PROJECT AGREEMENT FOR THE INDUSTRY AND INDIGENOUS SKILL CENTRES PROGRAM

Council of Australian Governments

An agreenent between

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

New South Wiles

Victoria

Queensland

Western Australia

South Australia

Tasnani a

the Australian Capital Territory

the Northern Territory of Australia

The output of this project will be that industry and/or Indigenous community organisations are assisted to purchase, construct, fit out or refurbish capital infrastructure intended for the delivery of vocational education and training (VEI).

Project Agreement for the Industry and Indigenous Skill Centres Program

INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

- 1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the Intergovernmental Agreement on Federal Financial Relations.
- 2. This Agreement will support the delivery of the Industry and Indigenous Skill Centres (IISC) Program by providing funding to industry and/or Indigenous community organisations for the purchase, construction, fit out or refurbishment of facilities intended for the delivery of VET.
- 3. It is intended that IISC Program funding to States will be available to eligible organisations through a competitive funding round to be conducted by each State. An eligible organisation is an industry or community organisation or Indigenous industry or community organisation that delivers or facilitates the delivery of VET. These organisations are to be incorporated/registered under Commonwealth or State/Territory legislation as a not-for-profit organisation. Such organisations include, but are not limited to, industry bodies, registered training organisations (RTOs) and mainstream not-for-profit private sector training organisations or community groups and Indigenous providers of VET. The funding is not intended to be available to Technical and Further Education (TAFE) institutions.
- 4. Where possible States are to commit their total allocation of the Commonwealth's estimated financial contribution, as set out in Table 2 of this Agreement, through a competitive funding round. The competitive funding round should be concluded as early as possible, but not later than 31 December 2012.
- 5. Funding under the program is expected to:
 - (a) reflect the commitment by all jurisdictions to give priority in contracting and tendering arrangements to not-for-profit businesses that have a demonstrated commitment to adding or retaining trainees and apprentices.
 - (b) assist in closing the gap between Indigenous and non-Indigenous Australians.
- 6. This Agreement constitutes the entire agreement for this project.

PART 1 — FORMALITIES

Parties to this Agreement

7. This Agreement is between the Commonwealth of Australia (the Commonwealth) and New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory of Australia (the "States").

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2013 or on completion of the project, including acceptance of final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 — PROJECT OUTPUTS

Outputs

- 9. The outputs of this Agreement will be that eligible industry and/or Indigenous community organisations are assisted by States to establish capital infrastructure project(s) for the benefit of people undertaking and completing nationally recognised VET courses.
- 10. Capital infrastructure projects specifically intended for the delivery of VET are limited to include: the construction of new training facilities; the purchase of land¹ or an existing building; refurbishment or upgrade of an existing training facility; the purchase or lease of equipment or other assets directly related to training; or the purchase and fit out of a mobile training unit.

PART 3 — ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

11. The Commonwealth will be responsible for:

- (a) monitoring and assessing achievement against milestones in the delivery of the IISC Program under this Agreement to ensure that outputs are delivered within the agreed timeframe;
- (b) providing a consequent financial contribution to the States to support the implementation of this Agreement;
- (c) in accordance with the *Building and Construction Industry Improvement Act* 2005, ensuring that financial contributions to a building project or projects as defined under the Building and Construction Industry (Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and

¹ The purchase of land should only be approved where the land will be used for the construction of infrastructure specifically intended for the delivery of VET. Where it is likely the construction phase of such a project will not commence within three months, the purchase of land should not be approved.

(d) ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry is a condition of Australian Government funding.

Role of the States and Territories

- 12. States will be responsible for all aspects of delivering on the project outputs set out in this Agreement including:
 - (a) managing a single competitive funding round² process for its jurisdiction, including community and industry awareness strategies, managing enquiries and assisting funding round applicant organisations;
 - (b) approving proposals for funding that are aligned with its jurisdictional priorities for the provision of VET and wider considerations including value for money and demonstrated industry/community need;
 - (c) ensuring appropriate transparency and probity arrangements;
 - (d) where appropriate, ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth;
 - (e) where appropriate, ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted on Approved Project(s), and providing the necessary assurances to the Commonwealth;
 - (f) reporting on Approved Project(s) and the delivery of outputs as set out in Part 4 Project Milestones, Reporting and Payments; and
 - (g) ensuring that Funding Recipients adhere to protocols and the Recognition Policy, including those related to providing access for monitoring visits by States or, if applicable, Commonwealth Government officials and recognition ceremonies for projects supported by the IISC Program.

