

# National Partnership on Northern Territory Remote Aboriginal Investment

## OVERVIEW

1. This National Partnership (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

## Purpose

2. In entering this Agreement, the Commonwealth and Northern Territory recognise Aboriginal people in remote and very remote communities experience significantly poorer life outcomes than the rest of the nation, as measured by the Council of Australian Governments' Closing the Gap targets, and long-term additional investment in services and infrastructure is required to accelerate action to address the high levels of need. The Commonwealth and the Northern Territory have a mutual interest in improving outcomes for Aboriginal people and need to work together to achieve those outcomes, ensuring funding goes to programmes and services that deliver on the ground and benefit Aboriginal people in the remote Northern Territory.
3. This Agreement provides additional support to the Northern Territory to take practical action to improve the lives of Aboriginal people. The Agreement funds activities and services to improve outcomes in schooling, community safety, health, housing, and provide access to interpreter services and job opportunities for adults, complementing Northern Territory activity in these areas.
4. The Commonwealth and the Northern Territory are committed to providing economic development and employment opportunities for Aboriginal people, and the promotion of Indigenous business enterprises.
5. This Agreement will build on investments made under the National Partnership Agreement on Stronger Futures in the Northern Territory and replaces that Agreement.

## Reporting Arrangements

6. The Northern Territory will report the minimum required to demonstrate that milestones have been met, that is, at least yearly against the agreed performance indicators, performance benchmarks or milestones during the operation of the Agreement, as set out in Part 4 – Performance Monitoring and Reporting.

## Financial Arrangements

7. The Commonwealth will provide an estimated total financial contribution to the Northern Territory of \$986.094 million (GST exclusive) in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

8. This Agreement represents long-term investment by the Commonwealth in the Northern Territory to improve schooling for Aboriginal children, to make remote Aboriginal communities safer and healthier, and increase access to interpreter services and job opportunities for adults, given the depth of need experienced across remote Northern Territory.
9. The Parties note the funding being made available by the Commonwealth under this Agreement is complemented by the Commonwealth's Stronger Futures in the Northern Territory legislation.

## **PART 1 – FORMALITIES**

### **Parties to this Agreement**

10. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Northern Territory.

### **Term of the Agreement**

11. This Agreement will commence as soon as the Commonwealth and the Northern Territory sign it and will expire on 30 June 2022, or on completion of the projects and reforms, including final performance reporting and processing of final payments against performance benchmarks or project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

## **PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS**

### **Objectives**

12. The objectives of this Agreement are to improve schooling for Aboriginal children, make remote Aboriginal communities in the Northern Territory safer and healthier, and increase access to interpreter services and job opportunities for adults.

### **Outcomes**

13. This Agreement will contribute to achievement of the following outcomes for Aboriginal people in the Northern Territory:
  - (a) improved school readiness, attendance, educational achievement and attainment of students in and from remote or very remote areas;
  - (b) improved safety and wellbeing of individuals, children and families, and communities;
  - (c) improved health of individuals, children and families;
  - (d) improved housing in remote communities; and
  - (e) improved access to services through support for Aboriginal interpreters.

### **Outputs**

14. The Implementation Plans will detail how the outputs intend to achieve the outcomes and objectives of this Agreement.

## **PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY**

15. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities, as outlined below.

### **Role of the Commonwealth**

16. The Commonwealth agrees to be responsible for:
- (a) providing a financial contribution to the Northern Territory to support implementation of this Agreement;
  - (b) assessing performance in the delivery of services, reforms and projects under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe.
  - (c) in accordance with the *Fair Work (Building Industry) Act 2012*, ensuring that financial contributions to a building project or projects as defined under the *Fair Work (Building Industry – Accreditation Scheme) Regulations 2005*, are only made where a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted; and
  - (d) ensuring that compliance with the Building Code 2013 is a condition of Australian Government funding.

