



Australian Government  
Department of Regional Australia,  
Regional Development and Local Government



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# GUIDELINES

## Regional Development Australia Fund

March 2011



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## Minister's Foreword

This is a new era in the history of regional development in Australia. Under the Gillard Government, the opportunity to unlock the potential of our regions has never been greater or more important.

As Australia's regions come to realise their full potential, through building on diversity and lifting productivity, so too will living standards rise and prosperity increase.

Unlike the fixed boundaries that subdivide the Australian continent into six states and two territories, the boundaries of Australia's regions are not fixed. Instead, regions are defined by a shared sense of place and a common purpose or destiny.

Australia's regions are diverse which means that a top-down, one-size-fits-all approach to sustainable regional development cannot succeed. Our regions range from remote regions, to growing coastal sea-change and tree-change regions. They include the non-metropolitan urban centres in rural Australia and the fringes of our major capital cities that are absorbing our growing population.

In recognition of this diversity, Australia's regions and their communities within them, must be able to take the central role in shaping their future, building on their capability and potential.

To support this role we will actively engage with Australia's regions.

We will also increase the resources available to Australia's regions. The challenge we face is to channel these resources in such a way that Australia's regions are able to harness the contributions from all levels of government, and the contributions from within their communities and businesses, to make a difference.



As the Minister with responsibility for Regional Australia, Regional Development and Local Government, I will be working to ensure that the Australian Government effectively targets investments in regions and across regions, particularly in the areas of health, education, skills, communications, infrastructure, water and climate change.

Through our network of Regional Development Australia (RDA) organisations we are supporting the coming together of key stakeholders in Australia's regions to determine how best they can work together to strengthen their region. The resulting Regional Plans and Roadmaps prepared with stakeholders by the RDAs are critical to ensuring the regional investments we make today will have a lasting impact into the future.

The task ahead is made more difficult in those regions that, over the summer, have been impacted by the floods - the biggest natural disaster in our history, followed by the devastating impact of Cyclone Yasi and bushfires in the West. Lives have been lost. Destruction inflicted on communities.

While I have been struck by the terrible damage in the regions I have visited around Australia, I have been inspired by the resilience of local communities and the determination to rebuild.

The involvement of RDAs is central to the natural disaster recovery and reconstruction task, including rebuilding to a higher standard and reforming planning regimes. Both these actions will improve our preparedness to meet future disasters and improve the resilience of the infrastructure in our regions.

Through the RDAs and national partnerships, we will involve all levels of government, the private sector including the insurance industry, small business and primary producers. This is how we will build the resilience in our regions - a legacy from this tragedy.

The Australian Government's new Regional Development Australia Fund (RDAF) will inject close to \$1 billion in funds (with some of the funds subject to the passage of the Minerals Resource Rent Tax), over and above substantial funding being directed to disaster-declared regions under national partnership arrangements.

This flagship program will support regional infrastructure projects which will significantly improve economic and social outcomes and build on unique regional capabilities, capacity and potential.

Infrastructure projects could include economic, social or community infrastructure which will expand the development and growth of regional economies.



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To be considered for funding projects will need to leverage investment in local and regional communities and could facilitate the construction of community supported infrastructure. Further, projects could sustain and increase the economic output of local and regional economies, increase social capital, amenity or liveability of the community and assist communities to respond to change.

Sustained, collaborative effort is needed to support regional productivity and to strengthen and empower Australia's regional communities into the future.

It requires not only the resources of government, but the determination, creativity and innovation from regions themselves to achieve their regional vision.

These Guidelines detail how the Government plans to manage the RDAF to ensure this program best meets its objective of sustaining and growing regions.

I look forward to working with Australia's regions in this endeavour and in securing and developing their potential.

**Simon Crean**

Minister for Regional Minister for Regional Australia,  
Regional Development and Local Government



## 1 Executive Summary

The Regional Development Australia Fund (RDAF) is a national program to support Australia's regions and enhance the economic development and livability of their communities. The program is administered by the Department of Regional Australia, Regional Development and Local Government (the Department). It is designed to ensure that new investments are targeted to reflect the characteristics, and to address the opportunities and challenges, of our diverse regions.

The program aims to support localism, and to leverage and better coordinate state, commonwealth, local government and private (including not-for-profit) investments for the long term benefit of communities.

These Guidelines outline the:

- aim of the RDAF;
- eligibility requirements and selection processes;
- role of the Regional Development Australia Fund (RDAF) Advisory Panel;
- roles and responsibilities of the Department and funding recipients;
- funding arrangements;
- reporting arrangements; and
- management and program governance arrangements set out in the Funding Agreement.

The RDAF will operate from 1 July 2011.

The first funding round will open for applications when these Guidelines are released. The first round will look to contribute up to \$100 million of Commonwealth funding to approved projects. Applications will be received up to COB on Friday, 13 May 2011.

Proposals that are not ready or applications which cannot be completed by 13 May 2011 can be lodged in Round 2, which is expected to take place in late 2011. Advice on when Round 2 will open and close will be provided through Regional Development Australia committees and on the Department's website: [www.regional.gov.au](http://www.regional.gov.au).

Funding of between \$500,000 and \$25 million per project will be available.



Partner funding will be expected from sources other than the Australian Government for all project grants, except where extenuating circumstances prevent co-funding. Project grants over \$5 million will be required to be matched on at least a dollar for dollar basis (excluding funding from other Australian Government sources).

