



Strategic Regional Programme

GUIDELINES FOR APPLICANTS



AUSLINK

Building our National Transport Future



Part 1

General Information

Programme snapshot:

- \$250 million in total funding to 2008-09
- \$127 million available through a competitive, merit based process
- Targeted to local government and partnerships involving local government
- Supporting regional collaboration
- Single call for funding applications
- Closing date for applications – 1 May 2006
- Supporting both large (up to \$10 million Australian Government contribution) and small projects (up to \$1 million Australian Government contribution)
- Partner funding contributions

INTRODUCTION

The Australian Government is committed to encouraging development of strategic regional infrastructure that:

- supports the growth of established and emerging industries;
- responds to structural changes;
- strengthens regional economic and social opportunities.

In recognising the role regions play in growing the economy, the Australian Government sees inter-governmental partnerships as an effective way to achieving long-term transport solutions that strengthen economic and social opportunities in regions.

AusLink's Strategic Regional Programme encourages collaboration among local government authorities to develop an effective regional transport network, assisting established and emerging industries, as well as strengthening social connectivity.

The Strategic Regional Programme also aims to enhance the ability of regional industry and communities to compete in the national and global marketplace. The programme is designed to assist councils develop regional land transport infrastructure supporting industry, tourism and economic development, and also improving access to regional, Australian and export markets. Regional funding under this component of AusLink, the National Land Transport Plan, will promote the government's ideal of a forward-looking agenda to build sustainable regional economies and communities.

A key element is the fostering of partnerships between the Australian Government and regional Australia: local government authorities, regional groups of councils, the private sector, community organisations and state and territory governments.

Programme development

On 10 November 2005 the Australian Government announced an additional \$100 million for the Strategic Regional Programme to 2008–09. This supplements the Government's previous \$150 million commitment to this programme, bringing total funding to \$250 million.

Of this total, \$30 million has been committed to works in the unincorporated areas of New South Wales, Victoria, South Australia, the Northern Territory and also the Indian Ocean Territories. A further \$93 million has been committed to 22 priority strategic projects.

The guidelines in this booklet outline the administrative arrangements that underpin the allocation of the remaining funds (nearly \$127 million). These guidelines should be read in conjunction with Part 6 of the *AusLink (National Land Transport) Act 2005*.

To view the Act, go to www.auslink.gov.au

ELIGIBLE ACTIVITIES

The following activities are eligible for funding under the Strategic Regional Programme:

- construction and maintenance works on roads and bridges not on the National Land Transport Network. (The network can be viewed at www.auslink.gov.au).
- construction and maintenance for roads in unincorporated areas (parts of a state or territory where there are no councils and state governments provide local government services);
- construction works on rail projects and inter-modal facilities not on the National Land Transport Network; and
- application of technology towards improving land transport networks.

Maintenance¹ – Maintenance works may be supported. However, priority may be given to capital works proposals over submissions for maintenance works.

¹ Maintenance, in relation to a road, railway or inter-modal transfer facility, includes works and repairs to keep the road, railway or inter-modal facility in a safe and useable condition.

Detailed planning, transport studies and pre-construction activities – The government may consider detailed planning, transport studies and project pre-construction activities for funding, particularly if they target a specific project capable of being delivered by March 2009. However, priority may be given to capital works proposals over submissions seeking assistance solely for pre-construction activities.

Non-eligible activities – The following activities are ineligible for funding:

- works on the National Land Transport Network;
- urban public transport;
- cycle paths and walkways (unless part of an eligible project); and
- any proposed activity not directly related to land transport.

ELIGIBLE ORGANISATIONS

Strategic Regional Programme funding will be distributed to the following bodies only:

- local government authorities;
- groups of local councils;
- states and the Northern Territory Government in respect of unincorporated areas;
- the Indian Ocean Territories; and
- the Australian Capital Territory Government.

State road and rail infrastructure can be considered for funding, but only local councils are eligible applicants for works of this nature.

Proposals promoted by the private sector and community groups will need to be nominated and managed by a council.

FUNDING

Strategic Regional Programme funds will be allocated under a competitive, merit-based process. The Australian Government will not allocate set amounts of funds to each of the states and territories. The funds will form a national pool.

Notional funding categories – Available programme funding of some \$127 million will support funding categories for large and small projects. Notional funding categories recognise that smaller projects can contribute to achieving programme goals of supporting industry, tourism and economic development, particularly in more remote areas of Australia.

1. Large projects – Funding notionally of some \$107 million: this category is intended for larger projects where proponents seek an Australian Government contribution of more than \$1 million and up to \$10 million (notional).
2. Small projects – Funding notionally of some \$20 million: this funding category will support smaller projects requiring up to \$1 million in funding from the Australian Government.

Project assessment criteria form Part 2 of the guidelines. Separate criteria apply for large projects (seeking more than \$1 million) and small projects (seeking up to \$1 million).

The same project eligibility rules apply to both funding categories.

