

s 47E

From: s 47E
Sent: Monday, 18 March 2019 3:42 PM
To: s 47E
Subject: FW: Hampton Station parking grant - Goldstein [SEC=UNCLASSIFIED]

From: s 47F @bayside.vic.gov.au>
Sent: Monday, 18 March 2019 3:18 PM
To: s 47E @infrastructure.gov.au>
Cc: s 47F @bayside.vic.gov.au>
Subject: Hampton Station parking grant - Goldstein

Hello s 47E

Following the recent announcement of \$4 million for 133 additional car parking spaces at Hampton Station, I have been provided with your contact details by Tim Wilson MP.

I was hoping that you might be able to provide me with some information on the grant. No details have been provided to Council as yet and the only information available seems to be from the media.

NEWS

Hampton parking

Additions to station car park aim to help ease squeeze for commuters

Rebecca David

More than 100 new parking spots are on track for Hampton Railway Station, with plans for above or below-ground spaces to be added to the existing car park.

Announcing \$4 million in Commonwealth cash for the project, Goldstein federal Liberal MP Tim Wilson said the car park

typically filled up by 7.30am each morning and discouraged people from catching the train.

"This funding will mean fewer cars on the roads and less clogging of parking spots in residential streets," Mr Wilson said.

"Commuters will finally be able to get a car park without waking up at the crack of dawn."

The 133 spaces will be in addition to the 25 new spots proposed as part of VicTrack's Hampton Station Precinct development, he said.

Department of Transport figures show that, at Hampton Station last financial year, 34 people were fined

for not parking within a parking bay and 41 people were fined for stopping in a 'no stopping' area.

Hampton Neighbourhood Association president Tony Batt said commuters supported the idea of more parking spots but queried where they would go.

"We'd be worried if all the spots were moved to south of the station because that's a little residential street and would not be able to handle all the traffic," he said.

He said VicTrack's changes to bus stops around the station had made things harder for people trying to leave the car at home.

Bayside Leader Newspaper 19 February 2019

<https://www.timwilsonmp.com.au/hamptonparking/>

Are you able to provide me with details like:

- Is the grant for expansion of parking on a particular site?
- Is there a scope of work proposed for the \$4 million?

- What organisation will the grant funding be provided to (Council, State or State agency)?
- What is the timing for the allocation of the grant?

Following the announcement of the grant, we have a number of community members seeking details on the works proposed so any information you can provide would be appreciated.

Thanks

s 47F

s 47F | Director Environment, Recreation & Infrastructure
Environment, Recreation & Infrastructure
Bayside City Council
76 Royal Avenue Sandringham VIC 3191

s 47F
s 47F bayside.vic.gov.au
www.bayside.vic.gov.au

Disclaimer Please consider the environment before you print this email. This email, including all attachments, is confidential. Any personal or sensitive information contained in this email and attachments must be handled in accordance with the Victorian Information Privacy Act 2000 and the Health Records Act 2001. If you are not the intended recipient, you must not disclose, distribute, copy or use the information contained in this email or attachments. Any confidentiality or privilege is not waived or lost because this email has been sent to you in error. If you have received it in error, please advise the sender by return email, delete it from your system and destroy any copies. The sender gives no warranty that any attachments to this email are free from viruses or other defects.

s 47E

From: s 47E
Sent: Thursday, 6 January 2022 10:51 AM
To: s 47E
Subject: FW: Urban Congestion Fund - Bayside Council - Hampton Station car park [SEC=OFFICIAL]
Attachments: Notes_on_Administration_FINAL_2018.pdf; NoA_Appendix_C_Final_2018.docx; DIRDC PPR \$25m Updated June 2018.docx

OFFICIAL

OFFICIAL

From: s 47E @infrastructure.gov.au>
Sent: Monday, 1 April 2019 2:24 PM
To: s 47F @bayside.vic.gov.au; s 47F @bayside.vic.gov.au; s @bayside.vic.gov.au
Cc: s 47E @infrastructure.gov.au>; s 47E
 <s 47E t@infrastructure.gov.au>; s 47F @ecodev.vic.gov.au>
Subject: Urban Congestion Fund - Bayside Council - Hampton Station car park [SEC=UNCLASSIFIED]

Hi s 47F

Following on from the phone discussion with s 47E about the Australian Government's \$4 million commitment to the Hampton Station car park project under its Urban Congestion Fund (UCF), the following is some more information that we hope will assist to progress the project and support you through our processes.

As discussed, the UCF forms part of the Infrastructure Investment Program, and we will work closely with you to assist you deliver this initiative.

The UCF was announced as part of the 2018-19 Budget. The Infrastructure Investment Program (IIP) is provided for under the *National Land Transport Act 2014*. More information on the UCF, the IIP and the Act is available at <https://investment.infrastructure.gov.au/>. You will also find here information on other projects we deliver with state and local governments across Australia. The notes on administration for the IIP are attached.

In order to facilitate this funding commitment, the Australian Government minister responsible for the IIP is required to formally approve the project. To facilitate this approval, a Project Proposal Report is needed (see the attached template – see the DIRDC PPR \$25 m). We will assist you to complete the template and we are happy to review drafts before a final version is submitted. As soon as we have worked it out, we will let you know which project officer in our team will have responsibility for your project; however, in the mean time, you are welcome to speak to either s 47E or myself if you need further information.

I should mention that both the Notes on Administration and Project Proposal Report template are currently under review and it is hoped that new and more user friendly versions will be available. The attached versions though provide a good indication of the type of information required so that, as early scoping/planning work gets underway on your project, you'll be able to capture the data required for the report.

While it is still a bit of a way off, once the project is approved, milestone payments will be able to commence. As mentioned on the phone, payments and formal reporting requirements under the IIP are facilitated through the

Victorian Government. Your contact with the Victorian Government is s 47F (available on telephone s 47F and email: s 47F @ecodev.vic.gov.au). As also mentioned, one of our team members will touch base regularly with the appointed council project officer to keep up with the progress of the project and provide any assistance in relation to the Australian Government funding side of things.

I hope this info helps but please let me know if you have any further questions.

We look forward to working with you in the delivery of this project.

Kind regards

s 47E

s 47E

Victoria Infrastructure Investment
South East Infrastructure Investment Branch | Infrastructure Investment Division
Department of Infrastructure, Regional Development and Cities
GPO Box 594, Canberra ACT 2601

s 47E

e s 47E @infrastructure.gov.au | w www.infrastructure.gov.au

From: s 47F @bayside.vic.gov.au>

Sent: Monday, 18 March 2019 3:18 PM

To: s 47E <s 47E @infrastructure.gov.au>

Cc: s 47F @bayside.vic.gov.au>

Subject: Hampton Station parking grant - Goldstein

Hello s 47E

Following the recent announcement of \$4 million for 133 additional car parking spaces at Hampton Station, I have been informed by Tim Wilson MP.

I was hoping that you might be able to provide me with some information on the grant. No details have been provided and the information available seems to be from the media.

Hampton parking p

Additions to station car park aim to help ease squeeze for commuters

Rebecca David

More than 100 new parking spots are on track for Hampton Railway Station, with plans for above or below-ground spaces to be added to the existing car park.

Announcing \$4 million in Commonwealth cash for the project, Goldstein federal Liberal MP Tim Wilson said the car park

typically filled up by 7.30am each morning and discouraged people from catching the train.

"This funding will mean fewer cars on the roads and less clogging of parking spots in residential streets," Mr Wilson said.

"Commuters will finally be able to get a car park without waking up at the crack of dawn."

The 133 spaces will be in addition to the 25 new spots proposed as part of VicTrack's Hampton Station Precinct development, he said.

Department of Transport figures show that, at Hampton Station last financial year, 34 people were fined

for not parking within a parking bay and 41 people were fined for stopping in a 'no stopping' area.

Hampton Neighbourhood Association president Tony Batt said commuters supported the idea of more parking spots but queried where they would go.

"We'd be worried if all the spots were moved to south of the station because that's a little residential street and would not be able to handle all the traffic," he said.

He said VicTrack's changes to bus stops around the station had made things harder for people trying to leave the car at home.

"I don't design to the zone."

Bayside Heffernan affected who live

"Council increases levels of for some

"We live with cur federal importa commu

Bayside Leader Newspaper 19 February 2019

<https://www.timwilsonmp.com.au/hamptonparking/>

Are you able to provide me with details like:

- Is the grant for expansion of parking on a particular site?
- Is there a scope of work proposed for the \$4 million?
- What organisation will the grant funding be provided to (Council, State or State agency)?
- What is the timing for the allocation of the grant?

Following the announcement of the grant, we have a number of community members seeking details on the works provide would be appreciated.

Thanks

s 47F

s 47F | Director Environment, Recreation & Infrastructure
Environment, Recreation & Infrastructure
Bayside City Council

76 Royal Avenue Sandringham VIC 3191

s 47F

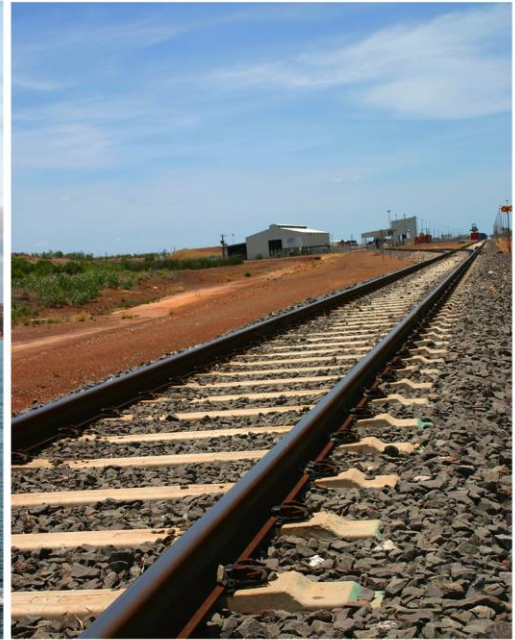
Email s.47F@bayside.vic.gov.au

www.bayside.vic.gov.au

Disclaimer Please consider the environment before you print this email. This email, including all attachments, is confidential. A contained in this email and attachments must be handled in accordance with the Victorian Information Privacy Act 2000 and the intended recipient, you must not disclose, distribute, copy or use the information contained in this email or attachments. An lost because this email has been sent to you in error. If you have received it in error, please advise the sender by return email, copies. The sender gives no warranty that any attachments to this email are free from viruses or other defects.




Australian Government
**Department of Infrastructure
and Regional Development**



Notes on Administration for Land Transport Infrastructure Projects

2014-15 to 2018-19



© Commonwealth of Australia 2013
ISBN 978-1-925216-13-4
October 2014/INFRA2269

Ownership of intellectual property rights in this publication

Unless otherwise noted, copyright (and any other intellectual property rights, if any) in this publication is owned by the Commonwealth of Australia (referred to below as the Commonwealth).

Disclaimer

The material contained in this publication is made available on the understanding that the Commonwealth is not providing professional advice, and that users exercise their own skill and care with respect to its use, and seek independent advice if necessary.

The Commonwealth makes no representations or warranties as to the contents or accuracy of the information contained in this publication. To the extent permitted by law, the Commonwealth disclaims liability to any person or organisation in respect of anything done, or omitted to be done, in reliance upon information contained in this publication.

Creative Commons licence

With the exception of (a) the Coat of Arms; (b) the Department of Infrastructure's photos and graphics copyright in this publication is licensed under a Creative Commons Attribution 3.0 Australia Licence.

Creative Commons Attribution 3.0 Australia Licence is a standard form licence agreement that allows you to copy, communicate and adapt this publication provided that you attribute the work to the Commonwealth and abide by the other licence terms.

A summary of the licence terms is available from <http://creativecommons.org/licenses/by/3.0/au/deed.en>.

The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>

This publication should be attributed in the following way: © Commonwealth of Australia 2013

Use of the Coat of Arms

The Department of the Prime Minister and Cabinet sets the terms under which the Coat of Arms is used.

Please refer to the Department's Commonwealth Coat of Arms and Government Branding web page

<http://www.dpmc.gov.au/guidelines/index.cfm#brand> and in particular, the Guidelines on the use of the Commonwealth Coat of Arms publication.

Contact us

This publication is available in <hard copy or PDF format>. All other rights are reserved, including in relation to any Departmental logos or trademarks which may exist. For enquiries regarding the licence and any use of this publication, please contact:

Director, Internal Communications and Publishing
Communications Branch, Department of Infrastructure and Regional Development
GPO Box 594, Canberra ACT 2601, Australia

Email: publishing@infrastructure.gov.au

Website: www.infrastructure.gov.au

Key Information

Contents

1:	INTRODUCTION.....	3
1.1:	Scope of the Notes on Administration	3
1.2:	Status of the Notes.....	3
1.3:	Revision of the Notes	3
1.4:	Definition and Abbreviations	4
1.5:	Pre-approval expenses	6
1.6:	Assurance and compliance	6
1.7:	Goods and Services Tax implications	7
1.8:	Compliance with legislation	7
1.9:	Public recognition.....	7
1.10:	Project evaluation	8
1.11:	Department contacts	8
2:	INVESTMENT PROJECTS.....	9
2.1:	Project approval.....	9
2.2:	Project Administration	17
2.3:	Project closure	21
3:	NATIONAL LAND TRANSPORT NETWORK MAINTENANCE.....	22
3.1:	Allocation	22
3.2:	Approval.....	22
3.3:	Road maintenance reporting.....	22
3.4:	Maintenance milestones	24
3.5:	Maintenance standard.....	25
4:	BLACK SPOT PROJECTS	28
4.1:	General requirements for Black Spot Projects	28
4.2:	Black Spot Projects criteria	30
4.3:	Nomination and Assessment of Project Proposals	32
4.4:	Approving a Project proposal.....	33
4.5:	Dealing with Project variations	34
4.6:	Claiming Payments.....	35



4.7: Public recognition and evaluation	37
APPENDIX A - FUNDING CONDITIONS	38
Appendix A1 Funding conditions under the National Land Transport Act 2014 (NLT Act)	38
Appendix A2 Funding Conditions in the National Partnership Agreement on Land Transport Infrastructure Projects	41
Appendix A3 Compliance with other laws	44
Appendix A4 Building Code 2016.....	46
APPENDIX B—COST ESTIMATION GUIDANCE	48
APPENDIX C—PROJECT PROPOSAL REPORT GUIDANCE	53
APPENDIX D PROJECT REPORT GUIDANCE	54
Appendix D1 Monthly Progress Report.....	54
Appendix D2 Cash Flow Projections Report	56
Appendix D3 – Post-Completion Report	57
Appendix D4 - Annual Financial Statement and Audit Report	59
APPENDIX E - TREATMENT/CRASH REDUCTION MATRIX*	61

1: INTRODUCTION

1.1: Scope of the Notes on Administration

The Notes on Administration for Land Transport Infrastructure Projects 2014–15 to 2018–19 (Notes) relate to all Projects funded, or proposed to be funded, under:

- Parts 3 or 7 of the National Land Transport Act 2014 (NLT Act); or
- Chapter 2 of the Nation-building Funds Act 2008 (BAF Act).

The Notes DO:

- apply to all Proponents and Funding Recipients;
- describe the framework for consideration of Projects for Approved Funding, including associated terms and conditions;
- set out the administrative processes that Funding Recipients must follow to claim payments, seek variations to Project approvals and comply with the terms and conditions of Approved Funding; describe the arrangements and processes associated with the selection of Projects under Part 7 of the NLT Act; and
- describe the arrangements and processes associated with maintenance funding for the road component of the National Land Transport Network.

The Notes DO NOT:

- describe the arrangements and processes associated with the selection of Projects to be included in the NPA schedule;
- describe the arrangements for authorisation of payment under the BAF by the Finance Minister.

The Department recognises there may be circumstances relating to individual Projects which cannot be readily addressed by referencing the Notes. States are to discuss these circumstances with the Department in the first instance.

1.2: Status of the Notes

If any requirements in the Notes are inconsistent with the terms of the NLT Act, BAF, or the National Partnership Agreement on Land Transport Infrastructure Projects (NPA) then the NLT Act, BAF, or NPA will, to the extent of the inconsistency, prevail.

1.3: Revision of the Notes

The Australian Government may revise the Notes from time to time. Funding Recipients will be advised of any changes that occur and will be expected to abide by the provisions of the revised Notes (subject to Section 1.2:).

1.4: Definition and Abbreviations

The definitions in Section 4 of the NLT Act apply to these Notes. Other terms used in these Notes are defined in Table 1.

Table 1—Definitions and Abbreviations

Term	Definition
Approved Funding	The funding approved for a Project by the Minister, under the appropriate legislation.
Approval Instrument	Is the project approval instrument referred to in <i>National Land Transport Act 2014 (NLT Act)</i> . It is the formal document signed by the Minister to approve a project under the NLT Act.
Approved Purpose/s	Is defined in the NLT ACT as purposes forming part of the project, other than any purposes that are excluded by the project approval instrument from being purposes on which funding may be expended.
BAF	As defined in chapter 2 of the <i>Nation-building Funds Act 2008</i> Referred to as the BAF Act in the NPA.
BCR	The Benefit Cost Ratio (BCR) - ratio of the present value of economic benefits to the present value of economic costs of a proposed initiative.
PCB	Project Cost Breakdown template for Road and Rail Project costs is an excel spreadsheet developed in consultation with State jurisdictions. The purpose of these templates is to achieve improved consistency and rigour in the cost estimates included in funding submissions.
Black Spot Project/s	Projects funded under part 7 of the NLT Act concerned with reducing road trauma or the risk of road trauma in specific locations.
Building Code 2016	Code for the Tendering and Performance of Building Work 2016 (the Code) issued under Chapter 3, <i>Building and Construction Industry (Improving Productivity) Act 2016</i> .
Closure (or Closed)	The end of the Australian Government's obligations and liabilities for the Project; and Funding Recipient's responsibility to provide Monthly Progress Reports for the Project.
Committed Funding	The maximum funding available to a Project listed in the NPA Schedule, subject to approval by the Minister.
Complete (or Completion)	The point at which a Project has achieved its primary purpose—for example, a new road is opened to traffic; a rail passing loop becomes operational; an acquired technology begins operation.
Finance Minister	The Commonwealth Minister for Finance.

Term	Definition
Funding Recipient	A Proponent for a Project following funding approval under the NLT Act or BAF.
IMS	Infrastructure Management System - The system used to manage Project payments and reporting.
Local Government Authority	A body established for the purposes of local government by or under a law applying in a State or Territory.
Milestone	A scheduled point in time at which Funding Recipients are expected to have accomplished agreed activities.
Completion Milestone	The point in time at which the Project is scheduled to be complete.
Final Milestone	The point in time which the last payment of Approved Funding is scheduled, following acceptance by the Department of the Post-Completion Report (if applicable), and a statement from the Chief Executive Officer of the Funding Recipient, or their delegate, that amounts expended from funding payments have been, and are wholly expended on Approved Purposes in relation to funded Projects.
Minister	The Commonwealth Minister with portfolio responsibility for infrastructure.
NLT Act	<i>National Land Transport Act 2014</i>
National Land Transport Network	The National Land Transport Network as in force from time to time that is determined by the Commonwealth ¹ Minister under Part 2 of the NLT Act.
NPA	The National Partnership Agreement on Land Transport Infrastructure Projects 2014-2019 between the Commonwealth and the States for the delivery of land transport infrastructure Projects.
Outturn Cost	The sum of the price-escalated costs for each year of a Project's duration. Outturn Cost calculation requires the non-escalated or real project cost to be presented as cash flow and the identification, justification and application of an appropriate escalation index for each Project year to derive the price escalated cost for each year. The Project Cost Breakdown template can be used to calculate outturn costs.
P50	P50 is the Project cost with sufficient contingency to provide a 50 per cent likelihood that this cost will not be exceeded.
P90	P90 is the Project cost with sufficient contingency to provide a 90 per cent likelihood that this cost will not be exceeded.

¹ The term Commonwealth is used in this document when in reference to the entity established by the Constitution.


