

# Municipal and Essential Services Implementation Plan

## NATIONAL PARTNERSHIP AGREEMENT ON STRONGER FUTURES IN THE NORTHERN TERRITORY

### PART 1: PRELIMINARIES

1. This Implementation Plan is a schedule to the National Partnership Agreement on Stronger Futures in the Northern Territory (NP) and should be read in conjunction with that Agreement. The objective in the NP is to support Aboriginal people in the Northern Territory (NT), particularly in remote communities, to live strong, independent lives, where communities, families and children are safe and healthy. One of the outcomes in the NP is "improved access to municipal and essential services" (clause 14(g)).
2. This Implementation Plan supports the delivery of municipal and essential services in homelands and town camps across the NT and sets out the parameters for the transfer of fiscal responsibility for municipal and essential services in town camps to the Northern Territory.
3. The Northern Territory currently holds underleases over the Alice Springs town camps. Both governments commit to negotiating longer term arrangements for the Northern Territory to enter into and hold underleases over the Alice Springs town camps, consistent with Clause 18(k) of the NP, prior to the expiry of the current leases on 2 December 2013. This Implementation Plan will be reviewed to reflect the jointly agreed outcomes of the leasing negotiations. In the event negotiations are not concluded and long term leasing arrangements are not agreed by 2 December 2013, the Northern Territory will extend the current leases on a month to month basis or as otherwise agreed between the governments, until such time that agreement is reached.
4. The definition of 'Homelands/outstations' is provided at clause 54(b) of the NP. 'Homelands' and 'outstations' are interchangeable terms used in different parts of the NT to describe places where small populations of Indigenous people live in remote areas, on lands to which they have traditional ownership or historical association. While recognising that 'outstations' is the preferred term in some regions, the term 'homelands' is used in this Implementation Plan. In practice, the terms 'outstations' and 'homelands' will be used interchangeably as appropriate to each location.
5. Homelands and outstations should be distinguished from urban living areas (or 'town camps'), which have different opportunities and challenges. These should also be distinguished from major and minor remote communities, which are characterised by public housing and essential services assets owned and controlled (including under long-term leases) by government and the direct presence of formal local government services.
6. The Commonwealth and the Northern Territory respect the rights of Aboriginal people

living in the NT to live on their traditional lands and acknowledge the profound connection between many Aboriginal people and their homelands.

7. The definition of municipal and essential services is provided at clause 54(c) in the NP.
8. A key commitment of this Implementation Plan is to increase local Aboriginal employment, professionalisation and career development in the delivery of government funded services with appropriate targets and goals set for relevant measures.
9. This Implementation Plan commits both governments to working with Aboriginal stakeholders and community groups to ensure services more effectively meet community needs, and that agreed mechanisms are in place to provide for their ongoing feedback.
10. Both governments are committed to ensuring that;
  - (a) homeland communities will be engaged and consulted, on a regular basis, with regard to funding allocations, services to be provided, how these services will be provided and who will provide them, as well as information on service quality as it relates to respective communities;
  - (b) information on intended service delivery will be made publicly available at the start of each year as set out in Table 8;
  - (c) information on funding expended, service delivery and performance achievement will be made publicly available as set out in Table 9; and
  - (d) all publicly released information and reports will be easily accessible and readily available.
11. This Implementation plan will be overseen by a joint steering committee with representatives from the Commonwealth and the Northern Territory. The committee will report to the Stronger Futures Executive Management Committee unless otherwise agreed by both parties. The joint steering committee will ensure:
  - (e) joint agreement to, and monitoring of, milestone, performance and reporting requirements as set out in Part 5 of this Implementation Plan;
  - (f) joint agreement to, and monitoring of, any process utilised to select non-government service providers engaged to undertake municipal and essential services works; and
  - (g) that the key principles of accountability, public transparency, engagement with Indigenous communities and relevant stakeholders and maximising Indigenous employment are achieved.

## **PART 2: TERMS OF THIS IMPLEMENTATION PLAN**

12. This Implementation Plan will commence as soon as it is agreed between the Commonwealth, represented by the Minister for Indigenous Affairs and the Northern Territory, represented by the Minister for Regional Development.