The Department will assess funding applications for projects for compliance with the eligibility criteria, and to determine value for money and the risk associated with the project. The Minister for Regional Australia, Regional Development and Local Government will make decisions on the projects to be funded, based on the recommendations of the RDAF Advisory Panel.

The Guidelines should be read in conjunction with the Department's Funding Agreement, which is available from [www.regional.gov.au](http://www.regional.gov.au).

The Department will review and update the Guidelines from time to time. The Department reserves the right to amend the Guidelines as appropriate to meet the policy objectives of the Government, and will provide reasonable notice of these amendments to all funding recipients. If the Department alters the application arrangements, at least one months notice prior to changes coming into effect will be provided.

## 2 Introduction

### 2.1 Program background

As part of the Commitment to Regional Australia component of the Agreement, around \$1 billion will be allocated to a Regional Development Australia Fund (RDAF). The RDAF is an umbrella program which comprises \$450 million from the Priority Regional Infrastructure Program and \$573 million from the Regional Infrastructure Fund, which is subject to the passage of the Mineral Resource Rent Tax.

The RDAF will provide financial grants to support the infrastructure needs and economic growth of Australia's regions. It is based on the principle that regions and their communities are best placed to identify the key development opportunities that will support sustainable economic and community growth and to ensure that investments are targeted at projects of lasting benefit. Projects proposed for support under the RDAF could be identified by local communities.



Regional Development Australia (RDA) committees will play a major role in drawing together local, state and territory governments, as well as private and community stakeholders within and across regions, to identify and encourage proposals which are consistent with their Regional Plans. It is anticipated that the priorities identified in Regional Plans are of the greatest importance to regional communities and have local support. Projects put forward for funding under the RDAF must be endorsed by Regional Development Australia committees.

RDA committees will not be applicants for funding from the program.

## 2.2 The Regional Development Australia Fund (RDAF) Advisory Panel

The RDAF Advisory Panel will play an important role in the delivery of the program by providing independent advice and recommendations on the allocation of funds from the RDAF to the Minister for Regional Australia, Regional Development and Local Government.

The Chair and members of the Advisory Panel will be appointed by the Minister for a period of up to three years. The governance and operating procedures for the Advisory Panel will be included as a schedule to these Guidelines. The Advisory Panel will meet as required by the Minister but at least six monthly for the duration of the program. Variations to the schedule of governance and operating procedures, including frequency of meetings, will be published as amendments to the Guidelines.

Following the Department's determination of the proposal's eligibility, efficient and effective use of resources, alignment with RDA Regional Plans and risk assessment, proposals will be presented to the Advisory Panel for consideration. The Advisory Panel will prioritise and make recommendations to the Minister on projects to be funded. In making its recommendations, the Advisory Panel may:

- notify the proponent of additional identified project risks that must be addressed before the Advisory Panel can make a recommendation for funding;
- recommend a different level of funding than requested for the project;
- vary the scope of the project that it recommends to the Minister to be funded; and/or
- request proponents of a proposal to address the Advisory Panel.

The Advisory Panel will categorise all projects as:

- 'Recommended for Funding';
- 'Suitable for Funding'; or
- 'Not Recommended for Funding'.



Where a project is considered 'Suitable for Funding' by the Advisory Panel and that recommendation is accepted by the Minister, the application may be resubmitted and considered at subsequent meetings of the Advisory Panel. The Advisory Panel may classify the application as 'Recommended for Funding'.

The Advisory Panel will review all eligible proposals and rank all proposals rated as 'Recommended for Funding' and 'Suitable for Funding' in order of merit.

The Advisory Panel reserves the right to consider the distribution of funding in its recommendations to the Minister, including by:

- population by state;
- each state and territories' GDP; and
- the Australian Government's commitment to support recovery and reconstruction of disaster affected areas in regional Australia (see section 4.5 for eligibility of projects in these areas).

### 2.3 Program objectives and outcomes

The objective of the RDAF is to fund projects that support the infrastructure needs and economic and community growth of Australia's regions. The program funds will maximise outcomes through effective partnerships across all levels of government, and the business and non-profit sectors. The program will build synergies and increase the scale of investment by ensuring that projects have a broad regional impact and support communities within those regions.

Funding should only be requested for projects that are "investment ready".

Outcomes of the program will include:

- identification of regional priorities by local communities and investment in those priorities;
- support for regional economic development by assisting regions to develop and implement projects with broad based local support and which have identified potential to deliver lasting economic and community benefits;
- sustained increases to the economic output of local and regional economies;
- increased social capital, amenity and/or liveability within the community;
- communities which achieve sustainable growth;



- integrated Australian, state and local government programs, activities and investment;
- new opportunities for private sector participation and partnerships;
- removal of barriers and/or a direct incentive for business investment in regional locations; and
- addressing specific areas of disadvantage faced by regional Australia.

It is desirable that projects funded through RDAF achieve these outcomes by maximising the opportunities generated by other regional programs and investments across the Commonwealth and other levels of government. Projects should also seek to integrate a range of activities and investments such as broadband, health, education and social inclusion, and demonstrate innovation and incentive for new investments in Australia's regions.

#### 2.4 Commonwealth priorities

Projects must support at least one of the following national priorities:

- skilling Australia;
- lifting productivity;
- maximising the opportunity of broadband;
- sustaining our environment;
- social inclusion; and
- water and energy efficiency.