Term	Definition
Project	A Project approved under the Nation Building Program (<i>National Land Transport</i>) Act 2009 or the <i>Nation-building Funds Act 2008</i> .
PPR	Project Proposal Report - A document submitted by the Proponent to the Department containing information on the Project, and prepared in accordance with the guidance at Appendix C.
Proponent	<p>a State;</p> <p>an authority of a State;</p> <p>a Local Government Authority; or</p> <p>any other body corporate.</p> <p>that submits a PPR for Australian Government funding under the NLT Act;</p> <p><u>OR</u></p> <p>a State; or</p> <p>a person other than a State</p> <p>that submits a PPR for Australian Government funding under the BAF.</p>
State(s)	All, or any, Australian States, the Australian Capital Territory and the Northern Territory.
Unapproved Purposes	The purposes listed at Section 2.1.3.2.2 on which Approved Funding may not be expended.
WHS Accreditation Scheme	<p>The Australian Government Building and Construction WHS Accreditation Scheme. Formally known as the Australian Government Building and Construction Occupational Health and Safety (OHS) Accreditation Scheme. Further information about the Scheme can be found at</p> <p>http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme</p>

1.5: Pre-approval expenses

The Australian Government is under no obligation to provide funding for expenditure on a Project before it has been approved by the Minister. Any such expenditure is at the Proponent's own risk.

1.6: Assurance and compliance

Projects listed in the NPA Schedule are subject to assessment through the Department's Assurance and Compliance Programme. The purpose of the programme is to assist in ensuring



that the Australian Government's significant investment in infrastructure is achieving its policy objectives. It will achieve this by assessing the extent to which:

- Australian Government policy objectives in funding particular Projects are being met;
- Projects are being delivered efficiently and effectively;
- Projects comply with legislative and other requirements; and
- timely and accurate Project information is available for the Australian Government.

Each financial year a selection of Projects will be identified by the Department for Assurance and Compliance Programme assessment.

A Funding Recipient must, at all reasonable times, permit department staff, authorised contractors and Australian National Audit Office representatives to:

- inspect work involved in the carrying out of the funded Project; and
- make copies of any documents relating to the funded Project.

The Funding Recipient must ensure that any contract entered into for Projects funded by the Australian Government contains an equivalent clause granting the rights specified in this section.

The Funding Recipient and any subcontractor must bear their own costs of complying with Assurance and Compliance Programme requirements. These requirements apply for the entire funding period and for two years from the Final Milestone payment.

1.7: Goods and Services Tax implications

Funding will not be provided for the Goods and Services Tax (GST) the Funding Recipient pays. All cost estimates and reported expenditure must be GST exclusive.


1.8: Compliance with legislation

Appendix A1 provides information on the key legislation that Projects must comply with. The information is not exhaustive. Funding Recipients should complete their own due diligence on their legal obligations.

1.9: Public recognition

In all publications, promotional and advertising materials, public announcements and activities in relation to a Project, a Funding Recipient must acknowledge the financial support they have received from the Australian Government, in the manner set out below, or as approved by the Australian Government before use.

The Australian Government reserves the right to publicise and report on the funding it commits or approves to a Funding Recipient. The Australian Government may do this by including information about the funding in media releases, in general announcements, in annual reports, on the Department's website or by any other method. This can include the Funding Recipient's name, the amount of the funds given to the Funding Recipient, the name of the Project, a description of the Project, maps of the Project's location, or any other information the Australian Government deems appropriate.



Where the Australian Government is fully funding a Project, it will receive major prominence in, and have a determining say over the content and timing of, all public recognition.

Where a Project is funded jointly, all public recognition for that Project is jointly agreed with both parties receiving equal prominence.

Public recognition for a Project stating, requiring or implying a funding commitment by the Australian Government should not be finalised without first agreeing with the Department.

Where public recognition of a Funding Recipient's Budget or forward programme for land transport infrastructure funding includes funding provided by the Australian Government, a full acknowledgement of the Australian Government's funding contribution in total and in respect of individual Projects should be made.

Where any public recognition is proposed, the Funding Recipient and the Department should endeavour to work cooperatively in arranging matters so both parties:

- have adequate notice of the proposed public recognition (particularly with ceremonies), of dates, of plaques to be made and of any attendance by Members of Parliament that has to be arranged;
- are provided with an appropriate opportunity to ensure that the proposed public recognition meets their expectations.

Further detail on public recognition requirements is in the Signage Guidelines, available from the Department.

Specific requirements for public recognition of Black Spot Projects are covered in Section 4.7:.

1.10: Project evaluation

The parties agree to cooperate in the evaluation of Projects to facilitate Project performance review and continuous improvement of investment decision making.

The Department may conduct an evaluation, to determine the extent to which Project performance indicators have been achieved and review the accuracy of demand forecasts and cost estimates used to assess the Project.

Funding Recipients may be required to provide information to assist in this evaluation for a period of time, as agreed.

If a Funding Recipient conducts a Project evaluation without involving the Department, they must provide a copy of the evaluation report to the Department.

1.11: Department contacts

The principal contact in the Department for land transport infrastructure matters is the Executive Director, Infrastructure Investment Division.

Phone: 02 6274 7631

Postal address: Infrastructure Investment Division, GPO Box 594, CANBERRA ACT 2601

2: INVESTMENT PROJECTS

This section applies to Projects approved under Part 3 of the NLT Act or Chapter 2 of the BAF.

2.1: Project approval

Before any payments are released all Projects proposed to be funded under the Infrastructure Investment Programme require assessment against the relevant parts of the:

- NLT Act and approval from the Minister; or
- BAF and authorisation in writing from the Finance Minister

This section outlines the process for seeking approval under the NLT Act, and the process for making a recommendation to the Finance Minister on authorisation of payment under the BAF.

2.1.1: Commitment of Funding by Australian Government

The Australian Government may commit funding to a Project at any time, for any phase based on information it deems appropriate.

Committed Funding to a Project will be documented in the NPA Schedules and agreed by both parties. Projects may be listed in the NPA Schedules individually or collectively.

The announcement of Committed Funding to a particular Project, and its subsequent inclusion in the NPA Schedules reflects the Australian Government's commitment to the outcomes of the Project but is not a guarantee of funding. Funding must be approved by the Minister in accordance with the relevant legislation.

2.1.2: Submission of Project Proposal Report (PPR)

Proponents must submit a PPR to the Department. Its purpose is to provide sufficient information on the Project's cost estimate and cashflow, planned approach and Project scope to enable the Minister to approve, or recommend authorisation of, funding under the NLT Act or BAF respectively. The Australian Government may request that Proponents provide additional information to assist in the consideration of the approval or authorisation of a Project.

Funding will be approved on a phase-by-phase basis (Table 2 describes the Phases of a Project for Australian Government purposes). The Department may consider multiple-phase PPRs in appropriate circumstances. Proponents intending to submit multiple-phase PPRs should contact the Department as soon as practicable in advance of submission.

Proponents must prepare PPRs in accordance with Appendix C for the phase of the Project for which funding is sought or, where submission of a multiple-phase PPR has been approved, in accordance with the latest phase for which funding is sought.

Proponents are encouraged to liaise with the Department and seek guidance or input as required during the preparation of the PPR.

If a Project has already received Australian Government funding, and the Australian Government has committed to fund subsequent Phases, then the Funding Recipient must submit a PPR updated according to the guidance for the Phase for which funding is sought.

Proponents will provide cost estimates by completing the applicable Project Cost Breakdown (PCB) template and providing access to the underpinning documentation as required. The cost estimates should be for the whole Project and not just for the Phase/Phases that the PPR relates to, with the exception of Identification Phase PPRs. As such, whole-of-Project cost estimates will include actual costs for Phases already completed (noting Section 1.5).

Table 2: The Phases of a Project for Australian Government funding purposes

Phase	Description	Guidance
Identification	<p>The Project Identification phase requires an appraisal and/or study of broad alternatives such as road and rail technology, travel demand management and land use to solve a particular transport problem. The appraisal considers how well the broad alternatives meet programme outcomes and identifies a preferred alternative solution for progressing to the Project Scoping phase.</p> <p>This phase produces the preferred alternative with an indicative total Project cost presented as Outturned and non-Outturned costs with cash flows identified and reflecting contingencies at P50 and P90.</p> <p>Note: A PPR seeking Identification Phase funding only requires an estimate of the Identification Phase cost.</p>	Appendix C1
Scoping	<p>Project Scoping entails investigating specific options (such as route selections for a bypass) that achieve the preferred alternative to address the transport problem studied in the identification phase. For each option a business case analysis is required which should address the BCR, scope, budgets and timing (including contingency at P50, P90 and escalation) for each option, recognising that cost estimates will likely be based on limited information and so contingencies are likely to be high. This phase may involve land acquisition, if the land acquired is common to all options being considered.</p> <p>This phase produces a preferred option and a detailed total Project cost estimate, presented as Outturned and non-Outturned costs identifying cash flows and reflecting contingencies at P50 and P90.</p> <p>Note: A PPR seeking Scoping Phase funding should include the cost for the Identification Phase (if undertaken) as well as estimates for Scoping, Development and Delivery phases.</p>	Appendix C2

Phase	Description	Guidance
Development	<p>Project development entails detailed planning (such as environmental approvals, land acquisition, community consultation) and design (such as field studies, preliminary detailed design, quantity estimates) of the preferred option and the development of an updated BCR, detailed and refined Project budgets, timings (including a pre-tender estimate) and a procurement method. This phase might also involve pre-construction or preliminary construction work and land acquisition.</p> <p>This phase produces a detailed tender specification (including design requirements as appropriate) and a detailed pre-tender cost estimate for the total Project, presented as Outturned and non-Outturned costs identifying cash flow and reflecting contingencies at P50 and P90.</p> <p>Note: A PPR seeking Development Phase funding should include the actual costs for the Identification (if undertaken) and Scoping phases, and estimates for Development and Delivery phases as part of the overall Project cost estimate.</p>	Appendix C3
Delivery	<p>Project Delivery entails at least construction and completion of the preferred option following a procurement process and the selection of a construction contractor. It may also involve detailed design where this is allocated to the construction contractor as an element of an overall contract. Preliminary works (such as relocation of services and earthworks) could precede the main construction contract.</p> <p>This phase produces a Project which is Complete (definition at Section 1.4:).</p> <p>Note: A PPR seeking Delivery Phase funding should include the actual costs for the Identification (if undertaken), Scoping and Development phases, and an estimate for the Delivery phase as part of the overall Project cost estimate.</p>	Appendix C4
Post-Completion	<p>The Post-Completion Phase comprises all activities after a Project is Complete until the Project is Closed. This phase is not expected to exceed 12 months.</p> <p>Note: The cost estimate for the whole Project at the conclusion of the Post Completion phase includes the actual costs from the Scoping, Development and Delivery phases, noting that some residual property-related costs may have to be handled separately.</p>	Section 2.2.8:

2.1.3: Assessment of Project Proposal Report (PPR)

The information provided in a PPR is assessed by the Department to guide its recommendations to the Minister on the merits and risks of a Project. The Minister will consider this assessment in determining whether to approve funding for the Project.

The following sections highlight key information the Department requires when assessing PPRs.

2.1.3.1: *Confirm eligibility and appropriateness for approval*

Investment Project

Part 3, Section 10 of the *National Land Transport Act 2014* states:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- a. the construction of an existing or proposed road that is in a State or Indian Ocean Territory;
- b. the maintenance of an existing or proposed road that is included in the National Land Transport Network;
- c. the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;
- d. the maintenance of an existing or proposed railway that is included in the National Land Transport Network;
- e. the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;
- f. the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.

Note: The definition of **construction** in section 4 covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

Part 3, Section 11 of the *National Land Transport Act 2014* states:

The matters to which the Minister may have regard in deciding whether it is appropriate to approve a project as an Investment Project include, but are not limited to, the following matters:

- a. the extent to which the project is likely to improve the ability of industries and communities to compete in international, inter-State or inter-regional trade and commerce;
- b. the extent to which the project will improve the efficiency, integration, security or safety of transport operations;
- c. the results of any assessment of the economic, environmental or social costs or benefits of the project;
- d. the extent to which the project is likely to improve access for communities to services and employment;
- e. any transport or land use plans that might be relevant to the project;
- f. the extent to which persons other than the Commonwealth propose to contribute funding to the project.

Building Australia Fund Project

The matters to which the Minister must consider in deciding if it is appropriate to recommend the Finance Minister to authorise a payment under the BAF are:

- a. advice about the payment given to the Minister by Infrastructure Australia under Section 116 of the BAF; and
- b. such other matters (if any) as the Minister considers relevant—may include matters the Minister has regard to under the NLT Act.

2.1.3.2: Identifying Approved Purposes for Funding

Australian Government funding must be expended on Approved Purposes for the funded Project. This is the only expenditure that will be counted in the total cost of the Project for Australian Government purposes. Where non-Australian Government contributions are listed against the Project in the NPA Schedule, only expenditure on Approved Purposes will be counted in those contributions.

2.1.3.2.1 Approved Purposes (For 'Approved Purposes' for Black Spot projects, refer to 4.1.3) include:

- a. Costs of planning, pre-construction and construction, including public consultation, environmental assessment, design, land acquisition, and traffic management. Provided they are within the agreed scope of a Project, the items listed below are considered to be eligible costs:
 - project management;
 - design and investigation;
 - client supplied insurances, fees and levies;
 - property acquisition (including purchase price, transactional costs, business compensation and environmental offsets);
 - environmental works;
 - traffic management and temporary works;
 - public utilities adjustments;
 - earthworks;
 - retaining walls;
 - fencing;
 - drainage;
 - bridges;
 - tunnels;
 - pavements;
 - rest areas;
 - weigh stations;
 - access roads;
 - finishing works;

- traffic signage, signals and controls;
 - Intelligent Transport Systems;
 - track work;
 - rail systems, including overhead wiring, power supply and distribution, signalling, rail communications and combined services route; and
 - rail transport stations, interchanges, buildings, stabling and maintenance buildings;
- b. costs of meeting any conditions imposed on the Project under Australian or State law;
 - c. costs of reasonable measures to avoid or mitigate negative impacts of a Project (including temporary measures during construction);
 - d. costs of Project public recognition and publicity, including programme signage and ceremonies connected to project progress;
 - e. costs of, or arising from, any legal action relating to a project that is not due to the Funding Recipient failing to properly administer tender processes and supervise and manage relevant contracts; and
 - f. The following items may be considered to be Approved Purposes if the Funding Recipient justifies the costs to the Department:
 - (i) costs of landscaping, and aesthetic features which provides the project with a reasonable degree of aesthetic value such that it complements the surrounding environment, where such features are integrated into functional components of a project;
 - (ii) costs of other non-construction and temporary construction elements of a project, where these are operational in nature and are minor items of expenditure in the context of the overall project;
 - (iii) costs associated with sections of road or rail that might be bypassed by a project and cease to be part of the National Land Transport Network;
 - (iv) other costs which can be demonstrated to align with Approved Purposes set out in points (a) to (e) of section 2.1.3.2.1


The Funding Recipient may contact the Department at any time to clarify Approved Purposes.

2.1.3.2.2 Unapproved Purposes include:

- a. costs incurred after the Final Milestone has been paid to the Funding Recipient;
- b. the oversight and network administration costs of any State agency;
- c. traffic enforcement cameras (for example, speed cameras) and related infrastructure; or
- d. stand-alone artworks and aesthetic features that do not form part of a Project's functional component.

Treatment of Unapproved Purposes

The Department acknowledges that, for some Projects, there can be synergy in combining Approved and Unapproved Purposes into a single tender and contract (for example, 'design, build and maintain' contracts where maintenance costs are not considered to be Approved Purposes). If



Approved Purposes are combined with Unapproved Purposes in a tender, Approved Purposes should be clearly identified to the Department before the tender documentation is finalised. If such a tender proceeds, the Department may seek to review tender bids and may undertake a more detailed review of the cost split.

2.1.3.3: Reviewing and assessing cost estimates

Cost estimates should be submitted in summary form in the applicable Project Cost Breakdown (PCB) template and in accordance with the principles outlined Department's current cost estimation guidance. Appendix B provides further guidance on preparing PPR cost estimates.

A probabilistic cost estimation process must be used for Projects with a total anticipated Outturn P90 cost (including contingency and escalation) exceeding \$25 million. Projects with a total anticipated Outturn P90 cost (including contingency and escalation) under \$25 million may use a deterministic methodology, however the Department recommends using a probabilistic cost estimation method where possible.

The Department will review and assess the cost estimate (including the cash flows by financial year and Project phase) provided in the PPR before making a recommendation to the Minister. Proponents must cooperate with any review undertaken.

The NPA requires Proponents to provide access to underpinning data for cost estimation purposes. As such, Funding Recipients must maintain an electronic library of all documentation consulted in determining the Project estimate.

2.1.3.4: Assess requests for tender exemptions

A Proponent seeking an exemption from the requirement to use a public tender process must seek approval for the exemption in the PPR. The request for approval must detail the:

- scope of works for which the exemption is being sought;
- value of these works;
- intended entity to undertake these works;
- category under which the exemption is being sought (Section 24(1)(c) i to vi of the NLT Act); and
- supporting reasons for the exemption.


2.1.3.5: Agreeing to Milestones

The NPA requires funding to be provided to Funding Recipients based on the achievement of Milestones.

Section 2.2.4: provides detail on how the Australian Government will pay Funding Recipients against Milestones.

Proponents will be required to propose a Milestone schedule for their Project in the PPR. The Department will review these Milestones and discuss changes with the Proponent.

Milestones will be agreed in writing by the Department and the Proponent.



The Department acknowledges that with major procurement in the Delivery phase, it may not be possible to schedule Milestones for construction activities before a preferred tenderer is selected. The Department also acknowledges there may be activities leading up to the completion of the major procurement which may be Approved Purposes. In these circumstances, the Department will accept a Milestone schedule covering the lead up to preferred tenderer selection. Once a preferred tenderer is selected and construction contracts signed, Funding Recipient will be required to review and, where necessary update the Milestone schedule to include construction activities.

Funding Recipients must provide up to date information on all Project procurements, in line with Section 2.2.2: requirements.

Agreed Milestones will be entered into the Department's Infrastructure Management System (IMS). Milestones may be varied by agreement, in line with Section 2.2.5.1: requirements.

2.1.3.6: Setting specific transport performance indicators

Proponents will propose specific transport performance indicators as part of the PPR. The Department will review these to confirm they are suitable for measuring the Project's expected and realised benefits and seek revisions if required. Guidance on setting specific transport indicators is provided in the PPR templates at Appendix C.

2.1.3.7: Review options analysis

For all Phases after the Scoping Phase, Proponents must provide information on the options considered to address the transport need and the rationale for selecting the preferred option.

2.1.3.8: Agree public recognition signage plan

For Development and Delivery Phase PPRs, the Department will review the proposed signage plan setting out temporary and permanent signage for the Project and seek revisions if required.

Guidance on public recognition signage plan requirements is provided in the Signage Guidelines available from the Department.

2.1.4: Recommendations to the Minister

For Projects funded under the NLT Act, the recommendation will relate to whether or not - the Project should be approved. If the recommendation is to approve the Project, the recommendation will include the amount of funding to be provided and any Project-specific arrangements. The recommendation will take into account the amount of Committed Funding for the Project, funding provided in previous phases and the latest cost estimate.

For Projects funded under the BAF, the recommendation will relate to the Minister's responsibilities to advise the Finance Minister under Section 52 of the BAF. Contact the Department for more information.

Once the Project is approved, the Funding Recipient will be required to abide by all funding conditions.

Generally, funding is only approved and released up to the Australian Government's agreed current phase proportion of the overall Project P50 Outturn Cost for the phase/s the PPR relates to. Additional funding, up to a maximum of Committed Funding, will only be approved and released on a demonstrated needs basis. With post-contract award, where there is less uncertainty in regard to likely contract cost, Approved Funding may be adjusted to reflect the contract price (inclusive of rise and fall contractual requirements)—Section 2.2.2:.

2.1.4.1: Notification of Approval

The Funding Recipient will be advised in writing when a Project is, or is not, approved. Project-specific arrangements agreed between the Minister and Funding Recipient in the context of the Project approval will be set out in the correspondence.

2.2: Project Administration

This section details the administration processes for approved Projects.

2.2.1: Project governance arrangements

Where Funding Recipients implement a governance arrangement to oversee the planning and implementation of a Project, the Australian Government must be given the opportunity to participate.

2.2.2: Post-procurement cost and schedule updates

The Department requires up-to-date information on estimated costs and proposed Project delivery schedules. When a subcomponent of the work is awarded to a contractor, Funding Recipients must inform the Department of the agreed contract price, including contingency and escalation factors, and provide an updated overall Project cost estimate (including Base Estimate, P50 and P90 Project Estimates and P50 and P90 Outturn Costs). Milestones may be varied to reflect the contractor's delivery schedule, in accordance with Section 2.2.5.1:.

Where the updated overall P50 or P90 Outturn Project cost estimate exceeds the previous overall P50 or P90 Outturn Project cost estimate, the Department may review the cost estimate.

