



Australian Government

Department of Regional Australia,
Local Government, Arts and Sport



DRAFT GUIDELINES

Regional Development Australia Fund

Round Five

Local Government - Allocative Round

June 2013



Minister's Foreword

During the past few years, the Australian Government has focused as never before in our history on the economic development and wellbeing of our communities – our regions and our local communities.

This new partnership is injecting an unprecedented amount of investment in nation-building infrastructure in order to unlock the potential of Australia's regions – to strengthen their diversity, increase productivity and enhance economic strength.

It is a renaissance fuelled by the Regional Development Australia Fund (RDAF) and prior to that, the Regional and Local Community Infrastructure Program.

In order to continue the momentum, the Australian Government is releasing a further \$150 million for local community infrastructure development through RDAF Round Five.

RDAF Round Five gives eligible councils the opportunity to build new community infrastructure and renew existing infrastructure in partnership with the Australian Government.

RDAF Round Five is about providing a boost for 'shovel-ready' projects in communities.

It is yet another step by this Government to empower local councils and shires to play a much greater role in shaping the future of their communities - and with it the greater fortunes of the nation.

Under the first three rounds of the RDAF, 160 projects have received more than \$380 million in funding.

This funding, mostly delivered to local councils and shires, is delivering major infrastructure, such as sporting and cultural infrastructure, libraries, airports, ports and transport infrastructure and renewable energy initiatives.

Under Round Five, all eligible local councils and shires will receive a base grant of \$30,000, with the remaining funding in each State or Territory distributed to each eligible local government in accordance with the General Purpose component of the local government Financial Assistance Grants for suitable projects. This will mean that smaller councils and shires also receive appropriate funding.

Funding will be provided for additional capital infrastructure projects, including the construction of new infrastructure and the refurbishment or renovation of existing infrastructure.

Round Five also gives eligible local governments whose expressions of interest or applications were unsuccessful under previous rounds of RDAF the opportunity to resubmit.

The current level of funding for RDAF is being supplemented by an additional \$45 million to fund the grants for urban councils.

These Guidelines outline how the Australian Government plans to continue, in partnership with local councils and shires, our objective of growing and sustaining our regions.

The Guidelines are essential reading for local councils and shires intending to participate in the funding round.

It includes a new range of objectives, administrative processes, funding criteria and mutual responsibilities that will apply throughout the application period.

Information including help with supporting documentation and details of the contractual arrangements are also featured.

Advice on the outcome of applications will be provided in writing to all applicants and the Funding Allocation for eligible local governments will be listed on my Department's website, www.regional.gov.au

RDAF has already driven great change in our regions. I want to acknowledge the vital work of the Regional Development Australia committees in this process. RDAF Round Five will continue this change and deliver real infrastructure to deliver both social and economic benefits.

Anthony Albanese
Minister for Infrastructure and Transport
Minister for Regional Development and Local Government

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Program Overview

The Regional Development Australia Fund is a national infrastructure grants program supporting Australia's regions and enhancing their wellbeing and economic development.

The program is administered by the Department of Regional Australia, Local Government, Arts and Sport (the Department) with four funding rounds currently being managed.

Funding is provided for capital infrastructure projects, including the construction of new infrastructure and the refurbishment or renovation of existing infrastructure.

Round Five will allocate \$150 million between all eligible local governments, according to an allocative model, for capital infrastructure projects. Eligible local governments are those that received the General Purpose funding component of the local government Financial Assistance Grants in 2012-13.

Funding will be allocated among States and Territories on a per capita basis. A base grant of \$30,000 will apply for all eligible local governments with the remaining funding in each State or Territory to be distributed in the same proportion as the General Purpose funding component of the local government Financial Assistance Grants for 2012-13 (as determined by each State and Territory Local Government Grants Commission). Additional funds have been provided into the RDAF to fund the capital city council allocations.

The Funding Allocation for each eligible local government will be available on the Department's website (www.regional.gov.au).

1 Introduction

These Guidelines outline the objectives and outcomes for Round Five of the Regional Development Australia Fund (RDAF); the application and assessment process, including funding criteria; roles and responsibilities of the administering parties and funding recipients; and funding arrangements.