### 3 Funding and Applications

#### 3.1 Applications

Applications can be lodged at any time during an open round of the program. Applicants can lodge more than one application for separate projects. Where an applicant lodges multiple applications, they must rank their applications in order of their priority for funding, including any proposal where they are a member of a consortium. Failure to prioritise multiple applications will render all applications ineligible.

Applicants can withdraw an application at any time to provide additional information. Revised or updated applications can be resubmitted by the applicant and will be assessed for eligibility in order of resubmission.



Each application will be assessed on its individual merits. Applicants can apply for single or multi-year funding up to 2014-15.

Applicants should seek independent advice on taxation treatment of the grant and should protect their own legal interests in any consortium arrangements.

An applicant can apply for funds of between \$500,000 and \$25 million (GST exclusive).

Partner funding will be expected from sources other than the Australian Government for all project grants, except where extenuating circumstances prevent co-funding. RDAF funding contributions of more than \$5 million are required to be matched on at least a dollar-for-dollar basis. There is no prescribed ratio for matching funding for projects under \$5 million, however priority will be given to those projects which maximise leverage from external sources. The matching contribution can be funded by a number of sources, including the private sector, state and territory governments and local governments.

Payment of funds will be linked to the achievement of physical milestones agreed in project plans (see section 9).

## 4 Eligibility

### 4.1 Who is eligible to apply for funding?

The following organisations are eligible to apply for funding:

- local government bodies; and
- incorporated not-for-profit organisations.

These organisations can apply in their own right or as a member of a consortium. For-profit organisations can participate in applications for funding where they are a member of a consortium.

### 4.2 Activities which will be eligible for funding

The RDAF will fund priority infrastructure projects identified by local communities in regional Australia that include economic and community infrastructure projects.



Funding is available for projects which are predominantly capital in nature, such as new infrastructure and upgrades to existing infrastructure, are important to regional and local communities, align with Commonwealth priorities and meet the objectives of the program. Examples of projects could include new bridges, community or child care centres and sporting facilities, and economic infrastructure projects that support local regional economies, including sustaining and supporting growth in local tourism and other small businesses.

Projects must be “investment ready”, that is ready to proceed within six months of signing the Funding Agreement. To be investment ready, it is expected that all planning, rezoning, environmental and/or native title approvals are in place.

Applications must be in respect of one project, although one project may comprise a smaller number of integrated or cohesive elements. Part projects will be eligible for funding, noting that funding for one component does not guarantee funding for subsequent components.

#### 4.3 Arrangements for consortia

While supporting local outcomes, projects are also expected to have broader regional significance and may involve groups or consortia of applicants, with a lead organisation responsible for contracting with the Department.

For the purposes of this program, a consortium is a temporary joint venture by two or more parties, which is created for the purpose of submitting an application and completing the proposed project under the RDAF. An eligible organisation must be a member of the consortium and be the lead organisation to submit the application on behalf of the consortia.

Consortia need to be supported by appropriate legal arrangements. Such arrangements need to be in place prior to a Funding Agreement with the Department being signed.

#### 4.4 Value for money

Proponents must promote the use of resources in an efficient, effective and ethical manner and projects must be undertaken in an accountable and transparent manner. The project documentation will enable the proper identification, assessment and comparison of the costs and benefits, and risks.

Applications should outline the proposed method for delivering the project. Generally, value for money requires that the project can be delivered at a reasonable whole-of-life cost which may involve open tendering in procurement or mechanisms to ensure competitive delivery with project delivery arrangements.



Project costs must compare favourably with available benchmarks for the activities being undertaken. Assessment of value for money may include consideration of factors such as:

- fit for purpose;
- the performance history of the proponent;
- the risks;
- the flexibility to adapt to possible change of the project according to risks;
- the evaluation of risk mitigation options; and
- projected community benefits and/or use.

#### 4.5 What will not be funded?

Funding will not be available for projects that:

- are delivered or supported through other Australian Government programs and initiatives;
- are designed to support or replace existing administrative costs of applicants (e.g. operational costs, wages, vehicle leasing and maintenance, upgrade of offices);
- are likely to have ongoing project operational costs where demonstration of funding to support those ongoing operational costs is not provided;
- the provision of services and ongoing support activities;
- have been funded under the National Disaster Relief and Recovery Arrangements (NDRRA) in the calendar year of lodgement of the application or are eligible under the NDRRA; and/or
- larger projects requiring a contribution of more than \$25 million from the Australian Government will not be funded under the RDAF.

#### 4.6 Community commitment and benefit

Under the RDAF program, preference will be given to projects that have significant community support and can demonstrate long-term benefits and outcomes for the community. For example, an increase in employment, improved community services, expansion of infrastructure to service a larger proportion of the community, upgrades to community facilities that result in community enrichment or support the continued economic development and growth of the community.



All project applications must demonstrate a clear, direct and measurable benefit to local communities through documents such as business cases, a cost-benefit analysis, feasibility studies and project plans, and must include relevant supporting material.

To be considered for funding, projects must demonstrate that they align with the Regional Plans developed by Regional Development Australia committees. These Regional Plans will play a key role in setting priorities for the RDAF program.