2.2.3: Reports

Funding Recipients must submit the following reports according to the following timelines:

Report	Guidance	Due date
Monthly Progress Report	Appendix D1	13th each month
Cash Flow Projections Report	Appendix D2	1 February and 15 August
Post Completion Report	Appendix D3	Within 12 months of project Completion unless otherwise agreed. See Section 2.2.8:

Annual Financial Statement and Audit Report	Appendix D4	31 December of any year where funding is received
--	-------------	---

The Department expects that regular communication and meetings with the relevant contact officer will supplement the standard reporting outlined immediately above. In addition, it will on occasion be necessary to request additional specific information about a Project.

The Department may, at its absolute discretion, waive the Monthly Progress Report requirement for Projects.

2.2.3.1: Australian Government to be advised of significant Project issues

From time to time significant issues may arise with Projects. Examples include:

- adverse media comment;
- public controversy, including adverse parliamentary comment;
- adverse audit findings;
- contractors entering into receivership or insolvency;
- termination of the contract by the Funding Recipient;
- breach of the Building Code 2016;
- breach of the WHS Accreditation Scheme;
- major unforeseen construction contingencies; or
- contractor default.

The Department is to be kept informed when such issues arise and of the Funding Recipient's intended response to the issue. The Funding Recipient should contact the Department contact officer as soon as a potential issue becomes apparent.

2.2.4: Making payments

Claims for payment will be submitted through the Monthly Progress Report (Appendix D1). The Monthly Progress Report template will be available for Funding Recipients to generate in IMS from the 1st to the 13th of each month. The Monthly Progress Report template will show if a Project is eligible to claim payment that month, based on the previously agreed Milestone payment schedule.

Subject to compliance by the Funding Recipient with all funding conditions, including satisfactory verification of Milestone Completion, the Australian Government agrees to provide the Funding Recipient with the scheduled Milestone payment.

Payments to Funding Recipients will be made in the month after the claim for payment is accepted by the Department.

Non-payment of a scheduled Milestone will trigger a Milestone variation (Section 2.2.5.1:).

BAF PROJECTS

Projects funded under the BAF have specific requirements. Contact the Department for details.



2.2.5: Variations

The Department recognises that Projects may change. In accordance with Section 39 and 40 of the NPA, all significant variations to a Project must be agreed in writing between the parties. This includes, but is not limited to, variations to:

- total Project cost, including the funding contributions of all parties;
- scope;
- timelines; or
- other circumstances subject to a condition.

A formal request for variation must be submitted to the Department with supporting information. Funding Recipients should discuss the potential variation with the Department at the earliest possible instance as the nature of the variation will determine the type and amount of supporting information required.

The Department may seek to review and validate cost estimates used to justify any request for changes to the amount of either approved or Committed Funding.

Where the proposed Project Variation will result in a change to the schedule of Milestones, the Project Variation must be agreed first and the Milestones then varied as outlined immediately below in 2.2.5.1: For variations to Black Spot Projects also refer to Section 4.5:.

2.2.5.1: Variations to Milestones

The Department may seek to vary the agreed payment or timing of Milestones based on Project progress.

Requests for variations to Milestones must be made through IMS. Where the requested changes to Milestones are the result of a Project Variation, then the Project Variation must be agreed in writing before requesting variation of Milestones.

Requests for variations to Milestones can only be submitted in IMS between the 14th and the end of each month, subject to these restrictions:

- A request to vary a Milestone cannot be made in the same month as the Milestone is due (for example, a Request for Variation to Milestones due in January 2015 cannot be made in January 2015).
- the sum of all Milestone payments within a financial year cannot exceed the amount allocated for that financial year.
- the sum of all funding paid and all future Milestones cannot exceed the Approved Funding for the Project.

Events that trigger Milestone Variations

These events will trigger a Milestone Variation in IMS:

- non-acceptance of a Claim for Payment of a Milestone.
- changes to the amount of Approved Funding for a Project.
- Any payments made to Funding Recipients outside the schedule of milestones as the result of an Australian Government decision.

2.2.6: Biannual reconciliations

After submission of each Cash Flow Projections Report (Appendix D2), the Department will review the projected and actual expenditure for a Project and the funding paid to date by the Australian Government, to determine if the existing Milestone payment schedule reflects the Project's funding need.

The Department may seek variations to agreed Milestones as a result of this analysis.

2.2.7: Breaches

A breach of funding conditions may result in Project funding being withheld or a refund being sought.

Details of breaches may be reported in the annual parliamentary statement on infrastructure delivery.

2.2.8: Post-Completion phase

Once a Project is Complete, the Project enters the Post-Completion Phase.

The Post-Completion Phase lasts for 12 months, unless otherwise agreed by the Australian Government and ends with:

- acceptance of the Post-Completion Report (Appendix D3);
- acceptance of a statement from the Chief Executive Officer of the Funding Recipient, or their delegate, that amounts expended from funding payments have been, and will be, wholly expended on Approved Purposes in relation to funded Projects; and
- payment of the Final Milestone.

If the post-completion phase cannot be completed within 12 months, a request demonstrating why an extension is required must be submitted to the Department.

During the Post-Completion Phase the Department will:

- undertake an initial evaluation of Project outcomes, reviewing costs to that point and outstanding expenditure items, and the performance of the asset against its objectives, with reference to agreed transport performance indicators; and
- match the Committed Funding to the Approved Funding for the Project.

In particular, the Final Milestone will be adjusted to include the Australian Government's unpaid share of Approved Purposes on the Project to date, and the Australian Government's share of outstanding Approved Purposes that extend beyond the date of payment of the Final Milestone (e.g. noise monitoring contracts, final landscaping contracts).



2.3: Project closure

Upon achievement of the Final Milestone, a Project is deemed to be Closed. Funding Recipients must report this payment in their next Annual Financial Statement and Audit Report (Appendix D4).

Once Closed, Funding Recipients can no longer claim funding from the Australian Government for the Project and no longer have to provide Project Monthly Progress Reports.

Funding Recipients are still required to abide by the Project Evaluation requirements at Section 1.10:, and must notify the Australian Government by way of the Annual Financial Statement and Audit Report if it sells or disposes of an interest in land that was acquired using all or part of a funding payment.

3: NATIONAL LAND TRANSPORT NETWORK MAINTENANCE

3.1: Allocation

The Australian Government contribution towards maintenance of the road component of the National Land Transport Network will be provided as an annual allocation to each State. The Minister approves maintenance allocations annually under Section 9(1) and 17(1) of the NLT Act. The annual allocation to each State will be determined by a formula. The formula is based on three components of non-tolled National Land Transport Network roads in each State, which are given equal weighting for:

- lane length;
- total average daily vehicle distance travelled; and
- total average daily heavy vehicle distance travelled (using equivalent standard axles as the measure).

Each State's allocation from the Australian Government's maintenance budget will be determined by its proportion of each component relative to the total for all non-tolled roads in the National Land Transport Network. Each State is to provide, by 31 December each year, the data necessary to enable the Australian Government to allocate this funding according to the formula. Section 3.3.1 details the data required.

Annual road maintenance funding is only to be spent on non-tolled roads on the National Land Transport Network.

3.2: Approval

Each State's maintenance allocation is approved by the Minister as a Project eligible under Section 10(b) and appropriate under Section 11(b) of the NLT Act.

As a Project approved under Part 3 of the NLT Act, the conditions in Part 3, Division 3, of the NLT Act apply where appropriate.

3.3: Road maintenance reporting

Each year, these road maintenance reports are required:

Report	Guidance	Due date
Road Maintenance Formula Data Report	Section 0	31 December
Annual Financial Statement and Audit Report	Appendix D	31 December
Maintenance Performance Report	Section 3.3.2:	30 September

3.3.1: Road Maintenance formula data

This table shows the data required for the road maintenance allocation formula:

Corridor Name						
Link	Link Length (km)	Lane Length (km)	AADT (average over link)	*ESA show % by each Austroads class and ESA per class	Veh.kmt	ESA.kmt
Total						

*A traffic section based value of Equivalent Standard Axle (ESA) per vehicle class is to be used in accordance with Austroads recommendations.

3.3.2: Maintenance performance report

These are the Australian Government's requirements for the annual Maintenance Performance Report:

A. Provision of data

- data is to be provided electronically with geo-referencing; and
- on dual carriageways, condition data is required for both carriageways, with each carriageway individually referenced.

B. Road characteristics data

The following road characteristics data is required:

- roughness – International Roughness Index (IRI) for the latest year available;
- surfacing age, or if not applicable – with reason supplied (for example, concrete pavements);
- target surfacing age or n/a if not applicable;
- seal width; and
- speed limit.

Road characteristics data should be provided for short, convenient road lengths of about one kilometre.

C. Road use data

The following road use data is required:

- Annual Average Daily Traffic (AADT) with year recorded or derived; and
- percentage of heavy vehicles.

Road use data should be provided at the most detailed level held by the State agency.

D. Maintenance expenditure

The following maintenance cost data is required:

- a. total annual maintenance expenditure, indicating Australian Government and State contributions (including rehabilitation and/or reconstruction) for each road link for the previous financial year, showing pavement and off-pavement expenditure
- b. planned pavement maintenance budget (including rehabilitation and/or reconstruction) in the current financial year for each link to achieve proposed condition outcomes, together with the estimated cost of off-pavement maintenance (that is, the estimated total maintenance expenditure).

E. Maintenance indicators

The Australian Government uses two indicators—the Preventative Maintenance Indicator (PMI) and the Riding Quality Indicator (RQI)—to monitor road conditions under the NPAs. These indicators are described Section 3.5:.

3.4: Maintenance milestones

The maintenance allocation will be paid on Milestones. There will be two maintenance Milestones a financial year.

Milestone	Activity	Payment
Milestone 1*	Acceptance by the Department of the Road Maintenance Formula Data Report from all States	25% of the allocation
Milestone 2	Acceptance by the Department of the Maintenance Performance Report	75% of the allocation

*It is intended that Milestone 1 will be raised in IMS for August.

The Milestones payments for a financial year will be entered into IMS as soon as practicable following the receipt of the annual Road Maintenance Formula Data Report from all States.

3.4.1: Milestone variations

Maintenance Milestone variations will follow the process in Section 2.2.5.1:.

3.4.2: Unclaimed Milestones

Maintenance Milestones unclaimed within a financial year will not be carried over into the next financial year.

3.5: Maintenance standard

Australian Government road maintenance funding is conditional on States maintaining each road link to at least its condition at 1 July 2013. The Australian Government uses the RQI and the PMI to determine if the overall condition of each link is being maintained appropriately.

States can fund urgent minor and non-programmed maintenance works on the National Land Transport Network from Australian Government maintenance funding.

3.5.1: Preventative Maintenance Indicator (PMI)

Definition

The age of the pavement's surface compared to the target optimum surfacing age for the section of road as determined by road agency specialists.

Purpose

To indicate the extent that preventative or proactive maintenance of road pavements is being adequately undertaken.

Reporting method

Target Age (TA) is the optimum surfacing age as determined by road agency specialists, generally the time when the road should be resealed to minimise whole-of-life costs.

The PMI is categorised as being:

Good: actual age < TA;

Mediocre: $TA \leq \text{actual} < 1.3 \times TA$;

Poor: $1.3 \times TA \leq \text{actual} < 1.6 \times TA$; and

Very poor: $\text{actual} \geq 1.6 \times TA$

or n/a (for example, if concrete pavement).

The report should show the length in each category for each link.

To facilitate comparisons, PMI will also be reported as a single percentage, known as PMhealth—between 0% (for a very poor seal $\geq 1.6 \times TA$) and 100% (for a new seal).

$$\text{PMhealth} = 100 * [1 - (\text{actual age} / (1.6 \times TA))]$$

3.5.2: Riding Quality Indicator (RQI)

Definition

The riding quality of the road, considering its traffic volume, percentage of heavy vehicles and speed environment.

Purpose

To indicate the adequacy of a road's riding quality to meet its transport objectives based on the road's roughness.

Calculation

Heavy vehicles are weighted by a factor of 4 compared to light vehicles.

The weighted Average Annual Daily Traffic (modAADT) becomes:

$$\text{modAADT} = \text{AADT} * (1 + 3 * \text{HV} / 100)$$

Where AADT is the Average Annual Daily Traffic and HV the percentage of Heavy Vehicles.

The 'good' roughness limit for a high speed road is varied according to its traffic volume (modAADT) and is between a minimum of 500 and a maximum of 8,000 using this formula:

$$\text{IRI}_{\text{gb}} = 7.1 * (\text{modAADT})^{(-0.11)} + 0.05 \text{ (for a 110km/h road)}$$

The 'good' roughness limit is then modified to take account of speed using this equation:

$$\text{IRI}_{\text{good}} = \text{IRI}_{\text{gb}} * (110 / \text{SL})^{0.5}$$

where SL is the speed limit with a maximum value of 110 km/h.

Reporting method

The RQI can be categorised as being:

Good: actual roughness < IRI_{good} ;

Mediocre: $\text{IRI}_{\text{good}} \leq \text{actual} < 1.3 \times \text{IRI}_{\text{good}}$;

Poor: $1.3 \times \text{IRI}_{\text{good}} \leq \text{actual} < 1.6 \times \text{IRI}_{\text{good}}$;

Very poor: $\text{actual} \geq 1.6 \times \text{IRI}_{\text{good}}$.

The report should show the length in each category for each link.

To facilitate direct comparisons, the RQI will also be reported as a single percentage, known as RQhealth, between 0% (for a pavement with roughness greater or equal to the maximum for its function) and 100% (for a newly constructed pavement).

The roughness of a newly constructed pavement shall be taken as 1.558 IRI (40 NRM).

Maximum roughness (RufMax) shall be calculated according to the formula.

$$\text{RufMax} = 1.558 + [2 \times (\text{IRI}_{\text{good}} - 1.558)].$$


$$RQ_{\text{health}} = 100 * [1 - ((IRI_{\text{actual}} - 1.558) / (Ruf_{\text{Max}} - 1.558))].$$

Where IRI_{actual} = measured roughness between a roughness value of 1.558 IRI and Ruf_{Max} .

4: BLACK SPOT PROJECTS

4.1: General requirements for Black Spot Projects

4.1.1: Objective

The objective of Black Spot Projects is to reduce the social and economic costs of road trauma by:

- identifying and applying cost-effective treatment of locations with a record of casualty crashes;
- placing significant focus on the need to reduce rural road trauma, in accordance with national road safety policy objectives; and
- using a proportion of funds to treat sites identified as potential crash locations through official road safety audits, and to implement other road safety measures.

Australian Government funding for Black Spot Projects makes an important contribution to reducing the national road toll under its National Road Safety Strategy.

Financial assistance is provided to improve the physical condition or management of sites noted for a high incidence of crashes involving death and injury, termed Black Spots. Black Spot Projects also aim to encourage the implementation of safety-related traffic management techniques and other road safety measures that have proven road safety value. This includes traffic signs, traffic control equipment and street lighting.

4.1.2: Eligibility

Consistent with Section 71 of the NLT Act, a Project is eligible if:

- a. It is for the improvement of road safety of a site (being all or part of any road); and
- b. the site is in a State; and
- c. the nature of the site has contributed to, or is likely to contribute to, serious motor vehicle crashes involving death or personal injury.

In general, sites that do not meet crash history criterion, but are eligible on the basis that the site is likely to contribute to serious motor vehicle crashes involving death or personal injury, will have been the subject of an official road safety audit report.


Black Spot Projects focus on locations where the highest benefits can be achieved. Works eligible for funding may include safety-related construction, alteration or remedial treatment.

States are not to propose Projects for Black Spots funding where the Project duplicates a Project included in the NPA Schedules.

During the financial years 2015-16 and 2016-17, the amount of funding in each State which can be spent on projects on the National Land Transport Network must not exceed 25%.

4.1.3: Approved Purposes

Black Spot Projects funding is available to treat road safety problems at identified sites. Funding may be sought for all or part of the costs directly associated with an approved Black Spot Project, except for parts listed as an Unapproved Purpose (see list below). The Australian Government's



funding contribution for each Project will not exceed \$2 million. However, to achieve maximum effect from available funding, emphasis will be on low-cost, high-return Projects.

Direct administrative costs should be a component of the total Project cost submitted for consideration by the consultative panel.

Unapproved Purposes for Black Spot Projects include:

- purchase of road-building plant or equipment;
- costs involved in preparing Road Safety Audits used to support a nomination for Black Spot Projects funding under the Section 4.2.2: (noting the exception to this in the paragraph below);
- maintenance costs;
- speed/red light cameras; and
- costs incurred after installation.

A design stage road safety audit is not mandatory but may be a requirement in some States. Where a Project Proponent considers that a design stage Road Safety Audit is appropriate, or required by the relevant State road authority, the cost of the audit undertaken as part of a Black Spot Project and approved on the basis of a site's crash history is an Approved Purpose.

4.1.4: Rural and urban Black Spot

The National Road Safety Strategy 2011–2020 specifically targets inhabitants of rural and remote areas in its strategic objective to improve equity among road users.

In recognition of this, at least 50 per cent of funding in each State during the financial years 2015-16 and 2016-17, where applications allow, will be delivered to rural and remote areas. Funding in each State during the remainder of the five year life of the programme, the financial years 2014-15, 2017-18 and 2018-19, will be allocated approximately 50:50 between rural and urban areas in each year.


For the purposes of this provision, urban areas are defined, on the basis of Australian Bureau of Statistics statistical divisions, as cities and towns with a population in excess of 100,000. The urban-rural criterion does not apply to the Australian Capital Territory, Northern Territory or Tasmania.

4.1.5: Administration

The Department administers Black Spot Projects funding on behalf of the Australian Government. State road and transport agencies manage approved Projects within each State.

States must observe the funding conditions provided in Part 7 of the NLT Act. Appendices A1 and A3 summarise these conditions. However, Black Spot Projects are not required to:

- call for public tenders (Condition A1.5); or
- declare sales or disposals of interests in land acquired with Australian Government funding (Condition A1.6).



A consultative panel has been established in each State comprising, as appropriate, representatives of the relevant State road and transport agency, local government, and community and road user groups. The panel's purpose is to consider and comment on all nominations for Black Spot treatment within a State. The Minister has appointed a Chair for each panel. The Minister or the Chair may, from time to time, amend panel composition except that it must always include a representative of the relevant State road and transport agency.

Each panel has a Secretariat. These services are provided by the State road and transport agencies. Agencies provide expert input to the consultative panels, particularly with collating and assessing site nominations.

4.1.6: Black Spot Projects undertaken as part of larger works

Discrete sites or lengths to be treated as part of a larger Project and/or programme of works may be nominated for Black Spot Projects funding. Any site or length must meet the eligibility criteria for Black Spot Projects funding and be accompanied by evidence that the crash statistics supporting the nomination relate to the discrete site or length for which funding is sought.

Where possible, Projects to be undertaken as a part of larger works should be identified before approval.

Eligible Project costs, such as design, construction and direct administration, are to be apportioned appropriately where Black Spot Projects-funded works are undertaken as part of a larger Project. For example, where the Black Spot Projects-funded works comprise 10 per cent of the road length treated, then 10 per cent of all eligible Project costs must be apportioned to the Black Spot Project.

4.1.7: Timeframe for Approved Projects

In general, a Black Spot Project is approved for delivery in a specified financial year and Project Proponents are encouraged to ensure approved Projects are Complete or are sufficiently advanced to enable payment of approved Australian Government funding.

Where a Project will not be complete within the financial year for which it was approved, Project Proponents should discuss the circumstances of the delay with their State road authority.

Project Proponents may nominate a multi-year Project for Black Spot Projects funding. Multi-year Project nominations should be clearly presented as such to the consultative panel and the Minister to enable full consideration of whether the commitment of forward funding is warranted. Multi-year Projects do not include Projects where the final seal or related works cannot be completed within the approved financial year.

4.2: Black Spot Projects criteria

4.2.1: Proposals based on crash history

Funding is mainly available for the treatment of Black Spot sites with a proven history of crashes. Project proposals of this sort should be able to demonstrate a benefit to cost ratio (BCR) of at

least 2. However, to assist Proponents to identify additional projects during the financial years 2015-16 and 2016-17 a BCR of at least 1 will be accepted for these financial years only.

A discount rate based on current Austroads Guidance should be applied in calculating BCRs, however other rates are allowed. An example of this is where a State uses an alternative discount rate when assessing proposals for State government funding. The discount rate used by the State must be applied when assessing all candidate Projects.

For discrete sites (for example, an intersection, mid-block or short road section) the minimum eligibility criterion during the financial years 2015-16 and 2016-17 will be a history of at least two casualty crashes over five years and during the financial years 2014-15, 2017-18 and 2018-19 a history of at least three casualty crashes over five-years.