### **Role of the Northern Territory**

17. The Northern Territory agrees to be responsible for:
- (a) developing Implementation Plans in consultation with the Commonwealth;
  - (b) delivering on outcomes and outputs required by this Agreement and the Implementation Plans;
  - (c) monitoring the delivery of services, reforms and projects under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframes;
  - (d) reporting on the delivery of outcomes and outputs as set out in Part 4 – Performance Monitoring and Reporting;
  - (e) ensuring that only a builder or builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
  - (f) ensuring that compliance with the Building Code 2013 is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.

### **Shared roles and responsibilities**

18. The Commonwealth and the Northern Territory agree to be jointly responsible for:
- (a) participating in consultations as appropriate regarding the implementation of this Agreement;
  - (b) ensuring Commonwealth and Northern Territory funded initiatives are complementary and do not duplicate each other;

- (c) sharing information regarding any major service changes which will impact on Aboriginal people in the Northern Territory, in advance where appropriate; and
  - (d) negotiating new or revised Schedules, including Implementation Plans, to this Agreement.
19. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under an Implementation Plan, and that the roles of both Parties will be acknowledged and recognised appropriately.

### **Implementation Plans**

20. The Commonwealth and the Northern Territory will agree Implementation Plans on Children and Schooling, Community Safety, Health and Remote Australia Strategies. The Implementation Plans will set out the Northern Territory's strategy for delivering on the outcomes and outputs of this Agreement, including financial information.
21. The Implementation Plans will be reviewed in accordance with clause 32 of this Agreement.

## **PART 4 – PERFORMANCE MONITORING AND REPORTING**

### **Performance indicators**

22. Achievement of the objectives and outcomes in this Agreement will be informed with reference to the performance indicators as agreed in the Implementation Plans.

### **Performance benchmarks and milestones**

23. The Northern Territory agrees to meet the performance benchmarks and milestones for payments as agreed in the Implementation Plans to this Agreement.

### **Reporting arrangements**

24. Under reporting arrangements set out in the Implementation Plans to this Agreement, the Northern Territory will report at least annually against the agreed performance indicators, performance benchmarks and milestones during the operation of the Agreement. Reporting will be limited to the minimum required to demonstrate that agreed outputs and outcomes have been met. The Northern Territory can make use of any appropriate data sources, including existing reporting mechanisms.

## **PART 5 – FINANCIAL ARRANGEMENTS**

### **Financial contributions**

25. The Commonwealth will provide an estimated total financial contribution to the Northern Territory of \$986.094 million in respect of this Agreement. An additional \$42.616 million will be provided by the Commonwealth direct to non-government schools in the Northern Territory. All payments are exclusive of GST.
26. The Commonwealth's funding contribution will not be reduced where the Northern Territory secures funding from other activity partners.
27. Where a performance report demonstrates that a milestone is met in advance of the due date, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

28. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the Northern Territory paid in accordance with *Schedule D — Payment Arrangements* of the IGA FFR, is shown in Table 1. Further detail is set out in the Implementation Plans.
29. The Commonwealth and the Northern Territory provide additional funding through a range of other mechanisms to support frontline services which improve outcomes for Aboriginal people and will continue to invest in these services and supports where there is need.

**Table 1: Estimated financial contributions\***

(\$ million)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
<i>Estimated</i> National Partnership Payments**	330.8	160.7	153.6	94.5	85.6	80.3	80.6	986.1
Payments to Non-Government Schools	8.6	7.6	7.8	6.5	4.8	3.6	3.6	42.6
Total Commonwealth Contribution	339.4	168.4	161.4	101.0	90.4	83.9	84.3	1028.7
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

\* Further detail on funding for elements of Northern Territory Remote Aboriginal Investment, including any indexation arrangements, is included in the Implementation Plans.

\*\* Funding in 2015-16 included a payment of \$154.8 million for the Northern Territory to assume responsibility for the provision of municipal and essential services.