#### 4.7 Mandatory eligibility criteria

Applications for the RDAF program will be assessed using a competitive process. Applicants should ensure they have addressed all eligibility and selection criteria. To be eligible for consideration for funding by the RDAF Advisory Panel, project proponents must submit a completed application. Applications for projects must:

- be submitted by an eligible applicant;
- request between \$500,000 and \$25 million (GST exclusive);
- include co-funding from sources other than the Australian Government for all project grants, except in extenuating circumstances;
- leverage dollar for dollar funding for funding requests from the RDAF valued at over \$5 million from sources other than the Australia Government;
- commence and complete construction of the component funded by the Australian Government in the period between 2011-12 and 2013-14;
- include a written endorsement from the Regional Development Australia committee or committees in whose areas the project will be located or have a significant impact, and confirm how the project aligns to the Regional Plans of Regional Development Australia committees;
- include a priority ranking, where multiple applications are submitted;
- be submitted by applicants that are financially viable;
- demonstrate that the asset will be retained in original condition for a 5 year period;
- contribute to progress in one or more of the Australian Government's national priority areas (see Section 2.4);
- for applications over \$5 million, demonstrate broader regional benefit and support of other regional stakeholders;
- be supported by a business case incorporating the scope and outputs of the project; and



- be supported by a:
  - project plan that includes evidence of planning approvals, community consultations, timelines, costing and budget, resource allocations;
  - risk management plan;
  - project quality plan (including identification of appropriately qualified personnel and project management skills); and
  - procurement management plan.

#### 4.8 Selection criteria

Applications which meet the eligibility criteria will be assessed using a competitive process. As such, applicants should ensure they have addressed all of the following selection criteria.

##### ➤ **Criterion 1**

#### **Extent to which the project leverages funding from a variety of sources**

This criterion relates to partnerships and collaboration. Evidence of partnership funding and the sources of that funding will be required from applicants. Priority will be given to projects that demonstrate funding from a variety of private and community sources, and that have contributions from other governments. Greater percentages of external or alternate funding from other sources may be afforded a higher priority in the assessment of proposals.

Applicants seeking more than \$5 million in grant funding will need to provide evidence of partnership funding and the sources of that funding. A minimum matching contribution of 50 per cent is required for all projects requesting more than \$5 million in funding from the RDAF. For these projects, funding from all Australian Government agencies, programs and sources cannot exceed 50 per cent of the total project cost.

Project applicants seeking less than \$5 million are required to have matching funding, and priority will be given to those projects which maximise leverage from external funding sources.

##### ➤ **Criterion 2**

Applicants must address either Criterion 2A and/or Criterion 2B. Applicants may be able to address both criteria, depending on the nature of the project.



## ➤ Criterion 2A

### **Extent to which the project will contribute to and sustain regional economic growth**

This criterion will look at productivity improvements, including contribution to regional outputs, the number of jobs created in the region and the period of employment. This criterion may also be demonstrated by sustaining existing growth or mitigating the impacts of declining industry or agricultural outputs through structural adjustment.

It will consider the extent to which the project will contribute to new investment in the region or will diversify the region's industry base.

Priority will be given to projects which deliver benefits to communities in regional Australia. Benefits will need to be explained and quantified. An articulation of the costs versus benefits should be provided to demonstrate the positive impact of the project on the regional economy.

### **AND/OR**

## ➤ Criterion 2B

### **Extent to which the project will provide community benefit**

This criterion will consider the number of people that will utilise the approved project, the contribution that the project will make to community amenities and social capital, and the level of local support.

Priority will be given to projects that have significant community support and can demonstrate long-term benefits and outcomes for communities in regional Australia, including improved community services, expansion of infrastructure to service a larger proportion of the community or upgrades to community facilities that result in community enrichment. Benefits to the community should be described and, where possible, quantified with supporting evidence.

Community support can be demonstrated through letters of support and evidence of endorsement (through consultation).



### ➤ **Criterion 3**

#### **Sustainability and ongoing viability**

This criterion will assess the duration and value of benefit to be provided by the proposal and the investment. Projects should contribute to the longer term sustainability of local communities, their economic base and social inclusion.

Projects must be viable in the long term and applicants must demonstrate their capacity to fund ongoing support costs, such as by budget arrangements, ownership of the project, revenue delivered by the completed project or donations from stakeholders. The applicant's viability to complete and effectively run the project must also be demonstrated.

Business Plans and cash flow projections may be used to demonstrate viability.

Priority will be given to proposals that offer a long term sustainable contribution to employment, productivity and community amenity.

### ➤ **Criterion 4**

#### **Demonstrated capacity to implement and maintain the project**

This criterion will assess the applicant's experience or capacity to deliver the project on time, within budget and according to the agreed outcomes.

Where available, historical performance with regard to previous grant funding will be taken into consideration. This will include the completion of outcomes in the agreed time frame and/or capacity to communicate changes to stakeholders. Organisations that do not have a history of grant funding with this Department will need to demonstrate the successful and timely delivery of projects in their portfolio.

### ➤ **Criterion 5 (Not-for-profit organisations only)**

#### **Extent to which the project supports services to regional communities**

This criterion will assess the applications from not-for-profit organisations and will focus on infrastructure to support enhanced or innovative delivery of services to regional communities. This could include the construction or extension of facilities which support the provision of services to local families, such as child care centres or community housing. A collaborative approach to the delivery of services, in partnership with other organisations, will receive priority in the assessment process.