1.1 Objectives and Outcomes of the Regional Development Australia Fund

The objective of the RDAF program is to support the economies and communities of Australia's regions. Outcomes of the RDAF program are:

- sustainable regional economic development, economic diversification, and increases to the economic output of local and regional economies
- strong, dynamic and progressive regional communities which support social inclusion and "Closing the Gap on Indigenous Disadvantage" and are underpinned by quality recreational, arts, cultural and social facilities, and
- development of sustainable partnerships across Australian, state and local government, the private sector and the not-for-profit community to support a shared vision and joint investment in regional communities.

Applications for Rounds One to Four have concluded, and details of projects to be funded under these rounds are available on the Department's website (www.regional.gov.au).

Projects funded from Rounds One to Four were selected on their merits according to a competitive application process. Projects for Round Five will be funded according to an allocative model that allows for grants to all eligible local governments.

The RDAF program will be reviewed five years after the completion of projects to be funded from the last funding round, subject to the availability of resources. The review will determine the extent to which the program has achieved its objectives and outcomes.

1.2 Overview of Round Five

- Round Five will allocate \$150 million to eligible local governments for capital infrastructure projects. Eligible local governments are those that received the General Purpose component of the local government Financial Assistance Grants in 2012-13.
- Funding will be allocated among States and Territories on a per capita basis. A base grant of \$30,000 will apply for all eligible local governments with the remaining funding in each State or Territory to be distributed in the same proportion as the General Purpose funding component of the local government Financial Assistance Grants (as determined by each State and Territory Local Government Grants Commission).
- Applications for Round Five open on 21 June 2013 and close at 5:00pm (local time) on 22 July 2013.

- However, the Department will assess applications as they are received throughout the application period.
- The Funding Allocation for eligible local governments will be available on the Department's website (www.regional.gov.au).
- The Department will approve projects within each eligible local government's Funding Allocation.
- Eligible local governments will receive a 50% up-front payment of the Funding Allocation on execution of a Funding Agreement with the Commonwealth with subsequent payments on the achievement of milestones. The exception being eligible local governments with a Funding Allocation of \$50,000 or less who will receive a 100% up-front payment on execution of a Funding Agreement between the applicant and the Commonwealth.
- Eligible local governments are expected to make contributions to projects in the form of cash or in-kind contributions.
- Eligible local governments may submit applications for projects that have been the subject of expressions of interest or applications under previous RDAF rounds. However, if a project received funding under a previous RDAF round, an application under Round Five must be for a discrete and further stage of the project.
- Where an eligible local government resubmits a project that was not approved for funding under a previous round of RDAF funding, they are to ensure that they have taken into consideration any feedback provided by the Department, when preparing their applications.
- Applicants can ask questions relating to Round Five by emailing rdaf@regional.gov.au. Questions should be clear and concise, and identify that part of the process they are seeking advice on. All questions that are directly relevant to Round Five will be added to a Frequently Asked Questions document and placed on the Department's website (www.regional.gov.au). This document will be regularly updated.

2 Eligibility

2.1 Funding Criteria

To be funded, applications must satisfy the following criteria:

Funding Criterion 1: The applicant must be an eligible organisation.

- Eligible organisations are local governments that received funding under the General Purpose component of the local government Financial Assistance Grants in 2012-13.
- Applicants may be supported by a consortium and projects may be delivered by the consortium. Consortium members may include other local governments, state or territory governments, not-for-profit organisations, business and industry organisations, universities and technical colleges, Regional Organisations of Councils, and community organisations.
- The legal and operational arrangements for a consortium are a matter for participants. The Commonwealth will only enter into a Funding Agreement with an eligible organisation.

Funding Criterion 2: The application must be for an eligible project.

- Projects must be for the construction of new infrastructure, or the refurbishment or upgrade to existing infrastructure.
- Projects must be 'investment ready', i.e. the project must be completed no later than 31 December 2016. The project must also be ready to commence construction within 12 months of the execution of the Funding Agreement between the applicant and the Commonwealth.
- Projects must be maintained for a period of not less than five years following completion of the project.
- Single projects or a package of smaller projects will be supported. There is no limit on the number of projects that may be submitted, however all projects must be included in a single application and, subject to approval, will form a single Funding Agreement between the applicant and the Commonwealth.

Funding Criterion 3: The project must provide community benefit, economic growth, or support the environment.

