

Implementation Plan for Advancing Asset Management in Local Government Project – Queensland

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 \$2,695,000 to support the development of core asset management plans for the key infrastructure assets managed by 44 non-Indigenous Queensland Councils and to assist 17 Indigenous Councils to improve their asset management capacity.
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 State of Queensland, represented by the Minister responsible for Local Government and Aboriginal and Torres Strait Islander Partnerships.
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 by the State 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.

PROJECT 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) support the adoption of nationally consistent asset management frameworks in Queensland; and
 - (b) maximise Queensland Local Governments' financial sustainability to support continued provision of services to their communities over the long term.

OUTPUT

10. The output of this Implementation Plan will be a program of activities which upgrades the asset management capabilities of a total of 61 Queensland Councils, comprising 44 non-Indigenous local governments and 17 Indigenous local governments. The program of activities will:
 - (a) assess the asset management competence of each Council against the national sustainability framework;
 - (b) develop action plans and asset management plans for each Council and bring whole of life costing, community planning processes and asset management planning into Council budgeting processes;
 - (c) develop the asset management skills of Councillors and Council officers; and
 - (d) provide for specific activities, including the development of 10 year financial plans, targeted to Indigenous Councils.

Twelve local governments, assessed by the Queensland Department of Infrastructure and Planning as having sufficient capacity to self manage the completion of their asset management plans, will not receive LGRF funding under this project.

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. The project is being implemented by a Local Government Participating Authority under the supervision of a State Government Agency, the Department of Infrastructure and Planning (DIP). DIP 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. DIP will chair a project steering committee with membership including:
 - Local Government Association of Qld (LGAQ);
 - Institute of Public Works Engineering Australia (IPWEA);
 - Queensland Treasury Corporation (QTC); and
 - Local Government representatives.

Role of the Local Government Participating Authority

14. The LGAQ, as the Local Government Participating Authority and project manager, will report through the DIP project steering committee.
15. The project will be managed by the LGAQ which will set up a dedicated project management team.
16. The QTC will assist with the development of 10 year financial plans for Indigenous Councils, reporting through the LGAQ as project manager to the Steering Committee.
17. The officers and councillors of the Queensland Councils and the providers involved in the project will work with the project team to deliver the project outputs.

PERFORMANCE BENCHMARKS AND FINANCIAL ARRANGEMENTS

18. The maximum financial contribution to be provided by the Commonwealth for the project is \$2,695,000 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	\$673,750
<i>Project implementation</i>	<i>Expected by</i>	
(ii) A project manager and specialist team are engaged.	10 Dec 2010	
<i>Stage 1</i>	<i>Expected by</i>	
<i>Project implementation</i>	31 Jan 2011	
<i>Non-Indigenous component</i>		
(iii) Initial assessment of asset management competence against national sustainability framework completed for 44 Councils.		
(iv) Action plans and asset management plans for individual asset classes under development for 44 Councils (anticipate approximately 13 plans for each council).		
<i>Indigenous component</i>		
(v) Indigenous sensitivity training for consultants completed and Indigenous specific asset management templates developed.	31 Jan 2011	
(vi) Development of 10 year financial models for indigenous Councils commenced.		
(vii) Initial assessment of asset management competence against national sustainability framework completed for 17 Councils.		
(viii) Action plans and Asset management plans for individual asset classes under development for 17 Councils (anticipate approximately 13 plans for each council).		
<i>Progress Report</i>	<i>Expected by</i>	
(ix) Submission of progress report by the State.	28 Feb 2011	
(x) Acceptance of progress report by the Commonwealth.	28 Mar 2011	\$1,201,750
<i>Stage 2</i>	<i>Expected by</i>	
<i>Indigenous and non-Indigenous</i>		
(xi) Completion of 293 asset management plans for individual asset classes	30 June 2011	
(xii) Submission of progress report by the State.	1 July 2011	
(xiii) Acceptance of progress report by the Commonwealth	1 August 2011	\$550,000
(xiv) Individual Council asset management plans completed.	30 Sep 2011	
<i>Stage 3</i>		
(xv) Asset management skills of Councillors and Council Officers developed against individual improvement plans.	30 Sep 2011	
(xvi) Whole of life costing, community planning processes and asset management planning are introduced into Council budgeting processes.	31 Jan 2012	
<i>Project completions</i>	<i>Expected by</i>	
(xvii) Project completed.	29 Feb 2012	
(xviii) Independent project evaluation complete.*	30 Mar 2012	
<i>Project finalisation</i>	<i>Required by</i>	
(xix) Submission of final project report by the State.	30 Apr 2012	
(xx) Acceptance of final project report by the Commonwealth.	31 May 2012	\$269,500

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

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

BUDGET

20. 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	LGAQ	Total
(i) Consultancy fees – review	\$660,000				\$660,000
(ii) Consultancy fees – strategic planning	\$1,535,000		\$429,000		\$1,964,000
(iii) Travel	\$200,000				\$200,000
(iv) Project management	\$260,000	\$25,000*		\$50,000*	\$335,000
(v) Project evaluation	\$40,000	\$25,000*			\$65,000
TOTAL	\$2,695,000	\$50,000*	\$429,000	\$50,000*	\$3,224,000

* In-kind contribution.

REPORTING ARRANGEMENTS

21. The State will provide a progress report to the Commonwealth to demonstrate its achievement of project milestones set out in Table 1.
22. 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;
 - 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.
23. The progress report must be accompanied by written confirmation from the State and Local Government Participating Authority (the LGAQ), that milestones have been met in accordance with the agreed Implementation Plan.

24. The final project report is due by 30 April 2012 or - if this Implementation Plan is terminated in accord with paragraph 7 - within 60 business days of the termination.
25. 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.
26. The Department requires one hard copy and an electronic copy in Microsoft Word and/or Microsoft Excel format of each report.

ACKNOWLEDGEMENT AND PUBLICITY

27. 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.
28. 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

29. 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:

Associate Director-General
Office of Local Government
Department of Infrastructure and Planning
PO Box 15009
CITY EAST QLD 4002