## 5 Assessment

### 5.1 Department's assessment

The Department will assess the eligibility of projects according to the eligibility criteria set out in section 4.7. The Department will also assess the efficient and effective use of resources, alignment with RDA Regional Plans and risk assessment, and provide information on these issues to the RDAF Advisory Panel. The RDAF Advisory Panel will consider the relative merits of projects based on the information provided by the Department and the criteria set out in section 4.8 to ensure proper usage of public monies and the organisation's ability to manage the project during delivery and after completion, based on:

- the outcomes that will be achieved;
- the project's viability;
- the applicant's viability;
- the project's sustainability;
- the project's value for money; and
- historical performance with regard to previous grant funding.

### 5.2 Independent financial viability assessments

The Department will undertake a risk analysis of the application and, where it is considered that the project or applicant organisation could be of significant risk, additional checks will be undertaken.

An Independent Viability Assessment (IVA) may be undertaken based on the size and complexity of the overall project and/or the amount of funding to be provided. This will ensure the risks associated with the viability of the applicant and project are managed.

The IVA will be undertaken by an appropriately qualified external consultant engaged by the Department and the findings of the IVA will be included in the project analysis. All information provided in an application may be subject to an IVA.

### 5.3 Advice from state, territory and local governments and other bodies

Where appropriate, the Department will seek advice on the proposed projects, extent of community support, funding contributions, viability and impact on the region from the appropriate state or territory or local government, and other relevant bodies, such as the Regional Organisations of Councils, Regional Development Commissions and Regional Development Trusts.



## 6 Probity

The Australian Government is committed to ensuring that the process for providing funding under programs is fair and in accordance with published Guidelines, as may be varied by the Australian Government from time to time. Amendments to the Guidelines will be published on the Department's website.

### 6.1 Conflict of interest

Where an applicant identifies that a conflict of interest exists or might arise in relation to projects, the applicant must identify the actual, apparent or potential conflict of interest and inform the Australian Government immediately.

A conflict of interest may exist, for example, if the applicant, or any of its personnel:

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the project assessment process; or
- has a relationship with, or an interest in, an organisation which is likely to interfere with or restrict the applicant in carrying out the proposed activities fairly and independently.

Each applicant will be required to make a legal declaration as part of its application. Applicants should ensure that any conflict of interest on the part of any member of an RDA committee is declared.

## 7 Application Process

Only fully completed applications which address both the eligibility and selection criteria, and include all required supporting documentation (sections 4.7 and 4.8) will be accepted. If not fully completed, applications will not meet the eligibility test and will not progress to the RDAF Advisory Panel for consideration.

### 7.1 Lodging an application for this Program

Applicants may obtain an application form from the Department's website at [www.regional.gov.au](http://www.regional.gov.au).

Applications are to be submitted online using the SMART form process, through the Department's website. For more information on how to complete this process go to [www.regional.gov.au](http://www.regional.gov.au).



In certain circumstances, the Department may accept a hard copy, mailed application by prior agreement. Applications will be accepted at any time within the program operational period, and the Department will acknowledge receipt of all applications within 5 working days. Applications which do not use the SMART form should be mailed to:

Branch Manager  
Program Development and Design Branch  
Department of Regional Australia, Regional Development and Local Government  
GPO Box 803  
CANBERRA CITY ACT 2601

Applications submitted by mail must be dated stamped as having been mailed by COB on 13 May 2011. Late applications will not be accepted, and may be submitted for consideration in subsequent rounds of the RDAF program.

## 8 Approval of Funding

Following assessment and confirmation by the Department that the application, proposed project and applicant organisation meets the eligibility criteria, suitable projects will be considered by the RDAF Advisory Panel, and recommendations made for approval by the Minister for Regional Australia, Regional Development and Local Government, or his delegate, for the release of RDAF funds.

On the basis of the advice from the Advisory Panel, the Minister will consider the recommended and ranked projects and make a decision whether each project will make efficient, effective and ethical use of public money as required by Commonwealth legislation and whether any risk management strategies will need to be imposed as a condition of funding based on the assessment and risk analysis undertaken.

Approved projects will be subject to the following arrangements:

- before any funding can be paid the applicant will need to enter into contractual arrangements with the Australian Government that sets out the terms and conditions under which the funding is provided. Applicants should not make financial commitments based on approval of funding until the Funding Agreement has been executed; and



- requests for additional funding from the Australian Government will not be considered. Requests to change the scope of the project or to partnership arrangements that do not involve the provision of additional funding by the Australian Government will be considered as long as the revised project meets the intent of the Program.

### 8.1 Advice to applicants

Applicants will be formally advised of the outcome of their application. Notifications sent to successful applicants will contain details of any specific conditions attached to the funding. Funding approvals will also be listed on the Department's website.

### 8.2 Complaint handling

Any enquires relating to funding decisions for this program should be directed to:

Corporate Services Branch  
Department of Regional Australia, Regional Development and Local Government  
GPO Box 803  
CANBERRA CITY ACT 2601  
[www.Regional.gov.au](http://www.Regional.gov.au)

## 9 Contracting and Funding

### 9.1 Funding agreement

Successful applicants should enter into a Funding Agreement within 16 weeks of the project being approved by the Minister. The offer of funding may be withdrawn if the applicant cannot meet the timeframe, has not obtained agreement from the Department to obtain an extension to this timeframe, or if there are significant reasons as to why the project cannot commence.

