



Australian Government

Department of Transport and
Regional Services

NOTES ON ADMINISTRATION

AUSLINK
Roads to Recovery
and
the Supplementary AusLink *Roads to Recovery* programme

**DEPARTMENT OF TRANSPORT
AND REGIONAL SERVICES**

November 2006

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1. BACKGROUND

1.1 Coverage of these Notes

These Notes on Administration (the Notes) are designed to provide Local Government Authorities (LGAs) with a description of the operation of both the AusLink *Roads to Recovery* programme and the Supplementary AusLink *Roads to Recovery* Programme, including the requirements that LGAs must meet to obtain their funding, and the ongoing obligations LGAs have toward the Australian Government for the funding provided. The clause numbers given generally relate to the AusLink *Roads to Recovery* programme.

1.2 Related documents

The primary sources for specifying LGA programme compliance requirements for the AusLink *Roads to Recovery* programme are the *AusLink (National Land Transport) Act 2005* (the Act) and the ministerially approved funding conditions.

The legal basis for the programme is the Act and the funding conditions determined by the Minister under section 90 of that Act.

The Minister has agreed funding conditions for the Supplementary programme.

1.3 Commencement

The Notes apply from 1 July 2005 but include amendments up to and including 10 May 2006.

1.4 Definitions (see cl.1 of the funding conditions)

The definitions set out in section 4 of the Act and in cl.1 of the funding conditions apply to these Notes. Some of these are listed below. The definitions stated in the funding conditions agreed by the Minister for the Supplementary Programme also apply where that programme is under discussion. Some additional definitions are also included.

The AusLink Act or the Act means the *AusLink (National Land Transport) Act 2005*.

Minister means an Australian Government Minister administering the *AusLink Act* or the Parliamentary Secretary to the Minister.

Department means the Department of Transport and Regional Services.

Document includes electronic records.

Funding conditions mean the conditions determined by the Minister pursuant to section 90(1) of the Act and/or (as the context requires) the conditions applying to the grant made under the Supplementary *Roads to Recovery* Programme.

LGA means a Local Government Authority named in the list of bodies to receive funding pursuant to section 87(1) of the Act.

Life of programme allocation for an LGA means the amount specified in the Ministerial determination under section 87 of the Act in respect of that LGA.

State means State agencies named in the list of bodies to receive funding pursuant to section 87(1) of the Act.

Programme means the AusLink *Roads to Recovery* programme referred to in Part 8 of the Act

Roads expenditure means expenditure on the construction or maintenance of roads.

Supplementary programme is the Supplementary AusLink *Roads to Recovery* Programme announced by the Australian Government on 9 May 2006.

1.5 Administration

The Programme is administered on behalf of the Australian Government by the Department of Transport and Regional Services. Local Government Authorities (LGAs) will manage approved projects within their jurisdiction.

1.6 Contact information

The contact in the Department for matters relating to the Programmes is:

The Section Head
Roads to Recovery Department of Transport and Regional Services
GPO Box 594
CANBERRA ACT 2601

For information about the Programme, please contact the AusLink *Roads to Recovery* Programme Manager on (02) 6274 7350. The facsimile number is (02) 6274 7400.

The programme's email address is: roadstorecovery@dotars.gov.au.

Further information on the programme can be found on the Department's web site at: <http://www.auslink.gov.au> then select Roads to Recovery.

2. GENERAL REQUIREMENTS FOR AUSLINK ROADS TO RECOVERY

2.1 Objective

The Programmes provides funding to LGAs for roads expenditure in rural, regional and metropolitan areas in the form of grants. Their objective is to contribute to the renewal of local roads which are an essential part of Australia's social and economic infrastructure.

2.2 Eligibility to receive funding (see s.87 of Act)

The AusLink *Roads to Recovery* Programme provides Australian Government grants to all LGAs in Australia and certain state/territory agencies, including:

- (a) agencies of the ACT Government responsible for roads
- (b) local councils in the states and the NT in receipt of Australian Government Financial Assistance Grants
- (c) state/NT agencies responsible for roads in the unincorporated areas of NSW, Vic, SA and the NT (where the State or NT provide local roads).
- (d) the Shires of Christmas and Cocos (Keeling) Islands
- (e) the Lord Howe Island Board.

All bodies entitled to receive funding under the *Roads to Recovery* programme are entitled to receive a grant under the Supplementary programme.

Funding to is not provided to non government organisations under either Programme.

2.3 Metropolitan and Non-Metropolitan works

Funding under both Programmes is available to all metropolitan and non-metropolitan LGAs to contribute to the renewal of local roads, although a focus of the Programme is the maintenance and upgrading of rural roads servicing farms and properties with an appropriate balance between funding for urban and rural roads.

Where funding is provided for work in unincorporated areas, it is expected that the needs of indigenous communities will be recognised.

2.4 Life of programme funding allocations

Roads to Recovery life of programme funding allocations were advised to LGAs by letter dated 10 May 2005. These allocations cannot be adjusted during the life of the programme except where LGAs are amalgamated or abolished or where major boundary changes occur, and, in the case of WA LGAs, where specific project funding is provided for bridges or Aboriginal access roads. Changes to allocations to implement the WA special projects decision were made in May 2006.

Supplementary *Roads to Recovery* allocations have also been advised to LGAs by letter dated 10 May 2006.