Projects must benefit the Local Government Area and the communities that reside within it. Benefits may be to:

- develop the community, i.e. projects that support or enhance social capital and regional liveability through the construction, expansion or refurbishment of community facilities, infrastructure to support housing, streetscapes and civic upgrades, or facilities to support the disadvantaged
- support economic growth, i.e. by sustaining existing growth, enhancing productivity and innovation, supporting industry diversification and value-added activities, contributing to new investment, creating sustainable jobs, exploiting export opportunities, or facilitating workforce re-training and skills development, and/or
- support the environment, i.e. projects that support a transition to clean energy, sewerage upgrades, efficient storage, transformation and use of water, or the effective disposal of waste.

Funding Criterion 4: The project must be viable.

The application must demonstrate that the project is viable by providing:

- Evidence of approvals - that approvals are in place, applied for, or otherwise expected to be received to allow the commencement of construction within 12 months of entering into a Funding Agreement with the Commonwealth.
- Evidence of co-contributions – that the project will be fully funded through commitment of partnership contributions in cash or in-kind.
- Evidence of planning - that the project will be delivered on time and to budget. This will be achieved through the provision of supporting documents, per 3.2 of these Guidelines.
- Evidence of costing - that the project has been appropriately costed. The level and detail of the costing, and procurement processes, should be commensurate with the value of the project.

2.2 Ineligible Organisations

Organisations that did not receive assistance under the General Purpose funding component of the local government Financial Assistance Grants in 2012-13 are not eligible to apply for Round Five. Ineligible organisations include:

- Regional Organisations of Councils, notwithstanding their establishment by legislation in some states and territories,
- not-for-profit organisations,
- for profit and commercial organisations,
- commercial arms of local or state government bodies, for example organisations that deliver services to communities which would normally be expected of a council and/or which operate on a commercial basis,
- Governments of Norfolk Island, Christmas Island and Cocos (Keeling) Islands,
- universities and technical colleges, and

- Regional Development Australia committees.

These organisations may participate in a consortium which is led by an eligible applicant. It is expected that consortia will be supported by appropriate legal and governance arrangements.

2.3 Ineligible Projects

Funding will not be provided for:

- local government premises that are occupied by local government for administrative purposes
- artworks
- toilet blocks
- soft infrastructure, such as computer software or hardware
- salaries for service delivery staff, research staff and/or contractors
- purchase of plant and equipment that is not an integral part of the funded project
- administrative overhead items, including office equipment and vehicles
- mobile capital equipment, such as trucks and earthmoving equipment
- provision of services and support activities
- ongoing operational and maintenance costs
- project management, feasibility studies and other costs associated with project management, and
- activities that are eligible to be funded under the National Disaster Relief and Recovery Arrangements.

3 Application and Assessment Process

3.1 Application

Applications will open on 21 June 2013 and close at 5:00pm (local time) on 22 July 2013. During this time, applicants will need to complete and submit their application and supporting documents. Applicants must address the funding criteria in their application, and are strongly advised to provide supporting documents. Applicants should be clear and succinct in their descriptions of the project.

Applications must be submitted via the Department's website (www.regional.gov.au). A User Guide will be available on the Department's website to support the application process.

Eligible local governments may submit applications for projects that have been the subject of expressions of interest or applications under previous RDAF rounds. However, if a project received funding under a previous RDAF round, an application under Round Five must be for a discrete and further stage of the project. If a previous application was not successful, applicants should ensure that they have taken into consideration any feedback provided by the Department when preparing their applications.

3.2 Supporting Documents

A number of documents should be provided by applicants to demonstrate their capability and capacity to deliver and maintain the project. The size and detail of the documents should be commensurate with the value and scope of the project, and sufficient to enable the Department to assess value-for-money, project viability, and the local government capacity to deliver the project within the specified timeframe and budget. The supporting documentation may be provided in a single document where appropriate.

Failure to provide adequate documentation may impact on the timely assessment of applications and has the potential to significantly delay the establishment of Funding Agreements.

Project documentation should enable the proper identification and assessment of project costs, benefits and risks.

Supporting documentation relating to the proposed project should outline the benefits to the community, demonstrate value-for-money, and outline how the project will be delivered on time and to budget. Complex larger projects require more detailed documentation to support their application.

To assist applicants in providing only that information necessary for effective assessment, further guidance on expected documents is at [Attachment A](#).