The Funding Agreement is a legally enforceable document which clearly defines the obligations of both parties. It will describe the purpose for which the Australian Government funding must be used, will provide a description of how, when and where the project will be delivered, and will set out any requirements or conditions that must be met prior to the release of funds. The Funding Agreement will also set out agreed milestones and project outcomes that must be achieved prior to the release of payments.

A template of the standard agreement is available on the Department's website at [www.regional.gov.au](http://www.regional.gov.au).



If there are any conditions or risk treatments identified by the Department or the RDAF Advisory Panel which need to be satisfied, evidence must be provided to, and accepted by, the Government that these conditions have been met prior to grant payments being made. Conditions and risk treatments will be managed through milestones specified in the Funding Agreement.

If a condition relates to the securing of partnership funding, applicants will be required to secure that funding within an agreed period of securing Australian Government approval. Where it relates to obtaining statutory, insurance or licence approvals, applicants will be required to obtain all necessary approvals within a period as detailed in their application at the time of approval by the Australian Government.

Action may be taken to terminate Funding Agreements where its requirements are not met.

The Funding Agreement aims to:

- protect the Government's interests and ensure the effective and efficient use of public money;
- set out arrangements covering treatments of any cost savings;
- ensure the achievement of the agreed outputs of the project; and
- ensure appropriate recognition of Australian Government funds.

## 9.2 Payment arrangements

The initial payment will be made in advance, with remaining payments made on achievement of agreed milestones. Before the second and subsequent payments can be made, funding recipients will be required to provide:

- evidence of meeting the milestone through provision of a progress report, photographs and other documentation as requested;
- evidence of meeting the obligations of the Funding Agreement;
- evidence that all payments made by the Department under the RDAF for the project have been expended or committed; and
- a tax invoice, which meets the requirements of the Australian Taxation Office, for the amount of the payment.

Payments will only be made after the Department is satisfied that milestones and the associated obligations specified in the Funding Agreement have been met.



### 9.3 Managing the project

Once funding is confirmed, the applicant will be required to actively manage the project. The project's progress against the Funding Agreement will be monitored by the applicant, which will provide progress reports to the Department.

The Department will monitor progress against the Funding Agreement through assessment of progress reports and by conducting site visits as necessary.

In some instances, based on project size, complexity and the amount of funding being provided, a Project Governance Board may need to be established with regular meetings and reports. The Department may be an observer at these meetings.

### 9.4 Reporting

Applicants must provide regular reports on their progress against the achievement of agreed milestones. Depending on the size and/or complexity of the projects, reporting will be quarterly or half yearly.

Whether reports are to be made quarterly or half yearly will be determined as part of the Funding Agreement negotiations and will be directly linked to the agreed milestones and risk assessments. Acquittal of expenditure will also be a key element of these reports.

Where progress payments are linked to the achievement of specific activities, these payments will only be made after the relevant progress report is accepted and it is agreed that the requirements for payment stated in the Funding Agreement have been met, including expenditure of the previous payment.

Additionally, if funding has been approved subject to meeting certain conditions, evidence that the conditions have been met must be presented to, and accepted by the Department.

### 9.5 Acquittals

Applicants are required to provide the Department with financial acquittals, and audited statements upon completion of the project, that demonstrate that they have spent the Australian Government funding on the purposes specified in the Funding Agreement. For large projects, audited statements may be required as part of milestone reports.

Applicants should familiarise themselves with the Funding Agreement to ensure they are able to comply with the acquittal requirements.



When the project has been completed, applicants must complete:

- a 'Project Completion Report', to demonstrate that they have achieved all the agreed milestones; and
- a financial acquittal and audited statement by an independent auditor, of all expenditure of Australian Government funding and other funding sources, as set out in the Funding Agreement.

Once this report has been accepted by the Department, the final grant payment will be made.

### 9.6 Evaluation

To enable evaluation of the benefits of Government funding, each applicant is required to identify the project's key outputs and the manner in which they will be measured (performance measures). These outputs and performance measures will be included in the Funding Agreement. The Project Completion report will be important for documenting what was achieved with the funding provided for the project by the Australian Government.

Utilising this information, an evaluation by the Department will determine how the funding contributed to the overall objectives of the program.

### 9.7 Funding for projects relating to building and construction

Building work funded by the Australian Government is subject to all relevant state or territory health and safety laws. Special arrangements apply to projects relating to building and construction, and are set out at [Attachment B](#).

## 10 Confidential Information

Applicants must identify any information contained within their project application which they consider should be treated as confidential and provide reasons for the request. The Australian Government reserves the right to accept or refuse a request to treat information as confidential.

A request made under the *Freedom of Information Act 1982* for access to an application marked 'confidential' will be determined in accordance with that Act.

## 11 Branding and Recognition Requirements

Given the significant financial commitment from the Australian Government, successful applicants are expected to engage with the community during the project delivery process to ensure consistency with program objectives.



Organisations must ensure that all advertisements, promotional activities (such as pamphlets, other publicity or fundraising events) and any other public relations matters are consistent with these Guidelines and Funding Agreement. As a minimum all publicity material should include the following words:

*'Funded by the Australian Government under the .....*

All project publicity should demonstrate truth, accuracy and good taste.