13. As a schedule to the NP, the purpose of this Implementation Plan is to provide the public with an indication of how support for homelands and town camps in the NT to access municipal and essential services is intended to be delivered and demonstrate the Northern Territory's capacity to achieve the outcomes of the NP.
14. This Implementation Plan will cease on completion or termination of the NP, including the acceptance of final performance reporting and processing of final payments against performance benchmarks or milestones.
15. This Implementation Plan may be varied by written agreement between the Commonwealth and Northern Territory Ministers responsible for it under the overarching NP.
16. The Parties to this Implementation Plan do not intend any of the provisions to be legally enforceable. However, that does not lessen the Parties' commitment to the plan and its full implementation.

## PART 3: STRATEGY FOR IMPLEMENTATION

### Project information

17. The project elements are shown in Table 1:

**Table 1. Project elements to be delivered by the Northern Territory with Commonwealth contribution**

No.	Title	Short description	Planned start date	Planned end date	Dependent on projects
1.	Management of the provision of municipal and essential services in homelands	Transparent, efficient and effective municipal and essential services in homelands in the NT.	1 July 2012	30 June 2022	2
2.	Management of the provision of municipal and essential services in town camps	Transparent, efficient and effective municipal and essential services in all town camps in the NT.  In line with clause 18(k) of the NP and clause 20(b) of this Implementation Plan, the Northern Territory takes on fiscal responsibility for all town camps from 1 July 2013 onwards.	1 July 2012	30 June 2022	1



18. The Northern Territory will ensure efficient and effective municipal and essential services as outlined in funding agreements between the Northern Territory and service providers (or other plans as designated) which will set funding amounts and agreed service standards for each homeland.
19. The Northern Territory will ensure accountability and transparency of services delivered. Information on funding profiles and levels of services provided, including information on the performance of service providers will be made publicly available as set out in Tables 8 and 9.
20. The Northern Territory will take fiscal responsibility for the delivery of municipal and essential services in town camps, as follows:
  - (a) Alice Springs and Darwin town camps from 1 July 2012; and
  - (b) In all remaining town camps from 1 July 2013.

### Estimated costs

21. The maximum financial contribution to be provided by the Commonwealth for the project to the Northern Territory is \$206.4 million from 2012-13 to 2021-22 payable in accordance with the milestones set out in Part 5 of this Implementation Plan. All payments are exclusive of GST.
22. The estimated overall budget (exclusive of GST) is set out in Table 2. From 1 July 2013 the Commonwealth's contributions can only be applied to Element 1. Any changes to the Commonwealth's component allocations and/or years for this contribution must be agreed by the Commonwealth.

**Table 2: Estimated financial contributions: estimated cash flow**

(\$ million)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
<b>Element 1 – Homelands</b>	19,960	15,360	20,818	21,276	21,744	22,223	22,711	23,210	23,722	24,244	6,094	221,362
<b>Element 2 – Town camps</b>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	-	25,400
<b>Total estimated budget<sup>#</sup></b>	22,500	17,900	23,358	23,816	24,284	24,763	25,251	25,75	26,262	26,784	6,094	246,762
<b>less estimated Commonwealth contribution</b>	5,000	15,360	20,818	21,276	21,744	22,223	22,711	23,210	23,722	24,244	6,094	206,402
<b>equals estimated balance of NTG contributions</b>	17,500 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	2,540 <sup>#</sup>	-	40,360
<b>Total Commonwealth contribution</b>	5,000	15,360	20,818	21,276	21,744	22,223	22,711	23,210	23,722	24,244	6,094	206,402

<sup>#</sup> The Northern Territory has fiscal responsibility for Element 2 from 1 July 2013 onwards. The 2012-13 funding of \$2.54million is the minimum annual funding level (to be indexed annually) that Northern Territory will commit each year to town camps from 2013-14 onwards, which will be specifically reported on through Northern Territory Government budget papers and annual reports.

23. The Commonwealth contribution identified at clause 21 and Table 2 are in addition to, and do not replace, other Northern Territory government funding for homelands and outstations.
24. Table 3 below will be used for the purposes of determining the payment to be made to the Northern Territory upon meeting the milestones and benchmarks. From 2013-14, evidence of the achievement of benchmarks for the 1 January to 30 June reporting periods will be provided in the 1 September reports, due in the subsequent financial year. Accordingly, 25 per cent of funding for each year in Table 3 below will be paid in the following financial year, translating to the expected cash flows outlined in Table 2 above.