Shared roles

13. Each Party will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

The single competitive funding round to select Approved Project(s) is to be completed as early as possible, but not later than 31 December 2012. As part of funding round, and where possible, States are expected to allocate the Commonwealth's total funding contribution as set out in this Agreement at Part 5 - Financial Arrangements (Table 2).

PART 4 — PROJECT MLESTONES, REPORTING AND PAYMENTS

14. The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made, once a report certifying that milestones have been met is received and accepted.

Table 1: Mlestones, reporting and payment summary

Output	Milestone(s)	Date due	Relevant Report due	Payment
Commencement of a process to assist industry and/or Indigenous community organisations to implement capital infrastructure projects that will improve the numbers of people undertaking and completing nationally recognised VET	Provision of assurance, through a letter of commitment from the State Minister to the Commonwealth Minister, that a process to select Approved Project(s) and Funding Recipient(s) will be completed by December 31 2012 at the latest.	As early as possible but not later than 15/06/2012	n/a	100% of 2011-12 allocation (as set out in Table 2)
Selection of Approved Project(s)	Provision of a list to the Commonwealth of Approved Project(s) and Funding Recipient(s)	As early as possible but not later than 31/01/2013	Preliminary Performance Report	70% of 2012-13 allocation (as set out in Table 2)
Completion of Approved Project(s)	Acceptance by the Commonwealth of an end of round report detailing completion of Approved Project(s)	Expected on 15/06/2013 or as early as possible following completion of Approved Project(s)	End of Round Performance Report	30% of 2012-13 allocation (as set out in Table 2)

Reporting arrangements

- 15. States will provide information and reports in accordance with Table 1 (above) during the operation of the Agreement. The reports should contain the following information:
 - (a) a description of actual performance of States in the period to date against the project milestones, including:
 - i. for the Preliminary Performance Report:
 - 1. details of Funding Recipient(s) and Approved Project(s);
 - ii. for the End of Round Performance Report:
 - 1. Funding Recipient(s) and Approved Project(s), including any variations from the Preliminary Performance Report;
 - 2. a description and status of Approved Project(s);

- 3. where appropriate, provision of assurance(s) to the Commonwealth as defined in clause 12 (d) and (e);
- 4. copies of relevant occupancy certificate(s) (for construction related projects);
- (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how States propose to resolve this/these matter(s);
- (c) any other material the States consider relevant.
- (d) States are encouraged to include additional information in the End of Round Performance Report that will assist the COAG Reform Council to report on the outcomes of the National Agreement for Skills and Workforce Development (NASWD)³ and for the Standing Council on Tertiary Education, Skills and Employment (SCOTESE)⁴ to use in its considerations for the allocation of future quarantined National Training System funds. The additional information should convey the benefits of Approved Project(s), such as:
 - i. increased numbers of people undertaking nationally recognised VET, particularly in areas of high labour market demand;
 - ii. increased numbers of people undertaking nationally recognised VET training courses at the Australian Qualifications Framework (AQF) Certificate III level or above;
 - iii. increased numbers of Indigenous people undertaking VET training courses at AQF Certificate III level or above and/or job pathways training;
 - iv. increased numbers of qualifications/courses offered, particularly in new and emerging industries supporting the delivery of VET;
 - v. creation of additional training places for apprentices, new entrants (including mature age) and the up-skilling of existing workers;
 - vi. improved capacity of Indigenous communities in achieving and maintaining sustainability;
 - vii. increased employment outcomes for students undertaking training; and
 - viii. increased completions of VET.