Applicants are not to publicise the approval of funding for their projects until they are announced by the Minister. Any written public comment about the project and/or funding program by the organisation or its sub-contractor must be consistent with the requirements of these Guidelines and the Funding Agreement.

Successful applicants must notify the Department at least 20 business days in advance of upcoming promotional events (e.g. launches, graduations and visits). The Minister must be invited to all such activities. The Minister has the option of accepting, declining or nominating a representative to attend on his behalf. The representative may be selected from the team of Ministers, Parliamentary Secretaries, RDA Chairs and local members supporting the Minister. Departmental staff may also attend.

It is not appropriate for organisations to invite a representative, such as a local Member of Parliament, to attend such a launch or function without prior agreement from the Minister's office. Such permission must be sought through the Department of Regional Australia, Regional Development and Local Government.

Funding for marketing and publicity activities (e.g. for the development of signage at project sites) may be approved in the project budget and should be clearly identified in the funding application.

Permanent fixtures such as plaques on restored buildings or framed certificates inside buildings should remain for as long as it is appropriate (e.g. a plaque in a childcare centre which has been built should remain affixed while the centre remains in use). Where it is considered inappropriate to display signage because of environmental, cultural or other reasons, organisations should advise the Department.

If a plaque is required for an opening, it may be funded out of the project budget.



### 11.1 Roles and responsibilities

The Grant Program Process Flowchart at [Attachment C](#) outlines the roles and responsibilities of each party. The funding Approver for the RDAF program is the Minister for Regional Australia, Regional Development and Local Government.

### 11.2 Anticipated key dates

The following table outlines the anticipated timeline for the program.

Milestone	Anticipated Dates
Program announced	March 2011
Guidelines published	March 2011
Round 1 applications open	March 2011
Round 1 applications close	13 May 2011
First projects agreed and announced	July 2011
Contracts negotiated and agreed	Within 16 weeks of Minister's decision



## Glossary of Terms

### **Australian Business Number (ABN)**

The ABN is the single business identifier that allows businesses to meet their regulatory obligations and access information and assistance through a single entry point to government.

### **Regional Development Australia committees**

Regional Development Australia committees are playing a key role in identifying local projects, confirming alignment of projects with their Regional Plans and support projects. RDA committees can play a facilitation role by bringing stakeholders, local governments and other organisations together to identify suitable projects and sources of funding. Similarly, individuals who are members of RDA committees cannot apply for project funding.

### **Consortium**

An association of two or more individuals, companies, organizations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources to achieve a common goal. A consortium is often formed to undertake a venture that would be beyond the resources of a single individual or company.

### **Department, DRA**

Australian Government Department of Regional Australia, Regional Development and Local Government.

### **Infrastructure**

The basic facilities, services, and installations needed for the functioning of a community.

### **In-kind contributions**

In-kind contributions may be contributions of land, equipment, supplies, or other tangible resources, as distinguished from a monetary grant.

### **Investment Ready**

Projects which are “investment ready” must be ready to proceed, including to commence construction, within six months of signing the Funding Agreement. It is expected that all planning, rezoning, environmental and/or native title approvals will be in place.



## Local Government

A *local governing body* is defined by the *Local Government (Financial Assistance) Act 1995* (Cwlth) as either:

- a) a local governing body established by or under a law of a State, other than a body whose sole or principal function is to provide a particular service, such as the supply of electricity or water; or
- b) a body declared by the Minister, on the advice of the relevant State Minister, by notice published in the *Gazette*, to be a local governing body for the purposes of this Act.

For the purposes of Commonwealth funding the Australian Capital Territory is considered to be a local governing body. Currently the ten declared local governing bodies are:

- Five Indigenous local governing bodies in South Australia (Anangu Pitjantjatjara, Maralinga, Gerard, Nepabunna, and Yalata);
- the Outback Communities Authority, formerly the Outback Areas Community Development Trust, in South Australia;
- the Trust Account in the Northern Territory;
- the Silvertown and Tibooburra villages in New South Wales; and
- Lord Howe Island governed by New South Wales.

## Incorporated non-profit or not-for-profit organisations

An organisation is non-profit if its activities are not carried on for the profit or gain of its individual members. The constitution or governing documents of the organisation should prohibit distribution of profits or gains to individual members.

## Outcomes

The long term benefits that a project brings to a community, i.e. the result, impact or consequence of the project. For example, outcomes could include an increase in employment, increase in education opportunities or increase in community capacity. Projects should have a positive outcome.



### **Partner contribution (or partnership funding)**

A financial contribution to the project made by an individual or organisation (partner contributor) from a specific program or funding source. Contributions of tangible resources such as land should be included as contributions of in-kind support.

### **Project**

A project is the entire endeavour undertaken to create a unique product, service, or result under the RDAF.

### **Region**

A region is an area which is bordered by Regional Development Australia committee boundaries or is a Local Government Area.

### **Social Capital**

Projects which build the social cohesion of a community, support or enhance social inclusion, build or strengthen social networks or address issues which are specific to minority groups. The outcome is more integrated communities.

### **Sustainability**

The continuation of the project outcomes beyond the period of funding.



## Attachment A: Eligibility checklist

The following questions may assist applicants to determine if they are eligible to apply to the RDAF and the evidence that they will need to support their application.