For road lengths the minimum eligibility criterion is:

- during the financial years 2014-15, 2017-18 and 2018-19:
 - an average of 0.2 casualty crashes per kilometre per annum over the length in question measured over five years; or
 - a length that is among the top 10 per cent of locations identified in each State with an identified higher crash rate than other roads.
- during the financial years 2015-16 and 2016-17:
 - an average of 0.13 crashes per kilometre per annum over the length in question measured over five years; or
 - a length that is among the top 10 per cent of locations identified in each State with an identified higher crash rate than other roads.

Notes: Measures of casualty crashes should be provided from the most recently available five-year period.

The road length criterion may only be applied to proposals for the treatment of road lengths of three kilometres or more. This is to ensure that the road length has a crash history similar to that required for a discrete site.

The table of crash reduction potentials for typical treatments, at Appendix E, will assist crash analysts and traffic management engineers. The table is not intended to replace more detailed information and professional judgement available at local level.

More information and guidance on crash location identification and treatment are included in the Austroads Guidelines.

4.2.2: Road Safety Audit proposals

In addition to 4.2.1, during the financial years 2014-15, 2017-18 and 2018-19 up to 30 per cent of Black Spot Projects funds may be used to treat sites that may not meet the above crash history criteria, but that have been recommended for treatment in an official Road Safety Audit report provided by the Project Proponent.



To assist Proponents to identify additional projects during the financial years 2015-16 and 2016-17, this amount will increase to 40 per cent of Black Spot Projects funds for these financial years only. The Minister may consider Road Safety Audit-supported Projects above these amounts if, in any given year, a Black Spot consultative panel recommends Road Safety Audit proposals in excess of the per cent of available funding established in this section 4.2.2 for the corresponding financial year.

Austroads publishes a guide outlining a suitable standard for completing a road safety audit.

Road Safety Audits should normally recommend the treatment proposed in the application for Black Spot Projects funding. Where this is not the case, the state road authority should advise the Department that it has assessed the proposed treatment and considers it appropriate.

4.3: Nomination and Assessment of Project Proposals

4.3.1: Nominations

Nominations of sites are invited from State and local governments, community groups, clubs and associations, road user groups, industry and individuals.

Community nomination and joint funding of Projects is encouraged. Applications that indicate a commitment of funds, labour or materials from other government or community/industry sources for associated works will receive favourable consideration.

All nominations are to be referred to:

The Black Spot Consultative Panel
c/o State road and transport agency in your State.

(A list of addresses for the State road and transport agency in each State is on the back of the nomination form. This is available for download from the Department's website or by contacting the Department.)

On receipt of a site nomination, the State will assess the eligibility of the nomination against the criteria and undertake a benefit-cost assessment of a treatment proposal. In assessing nominations, States can use the table at Appendix E or use their own assessment methodology. However, States must ensure that all nominations for a particular year are assessed using the same methodology and the same inputs (such as crash reduction percentages and Project-life assumptions). States may need to provide advice to the Department on their Project assessment procedures and methodology and give an undertaking that all Project assessments are consistent with these procedures.

All nominations will be referred to the consultative panel. However, nominees should be aware that nominations for sites that fail to conform to the criteria will not be considered for approval.

Nominees should note that Australian Government funding for Black Spot Projects will be paid directly to the States. States are responsible for distributing Project funds against each approved Project as appropriate.

4.3.2: Costs used in Project assessments

For nominations based on crash history, the Department recommends that States use the full cost of the Project, including proposed contributions from external sources, when calculating the BCR for the Project.

Funding contributions from other sources may be taken into account by the State consultative panel when recommending nominated Projects for consideration by the Minister. The Minister may consider the extent to which persons other than the Australian Government propose to contribute funding when deciding whether to approve a Black Spot Project.

4.3.3: Consideration by State consultative panel

Each nomination must be submitted to the relevant State consultative panel for consideration against Black Spot Projects criteria. In general, nominations will be ranked by priority, based on the assessment undertaken by the State. The State may include relevant comments arising from the assessment, to assist the panel's consideration of the nomination. Ranking of proposals assessed on crash history should consider the proposal's BCR. For road safety audit nominations, the Department supports ranking proposals on the basis of a systematic risk assessment methodology.

Consultative panels will recommend nominated Projects for consideration by the Minister, and comment, where appropriate, on proposals.

4.3.4: State submission of Projects recommended by the consultative panel

State agencies, on behalf of the consultative panel, are invited to forward submissions to the Department for Projects recommended by the consultative panel for consideration by the Minister. States should endeavour to forward submissions within six weeks of the consultative panel meeting.

Preferably, submissions comprising recommended Projects should be provided in electronic format using the template available for downloading from IMS.


4.3.5: Minister may nominate Australian Government priorities

The Minister may consider Black Spot Projects recommended by a State consultative panel. Under Section 73(3) of the NLT Act, the Minister may nominate Australian Government Project priorities at any time and may consider other Projects that meet the eligibility criteria for a Black Spot Project set out in the NLT Act.

4.4: Approving a Project proposal

4.4.1: Consideration by the Minister

Upon receipt of the State's submission, the Department will prepare the necessary documentation for the Minister's consideration.



Eligible Project proposals will be considered for approval against a range of factors intended to maximise the safety benefits of Black Spot Projects. In assessing which Projects will be approved for funding, the Minister can consider, but is not limited to considering, these factors:

- relative safety and economic merits of proposals;
- relative merits of competing Projects for which an official road safety audit report has been obtained;
- Australian Government's policy on the mix of Projects between urban and rural areas;
- recommendations made by the State consultative panel;
- available funding levels;
- contributions to the Project from sources other than the Australian Government;
- whether the Australian Government's funding contribution for each Project exceeds \$2,000,000 with an emphasis on low-cost, high-return Projects; and
- anticipated completion times of proposals.

4.4.2: Minister will issue a Project approval instrument for approved Projects

The Minister will issue a Project approval instrument for a Black Spot Project or Projects for each State. Section 74(1) of the NLT Act states that the Project approval instrument for Black Spot Projects must:

- a. identify the Project; and
- b. specify the maximum funding amount the Australian Government may contribute to the Project; and
- c. identify the eligible Funding Recipient, being a State or authority of a State, to which funding may be paid; and
- d. if the approval is conditional on a funding agreement being entered into with the eligible Funding Recipient, contain a statement to that effect.

4.4.3: Announcement of approval by the Australian Government Minister

State Ministers will be advised in writing of the outcome of the Minister's decision. The Minister may announce publicly the approval of Projects within a State at the same time as notifying the State.


No public announcement concerning a Black Spot Project or Projects is to be made by a State agency or State Minister before the Minister's announcement.

4.5: Dealing with Project variations

4.5.1: Minister may vary or revoke a Project approval

The Minister may use Section 76 of the NLT Act to vary or revoke the Project approval instrument for a Black Spot Project.

4.5.2: Variation of cost



Australian Government payment for each Project is limited to the maximum funding amount specified in the approval instrument for that Project. Formal variation of an approved Project must be sought by the State and approved by the Minister.

Formal variation of approvals must be sought before construction starts, where it is known that the cost of an individual Project is subject to an increase of 20 per cent or \$30,000, whichever is the lesser. This is:

- when a Project is subject to an increase of less than 20 per cent but that percentage is greater than \$30,000; or
- where a Project is subject to an increase of less than \$30,000 but that increase is greater than 20 per cent of the maximum funding amount.

Any request to vary the cost of a Project under this provision must be accompanied by sufficient details explaining the reasons so the Minister can consider the merits of each variation request.

Formal variation of all minor increases in the cost of approved Projects (less than 20 per cent or \$30,000) must be sought as soon as practicable. Such minor variations are expected to be of a routine nature and need not be sought in advance of construction. States are reminded that a payment to cover a minor increase in cost to an approved Project cannot be made until the Minister formally varies the Project's maximum funding amount.

An annual reconciliation of the maximum funding amount with the final cost of completed Projects is expected to be undertaken towards the end of each financial year. However, States may request a variation to reconcile a completed Project or group of completed Projects at any time during the financial year.

4.5.3: Variation of scope

Formal approval for significant changes to the scope of approved Projects must be sought from the Minister before construction begins. A significant change includes additional treatments, omission of approved treatments and changes to the original proposal. Any request to vary the approved scope must be accompanied by sufficient explanation on the reasons for the requested variation.

The Minister's power to vary any Project approval instrument is discretionary.

4.6: Claiming Payments

4.6.1: Mandatory conditions apply to Australian Government funding

The Mandatory conditions attached to Black Spot Projects funding are outlined in Appendix A1.

4.6.2: Reporting requirements of Funding Recipients

States will provide reports notifying the Department of the financial status of approved Projects and annual performance measures. The NLT Act requires States to provide annual audited financial statements.

Status Reports

Status Reports must be provided to the Department in electronic format using the template available for downloading and uploading through IMS. Status reports must be provided quarterly and include the project's start and end dates. The report's purpose is to update the Australian Government on the Project progress and enable payments to the State.

It is expected that Status Reports will also be used, in consultation with the States, to reconcile the maximum funding amount with the final cost of completed Projects. This ensures maximum funds are available for new Projects.

Annual Statement of Expenditure

Each State is required to submit to the Minister, as soon as practicable after 30 June each year, financial statements giving details of expenditure from amounts paid under the NLT Act.

Guidance on this Annual Financial Statement and Audit report is provided in Appendix D4.

4.6.3: Payment of funding

Payment of funding is on the basis of submission of the Status Reports as outlined in the Table directly below.

Activity	Date due
Submission of the first quarterly Status Report	August
Submission of the second quarterly Status Report	November
Submission of the third quarterly Status Report	February
Submission of the fourth quarterly Status Report	May

The amount of each payment will be determined when the status report is submitted and will be based on the following formula:

$$\text{Payment due} = \text{Actual expenditure to date} + \text{Estimated expenditure for the next two months} - \text{Payments made previously} - \text{Any amount above the maximum funding amount}$$

Under Section 78(3) of the NLT Act, the total amount of funding provided for a Project must not exceed the maximum funding amount specified in the Project approval instrument.

States are reminded that forecast expenditures must be broken down by Project or all forecast expenditure will be excluded from a payment. This level of reporting enables the Department to meet NLT Act requirements.



4.7: Public recognition and evaluation

Section 1.9: and Section 1.10: cover the Public Recognition and Evaluation requirements which Black Spot Projects must comply with. This Section covers specific requirements or exceptions of Black Spot Projects.

4.7.1: Signposting

Black Spot Projects worth less than \$100,000 are not required to erect permanent signage, but must erect temporary signage while work is underway.

Black Spot Project Signage Guidance is available from the Department.

4.7.2: Evaluation

It is of fundamental importance that Black Spot Projects be accountable for outcome results. To determine actual effect on crashes, a formal evaluation of Black Spot Projects may be conducted from time-to-time.

As set out at A1.7, Funding Recipients must maintain, and make available as required, records relating to the nature and frequency of motor vehicle crashes involving death or personal injury occurring at the site of funded Projects.

APPENDIX A - FUNDING CONDITIONS

Projects are subject to funding conditions from these sources:

A1: The NLT Act;

A2: The NPA; and

A3: Other relevant Commonwealth and State laws.

A breach of funding conditions may result in Project funding being withheld or a refund being sought.

Appendix A1

Funding conditions under the National Land Transport Act 2014 (NLT Act)

The following mandatory conditions apply to funding payments for Investment Projects and are set out in the NLT Act. Not all Projects are required to abide by all conditions.

This table summarises the conditions each type of Project must abide by:

PROJECT TYPE	A1.1	A1.2	A1.3	A1.4	A1.5	A1.6	A1.7	A1.8
Projects contained in the NPA Schedules	✓	✓	✓	✓	✓	✓	x	✓
Maintenance Projects	✓	✓	✓	✓	x	✓	x	✓
Black Spot Projects	✓	✓	✓	✓	x	x	✓	✓

A1.1. Funding payment must be expended on the funded Project

The funding payment must be wholly expended on Approved Purposes in relation to the funded Project.

A1.2. Funding Recipient must give Minister audited financial statements


The NLT Act requires Funding Recipients to submit audited financial statements to the Minister. In particular, an Annual Financial Statement and Audit Report must be submitted. To comply, Funding Recipients must follow the guidance at Appendix D4.

A1.3. Funding Recipient must allow inspections by authorised persons

The Funding Recipient must, at all reasonable times, permit a person authorised by the Minister to inspect any work involved in carrying out a funded Project and to inspect and make copies of documents relating to the Project.

A1.4. Funding Recipient must provide information on request

The Funding Recipient must, as and when requested by the Minister, provide information relevant



to the progress of the funded Project or the operation or condition of the National Land Transport Network. This could include information about the progress of an approved Project, which may be sought by way of the reports identified in Section 2.2.3.; Section 3.3.; and Section 4.6.2:.

A1.5. State Funding Recipient must call for public tenders for certain work

States and authorities of a State should, as a matter of policy, use public tender processes for Investment Projects.

This obligation can be satisfied in some cases by selecting contractors under a pre-existing panel arrangement, where it can be demonstrated that the pre-existing panel arrangement was the result of a public tender process.

If the Funding Recipient is a State or an authority of a State, the Funding Recipient must call for public tenders for all work on funded Projects, other than on work that:

- a. is maintenance of a road or railway; or
- b. is carried out by a public utility; or
- c. the Minister has, by written exemption relating to the Project, exempted from this condition because, in the Minister's opinion the work:
 - (i) is urgently required because of an emergency; or
 - (ii) is of such a minor nature that the invitation to tenders for the work would involve undue additional cost; or
 - (iii) is of a kind for which it is not practicable to prepare adequate tender specifications; or
 - (iv) is of a kind for which competitive tenders are unlikely to be received; or
 - (v) will contribute to employment in a region; or
 - (vi) costs less than an amount determined by the Minister by legislative instrument.

The process for seeking an exemption is outlined in Section 2.1.3.4:.

A1.6. Obligations following the sale or disposal of interests in land


If a Funding Recipient sells or disposes of an interest in land acquired using all or part of the funding payment, the recipient must pay the Australian Government an amount proportionate to the *Commonwealth contribution* to the land acquisition using this formula set out under Section 25(1) of the NLT Act:

$$\text{Amount due} = \text{Value} \times (\text{Commonwealth contribution} / \text{Acquisition cost})$$

The Act defines *Commonwealth contribution* as: 'so much of the funding payment as was used to meet the acquisition cost'.

Funding Recipients must calculate the *Commonwealth contribution* using this formula:

$$\text{Commonwealth contribution} = \text{Acquisition cost} \times (\text{Commonwealth total contribution to the Project} / \text{Total Project cost})$$



Alternatively, the recipient may, with the written approval of the Minister, spend an amount equal to the amount determined by the formula on Approved Purposes for another Investment Project. Submissions should be made in writing to the relevant Department contact and are subject to approval by the Minister.

Section 25(1A) of the NLT Act states that a Funding Recipient must, as soon as practicable after selling or disposing of an interest in land acquired using all or part of the funding payment, notify the Minister of the sale or disposal.

Funding Recipients must report the sale or disposal of an interest in land acquired using Australian Government funding in the Annual Financial Statement and Audit Report (Appendix D4).

A1.7. [Funding Recipient must maintain records relating to motor vehicle crashes](#)

The Funding Recipient must maintain, and make available as required, records relating to the nature and frequency of motor vehicle crashes involving death or personal injury occurring at the site of the funded Project.

A1.8. [Other funding conditions determined by the Minister](#)

The NLT Act allows for the Minister to create, vary or revoke other conditions to be applied to Australian Government funding where there is no funding agreement in place.

Appendix A2

Funding Conditions in the National Partnership Agreement on Land Transport Infrastructure Projects

In addition to conditions set out in the NLT Act, the NPA sets out further funding conditions agreed between the Commonwealth and State governments. This table summarises the conditions each type of Project must abide by:

PROJECT TYPE	A2.1 ²	A2.2 ³	A2.3	A2.4	A2.5	A2.6	A2.7	A2.8	A2.9	A2.10
Projects contained in the NPA Schedules	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Maintenance Projects	x	✓	x	✓	x	✓	✓	x	x	x
Black Spot Projects	✓	✓	x	✓	x	✓	✓	x	x	x

If a Funding Recipient is unsure if a funding condition applies to their Project, they should contact the Department.

A2.1 Funding Recipients must implement a Local Industry Participation Plan

Funding Recipients must develop and implement a Local Industry Participation Plan (LIPP) for all Projects in receipt of Australian Government payments over \$20 million. The development of an industry participation plan remains a requirement in circumstances where State LIPP policy does not require a plan to be developed. A LIPP does not need to be developed where the State has local industry participation policies. If there is no Local Industry Participation policy in place, the Australian Government's Australian Industry Participation Policy should be used. The template is available at: <www.industry.gov.au/aip>.

Funding Recipients must provide a copy of an approved LIPP to the Department via the PPR at the Development Phase or Delivery Phase. Industry participation plans are required at the very early stages of a Project. This must be prior to approaching the market for provision of goods and services, and preferably at the design and engineering stage of the Project. Industry participation plans are most effective if developed and applied to a Project before procurement decisions are made.


A2.2 Funding Recipients must explore the potential for private sector financial participation

This condition applies to States and Authorities of States only

The potential for private sector financial participation (including alternative financing, user charging and other innovative approaches) should be explored commensurate with the size, nature and scope of the Project. Satisfying this condition may be in the form of a statement describing how

² If the Project receives more than \$20 million in Australian Government payments.

³ If the Total Project Cost listed in the NPA Schedule is greater than \$100 million and the Funding Recipient is a State or authority of a State.



private financing potential was assessed and the outcome of that assessment. Funding recipients should provide as much detail as possible in this regard.

In addition, where the estimated capital cost of the Project exceeds \$100 million, Funding Recipients must demonstrate consideration of Public Private Partnership procurement options in accordance with the *National Public Private Partnership Policy and Guidelines* available at:

<http://www.infrastructureaustralia.gov.au/policy-publications/public-private-partnerships/>

A2.3 Funding Recipients must provide Project cost estimates

Unless otherwise approved by the Commonwealth, Funding Recipients must develop estimates using appropriate probabilistic cost estimation techniques to generate P50 and P90 Outturn Costs for the funded Project. Access to the data underpinning the estimates must also be provided.

Guidance on appropriate cost estimation techniques is provided in Appendix B.

A2.4 Funding Recipients must provide reports to the Department

States must provide regular progress reports against agreed performance indicators:

- monthly;
- upon achievement of Milestones; and
- annually.

A summary of reporting requirements for Projects approved under Parts 3 of the NLT Act or Chapter 2 of the BAF Act are in Section 2.2.3:, with guidance for each type of report required in Appendix D. Reporting requirements for Maintenance Projects are in Section 3.3:. Reporting requirements for Black Spot Projects are in Section 4.6.2:.

A2.5 Funding Recipients must provide cash-flow projections

States must provide cash-flow projections twice a year—in February and August—for the overall management of the Infrastructure Investment programme.

Cash-flow projection reporting requirements are at Appendix D2.

A2.6 Funding Recipients must provide public recognition of the Commonwealth contribution to a Project

In all publications, promotional and advertising materials, public announcements and activities in relation to a Project, a Funding Recipient must acknowledge the financial support received from the Commonwealth, in the manner set out in Section 1.9:, or as approved by the Commonwealth beforehand. Funding Recipients can obtain a copy of the Signage Guidelines from the Department.

A2.7 The Commonwealth has the right to actively participate in the Project.

Funding Recipients must cooperate with the Department's efforts to participate in Project planning, delivery and review to ensure its policy objectives and accountability responsibilities are satisfied.

A2.8 Funding Recipients must provide a Post-Completion Report

Post-Completion Reports must be accepted by the Department to claim payment for the Final Milestone for the Project. Guidance for this report can be found in Appendix D3.

A2.9 Savings to be redistributed to other Investment Projects

Where the final Project cost to government is less than the amount(s) which the Commonwealth or (in the case of a jointly funded Project) the Commonwealth and the relevant State have agreed to make available, the savings (including savings resulting from private sector participation in the Project) will be treated in the following way:

- a. For Projects to which only the Commonwealth has committed a specified funding contribution, the Commonwealth may choose to reallocate the savings to another Project or Projects in the relevant State; and
- b. For Projects to which both the Commonwealth and a State have committed a specified funding contribution, the savings will be divided on a pro-rata basis and redistributed:
 - (i) In the case of the Commonwealth, the Commonwealth may choose to reallocate its share of the funding to another Project or Projects in the relevant State,.
 - (ii) In the case of a State, the State may choose to reallocate its share of the funding to other Projects.

