

# **Guidelines**

## **Regional and Local Community Infrastructure Program – Strategic Projects 2008-09 – \$550 million**

### **1. INTRODUCTION**

On the 13<sup>th</sup> February 2009, the Australian Government made an additional \$500 million available for the Regional and Local Community Infrastructure Program – Strategic Projects (RLCIP-SP). Under the RLCIP-SP the Australian Government is making up to \$550 million available to local government to stimulate additional growth and economic activity across Australia as a part of the Australian Government's contribution to addressing the global economic crisis.

Under the RLCIP – Strategic Projects funding will be available for a limited number of large strategic projects seeking a minimum Commonwealth contribution of \$2 million. Larger projects and projects which include partnership funding will be given preference.

Projects will be allocated funding on a nationally competitive basis and will be assessed by the Department of Infrastructure, Transport, Regional Development and Local Government (the Department) on a tight timetable.

All local councils, or groups of councils, are eligible to apply for funds under RLCIP-SP. Local councils may also apply on behalf of local not-for-profit organisations. Eligible projects must be additional 'ready-to-proceed' (the project must be ready to commence construction within six months of signing the Funding Agreement (contract)), or be additional stages of projects that are currently underway.

### **2. PROJECT ELIGIBILITY**

#### **2.1 What can the funding be spent on?**

RLCIP – Strategic Projects will provide funding for community infrastructure including new and major renovations or refurbishments such as:

- social and cultural infrastructure (e.g. art spaces, gardens);
- recreational facilities (e.g. swimming pools, sports stadiums);
- tourism infrastructure (e.g. walkways, tourism information centres);
- children, youth and seniors facilities (e.g. playgroup centres, senior citizens' centres);
- access facilities (e.g. boat ramps, footbridges); and
- environmental initiatives (e.g. drain and sewerage upgrades, recycling plants).

Projects that can be funded need to be consistent with the attached list at Annexure A.

Funding can be used for:

- construction or fit out;
- preparatory work such as necessary engineering and geotechnical studies
- land surveys and site preparation; and
- project management costs.

## **2.2 What will not be funded?**

Funding will not be available for activities such as ongoing costs (e.g operational costs and maintenance), transport infrastructure, such as roads, or related infrastructure covered by the Roads to Recovery or Black Spots programs.

Local councils are required to complete the application form available from <http://www.infrastructure.gov.au/local/index.aspx>.

**A completed application submitted through the Department's website is preferred.** The Department is aware that if a large number of councils decide to lodge their application by email, applicants may experience technical problems during lodgement due to the anticipated large size of application attachments. This may create difficulty for the Department and yourself in submitting applications by the deadline.

A separate communication will be sent to you advising the process for uploading your application on the nominated website.

Also, application forms can be sent in hard copy to:

Regional and Local Community Infrastructure Program – Strategic Projects  
Department of Infrastructure, Transport, Regional Development and Local Government.  
GPO Box 594  
Canberra Centre  
ACT 2601

Or emailed to < [RegionalGrants@infrastructure.gov.au](mailto:RegionalGrants@infrastructure.gov.au) >.

**Deliveries mailed to the Department's postal address (GPO Box 594, CANBERRA ACT 2601) will need to be in the Department's post office box by 4:00pm AEDT on 6 March 2009.**

**Please note that for security reasons, the Department does not have the facility to receive applications delivered by hand or courier to its National Office at 111 Alinga Street, Canberra.**

To reduce the risk that your application is not submitted by the required time (as detailed below) the Department recommends that applicants use the web based solution for lodgement.

A final and complete application form should be submitted by **4:00pm (Australian Eastern Daylight Savings Time) on 6 March 2009**. Applications being submitted electronically will be deemed to have been received on time if sent or submitted by 4:00pm AEDT on 6 March 2009. The judgement of the Department as to the actual time an application has been submitted will be final. Submission by post is only complete when the full and complete application is received at the post box detailed above.

Where electronic submission of an application has commenced prior to the required submission time set out above but concluded after that time, the application will not be deemed to be late. Where an application consists of multiple parts due to the number and/or size of the files, applicants must ensure that uploading or transmission of all parts is completed before the required time.

Applicants need to be aware that the Commonwealth of Australia takes no responsibility for any problems arising in the application submission process, including for example any problems arising from email system capacity, postal system delays, or problems with applicants' infrastructure and/or the Department's or applicants' Internet connectivity. Applicants are responsible for ensuring submission of applications has occurred on time and in accordance with the requirements of these Guidelines. The Department recommends that applicants provide sufficient time for any problem analysis and resolution.

The file formats of electronically submitted applications are required to be MS Office 2007 and compatible, Adobe pdf, and image files (jpeg, tiff, png). The Department reserves the right to reject electronically submitted applications that are in other formats.

Incomplete applications will not be considered for funding.

### **2.3.2 Obtaining information about the project**

In order that RLCIP – Strategic Projects can be assessed for funding by the Australian Government, each proponent will need to provide information about their organisation and the Council. This information includes:

- details of the Council;
- details of the project, including funding arrangements;
- financial information including quotations, cost estimates and budgets;
- project timeframes;
- project delivery information including project and business plans; and
- all statutory and other approvals required if relevant for the project.

Councils will also need to provide authorisation for the Department to undertake an Independent Viability Assessment if necessary.

### **2.3.3 Assessment of Applications**

Based on the information provided, the Department will undertake a risk analysis of the Council to undertake the proposed project.

