

### **KEY REQUIREMENTS FOR PROPOSALS TO BE FUNDED UNDER ELEMENT 1 – NEW CONSTRUCTION**

C18. Proposals for funding under Element 1 of the initiative will be assessed against the following key requirements:

- (a) increase the supply of social housing dwellings within a jurisdiction;
- (b) having regard to reforms listed at C7 (a), (b), (c), (d), (h), (i) and (k), and in line with the report to COAG on reforms by December 2009;
- (c) increase the allocation of housing to people with highest needs on public housing waiting lists;
- (d) facilitate or support the transition of persons who are homeless or at risk of homelessness to secure, long term accommodation;
- (e) adhere to universal design principles that facilitate better access for persons with disability and older persons;
- (f) constructed dwellings are environmentally sustainable; and
- (g) promote activity in the short term using a variety of procurement arrangements, including spot purchases of house and land packages, purchases 'off the plan'.

### **KEY REQUIREMENTS FOR PROPOSALS TO BE FUNDED UNDER ELEMENT 2 – REPAIR AND MAINTENANCE**

C19. Proposals for funding under Element 2 of the initiative will need to demonstrate that dwellings to be refurbished under the initiative:

- (a) would be otherwise uninhabitable without an upgrade; and
- (b) are located in areas that will support the economic and social participation of tenants.

### **REPORTING**

C20. Each state will provide a report to the Commonwealth every three months detailing:

- (a) the status and progress of each new social housing project within their jurisdiction that has been funded through the initiative;
- (b) the location of dwellings that have been constructed or refurbished through the initiative and their availability for rental; and
- (c) the tenant profile for each dwelling that is occupied following construction or refurbishment funded through the initiative.

C21. The Commonwealth will use this report to measure the progress of proposals against the agreed implementation plan.

## FINANCIAL ARRANGEMENTS

### Funding

C22. As the cost to the Commonwealth Budget is intended to be one-off, any ongoing administration, maintenance or co-investment costs associated with the expenditure are to be borne by the States.

C23. Element 1 – New Construction

The following funding amounts will be available for this element of the initiative:

Stage	2008-09 (\$m)	2009-10 (\$m)	2010-2011 (\$m)	2011-12 (\$m)	Total (\$m)
Stage 1 & 2	60	3,872	1,744	312	5,988

C24. Element 2 – Repair and Maintenance

The following funding amounts will be available for this element of the initiative:

	2008-09 (\$m)	2009-10 (\$m)	2010-2011 (\$m)	2011-12 (\$m)	Total (\$m)
	200	200	-	-	400

C25. Total Funding Available

	2008-09 (\$m)	2009-10 (\$m)	2010-2011 (\$m)	2011-12 (\$m)	Total (\$m)
Total	260	4,072	1,744	312	6,388

### Payment Schedule

C26. The Commonwealth and each State and Territory will negotiate a payment schedule for each element of the Initiative once the first funding proposal has been approved. The schedule will be amended as necessary where additional proposals are funded through the initiative.



# Building the Education Revolution

## NATIONAL PARTNERSHIP AGREEMENT ON THE NATION BUILDING AND JOBS PLAN

### PRELIMINARIES

- D1. Building the Education Revolution (BER) will provide new facilities and refurbishments in schools to meet the needs of 21<sup>st</sup> century students and teachers.
- D2. The three elements of the BER are:
- (a) \$12.4 billion for Primary Schools for the 21st Century – all Australian primary schools, K-12 schools (primary school component) and special schools will be eligible to apply for funding to build new iconic facilities such as libraries and multipurpose halls or to upgrade existing facilities.
  - (b) \$1 billion for Science and Language Centres for the 21st Century Secondary Schools – all secondary schools are eligible to apply for funding, on a competitive basis, for the construction of new science laboratories or language learning centres.
  - (c) \$1.288 billion for the National School Pride program – all schools in Australia, government and non-government, will be eligible to apply for funding for minor capital works and maintenance projects such as:
    - (i) the refurbishment of buildings;
    - (ii) the construction of fixed shade structures, covered outdoor learning areas, upgrades of sporting grounds and facilities, green upgrades (water tanks), insulation;
    - (iii) infrastructure support for students with disabilities or special needs; and
    - (iv) installation or purchase of Information and Communication Technology (ICT) facilities and equipment for primary schools.
- D3. As the cost to the Commonwealth budget is intended to be one-off, any ongoing administration, maintenance or co-investment costs associated with the expenditure are to be borne by the states.