Capped funding – Payments for individual projects will not exceed the approved Australian Government funding for that project. The Australian Government's contribution will be capped in current year dollars. The level of contribution will not be adjusted to allow for project cost increases, which will need to be borne by the applicant.

Funding contributions – AusLink embodies a partnership approach to tackling Australia's land transport infrastructure challenges. Shared funding establishes the bona fides for each project's regional priority and allows a greater number of priority projects to be supported.

Partner funding contributions are mandatory for large projects. The mandatory contribution requirement is set at a minimum of 30 per cent of the estimated project cost, where the project is for a road that is the responsibility of local government.

Where State Government controlled infrastructure is concerned, the Australian Government will require at least a 50 per cent contribution from other partners. The proponent must provide firm commitments, in writing, from other contributing stakeholders.

For small projects (involving an Australian Government contribution up to \$1 million) council-owned and managed infrastructure will not require a contribution from other parties. Priority generally will be given to projects where proponents identify partner contributions.

Small projects on state road and rail infrastructure require at least a 50 per cent partner contribution.

The Australian Government strongly encourages proponents to seek contributions from industries and enterprises that would benefit, either directly or indirectly, from the investment.

Part 2

Project Assessment Criteria



TWO SETS OF CRITERIA

Two sets of assessment criteria apply to the large project and small project categories funded under AusLink's Strategic Regional Programme.

Project proponents will need to address the criteria using a specified application form.

A project's chances of success will be enhanced if each proponent is able to support statements made in the application about the expected benefits a candidate project will deliver to the community.

When assessing applications, the Australian Government will also consider the reliability of costings provided, whether the project is feasible within those costs, the relevant technical standards to be met, as well as the degree of planning already undertaken to enable the project to be completed within the specified timeframe.

Proposed works must be able to be completed by the first quarter of 2009, with final reports (other than audited statements) to be lodged with the Australian Government Department of Transport and Regional Services, by 20 June 2009.

LARGE PROJECTS – AUSTRALIAN GOVERNMENT CONTRIBUTION EXCEEDING \$1 MILLION

Criteria:

1. Collaborative regional planning

Regional support

The proposed project arises from demonstrated collaborative regional planning processes.

The proposal has achieved wide support, ie from local government, industry, regional and community organisations.

2. Stakeholder funding contributions

In order to meet the overall cost of the project, establish whether the proponent has secured stakeholder contributions.

3. Industry competitiveness

The proposal demonstrates how the project enhances the ability of regional industry and communities to compete in the national and global marketplace through improved connectivity to export-related transport networks.

4. Regional significance

The proposal demonstrates how the project improves regionally significant transport infrastructure.

5. Access to services and employment

The proposal demonstrates how the project improves access for regional industry and communities to services and employment.

6. Clear construction timelines and relevant construction standards

The proposal provides projected start and finish dates for the project and confirmation that the proponent agrees to meet relevant construction, technical and engineering standards, and provide clear advice on the current status of, and timelines for, the project.

SMALL PROJECTS – AUSTRALIAN GOVERNMENT CONTRIBUTION UP TO \$1 MILLION

Criteria:

1. Community/regional significance and community support,

Relevance to local industry and development

The proposal demonstrates improvements to transport infrastructure significant to a local community.

The proposal has achieved wide community support, ie from local government, industry, regional and community organisations.

2. Community access Social significance

The proposal demonstrates improved access for communities to services and employment.

3. Safety

The proposal demonstrates improvement to the safety of transport operations.

4. Clear construction timelines and relevant construction standards

The proposal provides projected start and finish dates for the project and confirmation that the proponent agrees to meet relevant construction, technical and engineering standards, and provide clear advice on the current status of, and timelines for, the project.

Part 3

Application Process





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EASY ELECTRONIC APPLICATION

ELECTRONIC APPLICATION FORM

The application process will be similar for large and small project applications. The closing date for applications is 1 May 2006. The Department of Transport and Regional Services advises it is in the applicant's best interest to provide concise, structured responses with supporting data where appropriate.

Proponents must submit their applications on the electronic application form, which is accessible by:

- a compact disc kit provided to all councils by the department; or
- downloading it from the department's website at the following internet address, www.auslink.gov.au;
- contacting the Department of Transport and Regional Services at the following address:
Project Officer
AusLink Strategic Regional Programme
Dept of Transport and Regional Services
GPO Box 594
CANBERRA ACT 2601
Ph: 02 6274 6010 (during business hours)

Completed applications should be forwarded on a return compact disc to:

General Manager
AusLink Systems and Regional Investment Branch
AusLink Business Division
Dept of Transport and Regional Services
GPO Box 594
CANBERRA CITY ACT 2601

Alternatively, applications can be emailed to: auslink.strategicregional@dotars.gov.au

Applicants may submit any supporting material on compact disc, by email or in hard copy format.

The department will assess projects following the closing of applications on 1 May 2006. The department may seek further information from proponents during the assessment period.

The Australian Government Minister for Local Government, Territories and Roads will make the final decision on which projects will be funded. Approved projects will be announced later in 2006.