#### *Proponent viability*

In the risk analysis of the project, consideration will be given to the financial viability of the proponent.

#### *Project viability*

Project viability will be considered from two perspectives. Whether the project can be completed on time and within budget, and whether the project will be sustainable.

Important aspects that may be considered in relation to the overall viability of the project include:

- evidence of the Council's expertise/skills to deliver the project, and sustain it into the future.
- ownership and/or lease arrangements of equipment or facilities or other assets to be used in the delivery of the project;
- the level and status (e.g. contribution received; contribution committed but yet to be received; contribution in negotiation) of any of the funding contributions for the project and whether there are conditions attached to this funding;
- the budget and costings;
- feasibility studies or project plans;
- information on whether there is any need for planning approvals or licences and that these requirements have been met or fully considered;
- business and project plans and cash flow projections;
- ongoing maintenance and management strategies;
- funding that may be required for any future stages of the project;
- whether the project had previous stages, how it was funded in the past; and
- the results of any independent viability assessments if undertaken (copies of independent viability assessments undertaken by the Council should be provided).

#### *Independent Viability Assessments*

Where the Australian Government believes there are risks with the viability of the proponent or project that require further consideration, an Independent Viability Assessment (IVA) will be undertaken by a qualified external consultant engaged by the Department. The findings of the IVA will be considered in the project analysis.

### *Ranking applications*

The Department will rank applications under three categories:

- recommended;
- not recommended; and
- non-compliant.

## **2.4 Approval of Funding**

Following the due diligence assessment and ranking of the project by the Department a decision on funding will be sought from the Minister for Infrastructure, Transport, Regional Development and Local Government.

The Minister will consider whether the project is consistent with the requirements of Commonwealth legislation and whether any risk treatments will need to be imposed as a condition of funding, based on risk assessments undertaken.

A letter will be sent to the Council advising whether funding has been approved and if there are any conditions attached to that funding.

Before any funding can be paid, the proponent will need to enter into a Funding Agreement (contract) with the Australian Government that will set out the terms and conditions under which the funding is provided. Proponents should **not** make financial commitments based on notification of funding approval from the Australian Government until the Funding Agreement (contract) has been executed by both parties.

Requests for additional funding from the Australian Government will not be approved. Changes to the partnership arrangements or requests to change the scope of the project that do not involve the provision of additional funding by the Australian Government will be considered.

The Minister for Infrastructure, Transport, Regional Development and Local Government expects to announce successful projects.

## **3. Contracting and Funding**

### **3.1 Accountability**

The provision of funding for RLCIP- Strategic Projects will be conditional upon proponents entering into Funding Agreements (contracts) with the Commonwealth (represented by the Department of Infrastructure, Transport, Regional Development and Local Government). The Funding Agreement (contract) is a legally enforceable document which defines the obligations of both parties.

### **3.2 Funding Agreements and Payments**

The Department will work with the proponent with the aim of finalising the Funding Agreement (contract) within **4 weeks**. The offer of funding may be withdrawn if the proponent cannot meet these timeframes, 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.

An indicative Funding Agreement (contract) will be made available on the Department's website so that proponents are aware of the likely format of a Funding Agreement (contract) with the Australian Government.

The executed Funding Agreement (contract) will define the obligations of both parties. It will describe the purpose for which Australian Government funding must be used and will provide a description of how, when and where the project must be delivered.

Construction must commence within six months of the Funding Agreement (contract) being signed. Funding Agreements (contracts) will be structured to schedule the release of between 25-50% of funds to proponents, depending on the funding amount. On receiving the signed Funding Agreement and a tax invoice the first payment will be made. Prior to payment, confirmation of commencement date of construction must be received. Remaining funds will be paid incrementally depending upon achievement of negotiated milestones.

Action may be taken by the Department to terminate Funding Agreements (contracts) where requirements have not been met.

### **3.3 Progress reports**

Once funding is confirmed the proponent will be required to actively manage the project.

It is recommended that proponents consider appointing appropriate project management arrangements proportionate to the size and nature of the project.

The Department will monitor the project's progress through reports received under the Funding Agreement (contract) and may conduct site visits.

Examples of Community Infrastructure**Social and cultural infrastructure**

- Town halls
- Community centres
- Libraries
- Local heritage sites
- Museums
- Cultural centres
- Enhancement of main streets and public squares
- Theatre/music/art spaces
- Historic buildings
- Parks and gardens
- Internet kiosk infrastructure
- Kitchens for organisations
- Community market areas

**Recreation facilities**

- Sports grounds and facilities
- Sports stadiums
- Community recreation spaces
- Playgrounds
- Rail trails
- Swimming pools
- Walking tracks and bicycle paths
- Skate Parks
- BMX/Mountain Bike parks/trails
- Surf lifesaving clubs

**Tourism infrastructure**

- Convention or trade centres
- Memorial halls/walkways
- Tourism information centres
- Local infrastructure to support or provide access to tourist facilities
- Community public attractions
- Buildings for exhibits

**Children, youth and seniors facilities**

- Playgroup centres
- Youth centres
- Scout/guide halls
- Senior citizens' centres

**Access facilities**

- Disabled access infrastructure
- Footbridges
- Bus/rail terminal upgrade
- Jetties/wharves/piers/pontoons
- Foreshore development
- Boat ramps

**Environmental Initiatives**

- Water source and treatment
- Drain and sewerage upgrades
- Water conservation infrastructure
- Waste management and processing infrastructure
- Wastewater infrastructure
- Water recycling plants
- Water catchments
- Recycling plants