**Table 3: Funding Allocation Table for Municipal and Essential Services**

(\$ million)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Funding	5.00	20.480	20.931	21.391	21.862	22.343	22.834	23.336	23.850	24.375	--	<b>206.402</b>

## Program logic

**Table 4: Program logic**

Project elements	Outputs	Outcomes	Reform/Project Objectives
1. Management of the provision of municipal and essential services in Homelands	Provision of municipal and essential services in homelands. Engagement with communities on allocation and service delivery issues. Increased Aboriginal employment. Contribute to the sustainability of Aboriginal enterprises.	Improved access to municipal and essential services. Improved economic participation, including employment and enterprise development.	Homelands residents receive municipal and essential services that are appropriate to community need. Engagement with homelands communities supports high levels of accountability and transparency for funding and quality of service delivery. The views of Corporations and Associations providing services to homelands, and of community members, inform decisions affecting service delivery. Increased transparency through the provision of publicly available information on funding and levels of service as set out in Tables 8 and 9. Aboriginal employment target: outlined at clause 39 and Table 7.

Project elements	Outputs	Outcomes	Reform/Project Objectives
2. Management of the provision of municipal and essential services in town camps	<p>Provision of municipal and essential services in town camps.</p> <p>Engagement with communities on allocation and service delivery issues.</p> <p>Increased Aboriginal employment.</p> <p>Contribute to the sustainability of Aboriginal enterprises.</p>	<p>Improved access to municipal and essential services.</p> <p>Improved economic participation, including employment and enterprise development.</p>	<p>The Northern Territory assumes fiscal responsibility for the delivery of municipal and essential services to town camps and progressively integrates these camps into normalised service arrangements as per surrounding suburbs over the life of the agreement.</p> <p>Town camp residents receive ongoing municipal and essential services that are appropriate to community need.</p> <p>Engagement with town camp communities supports high levels of accountability and transparency for funding and quality of service delivery.</p> <p>The views of Corporations and Associations providing services to town camps, and of community members, inform decisions affecting service delivery.</p>

## Risk management

25. A risk management plan will be developed by the Northern Territory. Risks will be identified, entered into a risk log and assessed in terms of impact and likelihood.

## Northern Territory Context

26. In developing this Implementation Plan consideration has been given to the relevant context in the NT. Key factors that have influenced the proposed direction include:
- (a) ABS 2011 census data on population and housing and population characteristics of Aboriginal and Torres Strait Islander Australians that shows:
    - i. the NT has the highest proportion of Aboriginal people of all Australian States and Territories, comprising over 30 per cent of its population compared to 2.5 per cent nationally;
    - ii. forty five per cent of the NT's Aboriginal population is aged 19 years or under compared to 26 per cent of the non-Indigenous population; and
    - iii. while more than half of the NT's total population resides in the Darwin



Region, the majority of the NT's total Indigenous population lives outside major regional centres.

- (b) More than 9,000 Aboriginal people have connections to more than 500 homelands located across the NT.
  - (c) The Commonwealth has funded most of the existing infrastructure in homelands and, for the past four years (to 30 June 2012), has provided \$80 million to support the Northern Territory Government to deliver municipal and essential services to homelands and town camps.
  - (d) The Northern Territory has committed to providing an additional \$14 million over four years, commencing in 2012-13, through the Homelands Extra Allowance for the repair and maintenance of housing on homelands.
  - (e) Historically, support for access to municipal and essential services in urban living areas or 'town camps' has been funded from the same pool of funding as homelands. Both governments have agreed that the Northern Territory will take over fiscal responsibility for municipal and essential services in Darwin and Alice Springs town camps from 1 July 2012, and all remaining town camps from 1 July 2013.
  - (f) Aboriginal employment is also a key objective of this agreement. The Commonwealth has supported Aboriginal employment in the provision of municipal and essential services through the conversion of former Community Development Employment Projects (CDEP) program funded activities to real jobs (NT Jobs Package), which supports over 130 full time equivalent positions each year. In addition, there were a number of positions funded through the funding outlined in clause 26 (c).
  - (g) This package will ensure that there is certainty of funding for municipal and essential services over the next 10 years, which will allow a greater long term focus on maximising Aboriginal employment through the elements outlined in this Implementation Plan.
27. This measure has links with the Alice Springs Transformation Plan, under which regularised delivery of municipal and essential services in town camps is a key priority.