Part 4

Rules to follow for a successful application



FURTHER IMPORTANT INFORMATION

Funding agreements – In accordance with Section 57(2) of the *AusLink (National Land Transport) Act 2005*, a successful proponent will be required to enter into a funding agreement with the Australian Government before any funds can be paid under this programme.

In cases where the project involves more than one local government authority, the Australian Government will sign one funding agreement with the nominated lead council (the project proponent) identified by the group. The department will work with the proponent to develop a funding agreement.

Project scope and scope variations – The Australian Government's contribution to projects will be capped in current year dollars.

Any proposed change in project scope² should be brought to the attention of the department as soon as possible, before construction begins. The proponent will need to furnish detailed advice about the reasons for any scope changes. Construction should not commence until the department approves the scope changes. Any additional costs generated by a change of scope will be borne by the proponent.

Contracting and tendering requirements – There is no mandatory requirement under the *AusLink (National Land Transport) Act 2005* for proponents to call public tenders for approved projects. Any requirement on a proponent to call tenders for work will be considered on a case by case basis and reflected in the funding agreement. As a general guide and consistent with agreed National Competition Policy, the Australian Government would require public tenders to be invited for works exceeding \$1 million.

² Change of scope occurs when, for whatever reason, the project cannot be constructed to its original concept as detailed in the funding application requiring the design to be altered.

The Australian Government requires that the National Code of Practice for the Construction Industry and the Implementation Guidelines apply to construction projects it funds where:

- (i) the value of the grant for that project is at least \$5 million and represents at least 50 per cent of the total project value; or
- (ii) the value of the grant for that project is \$10 million or more.

Where projects meet the above criteria, each funding agreement conditions will specify that projects be tendered out, and the National Code of Practice for the Construction Industry and the Implementation Guidelines followed. In such cases, all contracting documents – including advertisements for the calling of tenders – must mention compliance with the code.

Reporting requirements

Progress reports – A proponent must lodge regular progress reports on the project, as agreed in the funding agreement. The requirement for such reports will form part of the schedule in the funding agreement. Their purpose is to provide the Department of Transport and Regional Services with a regular update of the status of each project in terms of:

- the forecast completion date;
- a description of work completed in the period covered by the report;
- upcoming milestones, for example, future letting of contracts, the start of works and completion of stages/phases of the project;
- actual expenditure during the previous quarter;
- estimated expenditure for the coming period.

Completion of the progress report will be a requirement under the funding agreement. An illustration of the progress report is part of the sample funding agreement provided on a compact disc sent to all councils.

UP-FRONT PAYMENTS POSSIBLE

Audited statement of expenditure – A proponent must provide audited statements of expenditure as soon as practicable after 30 June, and by no later than 31 December, as per conditions detailed in each funding agreement. This condition applies whether or not funds have been expended. Statements of expenditure should be certified by an accredited external auditor and the proponent's Chief Executive Officer. Completion of audited statements of expenditure will be a requirement under the funding agreement. An illustration of the audited statement of expenditure is part of the sample funding agreement provided on the compact disc sent to councils.

Acquittal of expenditure – On completion of a project, each proponent will be required to provide the department with a final acquittal of expenditure against the approved amount of funds. The Australian Government will seek a return of unspent funds in the event proponents do not spend the entire government contribution on an approved project. Acquittal of expenditure will be a requirement under the funding agreement.

Payments – All payments made under the Strategic Regional Programme will be paid to an individual council. In cases where the project involves a group of councils, the group must identify a lead council through which all payments, and contact with the department, will be made.

To enable timely commencement of a project the Australian Government may consider making an initial up-front payment of up to 30 per cent of its contribution. Thereafter, payments will be made on an agreed regular basis (usually quarterly).

Following receipt of progress reports that take account of the milestones detailed in the funding agreement, cash flow requirements will be calculated as follows:

- actual expenditure incurred to date;
- plus: forecast expenditures for the next agreed period;
- less: payments made previously.

INFORMING THE COMMUNITY

For projects finished in less than three months, the second (and final) payment will be made after the proponent advises that the project has been completed and all milestones met.

Payments will be deposited directly into a bank account nominated by the proponent.

Programme recognition requirements – The Australian Government seeks to work closely with proponents to inform the public about each of the projects funded under the Strategic Regional Programme. Specific recognition and publicity requirements will be detailed in the funding agreement.

The agreement will stipulate the Australian Government's requirement that formal statements such as media releases, displays or publications (including brochures) and newspaper advertising about any activity funded through the programme must acknowledge the Australian Government's contribution. Proponents must consult the department well in advance of public release of any information.

Recognition or publicity requirements may vary from project to project. To assist in identifying publicity events, proponents will need to detail significant up-coming milestones in their quarterly progress reports.

These may include:

- the letting of contracts;
- commencement of works;
- completion of a distinct stage of the project;
- completion and opening of a project.

Signs – The funding agreement will require each proponent to erect signage promoting the programme. These signs shall remain in place for the period specified in the funding agreement. Applicants should note that the costs of signs will be borne within the total project cost.



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Australian Government
**Department of Transport
and Regional Services**

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