### Q1 Is your project eligible for funding?

Is your project:

- the responsibility of other government bodies;
- delivered or supported through other Australian Government programs and initiatives;
- going to support or replace existing administrative costs (e.g. operational costs, wages, vehicle leasing and maintenance, upgrade of offices);
- likely to have ongoing operational costs that you are unable to demonstrate funding to support on an ongoing basis; or
- being funded under the National Disaster Relief and Recovery Arrangements (NDRRA) in the calendar year of lodgement of the application or eligible under the NDRRA.

If you answered no to all of the above you may proceed to Question 2.

### Q2 Does your application meet the following eligibility criteria?

Does your project:

- include preparation of an application for funding by an eligible applicant;
- request between \$500,000 and \$25 million (GST exclusive);
- include co-funding from sources other than the Australian Government for funding requests valued at up to \$5 million ;
- leverage at least dollar for dollar funding from other sources for funding requests valued at over \$5 million (excluding the Commonwealth);
- commence and complete construction of the component funded by the Australian Government in the period between 2011-12 and 2013-14;



- include a written endorsement from the Regional Development Australia committee or committees in whose areas the project will be located or have a significant impact, and confirm how the project links to the Regional Plans of Regional Development Australia committees;
- include a priority ranking, where multiple applications are submitted;
- be submitted by applicants that are financially viable; demonstrate that the asset will be retained by the applicant for a 5 year period;
- contribute to progress in one or more of the Australian Government's national priority areas (see Section 2.4);
- for applications over \$5 million, demonstrates broader regional benefit and support of other regional stakeholders;
- be supported by a business case incorporating the scope and outputs of the project; and
- be supported by a:
  - project plan that includes evidence of planning approvals, community consultations, timelines, costing and budget, resource allocations;
  - risk management plan;
  - project quality plan (including identification of appropriately qualified personnel and project management skills); and
  - procurement management plan.

**Q3 Can you address the selection criteria, as they apply to your project:**

- Criterion 1: Extent to which the project leverages funding from a variety of sources.
- Criterion 2A: Extent to which the project will contribute to and sustain regional economic growth AND/OR Criterion 2B: Extent to which the project will provide community benefit.
- Criterion 3: Sustainability and ongoing viability
- Criterion 4: Demonstrated capacity to implement and maintain the project
- Criterion 5 (Not-for-profit organisations only): Extent to which the project supports services to regional communities.



## Attachment B: National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry

The National Code of Practice for the Construction Industry (the Code) and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, revised September 2005, reissued June 2006 (the Guidelines for the Code), set out the responsibilities of the parties involved in building and construction projects funded by the Australian Government. The principles expressed in the Code promote best practice workplace relations and standards of honesty and integrity in the construction industry. The Guidelines for the Code were developed to assist the interpretation and implementation of the Code.

The Code and Guidelines for the Code apply, subject to the specified threshold requirements in the Guidelines for the Code, to all directly and indirectly funded building and construction activities undertaken by Australian Government agencies and funding applicants.

Applicants of project funding specifically relating to building and construction activity, as defined in the Code and subject to any threshold requirement in the Guidelines for the Code, must comply with the Code and Guidelines for the Code. Funding applicants will also be obliged, among other things, to ensure that all contractors, subcontractors, suppliers, consultants and employers who perform work in relation to a project funded under the Program comply with the Code and Guidelines for the Code.

For copies of the Code and the Guidelines for the Code, applicants should refer to: [www.workplace.gov.au/workplace/Organisation/Industry/BuildingConstruction/](http://www.workplace.gov.au/workplace/Organisation/Industry/BuildingConstruction/)

### **Australian Government Building and Construction OHS Accreditation Scheme**

The Australian Government is committed to improving occupational health and safety (OHS) outcomes in the building and construction industry. From 1 October 2007, only persons who are accredited under the Australian Government Building and Construction OHS Accreditation Scheme are able to contract for building work that is **indirectly** funded by the Australian Government where:

- the value of the Australian Government contribution (including the amount of any Contingency Payment) to the project is at least \$5 million and represents at least 50 per cent of the total construction project value; or



- the Australian Government contribution (including the amount of any Contingency Payment) to a project is \$10 million or more, irrespective of the proportion of Australian Government funding.

The Scheme is established by the *Building and Construction Industry Improvement Act 2005* and specified in the Building and Construction Industry Improvement (Accreditation Scheme) Regulations 2005.

Building work is considered **indirectly** funded where it is funded by the Australian Government or an Australian Government authority through grants and other programmes. This includes building projects where the Australian Government provides money through a funding agreement or grants to a person, for example, a state or territory government who then may contract with persons who will undertake the building work or persons who will arrange for the building work to be carried out.

**Indirectly** funded building work also includes building projects that the person, who receives Australian Government funding, facilitates by agreement (for example pre-commitment lease, Build Own Operate (BOO) and Build Own Operate Transfer (BOOT) arrangements).

If a project meets the above threshold amounts, the requirement that accredited builders carry out the building work only applies to contracts for building work that are valued at \$3 million or more as defined in the Building and Construction Industry Improvement (Accreditation Scheme) Regulations 2005.

Further information on applying the Australian Government Building and Construction OHS Accreditation Scheme is available from the Office of the Federal Safety Commissioner at [www.fsc.gov.au](http://www.fsc.gov.au).

The Australian Government reserves the right to set other conditions especially where there may be a need to mitigate risks identified within the project.



## Attachment C: Grant Program Process Flowchart