A2.10 Interest earned on payments in advance must be used or redistributed by agreement with the Commonwealth

Interest earned on funding received as a payment in advance must be:

- identified separately;
- used on the Project for which the funding was received; or
- redistributed to other Land Transport Projects in receipt of Commonwealth funding within the State.

Noting that any interest earned will reduce the state share of funding of current and/or future projects and be additional to the Commonwealth's total funding contribution to the Project.

Appendix A3 Compliance with other laws

Funding Recipients are required to comply with other laws, as applicable, as conditions of Australian Government funding.

A3.1 Funding Recipients must ensure the use of WHS accredited builders where applicable

As a condition of Australian Government funding, Funding Recipients may only contract builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme, where applicable. This condition may be satisfied by providing necessary assurances to the Department.

The WHS Accreditation Scheme applies to construction Projects directly funded by the Australian Government with a value of \$4 million or more.

The WHS Accreditation Scheme also applies to construction Projects indirectly funded by the Australian Government where a head contract(s) which include building work is/are valued at \$4 million or more and the

- value of the Australian Government contribution to the Project is at least \$6 million and represents at least 50 percent of the total construction Project value; or
- Australian Government contribution to a Project is \$10 million or more, irrespective of the proportion of Australian Government funding.

A3.2 Funding Recipients must ensure compliance with the Building Code 2016

Funding Recipients must ensure EOIs and tenders are conducted and awarded in that compliance with the Building Code 2016 is made a condition of tender for all contractors who tender for the work, where applicable. This condition can be satisfied by undertaking the requirements set out in Appendix A.4.. Funding recipients have a number of responsibilities under the Code for notifying the ABCC of EOIs and tenders. The ABCC will work with Funding Recipients to ensure code obligations are fulfilled. The Department will notify the Australian Building and Construction Commission (ABCC) when funding for a project has been approved.

The Building Code 2016 applies Commonwealth building work that is:

1. being undertaken for, or on behalf of, a funding entity (irrespective of the value of a project)- (this does not normally apply to projects addressed by these Notes);
2. indirectly funded by the Commonwealth by grant or program where:
 - (i) the value of the Commonwealth's contribution to the project that includes the building work is at least \$5million and represents at least 50 percent of the total construction project value; or
 - (ii) the Commonwealth's contribution to the project that includes the building work is at least \$10 million (irrespective of its proportion of the total construction project value)- (this will normally apply to all projects covered by the Notes that meet the above thresholds).

These thresholds apply at time of tender and at all times throughout the project; for instance, if there are variations to the funding agreement.

A3.3 Funding Recipients must adhere to Australian Government environment and heritage legislation

For most Projects, the relevant legislation will be the *Environment Protection and Biodiversity Conservation Act 1999* and its subsidiary regulations and agreements. Funding Recipients should refer to the relevant bilateral environmental assessments and approvals agreement for their State for guidance on processes required to satisfy this condition. These bilateral agreements are accessible at <<http://www.environment.gov.au/topics/environment-protection/environment-assessments/bilateral-agreements>>.

At Development Phase, Funding Recipients must advise how they are addressing Australian Government environment and heritage requirements. Construction cannot proceed until Funding Recipients have demonstrated that these obligations have been met. This may include collecting compliance evidence, such as environmental impact assessments and reports.

The Department strongly recommends that, before starting an environmental study for a Project, Proponents contact the Australian Government Department of Environment <<http://www.environment.gov.au/epbc/index.html>>. This Department provides advice about Australian Government requirements and ensures that the study properly addresses the Government's legislative requirements. This will reduce the likelihood of cost and time delays before construction starts.

A3.4 Funding Recipients must meet other statutory requirements

In addition to Australian Government environmental and heritage legislation, Funding Recipients must also meet other statutory requirements where relevant. These may include, but are not limited to:

- Native Title legislation
- State government legislation—, such as environment and heritage requirements
- local government planning approvals.

The Department requires written confirmation that relevant requirements have been met. This may include evidence of compliance, including reports, where appropriate.

Appendix A4 Building Code 2016

Funding Recipient responsibilities under the Code

Funding recipients are responsible for the following aspects under the Code, noting that as stated in Appendix A3.2, the Department will notify the Australian Building and Construction Commission (ABCC) when funding for a project (where the Code is applicable) has been approved. The ABCC will then work with Funding Recipients to ensure code obligations are fulfilled.

The following summary of responsibilities under the Code is derived from guidance on the ABCC website: <https://www.abcc.gov.au/building-code/funding-entities-and-recipients>. For more detailed information refer to the ABCC website and direct any questions to the Manager of Government Code Compliance at: governmentcodeenquiries@abcc.gov.au.

A4.1 Ensure EOIs/tenders are conducted consistent with the Code

The Australian Building Construction Commission (ABCC) has developed Model clauses for use in advertising, EOI/tender and contract documentation for Commonwealth funded building work that ensure obligations under the Code are met. For all projects where the Building Code applies, Funding Recipients should utilise these model clauses when undertaking a procurement process and contracting with successful tenderers.

Funding Entity and Recipient Model clauses for Indirectly Commonwealth Funded Building Work and an 'EOI/Tender Process' checklist can be found on the ABCC website [<https://www.abcc.gov.au/building-code/funding-entities-and-recipients>]

All EOIs and tender documents for Code projects, also require the inclusion of a Workplace Relations Management Plan (WRMP) approved by the ABCC (refer to section 4.3 below).

A4.2 Ensure Contractors meet the eligibility requirements

For all projects where the Code applies, each EOI/tender respondent must provide the Funding Recipient with a declaration of Compliance, including the further information outlined in Attachment A of the Declaration of Compliance.

The preferred tenderer must not be subject to a current exclusion sanction. This can be checked on the notification of sanction page on the ABCC website.

Funding Recipients, within the tender processes, must provide to the ABCC the Workplace Relations Management Plan (WRMP) of each of the shortlisted respondents as part of the tender evaluation process.

For detailed advice on eligibility requirements refer to the 'Eligibility Requirements' section of the Funding entities and recipient and Eligibility to Tender pages on the ABCC website.

Submitting a WRMP submission

Funding Recipients should submit WRMPs to WRMPAssessments@abcc.gov.au in a single email that indicates the tender to which the WRMP(s) relate. **NB** a tenderer cannot submit a WRMP directly to the ABCC.

The WRMP must address the requirements in section 32 of the Building Code 2016, and the requirements in Schedule 3 of the Building Code

Further information on WRMPs, including the ABCC model WRMP and guide can be found on ABCC websites: <https://www.abcc.gov.au/building-code/workplace-relations-management-plans>

A4.3 Ensure that for Code projects only compliant contractors enter into a contract.

In addition to the requirements outlined in sections A4.1; 4.2; and 4.4, the Funding Recipient must ensure that:

- The contract with the Contractor contains clauses in substantively the same form as the model contract clauses between funding recipients and contractors applicable to indirectly Commonwealth Funded Building Work in relation to the Building Code.
- the Contractor has not had an adverse decision, direction or order made by a court or tribunal for a breach of the Act, a designated building law, work health and safety law or competition and consumer law which has not been stayed or revoked and for which the period for compliance has expired without the [Respondents/Tenderers] having complied with the decision, direction or order;
- The Contractor will only use products that comply with the relevant Australian standards published by, or on behalf of, Standards Australia.

A4.4 Undertake Code notification requirements

Notify the ABCC when:

- An EOI/tender is released for projects subject to the Code to enable the ABCC to work with agencies and contractors to ensure compliance. Use the [ABCC EOI/Tender Notification form](https://www.abcc.gov.au/building-code/funding-entities-and-recipients) that can be found on ABCC web page the <https://www.abcc.gov.au/building-code/funding-entities-and-recipients>.
- A tender process is completed and a building contractor or building industry participant has been awarded a contract to undertake Commonwealth-funded building work. Use the ABCC Contract Notification form that can be found on the ABCC web page the <https://www.abcc.gov.au/building-code/funding-entities-and-recipients>.

There is an alleged breach of the Code as soon as practicable but no later than 7 days after the funding entity became aware of the alleged breach. Notifications of this nature can be made by contacting the ABCC's Manager of Government Code Compliance on (02) 6121 5528 for assistance.

APPENDIX B—COST ESTIMATION GUIDANCE

Cost estimates accompanying a PPR must be prepared in accordance with the principles outlined in the Department's current Cost Estimation Guidance and the guidance in the associated Road and Rail Project Cost Breakdown templates. In instances of inconsistency in guidance, unless otherwise advised by the Department, the guidance in the Project Cost Breakdown templates will, to the extent of the inconsistency, prevail. Current versions of the Department's Cost Estimation Guidance and Project Cost Breakdown templates can be obtained by contacting the Department. A brief outline of cost estimation methods and Project Cost Breakdown templates follows.

Cost Estimation Methods

A probabilistic cost estimation process must be used for Projects with a total anticipated Outturn cost (including contingency) exceeding \$25 million. Projects with a total anticipated Outturn cost (including contingency) under \$25 million may use a deterministic method, however the Department recommends using a probabilistic cost estimation method where possible.

The Department will review and assess the cost estimate (including the cash flows by financial year and Project phase) provided in the PPR before making a recommendation to the Minister. Proponents must cooperate with any review undertaken.

The NPA requires Proponents to provide access to underpinning data for cost estimation purposes. As such, Funding Recipients must maintain an electronic library of all documentation consulted in determining the Project estimate.

Probabilistic Cost Estimation

Probabilistic methods, such as Monte Carlo simulations, are now widely used to evaluate the effects of potential, multiple risks and to produce a "range of probable results," e.g., cost, schedule, or other Project values.

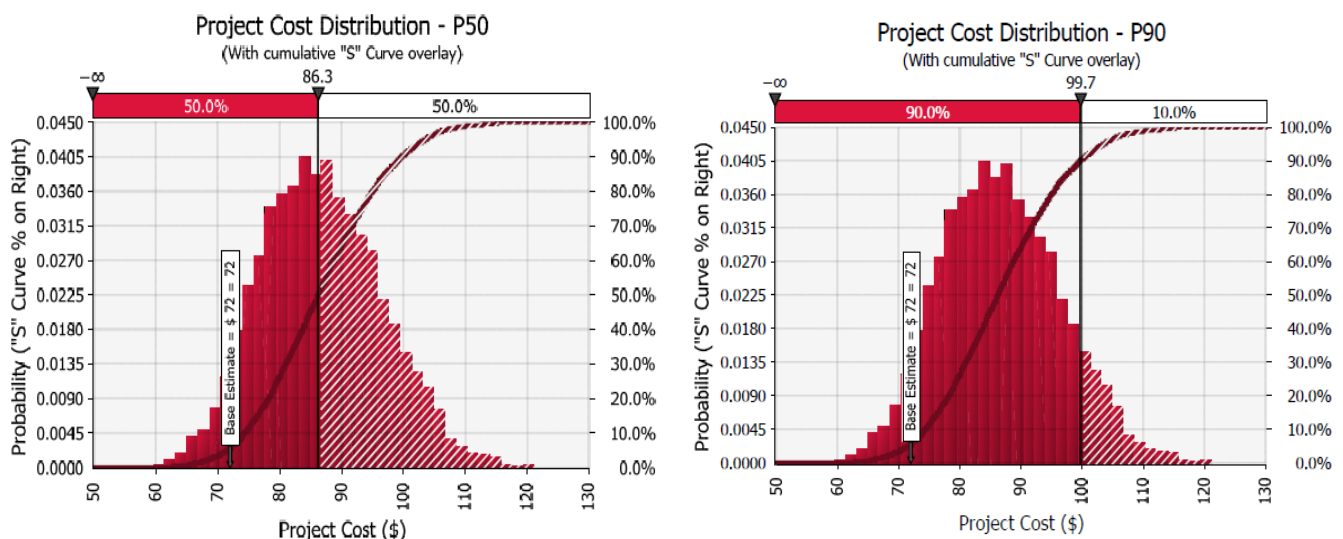
Galloway, PD, Nielsen, KR and Dignum, JL, 2013, *Managing Gigaprojects: Advice from those who've been there, done that*, American Society of Civil Engineers, page 58.

Probabilistic or risk-based cost estimation methods are a form of quantitative risk analysis which generally use Monte Carlo simulation to estimate contingency i.e. the component of a Project's cost in excess of the Project Base Estimate that accounts for, or reflects, risk. This simulation process is a computerised technique that allows practitioners to account for risks in quantitative risk analysis and decision making.

Monte Carlo simulation, when undertaken properly, including by providing appropriate input values, essentially generates all possible outcomes and the likelihood of occurrence of each. For instance, when provided with appropriate input variable cost items (in the form of probability distributions) associated with a Project, Monte Carlo simulation produces a distribution of all possible outcome values of the total Project cost. These possible outcome values are derived by essentially accounting for every possible value that each input variable cost item could take and then considering the probability of its occurrence. Consequently, the results of a Monte Carlo simulation

include (among other figures and analysis) the confidence levels that can be assigned to all the generated possible outcome values of the total Project cost.

Each possible outcome value of the total Project cost can be given a *P* value which indicates the likelihood of the occurrence of that total Project cost. For instance, a *P50* cost is the Project cost with sufficient contingency to provide 50 per cent likelihood that this cost would not be exceeded. A *P90* cost is the Project cost with sufficient contingency to provide 90 per cent likelihood that this cost would not be exceeded. The examples in the tables below are of an output from a Monte Carlo simulation. The *P50* value is depicted in the chart to the left and the *P90* value in the chart to the right. The overlay S shaped curve on each chart is a cumulative representation of the cost distribution that permits any *P* value, including the *P50* and *P90* costs, to be directly read off the chart.




For all Projects with a total anticipated Outturn *P90* cost equal to or exceeding \$25 million, the Department requires a cost estimate to be prepared by the Proponent using a probabilistic cost estimate method with the PPR to include, along with other information, the following:

- Base Estimate;
- *P50* Project Estimate;
- *P90* Project Estimate;
- *P50* Outturn (escalated) Cost; and
- *P90* Outturn (escalated) Cost.

Deterministic Cost Estimation

Projects with a total anticipated Outturn cost (including contingency) under \$25 million may use a deterministic method to estimate contingency, however the Department recommends using a probabilistic cost estimation method where possible.

With probabilistic cost estimates, all input cost items are assigned a probability distribution. In contrast, a deterministic or single-point cost estimate treats all input cost items as a single point



‘Most Likely’ cost with the associated Project contingency generally estimated on a percentage basis. In developing a deterministic cost estimate, the following methods have been used:

- Factor based;
- Reference class forecast method; and
- Item based.

If a deterministic cost estimate is used, the Department recommends the factor-based approach or, where sound data exists, a reference class forecast method. The Department discourages using an item based deterministic cost estimate method, where contingency is added to each individual item.

The factor based method involves estimating an appropriate contingency by strategically reviewing the factors that influence the (cost) outcome of the Project. This approach also intends to provide consistency in assessing risk across Projects by providing a common template for assessment of risk.

The reference class forecast method involves estimating the contingency by reference to a similar Project, however this normally requires extensive access to benchmarking data, and frequently normalisation to ensure costs are comparable.

Please refer to the Department’s Cost Estimation Guidance for detailed guidance on both probabilistic and deterministic methodologies.

The specific format of the cost estimation component of the PPR and the cost estimation documents that must be provided with the PPR are discussed in Appendix C.

Project Cost Breakdown (PCB) Template

The Department, in consultation with State jurisdictions, has developed Road and Rail Project Cost Breakdown templates as an excel spreadsheet. The purpose of these templates is to achieve improved consistency and rigour in the cost estimates included in funding submissions. The templates should be read in conjunction with the Department’s Cost Estimation Guidance.

Instructions on how to populate the Project Cost Breakdown template are provided in the first worksheet and must be adhered to when populating the template. The templates include nine separate worksheets. Four worksheets contain instructions and information and five worksheets relate to Project details and data required for each of the scoping, development and delivery phases. For each funding submission, Proponents must complete the Project Details’ worksheet and the worksheet relevant to the phase for which funding is being sought.

The Project Details’ worksheet requires the following data to be entered:

- Project Name;
- Project Description;
- Project Phase;
- State;
- Key Project Dates;


- Key Project Quantities such as road length, number of lane kilometres, tunnel length, number of tunnels, number of bridges;
- Procurement method; and
- Reference class.

With the exception of the Identification phase, the worksheet lists cost items in three tiers or levels (Project Cost Breakdown Levels 1 to 3) for each phase, as shown in the Table below for the Road Project Cost Breakdown:

PCB Level 1	PCB Level 2	PCB Level 3
Client Management & Oversight Cost		
	SCOPING	
		Project Management-Scoping
		Design & Investigation-Scoping
	DEVELOPMENT	
		Project Management-Development
		Design & Investigation-Development
	DELIVERY	
		Project Management-Delivery
		Design & Investigation-Delivery
		Client supplied Insurances, Fees, Levies - Delivery
	PROPERTY ACQUISITION	
		Purchase Price
		Transactional Cost & Other costs
		Business Compensation
		Environmental Offsets
Construction Cost		
	CONTRACTOR	
		Environmental Works
		Traffic Management and Temporary Works
		Public Utilities Adjustments
		Bulk Earthworks
		Retaining Walls
		Drainage
		Bridges
		Tunnels
		Pavements
		Finishing Works
		Traffic Signage, Signals and Controls
		Design (if by contractor)
		Supplementary Items
	CLIENT	
		Client supplied Materials and Construction Services - Delivery
TOTALS		

The data required to populate the Road Project Cost Breakdown table immediately above would draw on the same data the Proponent would use to develop the Project's Base Estimate. Some of the cost items will also require a breakdown according to *unit cost* and *elemental quantity*. The Rail Project Cost Breakdown table includes different items at PCB level 3.

The other data required to be included in the Project phase sheet (with the exception of the Identification phase which only requires the costs to be provided for that phase) is:

- 
- The overall Project Summary including Base Estimate, Contingency at P50 and P90 levels, Project Estimates at P50 and P90 levels and Outturn Costs at P50 and P90 levels (as estimated by the Proponent); and
 - Cash Flows of the Base Estimate, Project Estimates at P50 and P90 levels and Outturn Costs at P50 and P90 levels, including providing the escalation rates used for each relevant financial year.

The Proponent is required to submit a completed Road or Rail Project Cost Breakdown spreadsheet with a PPR (refer to Appendix C).



APPENDIX C—PROJECT PROPOSAL REPORT GUIDANCE

Refer to separate document.

APPENDIX D

PROJECT REPORT GUIDANCE

Appendix D1

Monthly Progress Report

The Monthly Progress Report is the key reporting mechanism for the progress of funded Projects. It is also the mechanism for submitting Claims for Payment of Milestones.

The Funding Recipient should use the Department's template when generating the Monthly Progress Report. The template will be available to be generated between the 1st and 13th of each month, and must be completed and submitted into IMS by the 13th of each month.

The Monthly Progress Report requires the following information to be entered into IMS :

- Financial Status;
- Project progress; and
- Claims for Payment.

Financial Status

Funding Recipients must provide this financial status information on the Project:

- Total expenditure to date
- Year-to-date expenditure
- Estimated expenditure for the current month
- Estimated expenditure for the upcoming month.

Funding Recipients must also report on the expenditure by each Project contributor.

Project Progress

When no Milestone is scheduled for Claim

Funding Recipients must provide a single, free-text Project status, detailing information on Project progress for the monthly reporting period. This must include, as appropriate:

- Known risks to Project completion and strategies adopted to mitigate these risks
 - Where a Project is to be delivered using a collaborative contracting method (for example, alliance or early contractor involvement), the risks associated with this contracting method should be reported.
- Progress against agreed Milestones
 - Where Projects are combined into a single approved Project, progress against each sub Project should be reported.
- Key events to take place in the next two months (for example, request for an expression of interest, a tender, contract award, an opening, commencement of completion of a key Project stage)

- Details of Building Code breaches.

When a Milestone is scheduled for Claim

Funding Recipients will be required to provide the following Project status information in a series of free text fields in IMS.

- The Project status in each of these four areas:
 - Financial status. Example: Is the Project on budget? Is there an overspend? Is there an underspend?
 - Scope status. Example: Is the Project proceeding according to the approved scope or does the Project team anticipate that scope changes are required?
 - Schedule status. Example: Have events occurred that are likely to delay the Project? Is there potential for acceleration of the schedule?
 - Stakeholder status. Example: What impact do stakeholders have on the progress of the Project?
- Strategies adopted to address issues or risks for each of the four areas noted above.
 - Where a Project is to be delivered using a collaborative contracting method (for example, alliance or early contractor involvement), the risks associated with this contracting method should be reported.
 - Where Projects are combined into a single approved Project, progress should be reported against each sub Project.
- Overall Project progress, including:
 - Key events to take place in the next two months (for example, request for an expression of interest, a tender, awarding of a contract, an opening, commencement or completion of a key Project stage.
 - Details of Building Code breaches.
 - Whether the Project is Complete.