3.3 Assessment of Applications

The Department will undertake a value-for-money assessment of all applications to determine that they meet the funding criteria.

Applications will be assessed as they are received throughout the application period and beyond. It may be necessary for the Department to contact applicants to verify elements of the application.

3.4 Risk Assessment

The Department will conduct a risk analysis on each application and, depending on the outcomes, may require additional checks or independent advice through an Independent Viability Assessment (IVA). IVAs will be conducted by an external consultant engaged by the Department and the findings will be included in the analysis of the project. All information provided in an application will be considered during an IVA process.

Information provided in the application form and attached supporting documents will be used to assess value-for-money. Value-for-money requires that the project can be delivered at a reasonable whole-of-life cost. Generally, this requirement means open procurement processes or mechanisms will be used throughout project execution to ensure competitive delivery. Project costs must compare favourably with available benchmarks for the activities being undertaken.

Eligible local governments will be required to use resources in an efficient, effective, economical and ethical manner and be accountable and transparent in their dealings.

3.5 Approval of projects

The Department has the delegation to approve projects.

Following the assessment processes, the Department will approve grants for eligible projects within each eligible local government area's Funding Allocation. The approved funding will be available subject to the applicant entering into a Funding Agreement with the Commonwealth.

3.6 Advice to applicants

Advice on the outcome of applications will be provided in writing to all applicants. Projects approved for funding will be listed on the Department's website (www.regional.gov.au).

4 Funding Arrangements

4.1 Funding Allocation

- \$150 million is available under Round Five.
- Funding will be allocated among States and Territories on a per capita basis. A base grant of \$30,000 will apply for all local governments with the remaining funding in each State or Territory to be distributed in the same proportion as the General Purpose funding component of the local government Financial Assistance Grants (as determined by each State and Territory Local Government Grants Commission).
- The Funding Allocation for each eligible local government will be published on the Department's website (www.regional.gov.au).

4.2 Payments

- Eligible local governments will receive a 50% up-front payment of the Funding Allocation upon execution of a Funding Agreement between the applicant and the Commonwealth. The exception being eligible local governments with a Funding Allocation of \$50,000 or less who will receive a 100% up-front payment on execution of a Funding Agreement between the applicant and the Commonwealth.
- Subsequent RDAF payments will be made in arrears on the achievement of agreed milestones, as set out in the Funding Agreement.

4.3 Funding Agreement

Funding will be delivered to applicants through a Funding Agreement that will specify:

- the purpose for which the RDAF funding must be used
- the terms and conditions under which the RDAF funding is provided

- any requirements or conditions that must be met prior to the release of RDAF funds, and
- milestones and project outcomes that must be achieved prior to the release of each RDAF payment.

Applicants should not make financial commitments for funded activities until a Funding Agreement has been executed.

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 continues to meet the objectives and outcomes of the RDAF program.

Attachment C provides further detail about the contractual arrangements and the negotiation process. Building work funded by the Australian Government is subject to all relevant state or territory work health and safety laws.

The Department will regularly monitor the progress of projects, and any delays in the commencement of milestones will be dealt with according to the procedures set out in the Funding Agreement.

5 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 (www.regional.gov.au).

Independent probity advice may be requested to support the implementation of the Guidelines, including the assessment process.

Applicants should identify existing or potential conflicts of interest. Similarly, as projects roll out, applicants must immediately declare actual or apparent conflicts of interest that arise and inform the Australian Government.

6 Confidential Information

All information provided in an application may be distributed to other parties to assist in the assessment of the application and may be distributed and/or publicised as part of material on the program or the project.

Applicants must identify any information contained within their application that 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.

7 Complaints Process

Complaints about the RDAF application and assessment process should be directed to:

RDAF Complaints
Corporate Services
Department of Regional Australia, Local Government, Arts and Sport
GPO Box 803
CANBERRA ACT 2601

Details of the complaints process are available from the Department's website (www.regional.gov.au).

8 Key Dates

Milestone	Date
RDAF Round Five announced	19 June 2013
Draft RDAF Round Five Guidelines published to website – www.regional.gov.au	21 June 2013
Applications for RDAF Round Five open	21 June 2013
Assessment of applications	As applications are received
Applications for RDAF Round Five close	22 July 2013 (5:00pm local time)
Department approval of grants under Round Five	Following assessment
Funding Agreements negotiated and executed	Funding Agreements will be negotiated on a rolling basis and must be executed within six months of grant approval

Glossary of Terms

Consortium

An association of two or more individuals, companies, organisations or governments in any combination 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. A consortium must be supported by appropriate legal arrangements.