Where LGAs are created, amalgamated or abolished, the Department should be advised of the changes as soon as possible. The Minister will need to determine allocations for any new LGAs formed. LGAs may also seek adjustments to their allocations where there are major changes to the boundaries between ongoing LGAs.

2.5. Information required from LGAs (see parts 4 & 5 of the funding conditions)

The information that the Department requires from LGAs is that needed to manage the Programme and make payments, to analyse its outcomes, provide information to the public and to satisfy accountability requirements. LGA work schedules will be posted onto the public web site of the Department of Transport and Regional Services.

Four types of information are required from LGAs. The first three are provided via the secure web site. The address of this site has been advised to LGAs and is only available to LGAs. Each LGA will have a unique login ID to the site.

- (a) contact details: This information was copied over from the payee details form on the web site which was in use until 30 June 2005 for the previous *Roads to Recovery* programme. Councils should keep this information up to date (cl.4.7 of funding conditions) -once only;
- (b) work schedule: This is a listing of projects proposed for funding under the Programme. LGAs enter this information as projects are identified and it is a requirement of the funding conditions that it be kept up to date (cl.4.2-4.5 of funding conditions) – both programmes;
- (c) quarterly reports: These contain works expenditure information used to calculate payments (cl.4.8-4.11 of funding conditions) – both programmes.
- (d) annual reports: An independently audited report as required by the funding conditions (cl.5.2-5.4 of funding conditions) – both programmes. The report format for the AusLink *Roads to Recovery* programme is at **Appendix A** and the report format for the Supplementary programme is at **Appendix B.**

2.6. Roads to Recovery Circulars

The information in these Notes on Administration is augmented by circulars issued by the Department to address current issues as required. Quick guides have also been issued to assist LGAs in the use of the web site.

3. AUSLINK ROADS TO RECOVERY CRITERIA

The criteria are the same for both Programmes.

3.1 Eligibility of projects (see section 4(1) of the Act and part 1 of the funding conditions)

Payments under the Programmes may be used on any project on the construction or maintenance of a road. In addition to the normal meaning, the term 'roads', according to the AusLink Act, includes each of the following when in association with a road:

- (a) traffic signs and control equipment
- (b) street lighting equipment
- (c) vehicular ferries
- (d) bridges or tunnels, including pedestrian bridges or tunnels
- (e) bicycle paths

A bicycle path ‘associated with a road’ is one that:

- (a) is located within the road reservation; or
- (b) where removed from the road reservation, provides a route between points on the road that is shorter than or broadly similar in distance to the road route.

3.2 Excluded items

Where it is not clear whether an intended project is for the construction or maintenance of roads within the meaning of the Act, and may therefore be funded by payments under the Programme, the LGA should contact the AusLink *Roads to Recovery* team for advice. Examples of items that cannot be funded under this programme include:

- (a) transport planning studies (except road planning studies relating to a specific project)
- (b) street sweeping;
- (c) rehabilitation studies;
- (d) general administrative overheads and staff salaries not connected with specific projects funded under the programme;
- (e) road building plant or other capital equipment especially moveable equipment (eg graders). However, note that bores for water for road building in remote areas have been allowed in association with complying projects;
- (f) training;
- (g) footpaths which are not part of the construction or upgrade of the road itself;
- (h) off road car parks;
- (i) street furniture;
- (j) public liability insurance;
- (k) fringe benefits tax;
- (l) council expenses such as light, power, stationery, IT support, telephone, cleaning and all other expenses which the council would have incurred anyway, regardless of whether or not the *Roads to Recovery* program was underway;
- (m) finance leases on equipment;
- (n) operating lease charges where the rental expense cannot be directly linked to the *Roads to Recovery* project (eg a grader may be hired for a period for a variety of tasks. Only the component that relates specifically to *Roads to Recovery* jobs can be charged against *Roads to Recovery* funds); and
- (o) depreciation.

3.3. Labour Costs

Labour for projects completed by the council workforce should be captured and quantified ideally through timesheets or an equally acceptable method. Management time needs to be considered in light of the comments above - a clear and definable model needs to be in place to apportion these costs accurately.

3.4 Multiple funding sources

Funds under either programme may be used to fund a project in conjunction with funds from other sources (eg a State Government, the LGA itself, the AusLink Black Spot programme) or each other. Where this occurs, the amounts funded from each source should be specified in the work schedule to ensure transparency and to avoid accusations of impropriety (cl. 4.2(g) of the funding conditions).

4. WORK SCHEDULES

These arrangements are the same for both programmes.

4.1 Work Schedules (see cl. 4.2 & 4.3 of the funding conditions)

The Government considers local government best placed to make decisions on local road investment. It is therefore the prerogative of LGAs to identify and nominate projects for funding under the Programme.

There are two types of projects, small funded projects and normal projects. The former are projects costing, or expected to cost, under \$10,000. The latter are all other projects. This clause deals with normal projects. See clause 4.3 of the funding conditions for small funded projects.

Projects to be funded under *Roads to Recovery* are listed on an electronic work schedule in the secure web site. The listings for each council are intended to contain a full set of projects which have been funded under the programme or are intended to be so funded. Consequently, new projects should be added to the work schedule and the information it contains should be updated over time. Please do not overwrite or withdraw projects because they have been completed.

