

Implementation Plan for Local Government Regional Asset Management Project - Victoria

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 \$1,404,000 to accelerate the implementation of the Local Government and Planning Ministers' Council agreed asset and financial management frameworks. This assistance will improve the financial sustainability, financial and asset management and collaboration of Victorian regional councils.
3. Where there are inconsistencies between this Implementation Plan and the Guidelines for Regional Development and Local Government, 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 Victoria, 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 Parties.
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 of Victoria and the Local Government Participating Authority 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 to:
 - (a) maximise the financial sustainability of Victoria's regional councils to support continued provision of services to their communities over the long term by increasing collaboration between them; and
 - (b) increase councils' ability to effectively manage their assets using more collaborative and efficient delivery models and improved asset management practices.

OUTPUTS

10. The outputs of this Implementation Plan will be a program of activities which will:
 - (a) audit the current performance of all councils in rural regions in relation to asset management activities, including resources available, service delivery structures and renewal forecasts;
 - (b) identify common tasks with potential for inter-council collaboration including:
 - joint asset condition and other data collection surveys;
 - joint procurement and co-ordination of projects;
 - development of service standards across all asset groups;
 - knowledge and resource sharing between councils;
 - consistent monitoring and reporting of asset performance; and
 - liaison and communication between regional councils;
 - (c) promote the adoption of common regional standards and frameworks for asset and financial management and for data; and
 - (d) develop, agree and implement regional action plans to improve Victorian regional councils' asset management practices and to meet the project objectives.

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 and a Local Government Participating Authority, the State is responsible for the following 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;
 - (c) ensuring funding is attached to delivery of specific milestones by the Local Government Participating Authority as set out in the agreement between the State Government and the Local Government Participating Authority;
 - (d) providing project management direction through a Steering Committee involving senior State Government representation; and
 - (e) meeting all conditions and project milestones required to be met by the State Government including providing reports in accordance with this Implementation Plan.
13. The State and the Local Government Participating Authority will establish a steering group inclusive of representation from the Local Government Participating Authority to oversight the activities of the project. A State representative will chair this group with membership to be determined by the State and the Local Government Participating Authority.
14. The State will provide funding of up to \$10,000 for the preparation of the independent project evaluation report as per Table 1 and 2.

Role of the Local Government Participating Authority

15. The Local Government Participating Authority - the Municipal Association of Victoria (MAV) – will manage the project, under the direction of the steering group.
16. The officers and councillors of the Victorian regional councils involved in the project will work with the consultancy team which will be established by the MAV to deliver the project outputs.

PERFORMANCE REPORTING AND FINANCIAL ARRANGEMENTS

17. The maximum financial contribution to be provided by the Commonwealth for the project is \$1,404,000 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 by the State.	29 Oct 2010	\$351,000	
(ii) Agreement to the Implementation Plan by the Commonwealth.	30 Nov 2010		
<i>Project implementation</i>	<i>Expected by</i>		
(iii) A project manager and specialist team are engaged.	7 Dec 2010		
<i>Stage 1</i>	<i>Expected by</i>		
(iv) Governance structure established in each region.	22 Dec 2010		
(v) Performance audit of each council in each region against LG National Assessment Framework completed.	31 Jan 2011		
(vi) Common tasks with potential for inter-council collaboration identified.	31 Jan 2011		
(vii) Common regional standards and frameworks for asset and financial management identified.	21 Feb 2011		
(viii) Final regional action plans signed off.	21 Mar 2011		
<i>Progress Report</i>	<i>Expected by</i>		
(ix) Submission of progress report by the State.	20 April 2011		\$912,600
(x) Acceptance of progress report by the Commonwealth.	20 May 2011		
<i>Stage 2</i>	<i>Expected by</i>		
(xi) Implementation of regional action plans completed (in terms of 2010/11 activities) in each region.	31 Oct 2011		
<i>Project completions</i>	<i>Expected by</i>		
(xii) Project completed.	30 Nov 2011	\$140,400	
(xiii) Independent project evaluation complete.*	21 Dec 2011		
(xiv) Submission of final project report by the State.	10 Jan 2012		
(xv) Acceptance of final project report by the Commonwealth.	10 Feb 2012		

* 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 explaining 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.

18. 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

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

Table 2: Overall estimated project budget – 2010-12

	C'wealth	State	Councils	MAV	Total
(i) Agreement to the Implementation Plan.	\$351,000		\$56,000	\$102,000	\$509,000
(ii) Stage 1 actions (see above – Table 1)	\$912,600		\$179,000		\$1,091,600
(iii) Stage 2 actions and reporting	\$140,400	\$10,000	\$180,000		\$330,400
TOTAL	\$1,404,000	\$10,000	\$415,000*	\$102,000	\$1,931,000

* In-kind contribution.

REPORTING ARRANGEMENTS

20. The State will provide a progress report to the Commonwealth to demonstrate its achievement of project milestones set out in Table 1.
21. 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.
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 10 January 2012 or – if this Implementation Plan is terminated in accord with paragraph 7 - within 60 business days of termination.
24. The final report will include evidence that the project was completed in the specified manner, the program aims were reached and that the agreed milestones were met in a timely manner.
25. The Department requires one hard copy and an electronic copy in Microsoft Word and/or Microsoft Excel format of each report.

ACKNOWLEDGEMENT AND PUBLICITY

26. The Australian Government or its nominee must be invited to attend and/or participate in organised activities, such as media events.
27. The Australian Government's financial support must be acknowledged in all publications, promotional material, and activities relating to this project. Published acknowledgments must receive prior approval from the responsible Commonwealth Department.

NOTICES

28. 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:

Executive Director
Local Government Victoria
Department of Planning and Community Development
Level 8, 55 Collins Street
MELBOURNE VIC 3000