Claims for Payment

Where a Milestone is scheduled for payment in a given month, Funding Recipients may submit Claim for Payment in the Monthly Progress Report. The claim must verify that the Milestone is complete. The Department may request additional information to support verification.

If the Department accepts the Claim for Payment, the Funding Recipient will be paid the agreed amount of funding.

If the Department does not accept a Claim for Payment, a Milestone variation will be triggered.

Appendix D2 Cash Flow Projections Report

Funding Recipients must update their cash flow estimates each year for each Project by 1 February and 15 August. The Cash flow Projections excel template will be distributed by the Department in January and July.

The Cash Flow Projections report will require a breakdown by month of future Australian Government (AG) and State Contribution, with the AG contribution at P50 funding. It will also require the forecast for forward financial years.

Appendix D3 – Post-Completion Report

The Post-Completion Report must be submitted with the Claim for Payment of the Final Milestone. The Final Milestone will not be paid until the Department accepts the Post-Completion Report. If required, the Department may ask the Funding Recipient to revise the submitted report before accepting it.

PROJECT:

PROJECT NUMBER:

FUNDING RECIPIENT:

Scope

Provide details of all changes to the scope following Project approval.⁴ For comparison purposes, including descriptions of the:

1. original Project scope approved
2. scope change
3. rationale for the change.

Original scope	Scope change	Rationale for change

Schedule

Project Period as agreed on approval of the Delivery Phase		Actual Project Period	
Construction start date	Physical completion date	Construction start date	Physical completion date

Provide details of the rationale for changes to the construction start or physical completion dates and how the impact of these changes was managed.

⁴ Unapproved changes to scope and quality will require further investigation by the Department and the Final Milestone will not be paid until this has been achieved.

Cost

Provide a populated Project Cost Breakdown template detailing the actual Project costs. The template is available from the Department.

Performance

Provide information on the progress of the Project in meeting agreed Transport Performance Indicators. Include a table of figures if appropriate.

--

Innovation

Provide innovative Project delivery techniques that have resulted in positive economic, safety, social, environmental, integration or transparency outcomes (for example, use of recycled material, techniques to reduce water and energy consumption, Project delivery methods that deliver Project savings, or private funding or financing models.)

--

Indigenous Strategy

Was an Indigenous workforce strategy incorporated into the delivery of the Project? YES/NO
IF Yes - What were the Indigenous employment outcomes under that strategy?

--

[Name]

Date

Position and organisation

Appendix D4 - Annual Financial Statement and Audit Report

The Chief Executive Officer, or their delegate, is required to submit the Annual Financial Statement and Audit Report to the Department no later than 31 December after the end of the financial year. In accordance with Section 21 or Section 82 of the NLT Act, please note that the information in this report is to be submitted at Project level.

The Report comprises four components a:

1. financial statement;
2. statement of disposals of interests in land;
3. signed written statement by the appropriate auditor; and
4. signed statement from the Chief Executive Officer.

1. Financial statement

The Financial statement should be in the format described below:

Project [#]	Amount ⁵ brought forward from previous financial year	Amount received year ended 30 June xxxx	Total Amount available for expenditure year ended 30 June xxxx (Total of previous two columns)	Amount expended year ended 30 June xxxx	Amount carried forward

2. Statement of disposals of interests in land acquired with Australian Government funds⁸


The statement should detail the sale or disposal of interests in land acquired with the use of Australian Government funds in accordance with Section 25 of the NLT Act.

Project	Australian Government Land Interest Contribution Proportion %	Australian Government Land Interest Contribution Amount \$	Land Interest Sale Value \$	Amount Owed to Australian Government \$
	%	\$	\$	\$
	%	\$	\$	\$
	%	\$	\$	\$
TOTAL		n/a		

[#] For Black Spots the Financial Statement should be at the programme level and provide information for Columns 2-6

⁵ 'Amount' refers to the amount of Australian Government funding.

⁸ A statement of disposals of interests in land is not required for the Black Spot Programme report.



Provide details of disposed land (such as title reference numbers and subdivisions) as an attachment.

3. Signed written statement by the appropriate auditor

The signed written statement by the appropriate auditor should certify that the:

- financial statement is based on proper accounts and records; and
- financial statement is in agreement with the accounts and records; and
- amount expended by the Funding Recipient during the year, as shown in the financial statement above, has been spent on the funded Project(s).

According to Section 4 of the NLT Act, an appropriate auditor is:

- a. in relation to a person or body 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 person or body—a person (other than a director, 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.

4. Signed statement from the Chief Executive Officer

The Chief Executive Officer signs a statement certifying that:

- amounts expended from funding payments have been wholly expended on Approved Purposes in relation to funded Projects;
- all tenders invited and contracts awarded for Australian Government funded Projects for which there is a tendering requirement have been dealt with in accordance with the NLT Act and Section 2.1.3.4: of these Notes
- signs have been erected in accordance with the agreed signage plan (Section 2.1.3.8:)
- the Funding Recipient has met the compliance requirements of the Building Code 2016
- Funding Recipients have met the requirements of the Australian Government Building and Construction WHS Accreditation Scheme
- conditions outlined in the NPA, or any funding agreement with the Australian Government, have been met.

APPENDIX E - TREATMENT/CRASH REDUCTION MATRIX*

APPLICATION OF THE TREATMENT/CRASH REDUCTION MATRIX

Traffic crashes arise through a combination of factors. Remedies can be sought through a variety of approaches. This matrix focuses on traffic engineering remedies. It provides broad guidance only and does not replace local experience or judgement.

Assuming that sites have been identified for treatment on the basis of a history of crashes or other systematic techniques, then crashes should be analysed for the pattern of accident-types [Definitions for Coding Accidents or DCA code] and consistency of other factors. If road-related factors are relevant to ameliorating crashes at a site, this matrix can be used for guidance as to the influence of particular treatments.

The matrix provides ball-park guidance on the estimated extent of changes in crashes of particular types that might generally be expected from typical treatments. The reductions for treatments are averaged values. The results [percent reduction] that will therefore be observed when a treatment is installed may be greater or less than the value in Table 1 below.

The selection of a treatment depends on factors such as the characteristics of crashes, the expected potential of reducing those crashes, the cost of alternative treatments, and possible wider road network considerations. The Australian Manual of Uniform Traffic Control Devices sets out minimum warrants for a number of treatments.

The treatment/crash reduction matrix is divided into two tables:

Table 1: Relates to intersections (and intersection-related crashes).

Table 2: Relates to road sections (and non-intersection-related crashes). This table is spread over two pages 2(a) and 2(b) for the ease of reading the information.

At some locations more than one road feature may be present. On the one hand, for example, with a tee intersection on a curved section of road, crashes of accident-type DCA codes 801 to 804 (run off road types) would generally not relate to the intersection. On the other hand, crashes of DCA codes 101 to 109 would relate to traffic movements at the intersection.

The matrix tables emphasise the importance of the road user movements leading up to the crash when determining appropriate treatments. The average costs per casualty crash have been derived for Australia-wide use and are split by rural and metro' environments. They are based on there being good coding compatibility between the crash data being used and the DCA codes.

The crashes described by the DCA codes and the costs per crash for DCA codes relate to one vehicle and two-vehicle crashes. The vehicles included are all road vehicles (for example, cars, trucks, motor bikes and bicycles). A treatment may be installed to provide for a particular vehicle type (for example, traffic signals for bicycles where a bicycle track crosses an arterial road, or the improvement of lighting at an intersection where there are many bicycles at night and, say, a history of crashes of DCA codes 301 to 304).

**This matrix was prepared by Dr David Andreassen of Data Capture Analysis.*

Table 1 - Intersection Matrix - Intersection related crashes.

Accident-type (DCA Code)		101-109	201	202-206	301-304	305-307	308, 309	001-003	706-707	601, 401-2
Description		Adjacent approach	Head on	Opposing turns	Rear end	Lane change	Parallel lanes, turning	Vehicle hits pedestrian	Loss of control, L or R turns	Hit parked, parking vehicle
Treatment		Estimated Crash Reduction – Per cent Change								
Code	Type									
K 1	Roundabout	75			+20		+20	+30	+140	
K 2	New traffic signal [no turn arrow]	80		+90				30		
K 3	New signal with turn arrows	70		50				30		
K 4	Remodel signal	50		60				30		
K 22	Add right turn arrow			65						
K 5	Grade separation	100		50			20	70	50	
K 6	Improve sight lines	30		30				30	20	
K 7	Street closure [one leg of cross]	50		50				50	10	
K 8	Street closure [close stem of Tee]	100		100				50	100	
K 9	Non-skid treatment				40				30	
K 10	Stagger cross intersection [right-left]	70		50	+30	+10				
K 11	Improve/reinforce priority signs [for example, Stop]	50								
K 12	Ban right turns			50			50		50	
K 13	Ban left or U turns			Note 1	50		50		50	
K 14	Improve lighting							30		
K 15	Traffic islands on approaches	50	20	50	20				10	10
K 16	Indented right island			30	40				20	20
K 17	Painted turn lane			20	40					20
K 18	Ban parking adjacent to intersection	10			20	20		30		50
K 19	Extend median through intersection	75	100	100				50		
K 20	Reduce radius on Left turn slip lane				50					
K 21	Protected L turn lane in crossing street				30					
Cost per casualty crash (\$1000)	Metro	122.0	262.9	126.9	62.7	95.0	83.8	165.0	99.1	122.9
	Rural	258.8	465.5	213.6	146.9	238.8	188.3	289.4	206.8	209.5

Note 1 For treatment code K 13, banning U-turns is a relevant treatment for DCA 207 with an estimated crash reduction of 50 per cent. [Costs for 207 - \$119.5K (Metro) and \$216.7K (Rural)] Banning left turns is a relevant treatment for DCA 203, 205, and 206 with a 50 per cent reduction.

Table 2 (a) Road Sections Matrix - Non-intersection related crashes

Accident-type [DCA Code]		201	202-206	301-304	305-307	001-003	601,401, 402	
Description		Head-on	Opposing turns	Rear end	Lane change	Vehicle hits pedestrian	Hit parked, parking vehicle	
Treatment		Estimated Crash Reduction – Per cent Change						
Code	Type							
S 1	Median on existing road	90				50		
S 2	Pedestrian refuge					50		
S 3	Pedestrian crossing					40		
S 4	Pedestrian overpass					90		
S 5	Pedestrian signals					70		
S 6	Pedestrian crossing lighting					60		
S 7	Improved route lighting					30		
S 8	Clearway, parking bans			20		30	50	
S 9	Indented RT island		30	40				
S 10	Painted turn lanes		20	30				
S 11	Roadside hazards – Remove	Note 2						
S 12	Roadside hazards – Guard rail							
S 13	Non-skid surface			20				
S 14	Seal shoulder	40						
S 15	Advisory speed sign on curves	30						
S 16	Delineation							
S 17	Edge lines							
S 18	Reconstruct superelevation on curve	50						
S 19	Climbing lane [overtaking lane]	30 Note 3			+10			
S 20	Signs [rail crossing]							
S 21	Flashing lights [rail crossing]							
S 22	Barriers/gates [rail crossing]							
S 23	Bridge/overpass [rail crossing]							
S 24	Frangible posts, poles							
Cost per casualty crash (\$1000)		Metro	262.9	126.9	62.7	95.0	165.0	122.9
		Rural	465.5	213.6	146.9	238.8	289.4	209.5

Note 2 For treatment code S 11, the effect of removing objects hit after a vehicle left the road is to reduce crashes relating to hitting the objects (DCA 703, 704, 803 and 804). However, the reduction in these crashes will be matched by an increase in DCA 701, 702, 801 and 802 as vehicles will continue to leave the road, but now without hitting objects (all else being equal). The net benefit relates to the difference in the cost of accident types.

Note 3 For treatment code S 19, DCA 501 is also relevant [use DCA 201 cost].

Table 2 (b) Road Sections Matrix - Non-intersection related crashes

Accident-type [DCA Code]		On Straight			On Curve			903
		701-702	703-704	705	801-802	803-804	805	
Description		Off road	Off road, hit object	Loss of control, on road	Off road	Off road, hit object	Loss of control, on road	Vehicle hits train
Treatment		Estimated Crash Reduction – Per cent Change						
Code	Type							
S 1	Median on existing road							
S 2	Pedestrian refuge							
S 3	Pedestrian crossing							
S 4	Pedestrian overpass							
S 5	Pedestrian signals							
S 6	Pedestrian crossing lighting							
S 7	Improved route lighting							
S 8	Clearway, parking bans							
S 9	Indented RT island							
S 10	Painted turn lanes							
S 11	Roadside hazards –Remove	+80	80		+80	80		
S 12	Roadside hazards –Guard rail	30	30	+30	30	30	+30	
S 13	Non-skid surface	30	30	30	30	30	30	
S 14	Seal shoulder	40	40	40	40	40	40	
S 15	Advisory speed sign on curves				30	30	30	
S 16	Delineation	30	30	0	30	30	0	
S 17	Edge lines	30	30		30	30		
S 18	Reconstruct superelevation on curve				80	80	80	
S 19	Climbing lane [overtaking lane]							
S 20	Signs [rail crossing]							15
S 21	Flashing lights [rail crossing]							50
S 22	Barriers/gates[rail crossing]							80
S 23	Bridge/overpass[rail crossing]							100
S 24	Frangible posts, poles		Note 4			Note 4		
Cost per casualty crash (\$1000)	Metro	94.1	192.1	99.1	148.0	227.7	104.9	443.1
	Rural	183.8	318.4	206.8	285.0	354.4	188.8	654.1

Note 4 For treatment code S 24, the effect will be that the injury outcome distribution will change within DCA codes 703, 704, 803, 804 rather than a reduction in the number of crashes per se. This gives reduced average number per crash of deaths and serious injuries and more minor injuries.

Note 5 Accident-type [DCA] refers to the system of classifying crashes by the movements of road users leading up to the impact. Descriptions of the system are to be found in 'Standard Accident Definitions: Primary Accident Classes and Accident Types, Andreassen, D., in Australian Road Research, 13[1], pp. 10–24, March, 1983' and various later versions.

Department of Infrastructure and Regional Development

Appendix C

NOTES ON ADMINISTRATION FOR LAND
TRANSPORT INFRASTRUCTURE PROJECTS

2014–15 TO 2018–19

Contents

APPENDIX C1 – Identification Phase PPR Guidance	3
APPENDIX C2 – Scoping Phase PPR Guidance.....	9
APPENDIX C3 – Development Phase PPR Guidance	20
APPENDIX C4 – Delivery Phase PPR Guidance.....	36

APPENDIX C—PROJECT PROPOSAL REPORT GUIDANCE

Appendices C1 to C4 provide guidance for completing the Project Proposal Report (PPR) at each Project phase. The level of detail and certainty required of a PPR for costs, timeframes and risks depends on the phase for which funding is being sought.

All information must be provided within the body of the PPR unless directed otherwise. Proponents should provide supporting information where such information could assist the Department with the appraisal of the PPR. Supporting information should be referred to within the body of the PPR and attached as an Appendix.

Critical information such as cost estimates, scheduling and risks that have changed since the last PPR approval must clearly note the change and the reason for the change.

The PPR submitted should clearly indicate the Project phase it is seeking funding for:

- IDENTIFICATION
- SCOPING
- DEVELOPMENT
- DELIVERY

Phase descriptions are outlined in Section 2.1.2 of the Notes on Administration (NoA).

APPENDIX C1 – Identification Phase PPR Guidance

This appendix is designed to assist Proponents to draft a PPR for Identification Phase Project activities. PPR template headings not included in this guidance need not be responded to for this Phase, unless otherwise directed.

A. PROPONENT AND PROJECT DETAILS

Proponent Details

A1 Entity Name

A2 Primary Project Contact (name, telephone, facsimile, email and postal address)

Project Details

A3 Project identification (ID)

Project ID is assigned by the Department. Projects previously approved by the Department must quote the assigned number.

A4 Project Name

The name of the study proposed for funding.

Project Name should be the name the Department uses in correspondence with the Funding Recipient (if applicable). This name must be used consistently across future PPRs.

A5 Project Partners

Other registered entities partnering with the Proponent to deliver the Project should be named here.

A6 Project Scope

The scope of the study proposed (including geographic parameters, potential options, study focus and method). Funding will be provided for the activities described in this scope.

Any changes to this description, once approved, will require a variation.

A7 Related Projects

Provide details of other works, Projects or studies in proximity or otherwise related to the proposed area under study.

This may include works related to the Project that are not Approved Purposes (Section

2.1.3.2) or other Projects that fall near or adjoin the proposed Project.

A8 Geographical References

Geographical references to the area under investigation should be provided.

A9 Project Summary and progress to date

A study summary should be prepared with potential publication on the Department or programme website in mind. The summary should be 300 to 500 words in length and should cover the Project's:

- Rationale
- Location
- Objectives
- Expected benefits

A10 Corridor and section of the National Land Transport Network the Project is located on (if applicable)

Provide details of the National Land Transport Network's coverage of the area under study. The National Land Transport Network is defined by the *National Land Transport Network Determination 2014 (No.1)* available at: <http://www.comlaw.gov.au/Details/F2015C00261>

A11 Section of relevant Act under which the Project is eligible for funding

Investment Project

National Land Transport Act 2014, Part 3, Section 10:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- (a) the construction of an existing or proposed road that is in a State or Indian Ocean Territory;
- (b) the maintenance of an existing or proposed road that is included in the National Land Transport Network;
- (c) the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;
- (d) the maintenance of an existing or proposed railway that is included in the National Land Transport Network;
- (e) the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;
- (f) the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.

Note: The definition of *construction* in section 4 covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

Building Australia Fund Project

Nation-building Funds Act 2008

To be eligible for funding as a BAF Project, the Project must satisfy the BAF evaluation criteria. Information on these criteria is available from Infrastructure Australia.

B. PLANNED OUTCOMES AND OUTPUTS

B1 State the transport problem the Project seeks to address.

B2- B4 not applicable for Identification PPR

C. PROJECT APPROACH AND TIMING

C1 -C2 Not applicable for Identification PPR

C3 Describe the critical path for the complete Project. Include the expected timing of high-level Project activities and estimated completion date of the Project.

The complete Project for an investigative study would typically be the study itself, except in cases where a construction start or completion date has been announced.

C4 List and describe the assumptions underpinning the schedule set out above.

The articulation of key assumptions underpinning the expected critical path is particularly important where the proposed Project is dependent upon the delivery of other Projects, planning approvals or environmental studies by other bodies or agencies within assumed timeframes.

C5 The Australian Government will be making payments to Funding Recipients on completion of Milestones. Commonwealth Funding will be provided at the agreed phase proportion of the overall Project P50 Outturn Cost. The Australian Government does not expect there to be more than four payments per year to a Project. Please propose Milestones for the Phases seeking funding approval in the table below by linking the critical path and key Project activities outlined at C4 to the required cash flows. Include Australian Government (AG), Proponent (Propnt), and other contributions.

1	2	3	5	6	7	8			9			10			11		
Project Phase	Milestone title	Description	Claim for Payment Date (mm/yyyy)	Estimated P50 Expenditure to meet Milestone	Cumulative P50 Expenditure	Payment needed to cover P50 expenditure to meet Milestone			Payment to cover P50 cash flow needed for next Milestone period			Total Milestone P50 payments			Cumulative total Milestone (P50) payments		
						AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other

Project Phase—The phase the Milestone will be paid in – Identification, Scoping, Development, Delivery, or Post-Completion

Milestone title —A short descriptor for the Milestone for ease of reference. Can be as simple as Milestone 1, 2, 3.

Description – Note the Milestones from C4 that will be completed by the Claim for Payment date. Include a description of any materials to be provided in support of verification, if required.

Claim for Payment Date – The month and year when the Funding Recipient will submit a claim for payment of the scheduled amount.

Estimated Expenditure to meet Milestone – the total expenditure on the activities required to be completed for the Milestone.

Payment needed to cover expenditure to date on Milestone – the amount of funding required from each Project Partner in order to cover the cost of the milestone. The amount should take into account payments to cover cash flow made in the previous period.

Payment to cover cash flow needed for next Milestone period – the Australian Government recognises that the Proponent will have cash flow requirements they will have to manage. Australian Government funding to cover working capital for the next period should be included here.

Total Milestone payments – sum of the contributions in columns 8 and 9.