The ID number at the left of the screen is generated by the system. The information required from LGAs is:

- (a) the work location in enough detail for a member of the public to locate the project without the assistance of the LGA including mapping data as requested by the Department;
- (b) a clear description of the problem being addressed for each proposed work, to the satisfaction of the Department;
- (c) the work proposed to address the problem
- (d) the start and completion dates of work (physical not financial);
- (e) whether the project is fully funded under *Roads to Recovery* (eg if part of the funding is to be provided by the council, the entry would be 'no')
- (f) the total project cost of the work ie from all sources. This figure should be the most accurate figure available at any time. At the planning stage, it will be purely an estimate, but as the project progresses, its accuracy should be constantly improved, so that at completion, it is the actual cost of the project
- (g) cost to the *Roads to Recovery* programme. This figure equals the total cost for projects fully funded under *Roads to Recovery* but will be less than that figure for jointly funded projects.

Project location data will include data for use in a Geographical Information System in a form and from a date specified by the Department, unless the LGA is exempted by the Department.

Work schedules are listed on the Department's public web site for perusal by the public and it is the responsibility of LGAs to keep them up to date. The project description should contain sufficient information to be informative eg 're-sheeting various locations' is not acceptable. 'Re-sheeting at seven places over 4.3km of Canberra Road' is more appropriate.

The estimated cost should be updated regularly, preferably at least quarterly. When a project is financially completed, the estimated cost figure should be the same as the expenditure to date figure.

Where a project has been listed for funding and it is decided not to fund it under the Programme, either:

- (a) the project should be withdrawn, using the facility in the work schedule or quarterly report; or
- (b) the funding in the quarterly report should be reduced to zero.

The project will continue to be listed; LGAs cannot remove projects once they have listed them. LGAs are entitled to change the projects listed at their own discretion up to the point where a project has been fully constructed, the funding allocated for it fully spent and the project marked as 'completed' in a quarterly report. Once this occurs, the project is 'locked in' and the funds used for it cannot be transferred to other projects.

4.2 Small funded projects (see cl. 4.3 of the funding conditions)

Several projects of the same type (ie same work schedule category) and each costing less than \$10,000 can be grouped together to appear as one project on the web site. Where this is done, the information required is:

- (a) a general description of the projects;
- (b) the location of each project (eg Sydney St) with the estimated cost in brackets behind it;
- (c) the total AusLink *Roads to Recovery* cost for the projects in the estimated cost field;
- (d) the estimated start date of the first of the projects to begin and the scheduled completion date of the last of the projects to be completed in the date fields.

4.3 Nomination by Members of the Public

Projects can only be nominated for funding by LGAs through the works schedule on the programme web site. As only LGAs may nominate projects to the Department, members of the public wanting a project funded under this programme should liaise with the relevant LGA.

4.4 Timing of projects (see cl. 1.1(c) of the funding conditions)

Only projects underway on 1 July 2005 or which began after that date, and for which payment is required on or after 1 July 2005, can be funded under either programme.

5. APPROVING A WORK PROGRAMME

5.1 Projects must be complying (see cl. 1.1(a) of the funding conditions)

Both programmes

There is no requirement for Australian Government approval of projects submitted by LGAs, but expenditures that are not on the construction or maintenance of roads within the meaning of the Act or the funding conditions will not be funded.

5.2 Technical standards (see cl.1.8 of the funding conditions)

Both programmes

The funding conditions require projects undertaken using Auslink *Roads to Recovery* payments to comply *as appropriate* with standards and guidelines published from time to time by Austroads, Standards Australia, the government of the State or Territory in which the project is undertaken or the Australian Road Research Board which are applicable to the project. It is up to the council to determine and apply appropriate standards but the council also needs to be able to support the decision, should this be required.

5.3 WA bridges and aboriginal access roads (see cl. 1.2 & 1.3 of the funding conditions)

Auslink *Roads to Recovery* only

\$12.6m of the funding provided to WA is for bridges and Aboriginal access roads. Special arrangements apply to these projects and these will be advised by letter to the councils involved. In particular, where these projects are completed without all the funds provided for them being spent, the LGA involved must seek the agreement of the Department before using the surplus funds for other projects.

6. PAYMENT AND ACQUITTAL ARRANGEMENTS

6.1. Total funding available (see s.87 of the Act)

Under the AusLink *Roads to Recovery* programme, each LGA is guaranteed its full life of programme allocation by 30 June 2009 subject to the compliance with the funding conditions. Payments to an LGA over the life of the Programme will not exceed the life of programme allocation in any circumstances.

Under the Supplementary *Roads to Recovery* programme, each council will receive a one off grant equal to one quarter of its life of programme allocation under the AusLink *Roads to Recovery* programme.

