

Implementation Plan: Integrated Strategic Planning, Financial Management and Asset Management in Local Government Project – Western Australia

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 \$2,351,000 to support integrated strategic planning reform in Western Australian (WA) local governments, to improve the capacity of WA local governments to manage their assets, and to raise knowledge and skills of WA local government staff in strategic planning and asset and financial management.
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 Western Australia, represented by the Minister responsible for Local Government, Heritage, Citizenship and Multicultural Interests.
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) maximise WA councils' financial sustainability to support continued provision of services to their communities over the long term; and
 - (b) increase WA councils' ability to effectively manage their current and future performance using a consistent 'whole of council' perspective which brings together their financial and asset management operations for reporting and management purposes.

OUTPUTS

10. The outputs of this Implementation Plan will be a program of activities with 50 WA local governments that are undertaking structural reform or capacity building activities through the WA Government's Local Government Reform Program. The program of activities will:
 - (a) equip officers and councillors with knowledge of the requirements and processes for achieving integrated strategic planning and asset and financial management;
 - (b) develop an agreed foundation for planning and data - including guidelines, frameworks, templates and case studies - with which local governments may improve sustainability capacity in strategic, asset and financial planning and management; and
 - (c) provide support to WA local governments to undertake strategic planning, asset and financial management reform activities, including specialist consultancies, training and mentoring and engagement of contractors to implement improved systems, with additional support provided to local governments involved in delivering services in remote indigenous communities within the Kimberley, Pilbara, Gascoyne and Goldfields regions.

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 the project is being implemented by a State Government agency, 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.

Role of Stakeholders and Local Government Authorities

- 13. The project will be managed by a Project Manager, who will be appointed by the WA Department of Local Government and will be responsible to an Implementation Committee representing the WA Department of Local Government; the WA Department of Planning; the WA Department of Treasury and Finance; the WA Chamber of Commerce and Industry; the WA Regional Development Council; the Local Government Advisory Board; the WA Department of Regional Development and Lands; the University of WA; the WA Local Government Association and the WA Division of the Local Government Managers Association.
- 14. The officers and councillors of the WA local governments involved in the project will work with the project team established by the Project Manager to deliver the project outputs.

PERFORMANCE REPORTING AND FINANCIAL ARRANGEMENTS

- 15. The maximum financial contribution to be provided by the Commonwealth for the project is \$2,351,000 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.	30 Nov 2010	\$587,750
<i>Project implementation</i>	<i>Expected by</i>	
(ii) Project manager and specialist team engaged.	30 Dec 2010	
<i>Stage 1</i>	<i>Expected by</i>	
(iii) Draft Integrated Planning and Reporting Guidelines completed and endorsed by the Local Government Implementation Committee (LGRIC).	28 Jan 2011	
(iv) Approved Consultants Panel established.	28 Jan 2011	
<i>Progress report 1</i>	<i>Expected by</i>	
(v) Progress report submitted by the State.	1 Feb 2011	
(vi) Commonwealth accepts progress report.	1 Mar 2011	\$764,075
<i>Stage 2</i>	<i>Expected by</i>	
(vii) Draft Asset Management Policy Framework completed and endorsed by LGRIC.	17 April 2011	
(viii) Interactive Online information/support system established.	17 May 2011	
<i>Progress report 2</i>	<i>Expected by</i>	
(viii) Progress report submitted by the State.	1 June 2011	
(ix) Commonwealth accepts progress report.	1 July 2011	\$764,075
<i>Stage 3</i>		
(x) Completion and publication of final: <ul style="list-style-type: none"> • Asset Management Policy Framework • Integrated Planning & Reporting Guidelines • Current Accounting Manual (Financial Management Guidelines). 	30 Sep 2011	
(xi) 50 reforming local governments engaged in establishing core level strategic planning and asset and financial management systems.	30 Mar 2012	
(xii) Local governments involved in delivering services in remote indigenous communities within the four regional groups engaged in establishing core level strategic planning and asset management systems.	30 Mar 2012	
<i>Project completions</i>	<i>Expected by</i>	
(xiii) Project completed.	30 Mar 2012	
(xiv) Independent project evaluation complete.*	27 Apr 2012	
<i>Project finalisation</i>	<i>Required by</i>	
(xv) Final project report submitted by the State.	18 May 2012	
(xvi) Final project report accepted by the Commonwealth.	29 Jun 2012	\$235,100

* 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.

16. 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*.

ESTIMATED BUDGET

17. 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	Total
(i) Integrated Strategic Planning Implementation Grants	\$536,000	\$536,000	\$1,072,000
(ii) Asset and Financial Management Implementation Grants	\$1,550,000	\$1,550,000	\$3,100,000
(iii) Guidelines/Frameworks Development & Implementation	\$20,000	\$45,000	\$65,000
(iv) LGMA Mentoring Program	\$75,000	\$72,000	\$147,000
(v) Travel		\$25,000	\$25,000
(vi) Project management	\$80,000	\$140,000	\$220,000
(vii) Interactive web based information systems	\$30,000		\$30,000
(viii) Consultants	\$60,000	\$75,000	\$135,000
(ix) Project evaluation		\$30,000	\$30,000
TOTAL	\$2,351,000	\$2,473,000	\$4,824,000

REPORTING ARRANGEMENTS

18. The State will provide two progress reports to the Commonwealth to demonstrate its achievement of project milestones set out in Table 1.
19. Each of the two progress reports 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), which the Commonwealth notifies the State should be included in this progress report at least 30 days before it is due. The Department will limit any such requests to the minimum amount of information necessary for the effective evaluation of the project, and will take into account the State's views concerning the availability and deliverability of any further information it proposes to request, ensuring that any such requests do not impose unnecessary administrative or compliance burdens on the State.
20. The progress report must be accompanied by written confirmation from the State that milestones have been met in accordance with the agreed Implementation Plan.
21. The State will provide one final project report to the Commonwealth. The final project report is due by 18 May 2012 or – if this Implementation Plan is terminated in accord with paragraph 7 - within 60 business days of termination.

22. The final project 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 on time.
23. The Department requires one hard copy and an electronic copy in Microsoft Word and/or Microsoft Excel format of each report.

ACKNOWLEDGEMENT AND PUBLICITY

24. The Australian Government or its nominee must be invited to attend and/or participate in organised activities, such as media events, or alternatively may request state/territory cooperation in creating one.
25. 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

26. 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
Structural Reform
Department of Local Government
Government of Western Australia
GPO Box R1250
PERTH WA 6844