

# PROJECT AGREEMENT FOR IMPROVING ASSET MANAGEMENT IN INDIGENOUS LOCAL GOVERNMENTS - QUEENSLAND

Council of  
Australian  
Governments

An agreement between

- the **Commonwealth of Australia** and
- the **State of Queensland**

The outputs of this project are to complete: a community based asset management strategy and engagement plan; a community based education program; and a publication of state-wide strategy to contribute to long term asset management through good practice in the use and preservation of local government assets.

# Project Agreement for Improving Asset Management in Indigenous Local Governments - - Queensland

## 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.
2. The Local Government Reform Fund (LGRF) is a two-phase implementation strategy. The Queensland project *Improving Asset Management in Indigenous Local Governments - Pilot: Community Responsibility in Managing Assets* is part of phase 2 of the LGRF.
3. This project will help to support the capabilities of Indigenous councils across Queensland, and potentially nationally, to manage their assets sustainably over the long term by equipping them with community engagement resources and strategies for improving the life, and therefore reducing the overall cost of community assets and infrastructure. The project will assist two Indigenous councils, Northern Peninsula Area Regional Council and Yarrabah Aboriginal Shire Council, to develop and pilot an asset management strategy for Indigenous communities.
4. This Agreement constitutes the entire agreement for this project.

### PART 1 – FORMALITIES

#### Parties to this Agreement

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of Queensland (the State).

#### Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and the State signs the Agreement, and will expire on 30 June 2013 or on completion of the project, including the 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

7. The outputs of this Agreement will be:
  - (a) a community based asset management strategy and engagement plan;
  - (b) a community based education program; and
  - (c) publication of state-wide strategy.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

8. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the *Improving Asset Management in Indigenous Local Governments - Pilot: Community Responsibility in Managing Asset Queensland* project under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a consequent financial contribution to the State to support the implementation of this Agreement.

### Role of the State

9. The State will be responsible for:
  - (a) providing an in-kind contribution to support the implementation of this Agreement;
  - (b) all aspects of delivering on the project outputs set out in this Agreement; and
  - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

### Shared roles

10. Both Parties 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.

## PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

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: Milestones, reporting and payment summary**

| Outputs   | Milestones   | Date due    | Relevant Report due | Payment   |
|---|--|-------------|---------------------|-----------|
| A community based asset management strategy and engagement plan.              | A project schedule has been established and acceptance of a progress report by the Commonwealth.   | 4 Jun 2012  | 8 Jun 2012          | \$80,000  |
|   | Completion of a community based asset management strategy including a community engagement plan for Indigenous councils across Queensland and acceptance of a progress report by the Commonwealth.   | 28 Sep 2012 | 19 Oct 2012         | \$208,000 |
| A community based education program and a publication of state-wide strategy. | Completion of a community education program on managing and caring for local assets for primary and secondary schools, community residents, organisations and small business, including a publication of state-wide strategy for use in other Indigenous communities and acceptance of a final project report by the Commonwealth. | 1 Apr 2013  | 1 May 2013          | \$32,000  |

### Reporting arrangements

11. The State will provide performance reports in accordance with the above table during the operation of the Agreement. Each performance report is to contain the following information:
  - (a) a description of actual performance of the State in the period to date against the project milestones;
  - (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how the State proposes to resolve this/these matter(s); and
  - (c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.

12. The State will also prepare a final Project Report within 90 days on the completion of the project(s) agreed under the Project Agreement. The Project Report will be a stand-alone document that can be used for public information dissemination purposes. The final Project Report will:
  - (a) describe the conduct, benefits and outcomes of the Project(s);
  - (b) evaluate the Project(s) from the responsible Party's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and
  - (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance, and agreed between the Commonwealth and the State, at least 60 days before it is due.

## PART 5 – FINANCIAL ARRANGEMENTS

13. The Commonwealth will provide a total financial contribution to the State of \$320,000 in respect of this Agreement. All payments are GST exclusive.
14. The Commonwealth's funding contribution will not be reduced where the State secures funding from other activity partners through innovative and collaborative partnerships.
15. The Commonwealth's and the State's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the State 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**

| (\$ million)                                 | 2011-12 | 2012-13 | Total |
|--|---------|---------|-------|
| <b>Estimated total budget</b>                | 0.08    | 0.32    | 0.40  |
| Less estimated National Partnership Payments | 0.08    | 0.24    | 0.32  |
| Balance of non-Commonwealth contributions    | 0.00    | 0.08    | 0.08  |

16. Having regard to the agreed estimated costs of projects specified in a Project Agreement, the State 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 State bears 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 State to deliver projects cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Dispute resolution

#### Enforceability of the Agreement

17. 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

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

#### Delegations

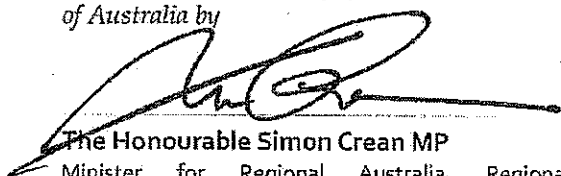
20. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

#### Dispute resolution

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

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

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

A handwritten signature in black ink, appearing to read 'Simon Crean', written over a horizontal line.

**The Honourable Simon Crean MP**  
Minister for Regional Australia, Regional  
Development and Local Government

*15 June*  
[Day] [Month] 2012

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

A handwritten signature in black ink, appearing to read 'David Crisafulli', written over a horizontal line.

**The Honourable David Crisafulli MP**  
Minister for Local Government

*20 JUNE*  
[Day] [Month] 2012