6.2. Annual allocations

(AusLink *Roads to Recovery* only)

LGAs annual allocations are based on annual appropriations by the Parliament. In any one year, the full annual allocation is available to the LGA from the first payment on submission of the quarterly reports providing details of actual and projected expenditure. Payments in each financial year will be capped at the annual allocation except:

- (a) LGAs with a life of programme allocation of \$250,000 or less may receive their full life-of-programme allocation on an 'as required' basis on submission of quarterly reports providing details of actual and projected expenditure. This is to enable them to undertake sensible projects within a reasonable timeframe;
- (b) LGAs with a life of programme allocation of \$250,000 to \$1,000,000 may receive up to \$250,000 in any one year on an 'as required' basis on submission of quarterly reports providing details of actual and projected expenditure. This limit may be increased to \$400,000 in exceptional cases with a detailed justification;

- (c) otherwise, limited flexibility is available to allow large projects to be undertaken in one or two financial years or where substantial savings will arise from undertaking particular works in a short timeframe. Councils wishing to do this should contact the Department; and
- (d) where an LGA fails to draw down its full annual allocation in the last quarter of any financial year, the amount not drawn down may be reallocated to other LGAs at the discretion of the Department. Any additional funding allocated to an LGA in any one year will only result in bringing forward later year funding, so total funding to any LGA will not exceed the life of programme allocation. The timing of the reallocation is at the discretion of the Department.

6.3 Goods and Services Tax (GST) (see cl. 1.1(d) of the funding conditions)

Both programmes.

GST is not payable on the grants to LGAs. Expenditure reported by LGAs must exclude the GST component on goods and services, as LGAs are eligible for an input tax credit for the GST paid

6.4 Expenditure of programme funds (see cl. 1.4 of the funding conditions)

AusLink Roads to Recovery

In general, funds are provided under the Programme to LGAs three months in advance on the basis of the information provided in quarterly reports ie (cumulative) expenditure to date and projected expenditure for the next three months for nominated projects. As indicated above, all expenditure figures provided in the quarterly reports should exclude GST.

Funding recipients are obliged to spend the funds received on the projects for which they are provided within a reasonable timeframe, normally within six months of receipt. It is recognised that there are circumstances where this will not be possible eg delays in obtaining State Government planning permission, problems with contractors or equipment, early onset of the wet season, drought. LGAs must ensure that the projected expenditure in their quarterly reports reflects the actual situation for each project. The funding formula will then accommodate any funds to be re-allocated to projects listed on the work schedule.

LGA expenditure will be monitored and LGAs holding substantial Commonwealth funds for extended periods will be asked to explain. LGAs should advise the Department in writing of any extenuating circumstances.

A funding recipient must spend all *AusLink Roads to Recovery* payments it receives by 31 December 2009.

Supplementary Programme

Funding recipients have three years in which to spend this payment although the Department may grant an extension.

6.5 Interest earned on programme funds (see cl. 1.6 of the funding conditions)

AusLink Roads to Recovery

The funding conditions require a council which earns interest on payments in one financial year of the programme to spend an amount equal to the interest earned on road works in the next financial year and to be able to demonstrate that it has done so. Note that councils with a life of programme allocation of less than \$1,000,000 are exempt from this requirement.

The interest earned is own sources funding for the purposes of the Programme's expenditure maintenance requirements and provided a council's own source expenditure on roads is more than the interest earned on *Roads to Recovery* funds, the council is complying.

Councils are not required to report the amount of interest earned but are required to be able to demonstrate compliance (eg to auditors visiting at the request of the Department) in any reasonable way. They may do this in several ways eg: they may:

- (i) calculate the exact amount of interest earned and show that their own sources expenditure exceeds this amount;
- (ii) provide an estimate, which can be based on the interest rates and the period for which the funds were held and again show that their own sources expenditure exceeds this amount;
or
- (iii) show that they spend more money from their own sources on road works than they receive from *Roads to Recovery*. In such cases, the interest on *Roads to Recovery* funds will be less than the what is spent on the council's own sources roads programme.

Please note that there is no requirement in relation to interest earned in 2004/05 on payments from the previous *Roads to Recovery* programme. The rule refers to interest earned on AusLink *Roads to Recovery* payments only and the first year of impact is 2006/07, when councils must spend an amount equal to interest earned in 2005/06.

Supplementary Programme

The same conditions generally apply except that the interest earned must only be spent by 30 June 2010.

6.6 Mandatory funding conditions (see s.90 of the Act)

AusLink Roads to Recovery

LGAs must observe the funding conditions determined by the Minister in accordance with section 90 of the Act. These have been provided to each LGA. Failure to comply with the Act or the funding conditions renders a LGA liable to repay the funds provided.

Supplementary Programme

LGAs must observe the funding conditions agreed by the Minister on 10 May 2006 or as amended subsequently.

6.7 Tendering arrangements

Both Programmes

There is no requirement under the Programme for works to be put to tender, although LGAs will need to comply with any state or territory requirements on this matter.

6.8 Bank Account details

Payments will be made to the bank account nominated by the LGA, initially the account used for payments under the *Roads to Recovery Act 2000* before 30 June 2005. Changes to the bank account previously nominated by the LGA must be advised to the Department in writing on LGA letterhead.

6.9 Documentation required for payments (see cl 4.8-4.10 of the funding conditions)

AusLink Roads to Recovery

Payments are generally made quarterly three months in advance based on quarterly reports submitted via the secure web site. Quarterly reports set out expenditure to date and projected expenditure information for each project being funded.

Much of the information in the quarterly reports is taken by the computer directly from the work schedules, which is why the work schedules should be kept up to date. The additional information required are the two columns headed 'Expended to end of quarter' and 'Forecast expenditure during next quarter'.

The former is a cumulative figure ie the actual expenditure from the inception of the program to the reporting date, while the latter is the projected expenditure for the next quarter. To illustrate, when reporting on the quarter ending 30 June 2006, the 'Expended to end of quarter' is the amount spent on each project from when it started until 30 June 2006.