The last Milestone scheduled will be the Final Milestone. If no additional funding to the Project is approved then payment of the Final Milestone ends the Australian Government’s liability for the Project and the Project will then be Closed.

D. FINANCIAL ANALYSIS

D1 Provide a budget profile of proposed stakeholder contributions, as Outturn Costs and the basis for the cost estimate for the study.

D2 – D11 not applicable for Identification PPR

E. RISK AND GOVERNANCE

E1 Identify the major risks, and proposed mitigation strategies to successful delivery of this phase.

Proponents should identify the most significant risks to successful Project delivery and provide details of the mitigation strategies proposed, including requesting increased Australian Government involvement where appropriate. This information may be provided in a summarised risk register table.

E2 List Commonwealth or State legislation triggered by the Project.

For the Identification Phase, it is necessary only to highlight foreseen legislation issues (for example, for that area).

E3-E5 not applicable for Identification PPR

E5 How will public and stakeholder participation will be facilitated during this phase, and the Project overall.

Factors that should be considered when determining the appropriate level of public and stakeholder participation may include:

- potential for conflict over the Project
- potential for major social, environmental or economic impacts
- relevant legislative requirements.

F. COMPLIANCE

Not applicable for Identification PPR

G. SUPPORTING INFORMATION

Please only attach documents that have been referred to in the body of the PPR.

G1 Material in support of an investigative study may include known infrastructure data for the area, productivity and unemployment statistics. Supporting information could include:

- GIS data;
- photographs;
- locality and/or topographical plans and maps;
- demand forecasts;
- safety audits;
- historical crash diagrams;
- engineering plans;
- business case and options analysis documents;
- environmental, cultural and social studies;
- risk assessment reports;
- other descriptive information.

G2-G3 Not applicable to Identification PPR

APPENDIX C2 – Scoping Phase PPR Guidance

This guidance document is designed to assist Proponents to draft a PPR for Scoping Phase Project activities. PPR template headings not included in this guidance need not be responded to for this Phase, unless otherwise directed.

A. PROPONENT AND PROJECT DETAILS

Proponent Details

A1 Entity Name

A2 Primary Project Contact (name, telephone, facsimile, email and postal address)

Project Details

A3 Project Identification (ID)

Project ID is assigned by the Department. Projects previously approved by the Department must quote the Project ID number.

A4 Project Name

Project Name should be the name the Department uses in correspondence with the Funding Recipient (if applicable). This name must be used consistently across future PPRs.

A5 Project Partners

Other registered entities who will be partnering with the proponent to deliver the Project should be named here.

A6 Project Scope

Project Scope should detail the activities to be undertaken during this Phase. Funding will be provided to activities described in this scope.

Any changes to this description once approved will require a variation.

A7 Related Projects

Provide details of other works or Projects in proximity or otherwise related to the proposed Project which do not constitute part of the proposed Project

This may include works related to the Project which are not Approved Purposes (Section 2.1.3.2) or other Projects which fall near or adjoin the proposed Project.

A8 Geographical References

Project location data is preferable in Esri format of file geodatabase or shape file. The data should have spatial reference defined and be presented in the coordinate systems of GDA94 in decimal degrees, or in the projected coordinate system of MGA94

A9 Project Summary and progress to date

A summary of the transport Project being scoped should be prepared with potential publication on the Department or programme website in mind. The summary should be 300 to 500 words in length and should cover the Project's:

- Rationale
- Location
- Objectives
- Expected benefits

A10 Corridor and section of the National Land Transport Network the Project being scoped is located on (if applicable)

The National Land Transport Network is defined by the *National Land Transport Network Determination 2014 (No.1)* available at: <http://www.comlaw.gov.au/Details/F2015C00261>

A11 Section of relevant Act under which the Project is eligible for funding

Investment Project

National Land Transport Act 2014, Part 3, Section 10:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- (a) the construction of an existing or proposed road that is in a State or Indian Ocean Territory;
- (b) the maintenance of an existing or proposed road that is included in the National Land Transport Network;
- (c) the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;
- (d) the maintenance of an existing or proposed railway that is included in the National Land Transport Network;
- (e) the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;
- (f) the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.

Note: The definition of **construction** in section 4 covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

Building Australia Fund Project

Nation-building Funds Act 2008

To be eligible for funding as a BAF Project, the Project must satisfy the BAF evaluation criteria. Information on this criterion is available from Infrastructure Australia.

B. PLANNED OUTCOMES AND OUTPUTS

B1 State the transport problem the Project is addressing.

B2 Identify, and provide baseline data, for the metrics used to identify the transport problem.

Appropriate metrics may include, but are not limited to, travel time, level of service, delay time, queue length and crash rate. Include breakdowns of the data to indicate heavy vehicle usage where appropriate.

Where baseline data is not yet available, indicate when the data will be collected.

B3 List and describe the performance objectives and intended outcomes for this Project, including:

- Efficiency outcomes
- Safety outcomes
- Other (social, economic, environmental) outcomes

Performance objectives will refer to the desired effects of the Project overall. They may include, but are not limited to, reductions in travel times and improvements in capacity, safety or facility (for example, pedestrian or cycle facility).

Project outcomes will refer to the actions or products created by the Project. They may include, but are not limited to, mode separation (for example, buses from general purpose lanes), completion of a network and grade separation of traffic streams.

Where possible, objectives and outcomes proposed will be those that can be monetised, so they can be used in Cost Benefit Analysis (CBA). Volume 3 of the *ATC National Guidelines for Transport System Management in Australia 2006* provides this list of benefits that can be monetised for CBA:

- savings in vehicle/train operating costs;
- improvements in service reliability;
- savings in time costs for passengers and/or freight;
- savings in crash/accident costs;

- reduced environmental externalities (noise, pollution);
- scrap or residual values of assets;
- savings in infrastructure operating costs including maintenance and administration; and
- benefits associated with diverted and generated traffic.

Where precise outcomes and outputs are not yet available, indicate when the information will be made available.

C. PROJECT APPROACH AND TIMING

C1 If you are a State or an Authority of a State, the role of private financing should be explored commensurate with the size and nature of the Project. In particular, will the project benefit a specific industry or user group?

Has private funding or financing been investigated? YES/NO

If NO – When will private funding or financing be investigated?

– If it is not the intention to investigate private funding or financing, outline the reasons behind this decision.

If YES – a copy of the formal assessment is to be provided.

Increased funding from the private sector is an important factor in meeting future land transport infrastructure requirements. Private sector participation may include ownership, finance and operation, operation of business concessions, or financial contribution in recognition of specific benefits. The potential for private sector participation must be explored for all Projects where the Proponent is a State or an authority of a State. Proponents must provide details of how this exploration was carried out and whether there is scope for private sector participation.

C2 Not applicable to Scoping PPR.

C3 Describe the critical path for the complete Project. Include the expected timing of high-level Project activities and the estimated completion date of the Project.

A large land transport infrastructure Project would typically have Milestones across the complete lifecycle, covering activities such as approvals, design, community engagement, land acquisition, infrastructure delivery, disruption management and handover. Milestones that provide potential for publicity (such as contract awarding, physical construction commencing or road / facility opening) should be included. A subset of these Milestones should be identified as the Project critical path.

C4 List and describe the assumptions underpinning the schedule set out above.

The articulation of key assumptions underpinning the expected critical path is particularly

important where the proposed Project is dependent upon the delivery of other Projects, planning approvals or environmental studies by other bodies or agencies within assumed timeframes.

C5 – The Australian Government will be making payments to Funding Recipients on the completion of Milestones. The Australian Government does not expect there to be more than four payments per year to a Project. Please propose Milestones for the Phases seeking funding approval in the table below by linking the critical path and key Project activities outlined atC4 to the required cash flows. Include Australian Government (AG), Proponent (Propnt), and other contributions.

1	2	3	5	6	7	8			9			10			11		
Project Phase	Milestone title	Description	Claim for Payment Date (mm/yyyy)	Estimated P50 Expenditure to meet Milestone	Cumulative P50 Expenditure	Payment needed to cover P50 expenditure to meet Milestone			Payment to cover P50 cash flow needed for next Milestone period			Total milestone P50 payments			Cumulative total milestone (P50) payments		
						AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other

Project Phase - The phase the Milestone will be paid in – Identification, Scoping, Development, Delivery, or Post-Completion

Milestone title - A short descriptor for the Milestone for ease of reference. Can be as simple as Milestones 1, 2, 3.

Description – Note the Milestones from C4 that will be completed by the Claim for Payment date. Include a description of any materials to be provided in support of verification, if required.

Claim for Payment Date – The month and year when the Funding Recipient will submit a claim for payment of the scheduled amount.

Estimated Expenditure to meet Milestone – the total expenditure on the activities required to be completed for the Milestone.

Payment needed to cover expenditure to date on Milestone – the amount of funding required from each Project Partner in order to cover the cost of the milestone. The amount should take into account payments to cover cash flow made in the previous period.

Payment to cover cash flow needed for next Milestone period – the Australian Government recognises that the Proponent will have cash flow requirements they will have to manage. AG funding to cover working capital for the next period should be included here.

Total Milestone payments – sum of the contributions in columns 8 and 9.

The last Milestone scheduled will be the Final Milestone. If no additional funding to the Project is Approved then payment of the Final Milestone ends the Australian Government’s liability for the Project and the Project will then be Closed.

D. FINANCIAL ANALYSIS

D1

1. Complete the Project Cost Breakdown Template
2. Provide a budget profile of the:
 - proposed stakeholder contributions at P50 Outturn Costs (or actual cost as appropriate);
 - and
 - Committed Funding;
 for the overall Project in both financial year and Project phase format.

Note that:

- in each case the totals and cash flows should be consistent with the populated Project Cost Breakdown template and the NPA schedule;
- the Australian Government will not pay for expenses incurred on the Project before approval.

Financial Year Cash flow

		FY	FY	FY	FY	Total
	Committed Funding					
P50 Outturn (or Actual as appropriate)	Approved Funding	\$	\$	\$	\$	\$
	Proponent contribution	\$	\$	\$	\$	\$
	Other contribution (provide detail)	\$	\$	\$	\$	\$
	Total	\$	\$	\$	\$	\$

Project Phase Cash flow

		Identification	Scoping	Development	Delivery	Total
	Approximate Dates (by Month e.g. Jan 20XX to Dec 20YY)					
	Committed Funding					
P50 Outturn (or Actual as appropriate)	Approved Funding sought	\$	\$	\$	\$	\$
	Proponent contribution	\$	\$	\$	\$	\$
	Other contribution (provide detail)	\$	\$	\$	\$	\$
	Total	\$	\$	\$	\$	\$

Note: Shaded cells will be Actual costs from previous phases if undertaken.

D2 Provide details of the anticipated Total Outturn Cost breakdown in the summary table below.

A probabilistic Cost Estimation process must be used for Projects with a total anticipated Outturn cost (including contingency) exceeding \$25 million unless otherwise approved by the Commonwealth. Projects with a total anticipated Outturn cost (including contingency) under \$25 million may use a deterministic methodology, however the Department recommends using a probabilistic cost estimation method where possible.

The Department will review and assess the cost estimate (including the cash flows by financial year and Project phase) provided in the PPR before making a recommendation to the Minister. Proponents must cooperate with any review undertaken.

The NPA requires Proponents to provide access to underpinning data in order to permit cost estimates to be reviewed for the purpose of validation. As such, Funding Recipients must maintain an electronic library of all documentation reviewed in determining the Project estimate.

The cost estimate provided should include annual cash flows at Base Estimate, P50 and P90 figures. See Appendix B for detailed guidance.

OVERALL PROJECT SUMMARY TABLE		
NPA TOTAL PROJECT COST		
	P50	P90
BASE ESTIMATE	\$0	\$0
CONTINGENCY	\$0	\$0
PROJECT ESTIMATE	\$0	\$0
ESCALATION	\$0	\$0
OUTTURN COST	\$0	\$0

D3 Indicate the approach taken to cost escalation:

Overall/By Expenditure Component and constant annual rate/a different rate for each financial year.

D4 Provide details of the escalation rate(s) used and the source and justification for those rates. In the event that a different rate for different financial years is proposed, this table should be populated:

	FY	FY	FY	FY	FY
Escalation Rate (%)					

D5 - D7 Not applicable to Scoping PPR

Options Evaluation

D8 What options are being considered/were considered?

Describe the options that have been investigated as part of the Scoping Phase.

D9 –D11 Not applicable to Scoping PPR

E. RISK AND GOVERNANCE

E1 Identify the major risks and proposed mitigation strategies for the successful delivery of

this phase and the overall Project.

Proponents should identify the most significant risks to successful Project delivery and provide details of the mitigation strategies proposed, including requesting increased Australian Government involvement where appropriate. This information may be provided in a summarised risk register table. Identified risks should be reflected in the cost estimate provided as part of the PPR.

E2 List Commonwealth or State legislation triggered by the Project.

For the Scoping Phase, it is necessary only to highlight foreseen legislation issues (for example, for that area).

E3 – E4 Not applicable to Scoping PPR

E5 How will public and stakeholder participation will be facilitated during this phase, and the Project overall.

Factors that should be considered when determining the appropriate level of public and stakeholder participation may include:

- potential for conflict over the Project
- potential for major social, environmental or economic impacts
- relevant legislative requirements.

F. COMPLIANCE

Not applicable to Scoping PPR

G. SUPPORTING INFORMATION

Please only attach documents that have been referred to in the body of the PPR.

G1 Include a list of all supporting information referred to above that is attached to the PPR. Supporting documentation could include:

- GIS data;
- Photographs;
- locality/topographical plans and maps;
- demand forecasts;
- safety audits;
- historical crash diagrams;
- engineering plans;
- business case and options analysis documents;
- environmental, cultural and social studies;

- risk assessment reports;
- other descriptive information.

G2 These documents in relation to cost estimates must be provided:

- completed Road or Rail Project Cost Breakdown spreadsheet;
- Cost Estimate Report explaining how the cost estimate was developed which must include:
 - background and context for the Project
 - outline scope for the Project
 - details of the risk workshop/s undertaken, and subject matter experts consulted
 - copy of the Risk Register underpinning the contingency included in the Project costings (where a probabilistic cost estimation process has been used this will be the source of much of the Cost Estimation Tool risk input data)
 - details of the person/firm preparing the cost estimate, and
 - evidence that Project costs have been comprehensively reviewed and authorised in accordance with the Proponent's published guidelines.

G3 Provide information to support the cost estimations provided.

For Projects equal to or over \$25 million in total Outturn Cost or where a probabilistic cost estimation process has been used, Proponents must include the following information:

- Cost Estimation Tool (for example, @RISK and Crystal Ball) Output Report files, which must at a minimum include charts showing the non-Outturned Project Cost probability distribution and associated cumulative probability distribution ('S' Curve), Simulation Summary Details (that is, sampling type, number of iterations, Random Number Generator a Tornado diagram and accompanying Regression and Rank Information Table, and Summary Statistics for the Project Cost, including the Project cost estimate (unescalated) at 5per cent intervals from 5per cent to 95 per cent confidence)
- Cost Estimation Tool input data files in spreadsheet format that includes sufficient information to permit the Department or its contractors to re-run the probabilistic cost estimation simulation
- Bibliography of all documents consulted by the cost estimator in preparing the cost estimate (including version number/date, proper title, document format and author). Note: It is a requirement that the Proponent maintains a digital library of all documents consulted in preparing the cost estimate, and provides copies of these at the Department's request.

Projects with cost estimates prepared using a deterministic estimation process must provide this information when requested:

- Underpinning documentation explaining the derivation of the Base Estimate and the approximate P50 and P90 values (both Non-Outturned and Outturned).

APPENDIX C3 – Development Phase PPR Guidance

This appendix is designed to assist Proponents to draft a PPR for the Development Phase. PPR headings not included in this guidance need not be responded to for this phase unless otherwise directed.

A. PROPONENT AND PROJECT DETAILS

Proponent Details

A1 Entity Name

A2 Primary Project Contact (name, telephone, facsimile, email and postal address)

Project Details

A3 Project ID

Project ID is assigned by the Department. Projects that have previously been approved by the Department must quote the assigned number.

A4 Project Name

Project Name should be the name the Department uses in correspondence with the Funding Recipient (if applicable). This name must be used consistently across future PPRs.

A5 Project Partners

Other registered entities who will be partnering with the Proponent to deliver the Project should be named here.

A6 Project Scope

Project Scope should detail the specific design aspects of the Project (for example, the road length and number of lanes to be constructed). If reference is made to documents produced in the Scoping Phase, please attach those documents to the PPR. Funding will be provided to activities described in this scope.

Any changes to this description once approved will require a variation.

A7 Related Projects

Provide details of other works or Projects in proximity or otherwise related to the proposed Project which do not constitute part of the proposed Project

This may include works related to the Project which are not Approved Purposes (Section 2.1.3.2) or other Projects which fall near or adjoin the proposed Project.

A8 Geographical References

Project location data is preferable in Esri format of file geodatabase or shape file. The data should have spatial reference defined and in the coordinate systems of GDA94 in decimal degrees, or projected coordinate system of MGA94

A9 Project Summary and progress to date

A Project summary should be prepared with potential publication on the Department or programme website in mind. The summary should be 300-500 words in length and should cover the Project's:

- Rationale
- Location
- Objectives
- Expected benefits.

A10 Corridor and section of the National Land Transport Network the Project is located on (if applicable)

The National Land Transport Network is defined by the *National Land Transport Network Determination 2014 (No.1)* available at <http://www.comlaw.gov.au/Details/F2015C00261>

A11 Section of relevant Act under which the Project is eligible for funding

Investment Project

National Land Transport Act 2014, Part 3, Section 10:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- (a) the construction of an existing or proposed road that is in a State or Indian Ocean Territory;
- (b) the maintenance of an existing or proposed road that is included in the National Land Transport Network;
- (c) the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;
- (d) the maintenance of an existing or proposed railway that is included in the National Land Transport Network;
- (e) the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;
- (f) the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.

Note: The definition of *construction* in section 4 covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

Building Australia Fund Project

Nation-building Funds Act 2008

To be eligible for funding as a BAF Project, the Project must satisfy the BAF evaluation criteria. Information on the BAF evaluation criteria is available from Infrastructure Australia.

B. PLANNED OUTCOMES AND OUTPUTS

B1 State the transport problem the Project is addressing.

B2 Identify, and provide baseline data, for the metrics used to identify the transport problem.

Appropriate metrics may include, but are not limited to, travel time, level of service, delay time, queue length and crash rate. Include breakdowns of the data to indicate heavy vehicle usage where appropriate.

B3 List and describe the performance objectives and intended outcomes for this Project, including:

- Efficiency outcomes
- Safety outcomes
- Other (social, economic, environmental) outcomes.

Performance objectives will refer to the desired effects of the Project overall. They may include, but are not limited to, reductions in travel times and improvements in capacity, safety or facility (for example, pedestrian or cycle facility).

Project outcomes will refer to the actions or products created by the Project. They may include, but are not limited to, mode separation (for example, buses from general purpose lanes), completion of a network and grade separation of traffic streams.

Where possible, objectives and outcomes proposed will be those that can be monetised, so they can be used in Cost Benefit Analysis (CBA). Volume 3 of the *ATC National Guidelines for Transport System Management in Australia 2006* provides a list of benefits that can be monetised for CBA. These are:

- Savings in vehicle/train operating costs;
- Improvements in service reliability;
- Savings in time costs for passengers and/or freight;
- Savings in crash/accident costs;
- Reduced environmental externalities (noise, pollution);

- Scrap or residual values of assets;
- Savings in infrastructure operating costs including maintenance and administration; and
- Benefits associated with diverted and generated traffic.

B4 Propose specific transport performance indicators to measure the performance of the asset post-completion (For example advise of time and distance savings and improvement in crash statistics).

These performance indicators should reflect the data used at B2 to identify the problem. Section 25 of the NPA requires both parties to agree on specific transport performance indicators for each Project.

C. PROJECT APPROACH AND TIMING

C1 If you are a State or an Authority of a State, the role of private financing should be explored commensurate with the size and nature of the Project. In particular, will the project benefit a specific industry or user group?

Has private funding or financing been investigated? YES/NO

If 'NO' – When will private funding or financing be investigated?

If it is not the intention to investigate private funding or financing, outline the reasons behind this decision.

If 'YES' – of the formal assessment is to be provided.

Increased funding from the private sector is an important factor in meeting future land transport infrastructure requirements. Participation by the private sector may include ownership, financing and operation, operation of business concessions, or financial contribution in recognition of specific benefits flowing from the Project. The potential for private sector participation must be explored for all Projects where the Proponent is a State or an authority of a State. Proponents must provide details of how the assessment was carried out and whether there is scope for private sector participation.