## **PART 4: ROLES AND RESPONSIBILITIES**

28. The roles and responsibilities are set out in the NP.

## **PART 5: PERFORMANCE AND REPORTING ARRANGEMENTS**

### **Milestones**

29. To qualify for the milestone payments, in addition to meeting the requirements as set out in Tables 5 below, from 2013-14 the Northern Territory must also have publicly released the information referred to Table 8.

30. If the milestones set out in Table 5 are not met by the dates indicated, the associated milestone payments will be withheld until such time as the requirements are satisfied.

**Table 5: Milestones**

Annual Milestone	Due Date	% of annual funding (per Table 3)
<b>Element 1 - 2012-13</b>		
1. Agreement to this Implementation Plan.	31 May 2013	50% of 2012-13 funding
2. Provision of information outlining: <ul style="list-style-type: none"> <li>• Homelands receiving municipal and essential services work in 2012-13;</li> <li>• Service providers engaged to deliver municipals and essential services work in 2012-13 (including respective regions covered); and</li> <li>• Indicative 2012-13 funding levels allocated at a community/regional level.</li> </ul>	31 May 2013	50% of 2012-13 funding
<b>Element 1 – 2013-14 to 2021-22</b>		
3. Joint agreement to the following: <ul style="list-style-type: none"> <li>• The program guidelines and a program delivery plan, including criteria to assess and identify eligible homelands and the proposed levels and standards of municipal and essential services that providers will be required to meet;</li> <li>• The list of eligible homelands and funding levels; and</li> <li>• A homelands engagement strategy for the upcoming year.</li> </ul>	By 1 July each year from 2013-14 for the life of this agreement. Payment made in July each year.	50% of funding for each year from 2013-14 for the life of the agreement.

## Performance Benchmarks

31. To qualify for the performance benchmark payments, in addition to meeting the requirements as set out in Table 6 below, the Northern Territory must:
- (a) have released the information referred to in Table 9;
  - (b) provide evidence that at least 94 per cent of Commonwealth funds provided under this agreement is applied to direct service provision in homelands and relevant town camps until the Northern Territory Government takes fiscal responsibility for these in accordance with clause 20 of this Implementation Plan.
  - (c) ensure that any funds provided under this agreement not applied to direct service provision per clause 31(b), is only utilised to support Northern Territory Government costs in managing the municipal and essential services program (up to six percent of funds) and that evidence is provided if funds are utilised in this manner.



32. The Northern Territory will report twice yearly on the achievement of the benchmarks outlined in Table 6, with reporting as follows:
- (d) 1 March each year from 2014 for the preceding period 1 July to 31 December; and
  - (e) 1 September each year from 2014 for the preceding period 1 January to 30 June.
33. A payment of 25 per cent of the annual funding will be provided to the Northern Territory upon demonstration that benchmarks are met at each report due date. The 25 per cent applies to the funding in the year of the reporting period, per Table 3.
34. If the Northern Territory does not achieve one or more of the performance benchmarks in full, as outlined in Table 6, due to circumstances beyond its control or circumstances not anticipated at the time of signing the Implementation Plan, the Commonwealth may, at its discretion, provide a partial payment to the Northern Territory. Where applicable, partial payments will be calculated in accordance with clause 36.
35. The Commonwealth will only consider making a partial payment if:
- (a) the Northern Territory is able to demonstrate that it implemented adequate and appropriate arrangements that would have achieved the relevant performance benchmark, but for the circumstances noted in clause 34;
  - (b) at least 85 per cent of each performance benchmark has been met; and
  - (c) the Northern Territory has submitted a satisfactory benchmark report.
36. The following partial payment arrangements will apply:

Proportion of the Benchmark Achieved	Partial Payment
An average of 85-94% achieved across all benchmarks (with no individual benchmark lower than 85% achievement).	85-94% pro rata.
An average of 95% or above achieved across all benchmarks (with no individual benchmark lower than 85% achievement).	100% payment.