The 'Forecast expenditure during next quarter' item is what you expect to spend during the months of July, August and September 2006. It is an estimate.

6.10 Payment schedules (see cl. 4.9 of the funding conditions)

AusLink Roads to Recovery

The quarterly reporting site opens only during the periods stated below and expenditure information for the previous quarter must be entered during that period. Provided a quarterly report has been submitted as required, payments will be made within two weeks of the end of the lodgement period as follows.

| Lodgement Period for quarterly reports | Date of corresponding payment | What covered |
|---|--------------------------------------|--|
| 1-31 July | 15 August | Actual expenditure to 30 June, projected expenditure to 30 September |
| 1-31 October | 15 November | Actual expenditure to 30 September, projected expenditure to 30 December |
| 1-31 January | 15 February | Actual expenditure to 30 December, projected expenditure to 30 March |
| 1-30 April | 15 May | Actual expenditure to 30 March, projected expenditure to 30 June |

6.11 Payment calculations

AusLink Roads to Recovery

Subject to clause 6.2, payments will be calculated via the following formula (capped at the LGA's annual allocation) which is stated in terms of the second payment after 1 July 2005:

Payment = cumulative expenditure by LGA on projects from 1 July 2005 until 30 September 2005
plus projected expenditure for the months of October, November and December 2005
less total payments to LGA under the Programme.

The first two elements of this formula, cumulative expenditure and projected expenditure, are the totals for the columns 'expended to end of quarter' and 'forecast expenditure during next quarter' which can be seen at the bottom of your quarterly report.

The figure reported under 'expenditure to date' is the cumulative expenditure since the inception of the programme, *not* just the amount spent during last quarter. Only the AusLink Roads to Recovery component of expenditure on jointly funded projects should be shown (also see section 3.2). Again, all expenditure reported must exclude GST.

The stated "estimated cost" is not part of the payment calculation. Where projects are jointly funded, the estimated cost shown should be the amount to be funded under the Programme; the total estimated cost and the shares being provided by the other parties should be shown in the project description.

7. REPORTING REQUIREMENTS

7.1 Quarterly Reports (see cl. 4.8-4.11 of the funding conditions)

AusLink Roads to Recovery

The quarterly report forms the basis of the payments to each LGA. Details of the actual expenditure of funds provided under the Act to the end of each quarter and the projected expenditure for the next quarter must be provided for each project in the works schedule. The report is accessed via the AusLink Roads to Recovery web site and must be completed by the end of October (for the September quarter), January (for the December quarter), April (for the March quarter) and July (for the June quarter).

Much of the information in the quarterly reports is taken by the computer directly from the work schedules, which is why the work schedules should be kept up to date. The additional information required are the two columns headed 'Expended to end of quarter' and 'Forecast expenditure during next quarter'.

The former is a cumulative figure ie the actual expenditure from the inception of the program to the reporting date, while the latter is the projected expenditure for the next quarter. To illustrate, when reporting on the quarter ending 30 June 2006, the 'Expended to end of quarter' is the amount spent on each project from when it started until 30 June 2006.

The 'Forecast expenditure during next quarter' item is what you expect to spend during the months of July, August and September 2006. It is recognised that this figure will not be exact.**Supplementary Programme**

The quarterly reports provide one means for the Department to monitor the expenditure of these funds. They are a requirement of the programme.

7.2 Annual Reports (see cl. 5.2 and 5.3 of the funding conditions)

AusLink Roads to Recovery

An LGA is required to submit an Annual Report to the Department covering the previous financial year by *no later than 31 October each year*. The Annual Report form is available electronically from the AusLink Roads to Recovery team but can only be submitted in hard copy and should be mailed to the address in clause 1.5 of these Notes. The report covers:

Part 1 - the financial statement;

Part 2 - a statement of accountability;

Part 3 - a statement of expenditure maintenance;

Part 4 - a statement of outcomes; and

Part 5 – election of reference period (2005/06 report only).

The financial statement (Part 1 of the annual report) must be signed by an *external* auditor.

Please note that the figures provided must be shown on a cash basis. Annual reports prepared on an accrual basis will not be accepted. All expenditure reported must exclude GST.

The format required is set out in **Appendix A** of these Notes.

Supplementary programme

As above but the report has a simpler Part 1 and no requirement for Parts 3 or 5. See Appendix B for the format.

8. EXPENDITURE MAINTENANCE REQUIREMENTS

(see part 2 of the funding conditions)

AusLink Roads to Recovery only

8.1 Definitions

The key terms are formally defined in Part 2 of the funding conditions where these requirements are set out in legal form but they are summarised here:

- (a) **reference amount** applicable to an LGA means the average financial year expenditure of own source funds by the LGA on the construction or maintenance of roads during the reference period;
- (b) **own source funds** means the funds available to the LGA other than funds provided by the Commonwealth, a State or Territory government;
- (c) **reference period** is normally the period from 1 July 2000 to 30 June 2005 but, as described below, can be three of the years from that period.

8.2 Basic requirements

The programme's expenditure maintenance requirements are designed to ensure that LGAs do not substitute AusLink *Roads to Recovery* funds for their own funding. AusLink *Roads to Recovery* funding is intended to enable LGAs to do road work additional to what they could do using their own funds alone.

