

PROJECT AGREEMENT FOR WESTERN AUSTRALIAN LOCAL GOVERNMENT SERVICES IN ABORIGINAL COMMUNITIES

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- Western Australia

The output of this project is to complete service delivery planning case studies in four Western Australian communities and 15 service delivery plans for Shires to support the transition of responsibility from the Commonwealth to local government for the management of local government services in remote Indigenous Communities in Western Australia.

Project Agreement for Western Australian Local Government Services in Aboriginal Communities

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 Western Australian project *Western Australian Local Government Services in Aboriginal Communities* is part of Phase 2 of the LGRF. This project comprises two stages. Stage 1 of this project has been funded by the State and includes the completion of pilot Scoping and Costing study for 20 local government districts. Stage 2 of this project is being funded by the Commonwealth through the LGRF to complete service delivery planning assessments, initially as a trial of the methodology in four Western Australian Indigenous communities and subsequently in 15 local government districts which have Indigenous communities.
3. This project will support the potential transition of responsibility from the Commonwealth to local government for the management of municipal services in remote Indigenous communities in Western Australia.
4. This Agreement constitutes the entire agreement for this project.

PART 1 – FORMALITIES

Parties to this Agreement

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

Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and the State 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 OUTPUT

Output

7. The output of this Agreement will be the completion of service delivery planning approach case studies in four Indigenous communities and a further fifteen service delivery plans for local governments with Indigenous communities in their district.

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 *Western Australian Local Government Services in Aboriginal Communities* project under this Agreement to ensure that the output is delivered within the agreed timeframe; and
 - (b) providing a consequent financial contribution to the State to support the implementation of this Agreement.

Role of the State

9. The State will be responsible for:
 - (a) providing a financial and in-kind contribution to support the implementation of this Agreement;
 - (b) all aspects of delivering on the project output set out in this Agreement; and
 - (c) reporting on the delivery of the output as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

10. 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

Output	Milestones	Date due	Relevant Report due	Payment
Completion of service delivery planning approach case studies in four Western Australian Indigenous communities and service delivery plans for fifteen local governments including consultation.	Project officer is engaged and acceptance of a progress report by the Commonwealth.	18 May 2012	18 Jun 2012	\$275,000
	WA Minister for Local Government approves service delivery planning approach. Agreement from four local governments and Indigenous communities to undertake service delivery planning approach case studies and acceptance of a progress report by the Commonwealth.	9 May 2012	18 Jun 2012	\$715,000
	Development of a service delivery planning template and toolkit and completion of four service delivery plans as part of the case study and acceptance of a progress report by the Commonwealth.	24 Aug 2012	15 Sep 2012	\$55,000
	Completion of service delivery plans for 15 local governments and acceptance of a final project report by the Commonwealth.	26 Apr 2013	15 May 2013	\$55,000

Reporting arrangements

11. The State will provide performance reports in accordance with the above table during the operation of the Agreement. Each performance report is to contain the following information:
 - (a) a description of actual performance of the State 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 State proposes 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.
12. The State 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;
 - (b) evaluate the Project from the responsible Party'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 the State, at least 60 days before it is due.

PART 5 – FINANCIAL ARRANGEMENTS

13. The Commonwealth will provide a total financial contribution to the State of \$1,100,000 in respect of this Agreement. All payments are GST exclusive.
14. The Commonwealth's funding contribution will not be reduced where the State secures funding from other activity partners through innovative and collaborative partnerships.
15. The Commonwealth's and the State's 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
Estimated total budget	1.470	0.110	1.580
Less estimated National Partnership Payments	0.990	0.110	1.100
Balance of non-Commonwealth contributions	0.480	0.000	0.480

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

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

17. 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

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

Delegations

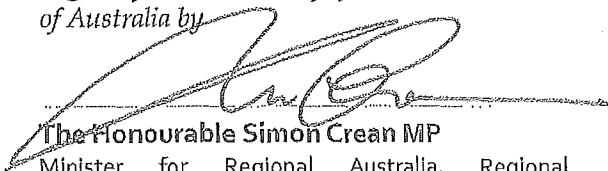
20. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

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

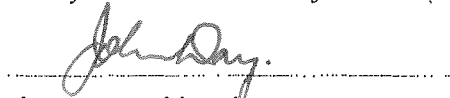


The Honourable Simon Crean MP
Minister for Regional Australia, Regional
Development and Local Government

18th June

[Day] [Month] 2012

Signed for and on behalf of the
State of Western Australia by



The Honourable John Day MLA
Acting Minister for Local Government

3 July

[Day] [Month] 2012