## Financial risk management

30. Having regard to the agreed estimated costs of projects or reforms under this Agreement, the Northern Territory will not be required to pay a refund to the Commonwealth if the actual cost is less than the agreed estimated cost. Similarly, the Northern Territory bears all risk should the costs exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the Northern Territory to deliver projects and reforms cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

31. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, this does not lessen the Parties' commitment to this Agreement.

### Review of the Agreement

32. In accordance with Schedule E, Clause 23 of the IGA FFR, this Agreement is time limited. To assess the degree to which the agreed objectives and outcomes and/or outputs have been achieved, and inform decisions regarding the appropriate treatment following its expiry, a review of the Agreement will be scheduled to be completed in 2017-18. Reviews will be conducted with regard to progress made by the Parties in respect of achieving the agreed outcomes and to provide a robust evidence base for future actions. Both Parties will consider the need for a further review, to be conducted no later than 12 months prior to the expiry of the Agreement.

33. This Agreement is intended to provide Commonwealth funding on a one off basis to provide additional support to address disadvantage as specified in clause 2. It is not anticipated that the Commonwealth will provide any further funding for these activities beyond the expiry of the Agreement. Whether any further funding is provided by the Northern Territory is a matter for it to consider when framing its budget, as the Northern Territory is responsible for related services and activities.

## **Variation of the Agreement**

34. The Agreement may be amended at any time by agreement in writing by both Parties.
35. The Parties acknowledge that the delivery of services and capital works in the remote areas of the Northern Territory is unusually susceptible to events beyond the control of either Party, including, for example, disruptive weather conditions such as cyclones and floods, significant population movements, or the significant breakdown in cultural and community functioning. Provided the Northern Territory has taken all reasonable precautions and care in order to avoid the effect of the circumstances on its ability to perform its obligations and to mitigate the consequences, such events may be cause for a variation to the Agreement or its affected Implementation Plans, as per clause 34.
36. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

## **Delegations**

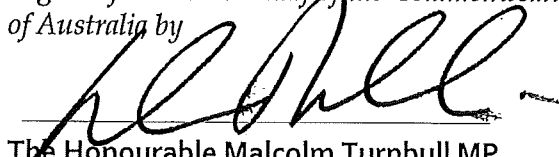
37. The relevant Commonwealth Ministers with portfolio responsibility for the Implementation Plans of this Agreement are authorised to agree and amend Schedules, including Implementation Plans, to this Agreement and to certify that performance benchmarks and/or milestones specified under this Agreement have been achieved, so that payments may be made.
38. The relevant Northern Territory Ministers with portfolio responsibility for Implementation Plans of this Agreement are authorised to agree and amend Schedules, including Implementation Plans, to this Agreement.
39. Commonwealth Ministers may delegate the assessment of project-based performance benchmarks or 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**

40. Either Party may give notice to the other Party of a dispute under this Agreement.
41. Officials of both Parties will attempt to resolve any dispute in the first instance.
42. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

The Parties have confirmed their commitment to this agreement as follows:

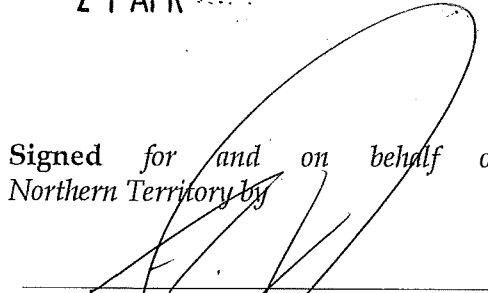
*Signed for and on behalf of the Commonwealth  
of Australia by*



**The Honourable Malcolm Turnbull MP**  
Prime Minister of the Commonwealth of Australia

21 APR 2016

*Signed for and on behalf of the  
Northern Territory by*



**The Honourable Adam Giles MLA**  
Chief Minister of the Northern Territory of Australia

2016