

# PROJECT AGREEMENT FOR VIRTUAL SUPPORT STRATEGY (BRIGHTON, TASMAN AND FLINDERS COUNCILS) AND CRADLE COAST REGIONAL SHARED SERVICES

Council of  
Australian  
Governments

An agreement between

- the **Commonwealth of Australia** and
- **Tasmania**

The outputs of these projects are to complete: a virtual support strategy for small remote councils to improve technology coverage and provide access to professional staff services, asset management and financial systems; and regional shared services proposals to support the improvement of quality and efficiency of council functions and the long term sustainability of local government in the Cradle Coast region through innovative shared services arrangements.

# Project Agreement for Virtual Support Strategy (Brighton, Tasman and Flinders Councils) and Cradle Coast Regional Shared Services - Tasmania

## 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) has a two-phase implementation strategy. The two Tasmanian projects: *Virtual Support Strategy (Brighton, Tasman and Flinders Councils)* and *Cradle Coast Regional Shared Services* are part of Phase 2 of the LGRF.
3. These projects will help deliver:
  - (a) a virtual support strategy across Brighton, Tasman and Flinders Councils. The virtual support strategy will provide access to professional staff services, asset management and financial systems, as well as improved technology coverage to ultimately increase the long term sustainability of the three participating councils through improved efficiency and reduced costs; and
  - (b) initiatives in the Cradle Coast Region to improve the quality and efficiency of council functions and the long term sustainability of local government, through innovative shared service arrangements. These initiatives will include coordinated regional delivery and/or common systems for financial and asset management and planning, workforce management, council administration and services provision.
4. This Agreement constitutes the entire agreement for these projects.

### PART 1 – FORMALITIES

#### Parties to this Agreement

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

## **Term of the Agreement**

6. This Agreement will commence as soon as the Commonwealth and Tasmania 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 virtual support strategy across Brighton, Tasman and Flinders Councils; and
  - (b) regional shared services proposals to support the improvement of quality and efficiency of council functions and the long term sustainability of local government in the Cradle Coast region through innovative shared services arrangements.

## **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 virtual support strategy across Brighton, Tasman and Flinders Councils and the Cradle Coast Regional Shared Services project under this Agreement to ensure that the outputs are delivered within the agreed timeframe; and
  - (b) providing a consequent financial contribution to Tasmania to support the implementation of this Agreement.

### **Role of Tasmania**

9. Tasmania will be responsible for:
  - (a) on-forwarding the Commonwealth's funding contribution under this Agreement in full to the Brighton Council and the Cradle Coast Authority, in accordance with Schedule D – Payment Arrangements of the Intergovernmental Agreement on Federal Financial Relations; and
  - (b) coordinating with the Brighton Council and Cradle Coast Authority on the delivery of this project, including reporting on the delivery of outputs in accordance with the requirements of Part 4 – Project Milestones, Reporting and Payments.

### **Role of the Participating Authorities (Brighton Council and Cradle Coast Authority)**

10. The Brighton Council and the Cradle Coast Authority will be responsible for:
  - (a) providing a financial and in-kind contribution to support the implementation of this Agreement;
  - (b) ensuring completion of the Project in a timely and professional manner in accordance with this Agreement; and

- (c) ensuring all conditions including the provision of reports, in accordance with this Agreement, are met and provided to the Commonwealth through Tasmania in a timely manner.

## **Shared roles**

11. 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

**Table 1: Milestones, reporting and payment summary**

Outputs	Milestones	Date due	Relevant Report due	Payment
Virtual support strategy across Brighton, Tasman and Flinders Councils.	Project committee established, prime consultant engaged and acceptance of a progress report by the Commonwealth.	9 Jun 2012	11 Jun 2012	\$12,500
	Completion of a virtual support strategy for each council including a report on shared services; and Completion of evaluation report on planning and building service provisions for Flinders Council and acceptance of a progress report by the Commonwealth.	25 Jun 2012	3 Jul 2012	\$32,500
	Completion of evaluation report on asset and financial planning service provisions for Tasman Council and acceptance of a final project report by the Commonwealth.	31 Aug 2012	8 Sep 2012	\$5,000
Regional shared services proposals.	Project schedule endorsed by member council representatives and acceptance of a progress report by the Commonwealth.	9 Jun 2012	11 Jun 2012	\$12,500
	Presentation of two proposals to a meeting of Cradle Coast member council representatives in August followed by the detailed investigation of at least two selected proposals to the February 2013 meeting of Cradle Coast member council representatives and acceptance of a progress report by the Commonwealth.	28 Feb 2013	15 Mar 2013	\$32,500
	Agreement to commence implementation of selected proposals and acceptance of a final project report by the Commonwealth.	17 May 2013	8 Jun 2013	\$5,000

## Reporting arrangements

12. The Brighton Council and Cradle Coast Authority will provide performance reports through Tasmania to demonstrate its achievement of the Project milestones set out in Table 1. Each performance report is to contain the following information:
  - (a) a description of actual performance of the Project 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 Brighton Council and Cradle Coast Authority propose 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.
13. The Brighton Council and Cradle Coast Authority 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 Participating Authority'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 Tasmania, at least 60 days before it is due.

## PART 5 – FINANCIAL ARRANGEMENTS

14. The Commonwealth will provide a total financial contribution to Tasmania of \$100,000 in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced where the Participating Authority secure funding from other activity partners through innovative and collaborative partnerships.
16. The Commonwealth's and the Participating Authorities' estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the States 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 - Virtual Support Strategy</b>	0.0125	0.0375	0.050
Less estimated National Partnership Payments	0.0125	0.0375	0.050
Balance of non-Commonwealth contributions	0.000	0.000	0.000
<b>Estimated total budget - Regional Shared Services</b>	0.0125	0.0875	0.100
Less estimated National Partnership Payments	0.0125	0.0375	0.050
Balance of non-Commonwealth contributions	0.000	0.050	0.050

17. Having regard to the agreed estimated costs of projects specified in a Project Agreement, the Participating Authority 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 Participating Authority bears all risks should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the Participating Authority to deliver projects cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

18. 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

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

### Delegations

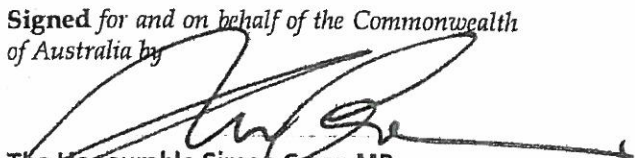
21. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### Dispute resolution

22. A Party may give notice to the other Party of a dispute under this Agreement.
23. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
24. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the relevant Ministerial Council.
25. 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*



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

**29 JUN 2012**

[Day] [Month] 2012

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



**The Honourable Bryan Green MP**  
Minister for Local Government

**28 JUN 2012**

[Day] [Month] 2012