The requirement is that, for each financial year in which an LGA receives an AusLink *Roads to Recovery* payment, the LGA must spend on the construction or maintenance of roads funds from its own source funds equal to or greater than the reference amount applicable to the LGA.

As the name implies, 'own sources funding' is funding from council's own sources. It therefore excludes all State and Commonwealth funds, whether tied or untied eg FAGS and flood mitigation funding are not own sources funding. On the definition of 'roads expenditure', we will accept two definitions:

- (a) you can use the definition you use in your general council accounts; or
- (b) you can use the definition of roads used under the *Roads to Recovery* program.

If you wish to use another definition, you should write to us.

8.3 Flexibility

There is some flexibility in this requirement to take account of the fluctuating nature of LGA expenditure:

If an LGA believes that its expenditure of funds from its own sources during a financial year in the reference period was abnormally high because of unusual and non-recurrent factors, it may elect that the reference period consist of three financial years in the reference period, excluding the financial year in which the LGA's expenditure from its own sources was highest and the financial year in which the LGA's expenditure from its own sources was the lowest. This will result in a three year reference period. An LGA can make this election *once only*, in Part 5 of the annual report for the financial year 2005/06, or earlier in writing to the Department.

If, in any particular financial year, an LGA does not satisfy the expenditure maintenance requirements as set out above, but the average expenditure of its own source funds in that year and the previous financial year, or in that year and the two previous financial years, exceeds the reference amount applicable to it, the LGA is taken to have met the expenditure maintenance requirements for that year.

9. NATIONAL CODE OF PRACTICE FOR THE CONSTRUCTION INDUSTRY

Both Programmes

Where a project may cost \$5 million or more, LGAs should refer to Part 7 of the programme funding conditions which sets out the obligations that must be met in regard to the Code of Practice.

10. INFORMATION AND RECOGNITION

(see Part 3 of the funding conditions).

10.1. GENERAL

The Australian Government wants to work closely with LGAs to inform the public about the projects and improvements being funded by the Programme. Formal statements, media releases, displays or publications (including brochures) and newspaper advertising about any work funded by the Programme must acknowledge the Australian Government's contribution. LGA's must generally consult, well in advance, with the Department before release.

10.2. OPENING/COMMEMORATIVE CEREMONIES

LGAs must advise the Department of opening or completion ceremonies well in advance, generally a month before the event, and should organise joint ceremonies when requested. Local Federal Members and/or Senators should be invited to these ceremonies, plus others requested by the Minister. Details of the proposed arrangements, including invitations and order of proceedings, must be sent to the Department well before the event.

When a project is not to be officially opened, the possibility of a joint media statement should be discussed with the Department.

If requested by the Minister's office or the Department, a funding recipient must arrange for an Australian Government representative to attend any opening ceremony which the funding recipient proposes to hold in relation to a funded project

10.3. SIGNS (SEE CL. 3.3 OF THE FUNDING CONDITIONS)

Both Programmes

Signs, in the form specified at **Appendix C**, must be erected when work on a project begins, in plain view of passing motorists and be maintained for a year after the project is finished.

- (a) normally, one sign must be erected at the place where the funded project starts, and one sign must be erected at the place where the funded project ends;
- (b) however, where the project is on a cul-de-sac or on a one way road, only one sign is required. The sign must be erected at the entrance to the cul-de-sac and on one way roads, where the project begins;
- (c) signs must be erected in a prominent but safe position facing oncoming traffic and be plainly visible to passing motorists;
- (d) except where the Australian Government contribution is less than 50%, signs must have greater prominence, in size and visibility, than other signs which relate to the project in the immediate vicinity of the project;
- (e) where the usual speed limit is 80km per hour or less, the linear dimensions of the required signs may be up to 20% smaller than specified in Appendix C.

Small funded projects (see section 4.2) need not carry individual signs. For projects of this kind, LGAs have the option of erecting signs on major roads in the area and at entrances to communities. The signs would indicate that projects of a specified kind have been undertaken in various places around the LGA.

11. PROGRAMME MONITORING AND EVALUATION

(see cl. 6.1 – 6.3 of the funding conditions)

Both Programmes

The Department and LGAs are accountable for results in terms of outcomes for the Programme. The Department will be managing an ongoing programme of random audits of LGA activities to ensure compliance with the programme funding conditions. The audits may include the detailed examination of LGA programme administration including accounting practices and reporting, as well as ensuring that projects undertaken actually reflect those funded from quarterly reports.

An independent evaluation of either Programme may be conducted from time to time.

LGAs must maintain adequate records so that appropriate data is available for audit and evaluation, and make such data available to the Department or its representative.

- (a) LGAs must create and keep accurate and comprehensive documentation relating to *AusLink Roads to Recovery* payments it has received after 1 July 2005 and retain those documents for a minimum of 7 years.
- (b) LGAs must allow Australian Public Service employees or persons nominated by the Commonwealth to inspect:
 - (i) work on projects being undertaken by the funding recipient which are funded by *AusLink Roads to Recovery* payments; and
 - (ii) relevant documents.
- (c) LGAs must, when requested to do so by the Department, provide:
 - (i) copies of relevant documents; and
 - (ii) photographs of projects completed using *AusLink Roads to Recovery* payments, in the manner and form required by the Department.