³ The NASWD identifies the long term objectives of the Commonwealth and State and Territory Governments in the areas of skills and workforce development. It affirms the commitment of all Governments to work in partnership, and with businesses and industry, to develop the skills of the Australian people. It also recognises that the centrepiece to achieving this is a shared commitment of all Governments to a national training system which is responsive to local needs, and delivers high quality and nationally consistent training outcomes.

⁴ SCOTESE has high level policy responsibility for the national tertiary education, skills and employment system. Under its terms of reference SCOTESE has responsibilities under the Skills Agreement, which provides for an annual allocation of quarantined funds for management of the National Training System (NTS). IISC Program funding is derived annually from the quarantined NTS funds.

PART 5 — FINANCIAL ARRANGEMENTS

- 16. The Commonwealth will provide a total financial contribution to the States of \$11,995,000 in respect of this Agreement. All payments are GST exclusive.
- 17. The Commonwealth's funding contribution will not be reduced where States secure funding from other activity partners through innovative and collaborative partnerships.
- 18. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to States paid in accordance with *Schedule D*—*Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

Table 2: Estimated financial contributions

State	2011-12	2012-13	Total
	\$	\$	\$
New South Wales	1,939,595	918,605	2,858,200
Victoria	692,205	326,995	\$1,019,200
Queensland	1,862,551	879,849	\$2,742,400
Western Australia	1,085,580	512,820	\$1,598,400
South Australia	634,611	299,789	\$934,400
Tasmania	533,008	251,792	\$784,800
Australian Capital Territory	384,677	181,723	\$566,400
Northern Territory	1,012,773	478,427	\$1,491,200
Total	8,145,000	3,850,000	11,995,000

- 19. The Commonwealth recognises States will contribute to the operation of this Agreement through the administration of the IISC Program within their jurisdiction. This contribution, while not estimated in financial terms in this Agreement, is acknowledged by the Commonwealth.
- 20. Having regard to the agreed estimated costs of projects specified in a Project Agreement, States will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, the States bear all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects cost effectively and efficiently.

PART 6 — GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

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

Variation of the Agreement

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

23. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing

Dispute resolution

- 24. Any Party may give notice to other Parties of a dispute under this Agreement.
- 25. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
- 26. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the relevant Ministerial Council.
- 27. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

Interpretation

- 28. For the purposes of this Agreement:
 - (a) 'Approved Project' means a project that has been approved by a State/territory to be funded under the IISC Program 2011-12 and 2012-13;
 - (b) 'Funding Recipient' means the organisation approved by a State/territory to carry out an Approved project;
 - (c) 'Recognition Policy' means the Commonwealth's policy describing the recognition requirements for Australian Government funded VET infrastructure projects, as available from the Department of Industry, Innovation, Science, Research and Tertiary Education.

Signed for and on hehalf of the Commoravealth of Austroliur by Senator Chris Evans Minister for Tertlary Education, Skills, Science and 20 1 0 G 12012 Signed for and on behalf of the Signed for and on behalf of the State of New South Wales by State of Victoria by The Honourable Adrian Piccoli MP The Honourable Peter Hall MLC Minister for Education Minister for Higher Education and Skills _/2012 _/2012 Signed for and on behalf of the State of Western Australia by Signed for and on behalf of the State of Queensland by The Honourable John-Paul Langbrock MP The Honourable Peter Collier MP Minister for Education, Training and Employment Minister for Training and Workforce Development Signed for and on behalf of the Signed for and on behalf of the State of South Australia by State of Tasmania by The Honourable Tom Kenyon MP The Honourable Nick McKim MP Minister for Employment, Higher Education and Minister for Education and Skills Skillis _/2012 ____/___/2012 Signed for and on behalf of the Australian Capital Territory by Signed for and on behalf of the Northern Territory by Dr Chris Bourke MLA The Honourable Delia Lawrie MLA Minister for Education and Training Minister for Business and Employment 12 1 6 12012 __/___/2012

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

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Senator Chris Evans Minister for Tertiary Education, Skills, Science and Research	
/ 2012	
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The Honourable Adrian Piccoli MP Minister for Education	The Honourable Peter Hall MLC Minister for Higher Education and Skills
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