The Department

Australian Government as represented by Department of Regional Australia, Local Government, Arts and Sport.

Funding Allocation

The funding allocated to eligible local governments under RDAF Round Five.

Infrastructure

The facilities and installations needed to support a functioning 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

The project must be completed no later than 31 December 2016. The project must also be ready to commence construction within 12 months of the execution of the Funding Agreement between the applicant and the Commonwealth.

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.

Please note that 'State' in the *Local Government (Financial Assistance) Act 1995* (Cwlth) includes the Australian Capital Territory and the Northern Territory.

For the purposes of the RDAF program, organisations that received the General Purpose funding component of the local government Financial Assistance Grants in 2012-13 will be considered eligible local governments.

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.

Partner contribution (or partnership funding)

A cash 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. The applicant will usually be a partner but this is not a specific requirement.

Project

A project is the entire endeavour undertaken to create a product or output under the RDAF program.

Social Capital

Projects that 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.

Attachment A

Guidance on Preparing Supporting Documentation

It is expected that the detail, size and content of supporting documents will be commensurate with the size and scope and risk of the project. Documentation relating to larger projects and/or more complex projects is expected to be more detailed and provide extensive information to demonstrate capacity and capability. Documentation in relation to smaller projects may be less detailed.

Supporting documents should be practical documents that will be used for the implementation and/or management of the project. These documents need not be prepared just for the RDAF application. Consideration should be given, where possible, to using existing documents to support the application.

Where applicants are seeking funding for a package of smaller projects, supporting documentation should be provided for each project.

Budgets for the project, both for individual phases and overall should be provided. These budgets will contain statements of income, expenses and projected balances by scheduled project milestones. Budgets should be detailed and specific. Major expense items should be itemised.

For larger projects applicants should, in putting their supporting documentation together, have regard to the following aspects of good project management and assess the applicability to their projects.

1. Business Case

The Business Case (or similar) should provide an overview of the project and the benefits that will accrue. The Business Case should include reasons for initiating the project; outcomes; and a methodology to review progress against them. It will also detail the physical aspects of the project, including inclusions and exclusions (for example because they are already in place or will be provided by a third party), and include a cost/benefit analysis.

The Business Case sets the framework for the delivery of the project.

2. Asset Management and Operations Plan

The Asset Management and Operations Plan should demonstrate that the outputs of the project will be retained in original condition for a five year period. It should also outline the operational needs of the project into the future, a strategy to manage the project and arrangements to maintain the ongoing viability of the completed project.

The Plan should include details of ownership arrangements for the facility including leasing and/or rental arrangements. Five year financial projections post project delivery should be provided, including¹:

- costs associated with operating and maintaining the infrastructure,
- projections of any revenue that may be generated and the percentage to be applied to ongoing maintenance and management of the infrastructure, and
- arrangements to manage revenue shortfalls relative to expenditure.

3. Project Management Plan

Applications should include a Project Management Plan (or similar), which addresses the implementation of the project, from commencement to completion. It should define how, when and by whom project activities will be completed. The Project Management Plan should include:

- *Project Objectives*: the outputs of the project, the infrastructure to be delivered and the benefits to be realised.
- *Project Scope*: what is included in and excluded from the project, identify geographical location and coverage, identify business units involved in implementation, note project prerequisites and assumptions, and specify the criteria that demonstrate completion of the project.
- *Governance and Organisational Structures*: the organisational structure, particularly as it relates to the project. Roles and responsibilities of key staff members should be defined.
- *An Operational approach for the Execution of the Project*: timelines, milestones and key activities.
- *Resourcing*: the staffing and physical resources required, and how these will be applied to the project.
- *Resource Management*: the staffing, contractor and resources required to complete the project. Arrangements to procure resources should be described.
- *Project Quality*: the strategy to ensure the quality of the construction and delivery of the project.
- *Project Communication Strategy*: the formal and informal communication strategies to engage with stakeholders and other interested parties.
- *Approvals*: approvals which are in place and still to be obtained, as well as a strategy and timeline to finalise all outstanding approvals.
- *Compliance*: the processes to ensure that the activities undertaken comply with all requirements, and arrangements to monitor compliance.