AUSLINK (NATIONAL LAND TRANSPORT) ACT 2005, PART 8

Roads to Recovery Programme Annual Report Proforma

Part 1 - FINANCIAL STATEMENT AND CHIEF EXECUTIVE OFFICER'S REPORT

(Funding conditions Clause 5.2(a) and 5.3(a))

The following Financial Statement is a true statement of the receipts and expenditure of the AusLink *Roads to Recovery* payments received by ...(name of funding recipient) ... under Part 8 of the *Auslink (National Land Transport) Act 2005* in the financial year 200x-0x.

| [1] | [2] | [3] | [4] | [5] |
|---|--------------------------------------|---|--------------------------------------|---|
| Amount brought forward from previous financial year \$ | Amount received in report year \$ | Total amount available for expenditure in report year \$ | Amount expended in report year \$ | Amount carried forward to next financial year \$ |
| | | [1]+[2] | | [3]-[4] |
| | | | | |

.....(signature of Chief Executive Officer)

.../.../200x

.....(name of Chief Executive Officer)

Auditor's report

(Funding conditions cl.5.2(b))

In my opinion:

- (i) the Financial Statement above is based on proper accounts and records;
- (ii) the Financial Statement above is in agreement with proper accounts and records;
and
- (iii) the amount reported as expended during the year was used solely for expenditure on the maintenance or construction of roads.

I am an “appropriate auditor” as defined in section 4 of the *AusLink (National Land Transport) Act 2005*.

.....(signature of auditor)

...../...../200x

.....(name of auditor)

.....(name of auditor’s company)

Note: Under s.4 of the Act, “appropriate auditor” means:

- (a) in relation to a funding recipient whose accounts are required by law to be audited by the Auditor-General of a State — the Auditor-General of the State; or
- (b) in relation to a person or body whose accounts are required by law to be audited by the Auditor-General of the Commonwealth — the Auditor-General of the Commonwealth; or
- (c) in relation to any other funding recipient — a person (other than an officer or employee of the person or body) who is:
 - (i) registered as a company auditor or a public accountant under a law in force in a State; or
 - (ii) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Accountants.

Roads to Recovery Programme Annual Report Proforma

PART 2 - STATEMENT OF ACCOUNTABILITY BY CHIEF EXECUTIVE OFFICER

(Conditions cl. 5.4)

I,(name)....., Chief Executive Officer of(name of funding recipient), hereby certify, in accordance with the Funding Conditions determined under section 90 of the *AusLink (National Land Transport) Act 2005* (the Act), that (name of funding recipient):

- (a) spent AusLink *Roads to Recovery* funds received by [name of funding recipient] during the year [insert financial year] solely on the construction or maintenance of roads;
- (b) complied with the signage and other public information requirements as set out in Part 3 of the funding conditions; and
- (c) complied with other Conditions of the grant as set out in clause 5.4(d) of the funding conditions.

.....(signature of Chief Executive Officer)

.../.../200x

Roads to Recovery Programme Annual Report Proforma

PART 3 – STATEMENT ON EXPENDITURE MAINTENANCE BY CHIEF EXECUTIVE OFFICER

(Funding conditions cl.5.4(b))

I,(name)....., Chief Executive Officer of ...(name of funding recipient), state that, in accordance with the funding conditions determined under section 90 of the *AusLink (National Land Transport) Act 2005*:

- 1(a) expenditure on the construction and maintenance of roads by [insert name of funding recipient] using its own sources funds in the year to which this report refers was \$(fill in amount)
- 1(b) The reference amount (see clause 2.1 of the funding conditions) for [insert name of funding recipient] is \$..... (fill in amount).

The following information need only be provided if the expenditure shown in 1(a) does not exceed the reference amount as shown in 1(b) above:

- 2(a) expenditure on the construction or maintenance of roads by [insert name of funding recipient] using its own sources funds for the year prior to the year to which this report refers was \$..... (fill in amount).
- 2(b) The average of expenditure on the construction or maintenance of roads by this funding recipient for the year to which this report refers and the previous year was \$..... (fill in amount).

The following information need only be provided if the expenditure shown in 2(b) does not exceed the reference amount as shown in 1(b) above:

- 3(a) expenditure on the construction or maintenance of roads by [insert name of funding recipient] using its own sources funds in the year two prior to the year to which this report refers was \$..... (fill in amount).
- 3(b) The average of expenditure by this funding recipient for the year to which this report refers and the previous two years was \$..... (fill in amount).

.....(signature of Chief Executive Officer)
.../.../200x

**PART 5 – ELECTION OF REFERENCE PERIOD BY CHIEF EXECUTIVE OFFICER
(2005/06 ONLY)**

(Funding conditions cl.2.3)

I,(name)....., Chief Executive Officer of(name of funding recipient), hereby state that, for the purposes of the funding conditions determined under section 90 of the *AusLink (National Land Transport) Act 2005*, expenditure on the construction and maintenance of roads by [insert name of funding recipient] using its own sources funds were

for 2000/01: \$(fill in amount)

for 2001/02: \$(fill in amount)

for 2002/03: \$(fill in amount)

for 2003/04: \$(fill in amount)

for 2004/05: \$(fill in amount)

I hereby elect that the reference period for[name of funding recipient] shall be the years:

.....(enter the years)

The reference amount is the average of the amounts for the years in the Programme. Thus, the reference amount for this funding recipient is \$(fill in amount)

Note: You may elect to have all five financial years as your reference period or you may elect to have only three of the five, excluding the highest and lowest years.