## OBJECTIVES, OUTCOMES AND OUTPUTS

### Objectives

- D4. To provide economic stimulus through the rapid construction and refurbishment of school infrastructure.
- D5. To build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together.

### Outcomes, Outputs and Performance Indicators

#### D6. Outcomes

- (a) Economic stimulus and job creation in local communities.
- (b) Modern teaching and learning environments for school and community use.

#### D7. Outputs

The key outputs are:

- (a) the construction of major and minor infrastructure in schools within prescribed funding and timeframes;
- (b) major refurbishment of existing facilities within prescribed funding and timeframes;
- (c) maintenance works within prescribed funding and timeframes; and
- (d) creation of jobs through the construction and refurbishment of minor and major infrastructure.

#### D8. Performance Indicators

- (a) The key performance indicator is the number of new or refurbished facilities, including libraries and multipurpose halls in primary schools and science and language laboratories in secondary schools.
- (b) Progress measures include:
  - (i) funding application rounds undertaken;
  - (ii) construction milestones met and milestone payments made;
  - (iii) completion of projects on time;
  - (iv) amount of funding spent; and
  - (v) number of jobs created through BER projects.

## ROLES AND RESPONSIBILITIES OF EACH PARTY

D9. To realise the objectives and commitments in this Schedule, each Party has specific roles and responsibilities, as outlined below.

### Role of the Commonwealth

D10. The Commonwealth will:

- (a) Provide a National Coordinator to oversee the BER. This coordinator will be located in the Department of Employment, Education and Workplace Relations.
- (b) Develop a fast-track system to be used by all states and Block Grant Authorities (BGAs) and schools for recording and reporting requirements and the Department of Education, Employment and Workplace Relations to monitor outcomes.
- (c) Agree, with the states, to the set of design templates to be used for each project to be submitted by the states to the Commonwealth by 16 February 2009, unless a school has a pre-approved design available, or can demonstrate that non-use of the template is reasonable, appropriate and that the building process can still be expedited and achieved in the prescribed timeframes.
- (d) Develop BER program guidelines, in consultation with the states.
- (e) Assist states and BGAs in assessing applications in the funding rounds.
- (f) Provide funding to states and BGAs of 1.5 per cent of the total funding to cover administrative costs associated with running the application process, all associated administration and reporting to the Commonwealth.

### Role of the States

D11. The states will:

- (a) call for and assess project proposals from government schools for each BER element, in line with Commonwealth guidelines;
- (b) ensure that the design, application and assessment processes are fast-tracked, with minimal red tape;
- (c) agree, with the Commonwealth, to the set of design templates to be used for each project to be submitted by the states to the Commonwealth by 16 February 2009, unless a school has a pre-approved design available, or can demonstrate that non-use of the template is reasonable, appropriate and that the building process can still be expedited and achieved in the prescribed timeframes;
- (d) adhere to the Commonwealth's BER program guidelines;
- (e) convene assessment panels to assess proposals or develop other approaches to prioritise infrastructure projects and prepare project lists for approval by the Australian government;
- (f) accept and adhere to branding of the projects, as determined by the Commonwealth;
- (g) accept and adhere to the reporting requirements as outlined by the Commonwealth;

- (h) work with non-government schools, systems and BGA to enable the full participation of the non-government sector in all elements of BER;
- (i) be required to pass on in a timely manner the nominated amounts to BGA in their state or territory, in accordance with Schedule D of the *Intergovernmental Agreement on Federal Financial Relations*. Nominated amounts will be advised by the Department of Education, Employment and Workplace Relations ;and
- (j) appoint a state coordinator for Building the Education Revolution who will coordinate both government and non-government participation in the program.

## PERFORMANCE BENCHMARKS AND REPORTING

### Reporting

- D12. An online portal will be provided for reporting purposes for all, BGAs and schools for recording and reporting requirements.

## FINANCIAL ARRANGEMENTS

### Funding

- D13. Bilateral agreements will be made by 13 February 2009 with each state and BGA that specify the conditions, commitment, timeframes, consequences of non-compliance and reporting arrangements.
- D14. Funding is conditional on the states agreeing to:
- (a) be fully responsible for all ongoing recurrent costs and maintenance of the new and refurbished infrastructure;
  - (b) maintain their current and planned level of investment for capital infrastructure in schools over the next four years, spending it concurrently with BER funding on school infrastructure, and providing the Australian Government with evidence of capital expenditure for the past four years and estimates for the next four years;
  - (c) a set of design templates that must be used by each project, unless a school has a pre-approved design available, or can demonstrate within a specified timeframe that non-use of the template is reasonable, appropriate and that the building process can still be expedited and achieved in the prescribed timeframes;
  - (d) adhere to the Commonwealth's BER program guidelines;
  - (e) making new and refurbished facilities in primary schools, such as halls and libraries, available for community use at no cost or low cost;
  - (f) ensuring that all new buildings and refurbishments incorporate sustainable building principles;
  - (g) ensure that government schools can begin and complete projects within prescribed time frames;



- (h) accept and adhere to reporting requirements as determined by the Australian Government; and.
- (i) accept and adhere to required branding and recognition of all projects, as determined by the Australian Government.

