

Implementation Plan: Development of an asset and financial planning management framework for TAMS – Australian Capital Territory

NATIONAL PARTNERSHIP AGREEMENT TO SUPPORT
LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

PRELIMINARIES

1. This Implementation Plan is created subject to the provisions of the **National Partnership Agreement to Support Local Government and Regional Development** and should be read in conjunction with that Agreement. The objective in the National Partnership is to improve the capacity, resilience and infrastructure in communities and build capacity and resilience of local governments.
2. Consistent with Schedule B (Local Government Reform Fund) of the National Partnership Agreement, the Commonwealth has agreed to provide financial assistance of \$437,000 to improve the financial sustainability and financial and asset management of the local government functions of the Australian Capital Territory (ACT) through implementation of the Local Government and Planning Ministers' Council agreed asset and financial management frameworks.
3. Where there are inconsistencies between this Implementation Plan and the Guidelines for Regional Development and Local Government Programs, the provisions of the National Partnership Agreement will apply.

TERMS OF THIS IMPLEMENTATION PLAN

4. This Implementation Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Minister responsible for Regional Australia, Regional Development and Local Government, and the Australian Capital Territory (the Territory), represented by the Minister responsible for Territory and Municipal Services.
5. This Implementation Plan will cease on completion of the project (scheduled for 11 April 2012), including the acceptance of final performance reporting and processing of final payments against project milestones specified in this Implementation Plan.
6. This Implementation Plan may be varied by written agreement between the Ministers.
7. Either Party may terminate this agreement by providing 30 days notice in writing. Where this Implementation Plan is terminated, the Commonwealth's liability to make payments to the

Territory is limited to payments associated with project milestones achieved by the Territory at the date of effect of termination of this Implementation Plan.

8. 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 this Implementation Plan.

OBJECTIVES

9. The objectives of this Implementation Plan are consistent with the objectives of the National Partnership Agreement to Support Local Government and Regional Development and will:
 - (a) maximise the ACT's financial sustainability to support continued provision of local government services to its community over the long term;
 - (b) increase the ability of the ACT Department of Territory and Municipal Services (TAMS) to effectively manage its current and future performance using a 'whole of department' asset and financial management framework which coordinates and integrates the asset and financial management operations of the various organisations responsible for public assets in the ACT; and
 - (c) improve the capacity of the ACT government to engage in long term planning, taking into account demographic change and climate change adaptation.

OUTPUTS

10. The output of this Implementation Plan will be a program of activities which equips the ACT with an enhanced asset and financial management framework. In consultation with stakeholders and project partners, the program of activities include:
 - a) Development of an asset management policy;
 - b) Development of asset strategies to plan, acquire, manage, maintain and dispose of assets;
 - c) Establishment of revised governance and management structures to support the new asset management framework;
 - d) Development of a scope of works to prepare asset management plans for each project partner; and
 - e) Asset management seminars and workshops with key stakeholders to establish a core understanding of asset management principles.

ROLES AND RESPONSIBILITIES

Role of the Commonwealth

11. The Commonwealth is responsible for reviewing the ACT's performance against the project milestones specified in this Implementation Plan and providing any consequential financial contribution to the ACT for that performance.

Role of the Territory

12. The ACT is responsible for all aspects of project implementation, including:
 - (a) fully funding the project, after accounting for financial contributions from the Commonwealth and any third party;
 - (b) managing the project;

- (c) completing the project in a timely and professional manner in accordance with this Implementation Plan; and
- (d) meeting all conditions and project milestones including providing reports in accordance with this Implementation Plan.

Role of Local Government Authorities

13. As the ACT is a Territory and its government provides both local and state government services, there is no Local Government Participating Authority in the ACT.

PERFORMANCE BENCHMARKS AND FINANCIAL ARRANGEMENTS

14. The maximum financial contribution to be provided by the Commonwealth for the project is \$437,000 payable in accordance with project milestones set out in Table 1. GST is not payable on amounts paid by the Commonwealth under this Implementation Plan.

Table 1: Project milestones and associated payments

Project milestones	Due date	Amount
<i>Project initiation</i>	<i>Expected by</i>	
(i) Agreement to the Implementation Plan	18 Mar 2011	
<i>Project implementation</i>	<i>Expected by</i>	
(ii) Project Manager and Steering Committee established	24 Mar 2011	\$142,000
<i>Stage 1 – Develop Asset Management Policy and Asset Strategies</i>	<i>Expected by</i>	
(iii) Develop draft asset management policy and asset strategies	28 Jun 2011	
<ul style="list-style-type: none"> • Review existing asset management frameworks and strategies and compare against national framework • Liaise and seek stakeholder comment on draft AM Policy and strategies 		
(iv) Prepare final versions of asset management policy and asset strategies	23 Aug 2011	
(v) Strategic Asset Management Committee endorsement of policy and strategies	20 Sep 2011	
<i>Progress Report</i>	<i>Expected by</i>	
(vi) Submission of progress report by the Territory	27 Sep 2011	
(vii) Acceptance of progress report by the Commonwealth	25 Oct 2011	\$103,800
<i>Stage 2 – Establish New Governance Structure to Support New Asset Management Framework and Deliver Scope of Works to Prepare Asset Management Plans and Initial Training</i>	<i>Expected by</i>	
(viii) Review and assess existing asset plans against new framework	04 Oct 2011	
(ix) Develop draft governance, management and classification arrangements	08 Nov 2011	
<ul style="list-style-type: none"> • Review and revise existing arrangements • Liaise and seek comment on draft arrangements 		
(x) Establish broad capacity of known existing assets to support current and future service delivery	15 Nov 2011	
<i>Progress Report</i>	<i>Expected by</i>	
(xi) Submission of progress report by the Territory	18 Nov 2011	
(xii) Acceptance of progress report by the Commonwealth	18 Dec 2011	\$103,800
<i>Stage 2 Continued</i>	<i>Expected by</i>	
(xiii) Prepare final version of governance and management arrangements	17 Jan 2012	
(xiv) Conduct gap analysis and develop a roadmap for each project partner and asset management plan for each asset portfolio.	07 Feb 2012	
(xv) TAMS senior executive endorsement of new governance and management arrangements	14 Feb 2012	
(xvi) Deliver asset management framework seminars to agency and business unit forums within ACT Government	11 Apr 2012	
<i>Project completions</i>	<i>Expected by</i>	
(xvii) Project completed	11 Apr 2012	
(xviii) Independent project evaluation completed*	9 May 2012	
(xix) Submission of final project report by the Territory	11 May 2012	
(xx) Acceptance of final project report by the Commonwealth	8 June 2012	\$87,400