**Table 6: Performance indicators and benchmarks**

For 2013-14	
Performance Indicators for the provision of municipal and essential services in homelands	Performance Benchmarks
PI1: Percentage of eligible homelands receiving municipal and essential services.	100%
PI2: Percentage of eligible homelands that receive regular, clear and transparent information on funding and service performance.	At least 90%
For 2014-15 through-2021-22	
Performance Indicators for the provision of municipal and essential services in homelands	Performance Benchmarks
PI1: Percentage of eligible homelands receiving municipal and essential services.	100%
PI2: Percentage of eligible homeland communities engaged in the development of service delivery plans.	At least 90%
PI3: Percentage of eligible homelands receiving services that meet objectives and standards set in funding agreements or other arrangements (such as in emergency circumstances).	At least 90%
PI4: Percentage of eligible homelands that receive regular, clear and transparent information on funding and service performance.	100%

## Reporting

37. Northern Territory will report on performance indicators and performance benchmarks to the Governance Committee, unless otherwise agreed between the Commonwealth and the Northern Territory.
38. For the 2013-14 only, in addition to reporting on the performance indicators and benchmarks set out in Table 6 above, the Northern Territory will also include, in each six month report, information on:
  - (a) The number of eligible homeland communities engaged in the development of service delivery plans; and
  - (b) The percentage of eligible homelands receiving services that meet objectives and standards set out respective funding agreements.
39. In addition to reporting on the performance indicators and benchmarks set out in Table 6 above, the Northern Territory will also include in each six month report information in relation to achievement against the following targets for indigenous employment:

**Table 7: Indigenous Employment targets**

Year	Indigenous Employment Target
2013	Establish Baseline data (estimated to be 65%)
2014	Baseline plus three percentage points
2015	Prior year plus three percentage points
2016	Prior year plus three percentage points
2017	Prior year plus two percentage points
2018	Prior year plus two percentage points
2019	Prior year plus two percentage points
2020	Prior year plus one percentage point
2021	Prior year plus one percentage point
2022	Prior year plus one percentage point

40. If the baseline estimate for Indigenous employment is lower or higher than as set out in Table 7 above, the forward year targets will be renegotiated.
41. The Northern Territory will publicly release information set out in Tables 8 and 9 below as required in Section 5.

**Table 8: Intended service delivery to homelands**

Required information	Frequency
1. The criteria to assess and identify eligible homelands and the resultant list of eligible homelands.	Annually from July 2013
2. Intended service provision including, but not limited to, criteria to assess and identify eligible homelands and levels and standards of municipal and essential services works that providers will be required to meet.	
3. Number of Service Delivery Plans developed	
4. Indicative funding levels allocated to support intended MES works at the lowest level practical, for example at service provider, region or community level.	
5. Nominated service providers for the upcoming year.	
6. The homeland engagement strategy for the upcoming year.	



**Table 9: Homelands Service Delivery and Achievement**

Required information	Period	Frequency
<p>1. Service delivery outcomes and performance achievement information including, but not limited to:</p> <p>(a) actual funding provided at the lowest level practical, for example at service provider, region or community level;</p> <p>(b) completion rate of planned works, including capital works, at the lowest level practical, for example at service provider, region or community level;</p> <p>(c) delayed/on time completion rates; and</p> <p>(d) responsiveness to urgent works.</p>	<p>For the preceding period 1 July to 31 December</p>	<p>March in each year from 2014</p>
<p>2. Service delivery outcomes and performance achievement information including, but not limited to:</p> <p>(a) actual funding provided at the lowest level practical, for example at service provider, region or community level;</p> <p>(b) completion rate of planned works, including capital works, at the lowest level practical, for example at service provider, region or community level;</p> <p>(c) delayed/on time completion rates; and</p> <p>(d) responsiveness to urgent works.</p>	<p>For the preceding 1 January to 30 June</p>	<p>September in each year from 2014</p>
<p>3. A summary report outlining performance levels and achievement of performance indicators and benchmarks as set out in Tables 6 and 7.</p>	<p>For the previous financial year</p>	<p>September in each year from 2014</p>

42. The Northern Territory Government will specifically report on service provision, funding allocation and funding expenditure for town camps within Northern Territory Government budget papers and Annual reports.

43. Circumstances may give rise to additional reporting being sought from Northern Territory. Such requests should be kept to the minimum necessary for the effective assessment of the project or reform. Requests should not place an undue reporting burden on the Northern Territory and portfolio agencies.

## Review and Evaluation

44. The Implementation Plan will be reviewed in conjunction with the reviews and evaluations set out in Part 6 of the NP.

## Sign off

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

Signature  Date 29.5.2013  
[By state/territory Minister]

---

Signature  Date 3.6.13  
[By Commonwealth Minister]