¹ For capital assets with no revenue stream, and which will become part of the ongoing capital asset management activity of the applicant or a consortium member, the ownership, budget responsibilities and operational responsibilities for this must be identified and projected expenditure detailed.

- *Audit and performance reporting:* arrangements and time frames for internal reviews and audits.

The Project Management Plan drives the delivery of the project.

4. Risk Management Plan

Applications should include a Risk Management Plan (or similar), which is essential to demonstrating that all key risks have been identified, assessed and appropriate mitigation or management strategies are in place. The Plan should address project risks from commencement of the project, through construction and management in the medium term.

The Risk Management Plan should be compliant with the risk management principles and practices laid out in the International Standard, ISO 31000. It should include the organisation's approach to identifying and managing risk. This may be a risk management policy which applies across the organisation.

The Risk Management Plan must address risks which relate directly to the stated project, include for each identified risk:

- the nature of the identified risk
- the likelihood of occurrence
- treatment and mitigation strategies
- residual risk, and
- staffing arrangements to manage and monitor the risk.

Attachment B

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 and Build Own Operate Transfer 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.

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**Contractual Arrangements
Between the Australian Government and Applicant****Agreement**

Funding will be delivered to applicants via a Funding Agreement (FA) with a local government.

FAs will specify:

- the purpose for which the RDAF funding must be used
- the terms and conditions under which the RDAF funding is provided, and any requirements or conditions that must be met prior to the release of RDAF funds, and
- milestones and project outcomes that must be achieved prior to the release of RDAF payments.

Applicants should not make financial commitments for funded activities until the FA has been signed by all relevant parties.

If there are any conditions or risk treatments identified by the Department, evidence must be provided to, and accepted by, the Department that these conditions have been met, prior to RDAF payments being made. Conditions and risk treatments will be managed through milestones specified in the FA. Action may be taken to terminate the FA where the Department's requirements are not met.

Branding and recognition

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 the branding requirements and arrangements to acknowledge Commonwealth funding set out in the Funding Agreement. As a minimum, all publicly available material on the project should include the words *'Funded by the Australian Government under the Regional Development Australia Fund'*.

Successful applicants must notify the Department at least 45 business days in advance of any upcoming promotional activity, such as launches, sod-turning events, openings, graduations and visits or public statements. 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 another Minister, a Parliamentary Secretary, and/or a local member 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.

Payment arrangements

RDAF Payments will be available on execution of the Funding Agreement with an upfront payment of 50% of the Funding Allocation and the remaining RDAF Payments made on the achievement of agreed milestones. The exception being eligible local governments with a Funding Allocation of \$50,000 or less who will receive a 100% up-front payment on execution of a Funding Agreement between the applicant and the Commonwealth.

Before a RDAF payment 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 FA
- evidence that all previous RDAF payments 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 FA have been met (noting the first milestone will be the execution of the Funding Agreement).

Managing the project

Once the FA is finalised, the applicant will be required to actively manage the project. The project's progress will be monitored by the applicant, which will provide progress reports to the Department.

The Department will monitor progress of the project through assessment of progress reports and by conducting site visits as necessary. Based on project size, complexity and the amount of funding being provided, the Department may require applicants to establish a Project Governance Board with regular meetings and reports. The Department may be an observer at these meetings.

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 generally be quarterly to half yearly.

The timing of progress reports will be determined in the FA, 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 particular activities, these payments will only be made after the relevant progress report is accepted and the requirements for payment stated in the FA have been met, including expenditure or commitment 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.

Acquittals

Applicants are required to provide the Department with financial acquittals, and may be required to provide audited statements upon project completion, that demonstrate that they have spent the Australian Government funding on the purposes specified in the FA.

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

When the project has been completed, applicants must submit to the Department a:

- 'Completion Report', to demonstrate that they have achieved all the agreed milestones and
- Financial acquittal report of all expenditure of Australian Government funding and other funding sources, as set out in the FA. Where requested by the Department, an audited statement by an independent auditor, for all expenditure of Australian Government funding and other funding sources, must be provided.

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

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 FA. The Project Completion Report will document what was achieved with the funding provided for the project by the Australian Government. Utilising this information, the Department will determine how the funding contributed to the objectives and outcomes of the program.