## Payment Schedule

D15. This Agreement covers the period from 2008-09 to 2011-12.

D16. Funding for each element of the BER is detailed in Table D1.

**Table D1: Funding allocation for building the education revolution (Financial Year)**

Building the Education Revolution	2008-09 (\$m)	2009-10 (\$m)	2010-11 (\$m)	Total (\$m)
Primary Schools for the 21st Century	600.8	6612.0	5219.0	12431.8
Science and Language Centres for the 21st Century	0.0	1000.0	0.0	1000.0
National School Pride program	386.4	901.6	0.0	1288.0
<b>TOTAL</b>	<b>987.2</b>	<b>8513.6</b>	<b>5219.0</b>	<b>14719.8</b>

- D17. State education departments and BGAs will receive 1.5 per cent of the total funding available in their sector to cover administrative costs associated with running the application process, all associated administration and reporting to the Commonwealth.
- D18. Any unspent funds are to be returned to the Commonwealth.
- D19. Schools will only be eligible for funding if they apply within the timeframes set for the relevant BER funding rounds.

## Primary Schools for the 21st Century

D20. States and BGAs will prioritise schools into three funding rounds

- (a) Under Round 1 construction must start no later than June 2009. Schools with proposals that adopt existing design templates and demonstrated readiness and capacity to build immediately will be included in the first round.
- (b) Under Round 2 construction must start no later than July-August 2009.
- (c) Under Round 3 construction must start by 1 December 2009.

D21. Milestone payments are 25 per cent on commencement; 25 per cent on milestone one; 25 per cent on milestone 2; and 25 per cent on completion. For projects less than \$0.85m, payments are 50 per cent on commencement and 50 per cent on completion.

D22. All projects must be completed no later than March 2011.

## Science and Language Centres for the 21st Century

D23. Schools will be funded on a competitive basis where schools can demonstrate need, readiness and capacity to complete construction by 30 June 2010.

## National School Pride program (minor infrastructure and maintenance)

D24. States and BGA will assess applications in each round for Commonwealth approval.

D25. Sixty per cent of projects are to commence in 2008-09, and the remaining 40 per cent in 2009-10.

(a) Round 1: *60 per cent of schools*:

- (i) February-March 2009 – States and Territories and BGAs assess proposals and submit lists to the Commonwealth for approval by 30 March 2009 at the latest;
- (ii) April-May 2009 – Projects commence; and
- (iii) 31 December 2009 – Projects completed.

(b) Round 2: 40 per cent of schools

- (i) April-May 2009 – States and territories and BGAs assess proposals and submit lists to the Commonwealth for approval by 30 May at the latest;
- (ii) Late July 2009 – Projects commence; and
- (iii) February 2010 – Projects completed.

## Indicative Funding Allocations

D26. Funding for the Science and Language Centres for the 21st Century Secondary Schools will be through a one-off competitive grants process.

D27. Funding for the Primary Schools for the 21st Century and the National School Pride program elements will be based on school size, as per Table D2 and D3.

Table D2: Primary Schools for the 21<sup>st</sup> century – Indicative Funding Allocation

Primary school size	Indicative Caps (\$m)
0 to 50	0.25
51 to 150	0.85
151 to 300	2.00
301 to 400	2.50
400+	3.00

Table D3: National School Pride program- Indicative Funding Allocations

School size	Indicative Caps (\$m)
0 to 50	0.050
51 to 150	0.075
151 to 300	0.125
301 to 400	0.150
400+	0.200

## DISPUTE RESOLUTION, REVIEW AND VARIATION

- D28. In the first instance the Parties endeavour to resolve any matters of dispute through the coordination arrangements outlined in Schedule A.
- D29. If a dispute is unable to be resolved it may be referred to COAG as outlined in paragraphs A8 and A9 of this Agreement.
- D30. COAG Senior Officials may provide advice to COAG regarding the review and variation of the operation of the coordination and arrangements under this schedule. Such advice may be informed by advice from the Coordinator-General, Commonwealth National Coordinators and State/Territory coordinators.