* The independent project evaluation report will be a stand-alone document that can be used for public information dissemination purposes regarding the project. The report will describe the conduct, benefits and outcomes of the project as a whole and evaluate the project. The evaluation will assess the extent to which the objective in this Implementation Plan has been achieved and explain why any aspects were not achieved. The report will also include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective evaluation of the project, which the Commonwealth notifies the Territory should be included in the independent project evaluation report at least 30 days before it is due.

15. Any Commonwealth financial contribution payable will be processed by the Commonwealth Treasury and paid to the Australian Capital Territory Treasury in accordance with the payment arrangements set out in Schedule D of the *Intergovernmental Agreement on Federal Financial Relations*.

ESTIMATED BUDGET

16. The overall estimated project budget (exclusive of GST) is set out in Table 2.

Table 2: Overall estimated project budget - 2010-11 to 2011-12

Budget Lines	C'wealth	ACT	Total
(i) Project Initiation Costs <ul style="list-style-type: none"> Recruitment of project co-ordinator Training workshop for key stakeholders and senior executives 	\$7,000	\$5,000*	\$12,000
(ii) Project Management (Principally conducted by recruited project co-ordinator, supported by TAMS Project Leader and consultant.) <ul style="list-style-type: none"> Detailed schedule development Project plan and schedule updates Project status reporting 	\$35,000	\$20,000*	\$55,000
(iii) Documentation Development <ul style="list-style-type: none"> Development of draft and final versions of AM policy and strategies Development of draft and final governance, management and classification arrangements Prepare scope of works for AM plans and roadmap for asset portfolios Stakeholder liaison and management 	\$150,000	\$165,000*	\$315,000
(iv) Consultancies – Guide framework development in compliance with national framework	\$125,000		\$125,000
(v) Independent Project Evaluation	\$20,000		\$20,000
(vi) Training	\$80,000	\$95,000*	\$175,000
(vii) Administration – Committee & forum management, co-ordination	\$20,000	\$20,000*	\$40,000
TOTAL	\$437,000	\$305,000*	\$742,000

* In-kind contribution

REPORTING ARRANGEMENTS

17. The Territory will provide a progress report to the Commonwealth to demonstrate its achievement of project milestones set out in Table 1.
18. The progress report will contain the following information:
- a description of actual performance of the project to date against the project milestones, including details of the completion of activities;
 - details of mitigating circumstances and remedial action undertaken in the event a project milestone is not met by the time specified;

- (c) a description of the work that will be undertaken to complete the remaining project milestones and any expected promotional opportunities during the next reporting period; and
 - (d) any other information requested by the Department of Regional Australia, Regional Development and Local Government (the Department), limited to the minimum necessary for the effective evaluation of the project, which the Commonwealth notifies the Territory should be included in the progress report at least 30 days before it is due.
19. The progress report must be accompanied by written confirmation from the Territory that milestones have been met in accordance with the agreed Implementation Plan.
20. The final project report is due by 11 May 2012 or – if this Implementation Plan is terminated in accord with paragraph 7 - within 60 business days of termination.
21. The final report will include evidence that the project was completed in the specified manner and the program aims were reached, including that the milestones were met and the project was completed in a timely manner.

ACKNOWLEDGEMENT AND PUBLICITY

22. The Australian Government or its nominee will be given the option to attend and/or participate in organised activities, such as media events, or alternatively may request Territory cooperation in creating one.
23. The Australian Government's financial support shall be acknowledged in all publications, promotional material, and activities relating to this project. The responsible Commonwealth Department will be notified prior to any published acknowledgement.

NOTICES

24. A notice relating to this project, rather than the Agreement generally, is to be in writing and dealt with as follows:

- a) if given by the Territory to the Commonwealth:

Assistant Secretary
Program Delivery Division
Local Government Programs Branch
Department of Regional Australia, Regional Development and Local Government
GPO Box 803
CANBERRA ACT 2601

- b) if given by the Commonwealth to the Territory:

Director
Asset Information Branch
Corporate Support Division
Department of Territory and Municipal Services
GPO Box 158
CANBERRA ACT 2601