

# Implementation Plan for Local Government Asset and Financial Management Project - New South Wales

## 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 Agreement 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 \$3,250,000 to improve the financial sustainability of all New South Wales councils 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 Development and Local Government, and the State of New South Wales, represented by the Minister responsible for Local Government.
5. This Implementation Plan will cease on completion of the project, 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 State is limited to payments associated with project milestones achieved 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 objective of the National Partnership Agreement to Support Local Government and Regional Development and will:
  - (a) maximise NSW councils' financial sustainability to support continued provision of services to their communities over the long term;
  - (b) increase NSW councils' ability to effectively manage their current and future performance using a consistent 'whole of council' corporate perspective which brings together their financial and asset management operations for reporting and management purposes; and
  - (c) build NSW councils' capability through facilitating regional collaboration.

## OUTPUT

10. The output of this Implementation Plan will be a program of activities which equips officers and councillors of NSW councils with an enhanced understanding of their council's financial sustainability and how to improve their asset and financial management frameworks, as well as increase regional collaboration between councils. The program of activities will:
  - (a) deliver training to staff and elected members from NSW councils on their roles and responsibilities in long term planning and their understanding of the importance of sound asset management and financial management as part of integrated planning framework;
  - (b) develop technical resources which improve the access of all NSW councils to guides and practice notes, manuals and web based resources that enable them to develop and implement long-term plans so as to manage their finances and assets more effectively;
  - (c) provide additional targeted financial assistance to approximately 40 councils to be identified through the project as having limited resources and capability; and
  - (d) develop 12 regional support networks which assist councils in building and maintaining long-term plans and asset and financial management systems.

## ROLES AND RESPONSIBILITIES

### Role of the Commonwealth

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

### Role of the State

12. As this project is being implemented jointly by a State Government agency with Local Government Participating Authorities, the State 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) completing the project in a timely and professional manner in accordance with this Implementation Plan; and

- (c) meeting all conditions and project milestones including providing reports in accordance with this Implementation Plan.
13. The Division of Local Government will act as project manager and will establish and chair a project steering committee to oversee project implementation.

## Role of the Local Government Participating Authorities

14. The Steering Committee will include representatives of the Local Government and Shires Associations of NSW (LGSA), Local Government Managers Australia (LGMA) and the Institute of Public Works Engineering Australia (IPWEA).
15. LGSA will be responsible for training councillors and senior staff; IPWEA will be responsible for specialist training in asset management and financial sustainability training, working in collaboration with LGMA.
16. The officers and councillors of NSW councils will work with the project team which will be established by the steering committee to deliver the project outputs.

## PERFORMANCE BENCHMARKS AND FINANCIAL ARRANGEMENTS

17. The maximum financial contribution to be provided by the Commonwealth for the project is \$3,250,000 payable in accordance with project milestones set out in Table 1. All payments are exclusive of GST.

**Table 1: Project milestones and associated payments**

Project milestone	Due date	Amount
<i>Project initiation</i>	<i>Expected by</i>	
(i) Agreement to the Implementation Plan	10 Dec 2010	\$812,500
<i>Project implementation</i>	<i>Expected by</i>	
(ii) A project manager and specialist team are engaged	20 Dec 2010	
<i>Stage 1</i>	<i>Expected by</i>	
<ul style="list-style-type: none"> <li>• Planning, preparation of session material and arrangements for sessions finalised</li> <li>• Development of assessment criteria for assistance to councils complete</li> <li>• Delivery of training sessions to councillors, General Managers and technical staff complete</li> <li>• Gap analysis and application of other needs assessment tools to identify councils (approx 40) with limited resources and capability complete</li> </ul>	21 Mar 2011 31 Mar 2011 10 June 2011 11 July 2011	
<i>Progress Report</i>	<i>Expected by</i>	
(iii) Submission of progress report by the State	11 Aug 2011	
(iv) Acceptance of progress report by the Commonwealth	12 Sep 2011	\$2,112,500
<i>Stage 2</i>	<i>Expected by</i>	
<ul style="list-style-type: none"> <li>• First round of regional support sessions delivered in all 12 Regional Organisation Councils (ROC) areas</li> <li>• Targeted financial assistance provided to those approx 40 councils assessed as having limited resources and capability using IPWEA gap analysis</li> <li>• Monitoring completed of councils receiving targeted financial assistance</li> <li>• Second round of regional support and mentoring sessions delivered in all 12 ROC areas</li> </ul>	12 Sep 2011 12 Oct 2011 17 Feb 2012 23 Mar 2012	
<i>Project completions</i>	<i>Required by</i>	
(v) Project completed	30 Mar 2012	
(vi) Independent project evaluation completed*	10 Apr 2012	
(vii) Submission of final project report by the State	18 Apr 2012	
(viii) Acceptance of final project report by the Commonwealth	18 May 2012	\$325,000

\* The 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 State should be included in the project evaluation report at least 30 days before it is due.

18. Any Commonwealth financial contribution payable will be processed by the Commonwealth Treasury and paid to the State Treasury to be on-forwarded in a timely manner in accordance with the payment arrangements set out in Schedule D of the *Intergovernmental Agreement on Federal Financial Relations*.

## BUDGET

19. 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**

	C'wealth	State	Councils	Total
Targeted assistance to 40 Councils	\$1,600,000			\$1,600,000
Training	\$525,000	\$25,000	\$435,000	\$985,000
Resources (inc on-line)	\$788,000			\$788,000
Project management & evaluation		\$55,000		\$55,000
Venues	\$155,000		\$125,000	\$280,000
Travel	\$20,000			\$20,000
Facilitation	\$150,000			\$150,000
Administration	\$12,000			\$12,000
<b>TOTAL</b>	<b>\$3,250,000</b>	<b>\$80,000</b>	<b>\$560,000</b>	<b>\$3,890,000</b>

## REPORTING ARRANGEMENTS

20. The State will provide progress reports to the Commonwealth to demonstrate its achievement of project milestones set out in Table 1.
21. Each 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;
  - 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
  - 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 State should be included in this progress report at least 30 days before it is due.
22. The progress report must be accompanied by written confirmation from the State that milestones have been met in accordance with the agreed Implementation Plan.

23. The final project report is due by 18 April 2012 or – if this Implementation Plan is terminated in accord with paragraph 7 - within 60 business days of the termination.
24. The final report will include evidence that the project was completed in the specified manner and the program aims were reached, including that the agreed milestones were met and the project was completed in a timely manner.

## ACKNOWLEDGEMENT AND PUBLICITY

25. 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 state/territory cooperation in creating one.
26. 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

27. 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 State to the Commonwealth:

Assistant Secretary  
Office of Northern Australia and Regional Projects  
Department of Regional Australia, Regional Development and Local Government  
GPO Box 803  
CANBERRA ACT 2601

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

Chief Executive, Local Government  
Division of Local Government  
NSW Department of Premier and Cabinet  
Locked Bag 3015  
NOWRA NSW 2541