.....(signature of Chief Executive Officer)

....../....../200x

Supplementary Roads to Recovery Programme Annual Report Proforma

Part 1 - FINANCIAL STATEMENT AND CHIEF EXECUTIVE OFFICER'S REPORT

The following Financial Statement is a true statement of the expenditure of the Supplementary Roads to Recovery funds received by ...(name of funding recipient).

| [1] | [2] | [3] |
|---|--------------------------------------|---|
| Amount brought forward from previous financial year \$ | Amount expended in report year \$ | Amount carried forward to next financial year \$ |
| | | [1]-[2] |
| | | |

.....(signature of Chief Executive Officer)

..../..../200x

.....(name of Chief Executive Officer)

Auditor's report

In my opinion:

- (i) the Financial Statement above is based and is in agreement with proper accounts and records; and
- (ii) the amount reported as expended during the year was used solely for expenditure on the maintenance or construction of roads

I am an “appropriate auditor” as defined below:

.....(signature of auditor)

...../...../200x

.....(name of auditor)

.....(name of auditor’s company)

Note: An “appropriate auditor” may only be:

- (a) the Auditor-General of a State or Territory; or
- (b) a person (other than an officer or employee of the funding recipient) who is:
 - (i) registered as a company auditor or a public accountant under a law in force in a State; or
 - (ii) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Accountants.

Internal auditors may not sign this document.

Supplementary Roads to Recovery Programme Annual Report Proforma

PART 2 - STATEMENT OF ACCOUNTABILITY BY CHIEF EXECUTIVE OFFICER

I,(name)....., Chief Executive Officer of(name of funding recipient), hereby certify, in accordance with the Funding Conditions applying to the Supplementary *Roads to Recovery* programme, that (name of funding recipient):

- (b) spent Supplementary *Roads to Recovery* funds received by [name of funding recipient] during the year [insert financial year] solely on the construction or maintenance of roads;
- (b) complied with the signage and other public information requirements as set out in Part 2 of the funding conditions; and
- (c) complied with other Conditions of the grant.

.....(signature of Chief Executive Officer)

.../.../200x

Part 3 - STATEMENT OF OUTCOMES BY Chief Executive Officer

...(name of funding recipient) ... has achieved the following outcomes under the Supplementary *Roads to Recovery Programme* in 200x-0x:

Key outcomes

| Outcome | Estimated % of Supplementary Roads to Recovery Expenditure |
|---|---|
| 15. Road Safety | |
| 16. Regional economic development | |
| 17. Achievement of asset maintenance strategy | |
| 18. Improved access for heavy vehicles | |
| 19. Promotion of tourism | |
| 20. Improvements of school bus routes | |
| 21. Access to remote communities | |
| 22. Access to intermodal facilities | |
| 23. Traffic management | |
| 24. Improved recreational opportunities | |
| 25. Amenity of nearby residents | |
| 26. Equity of access (remote areas) | |
| 27. Other | |
| 28. TOTAL | 100.0 |

.....(signature of Chief Executive Officer)

.../.../200x

Signage Requirements

(Funding conditions Part 3)

Specifications for Signs





Section A



R2R Logo colour components

- Yellow (sky) - Pantone 116
- Green (grass) - Pantone 348
- Deep Blue (road) - Pantone 5395
- Sun/lines - White

- 'roads to recovery' - Pantone 5395

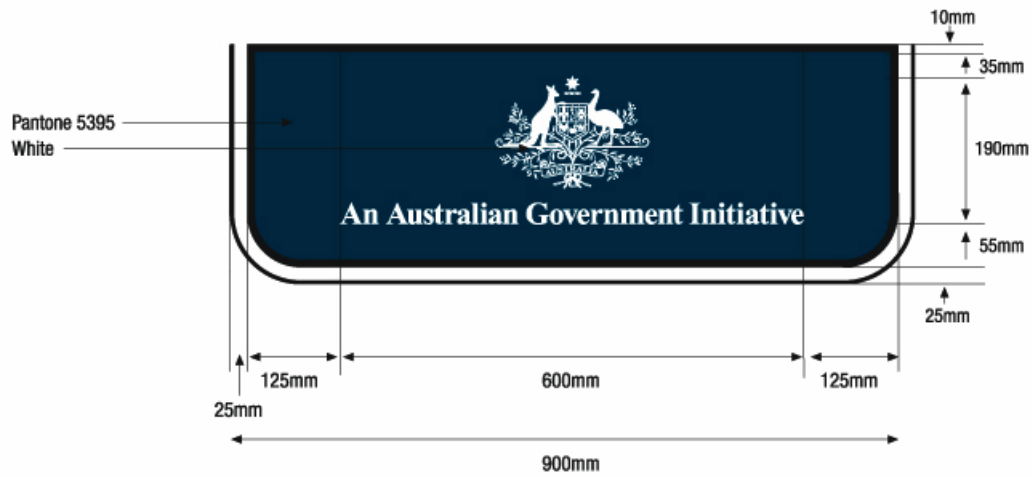
Background colour

White

Graphic comments

Graphic to be screen printed.

Section B



Font/Crest colour

White

Background colour

■ Pantone 5395

Graphic comments

Graphic to be screen printed.