C2 Provide the preferred procurement method and the justification for its selection.

The preferred procurement method may only be a prospective preference at this stage.

If collaborative contracting methods (for example, alliance or early contractor involvement) are proposed to be used, provide specific details of the contracting method. Funding Recipients must outline how they will adhere to the *National Alliance Contracting Guidelines*, available at <http://www.infrastructure.gov.au/infrastructure/nacg/index.aspx>.

Is the project over \$100 million YES/NO?

If NO go to C3.

If YES, describe how Public Private Partnership procurement was considered?

If a Public-Private Partnership is proposed, provide details of the structure and funding method (user charges, availability payments) proposed. Funding Recipients must outline how they will adhere to the *National Public Private Partnership Policy and Guidelines* available at http://www.infrastructureaustralia.gov.au/public_private/.

C3 - Describe the critical path for the complete Project. Include the expected timing of high-level Project activities and the estimated completion date of the Project.

A large land transport infrastructure Project would typically have Milestones across the complete lifecycle, covering activities such as approvals, design, community engagement, land acquisition, infrastructure delivery, disruption management and handover. Milestones that provide potential for publicity (such as contract awarding, physical construction commencing or road / facility opening) should also be included.

A subset of these Milestones should be identified as the Project critical path.

C4 List and describe the assumptions underpinning the schedule set out above.

The articulation of key assumptions underpinning the expected critical path is particularly important where the proposed Project is dependent upon the delivery of other Projects, planning approvals or environmental studies by other bodies or agencies within assumed timeframes.

C5 – The Australian Government will be making payments to Funding Recipients on the completion of Milestones. The Australian Government does not expect there to be more than four payments per year to a Project. Please propose Milestones for the Phases seeking funding approval in the table below by linking the critical path and key Project activities outlined at C4 to the required cash flows. Include Australian Government (AG), Proponent (Propnt) and other contributions.

1	2	3	5	6	7	8			9			10			11		
Project Phase	Milestone title	Description	Claim for Payment Date (mm/yyyy)	Estimated P50 Expenditure to meet Milestone	Cumulative P50 Expenditure	Payment needed to P50 cover expenditure meet Milestone			Payment to cover P50 cash flow needed for next Milestone period			Total Milestone P50 payments			Cumulative total Milestone (P50) payments		
						AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other

Project Phase - The phase the Milestone will be paid in – Identification, Scoping, Development, Delivery, or Post-Completion

Milestone title - A short descriptor for the Milestone for ease of reference. Can be as simple as Milestone 1, 2, 3.

Description – Note the Milestones from C4 that will be completed by the Claim for Payment date. Include a description of any materials to be provided in support of verification, if required.

Claim for Payment Date – The month and year when the Funding Recipient will submit a claim for payment of the scheduled amount.

Estimated Expenditure to meet Milestone – the total expenditure on the activities required to be completed for the Milestone.

Payment needed to cover expenditure to date on Milestone – the amount of funding required from each Project Partner in order to cover the cost of the milestone. The amount should take into account payments to cover cash flow made in the previous period.

Payment to cover cash flow needed for next Milestone period – the Australian Government recognises that the Proponent will have cash flow requirements they will have to manage. AG funding to cover working capital for the next period should be included here.

Total Milestone payments – sum of the contributions in columns 8 and 9.

The last Milestone scheduled will be the Final Milestone. If no additional funding to the Project is approved then payment of the Final Milestone ends the Australian Government’s liability for the Project and the Project will then be Closed.

D. FINANCIAL ANALYSIS

D1

1. Complete the Project Cost Breakdown Template
2. Provide a budget profile of:
 - the proposed stakeholder contributions at P50 Outturn Costs (or actual cost as appropriate); and
 - the Committed Funding;

for the overall Project in both financial year and Project phase format.

Note that:

- in each case the totals and the cash flows should be consistent with the populated Project Cost Breakdown template and the NPA schedule;
- the Australian Government will not pay for expenses incurred on the Project prior to approval.

Financial Year Cash flow

		FY	FY	FY	FY	Total
	Committed Funding					
P50 Outturn(or Actual as appropriate)	Approved Funding sought	\$	\$	\$	\$	\$
	Proponent contribution	\$	\$	\$	\$	\$
	Other contribution (provide detail)	\$	\$	\$	\$	\$
	Total	\$	\$	\$	\$	\$

Project Phase Cash flow

		Identification	Scoping	Development	Delivery	Total
	Approximate Dates (by Month e.g. Jan 20XX to Dec 20YY)					
	Committed Funding					
P50 Outturn(or Actual as appropriate)	Approved Funding sought	\$	\$	\$	\$	\$
	Proponent contribution	\$	\$	\$	\$	\$
	Other contribution (provide detail)	\$	\$	\$	\$	\$
	Total	\$	\$	\$	\$	\$

Note: Shaded cells will be “Actual” costs from previous phases if undertaken.

D2 Provide details of the anticipated Total Outturn Cost breakdown in the summary table below.

A probabilistic Cost Estimation process must be used for Projects with a total anticipated Outturn cost (including contingency) exceeding \$25 million unless otherwise approved by the Commonwealth. Projects with a total anticipated Outturn cost (including contingency) under \$25 million may use a deterministic methodology, however the Department recommends using a probabilistic cost estimation method where possible.

The Department will review and assess the cost estimate (including the cash flows by financial year and Project phase) provided in the PPR before making a recommendation to the Minister. Proponents must cooperate with any review undertaken.

The NPA requires Proponents to provide access to underpinning data in order to permit cost estimates to be reviewed for the purpose of validation. As such, Funding Recipients must maintain an electronic library of all documentation reviewed in determining the Project estimate. The cost estimate provided should include annual cash flows at Base Estimate, P50 and P90 figures. See Appendix B for detailed guidance.

OVERALL PROJECT SUMMARY TABLE		
NPA TOTAL PROJECT COST		
	P50	P90
BASE ESTIMATE	\$0	\$0
CONTINGENCY	\$0	\$0
PROJECT ESTIMATE	\$0	\$0
ESCALATION	\$0	\$0
OUTTURN COST	\$0	\$0

D3 Indicate the approach taken to cost escalation:

Overall / By Expenditure Component and constant annual rate / a different rate for each financial year.

D4 Provide details of the escalation rate(s) used and the source and justification for those rates. In the event that a different rate for different financial years is proposed, this table should be populated:

	FY	FY	FY	FY	FY
Escalation Rate (%)					

Cost Benefit Analysis

All Projects seeking funding at the Development Phase or later are required to complete a CBA. CBAs should be completed in accordance with the latest version of the *ATC National Guidelines for Transport System Management in Australia*.

Projects under \$25 million are permitted to complete a rapid CBA.

Projects equal to or over \$25 million must complete a detailed CBA.

D5 Identify the Evaluation Period used.

The Evaluation Period should be set at the expected life of the asset created by the initiative. It is usual to assume a 30-year life for road initiatives (except bridges that have much longer

lives) and a 50-year life for rail initiatives. Intelligent Transport System initiatives will have shorter lives. If a longer life is anticipated for a road initiative, the Evaluation Period should remain at 30 years with the residual value identified as an additional benefit. Include a brief explanation of how the residual value was estimated.

D6 Provide summary BCRs in the tables below:

Where practicable, monetise all outcome benefits and provide details of the Benefit Cost Ratio (BCR) using a discount rate of 4 per cent and 7 per cent. If not practicable to do so, please outline reasons why.

Summary Measures

4% Discount rate	BCR
Based on P50	
Based on P90	

7% Discount rate	BCR
Based on P50	
Based on P90	

Project Benefits

Instructions:

- As part of the Department's assessment methodology, a detailed review of the benefits used to calculate the BCR will be undertaken. States and Territories are to complete this document for each Project seeking **Development** funding.
- All costs and benefits contained within the benefits sheet should be in current year dollars.
- Fill in as many data fields as possible.

Descriptions of benefit components

Travel time savings include time savings to existing users of the infrastructure and those diverted from other infrastructure.

Reduced vehicle operating costs include savings in vehicle operating costs to existing users of the infrastructure and those diverted from other infrastructure

Generated travel benefits comprise benefits to users undertaking trips that would not have been undertaken without the Project.

Accident reduction benefits include total reduction in accident-related costs resulting from the Project, including property damage and the economic costs of injuries and fatalities.

Environmental benefits include reductions in emissions of greenhouse and ` pollutants, as well as the costs of noise and other environmental dis-amenity. (This may be negative, representing a dis-benefit, for some Projects).

Reduced maintenance costs include reductions in maintenance costs due to quality improvements in pavement or other materials. In cases where infrastructure expansion leads to increased maintenance costs, this component may be negative.

Wider economic benefits include agglomeration impacts, labour market effects and increasing activity in imperfectly competitive markets. These should only be included to the extent that they are not already counted through other benefit components.

Unit cost (\$/unit) should indicate the monetary value of impacts on society (for example value of time in dollars per hour, or environmental costs per litre of fuel used). This may be an average of different values to different users (for example, total benefit to all user groups divided by total time saved or total crashes saved averaged over all crash severity levels or types).

Quantitative impacts on users should indicate, where possible, the impacts associated with this benefit component. The appropriate units will differ for different components, but may include, for example, minutes saved per trip, or reductions in fuel use per trip. These should be totals for all users, not amounts per user.

Costs

Note that the primary infrastructure operating cost is maintenance. Maintenance costs should be separated into annual (routine), periodic and rehabilitation categories.

- *Annual (routine) costs* may include vegetation control, repairs to pavements, signage, telecommunications equipment, signalling, train control systems, clearing drain/culverts and repainting line markings.
- *Periodic costs* may include resealing, stabilisation, re-sheeting, roughening concrete pavements, ballast cleaning, rail grinding, sleeper replacement and re-railing.
- *Rehabilitation costs* are major expenditures to substantially put the road or railway into 'as new' condition.

D7 Please fill the blue cells in the table below:

Benefit component		Present value of all benefits in \$m	Year 10 only:		Underlying Physical Quantity in Year 10 eg actual time savings in hours, total vehicle kms travelled, number of accidents/fatalities/injuries avoided, etc
			Year 10 benefits in \$m (10 years after construction completion)	Year 10 benefits as a percentage of total benefits	
Travel time savings	Passenger				
	Freight and business				
	Total travel time savings	0.00	0.00		
Reduced vehicle operating costs	Passenger				
	Freight and business				
	Total user benefits	0.00	0.00		
Generated travel benefits	Passenger				
	Freight and business				
	Total road user benefits	0.00	0.00		
Accident reductions	Total accident reduction benefits				
Environmental benefits	Reduced greenhouse emissions				
	Reduced local pollution				
	Reduced noise				
	Total environmental benefits	0.00	0.00		
Reduced maintenance costs	Reduced maintenance costs				
TOTAL STANDARD BENEFITS	Total standard benefits	0.00	0.00		
Wider economic benefits (WEB)	Agglomeration benefits				
	Other wider economic benefits				
	Total wider economic benefits	0.00	0.00		
Other benefits	Other benefits				

Descriptions of benefit component table columns:

Present value of all benefits: Represents the present value of the project (in millions of dollars). Enter figures only into the cells shaded light blue.

Year 10 benefits in \$m: Represents the benefits of the project forecasted to be achieved during Year 10 (in millions of dollars). If no Year 10 forecast is available, replace with projections from a different year that reflects the projects "steady state". Enter figures only into the cells shaded light blue.

Year 10 benefits as percentage of total benefits: Represents the forecasted Year 10 benefit for a specific line item as a percentage of the total Year 10 benefit.

Underlying physical quantity in Year 10: Represents the physical value (during Year 10) that drives each benefit component in quantifiable, non-dollar terms. This may be the total hours of travel time savings, the reduction in fatal and non-fatal accidents, the increase in vehicle kilometres travelled over which reduced vehicle operating costs will be had, the decrease in CO2 tonnes emitted, etc

Traffic and use assumptions

		First year after Project completion	10 years following Project completion	30 years following Project completion
Users in Base Case	Passenger			
	Freight and business			
Users diverted from other infrastructure	Passenger			
	Freight and business			
Generated trips	Passenger			
	Freight and business			

Description of Traffic and use assumptions rows:

Users in Base Case: refers to how many people would be using the infrastructure in the future year after expected completion under a “no project” scenario – that is, if the project did not go ahead. In the case of greenfield infrastructure, the base case users would be zero.

Users Diverted from Other Infrastructure: refers to any trips that are expected to occur on other parts of the network or on other modes in the specified future year without the project occurring, which will divert to this project upon completion. It does not include any new or induced trips, only those diverted from other areas of the network.

Generated Trip: refers to induced demand – i.e. trips that were non-existent anywhere on the network without the project. Include only those generated trips that will utilise the project.

Options Evaluation

D8 What options are being considered/were considered?

List and describe which options were investigated.

D9 Where viable options exist, the Net Present Value (NPV) and an Incremental Benefit Cost Ratio (IBCR) for each option should be provided in this table, with options presented in ascending order of cost:

	PV Investment Costs (P50)	PV Benefits	NPV	IBCR
Option A				
Option B				
Option C				

Proponents should use the NPV and/or IBCR to compare options on economic grounds.

BCR is the present value of benefits less operating costs, divided by the present value of investment costs.

IBCR is calculated in the same way as the BCR but for the difference between adjacent options in ascending order of investment cost. On economic grounds, increases in the scale of a Project are worthwhile as long as the IBCR exceeds one, but budgetary considerations may result in a less costly, but still beneficial, option being approved.

D10 Identify the preferred option and summarise the reasons for its selection. State the assumptions made in comparing options.

If the highest NPV option was not selected, clearly identify the reasons a lower NPV option was preferred. Examples include budgetary considerations or concerns about community opposition to another option.

D11 Describe how public participation helped to identify the preferred option.

E. RISK AND GOVERNANCE

E1 Identify the major risks, and proposed mitigation strategies to successful delivery of this phase and the overall Project.

Proponents should identify the most significant risks to successful Project delivery and provide details of the mitigation strategies proposed, including requesting increased Australian Government involvement where appropriate. This information may be provided in a summarised risk register table. These identified risks should be reflected in the probabilistic cost estimate provided as part of the PPR.

E2 List Commonwealth or State legislation triggered by the Project.

E3 Detail any sustainability strategies that will be adopted.

E4 Is a tender exemption being sought? If so, detail:

- How the proposed procurement strategy will ensure value for money.
- Scope of works for which the exemption is being sought.
- Value of the works.
- Intended entity to undertake the works.
- Category under which the exemption is being sought (Section 24(1) (c) i to vi of the NLT Act).
- Supporting reasons for the exemption.

E5 How will public and stakeholder participation be facilitated during this phase, and the Project overall?

Factors that should be considered when determining the appropriate level of public and stakeholder participation may include:

- potential for conflict over the Project
- potential for major social, environmental or economic impacts
- relevant legislative requirements.

E6 Provide a comprehensive public recognition signage plan setting out proposed temporary and permanent signage for the Project in line with the Signage Guidelines available from the Department.

F. COMPLIANCE

F1 If the Building Code 2016 (For more information see Appendix A3) applies to this Project confirm that the requirements set out in Appendix A4 “Funding Recipient responsibilities under the Code” will be met.

If the Code does not apply, please state why.

F2 If the Australian Government Building and Construction WHS Accreditation Scheme (For more information see Appendix A3) applies to this Project, confirm that it will be complied with.

If the Scheme does not apply, please state why.

F3 If the Project is more than \$20 million, provide details of the Local Industry Participation Plan (For more information see Appendix A2.1) that applies.

G. SUPPORTING INFORMATION

Please only attach documents that have been referred to in the body of the PPR.

G1 Include a list of all supporting information referred to above which is attached to the PPR. Supporting documentation could include:

- GIS Data;
- Photographs;
- locality/topographical plans and maps;
- demand forecasts;
- safety audits;
- historical crash diagrams;
- engineering plans;
- business case and options analysis documents;
- environmental, cultural and social studies;
- risk assessment reports;
- other descriptive information.

G2 These documents in relation to cost estimates must be provided:

- completed Road or Rail Project Cost Breakdown spreadsheet;
- Cost Estimate Report explaining how the cost estimate was developed, which must include:
 - background and context for the Project
 - outline scope for the Project
 - details of the risk workshop/s undertaken, and subject matter experts consulted
 - copy of the Risk Register underpinning the contingency included in the Project costings (where a probabilistic cost estimation process has been used this will be the source of much of the Cost Estimation Tool risk input data)
 - details of the person/firm preparing the cost estimate, and
 - evidence that the Project costs have been comprehensively reviewed and authorised in accordance with the Proponent's published guidelines.

G3 Provide information to support the cost estimations provided.

For Projects equal to or more than \$25 million in total Outturn Cost or where a probabilistic cost estimation process has been used, Proponents must include the following information:

- Cost Estimation Tool (for example, @RISK and Crystal Ball) Output Report files, which must at a minimum include charts showing the Non-Outturned Project cost probability distribution and associated cumulative probability distribution ("S" Curve), Simulation Summary Details (that is, sampling type, number of iterations, Random Number Generator, a Tornado diagram and accompanying Regression and Rank Information Table, and Summary Statistics for the Project Cost including the Project cost estimate (unescalated) at 5 per cent intervals from 5 per cent to 95 per cent confidence)
- Cost Estimation Tool input data files in spreadsheet format that includes sufficient information to permit the Department or its contractors to re-run the probabilistic cost estimation simulation
- Bibliography of all documents consulted by the cost estimator in preparing the cost estimate (including version number/date, proper title, document format and author).
Note: that it is a requirement that the Proponent maintains a digital library of all documents consulted in preparing the cost estimate, and will provide copies of these documents at the Department's request.

Projects with cost estimates prepared using a deterministic estimation process must provide the following when requested:

Underpinning documentation explaining the derivation of the Base Estimate and the approximate P50 and P90 values (both Non-Outturned and Outturned).

APPENDIX C4 – Delivery Phase PPR Guidance

This appendix is designed to assist Proponents to draft a PPR for the Delivery Phase. PPR headings not included in this guidance need not be responded to for this phase unless otherwise directed.

A. PROPONENT AND PROJECT DETAILS

Proponent Details

A1 Entity Name

A2 Primary Project Contact (name, telephone, facsimile, email and postal address)

Project Details

A3 Project ID

Project ID is assigned by the Department. Projects that have previously been approved by the Department must quote the assigned number.

A4 Project Name

Project Name should be the name the Department uses in correspondence with the Funding Recipient (if applicable). This name must be used consistently across future PPRs.

A5 Project Partners

Other registered entities who will be partnering with the Proponent to deliver the Project should be named here.

A6 Project Scope

Project Scope should detail the specific design aspects of the Project (for example, the road length and number of lanes to be constructed). Funding will be provided to activities described in this scope.

Any changes to this description once approved will require a variation.

A7 Related Projects

Provide details of other works or Projects in proximity or otherwise related to the proposed Project which do not constitute part of the proposed Project

This may include works related to the Project which are not Approved Purposes (Section 2.1.3.2) or other Projects which fall near or adjoin the proposed Project.

A8 Geographical References

Project location data is preferable in Esri format of file geodatabase or shape file. The data should have spatial reference defined and in the coordinate systems of GDA94 in decimal degrees, or projected coordinate system of MGA94

A9 Project Summary and progress to date

A Project summary should be prepared with potential publication on the Department or programme website in mind. The summary should be 300-500 words in length and should cover the Project's:

- Rationale
- Location
- Objectives
- Expected benefits.

A10 Corridor and section of the National Land Transport Network the Project is located on (if applicable)

The National Land Transport Network is defined by the *National Land Transport Network Determination 2014 (No.1)* available at: <http://www.comlaw.gov.au/Details/F2015C00261>

A11 Section of relevant Act under which the Project is eligible for funding

Investment Project

National Land Transport Act 2014, Part 3, Section 10:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- (a) the construction of an existing or proposed road that is in a State or Indian Ocean Territory;
- (b) the maintenance of an existing or proposed road that is included in the National Land Transport Network;
- (c) the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;
- (d) the maintenance of an existing or proposed railway that is included in the National Land Transport Network;
- (e) the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;
- (f) the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.

Note: The definition of **construction** in section 4 covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

Building Australia Fund Project

Nation-building Funds Act 2008

To be eligible for funding as a BAF Project, the Project must satisfy the BAF evaluation criteria. Information on the BAF evaluation criteria is available from Infrastructure Australia.

B. PLANNED OUTCOMES AND OUTPUTS

B1 State the transport problem the Project is addressing.

B2 Identify, and provide baseline data, for the metrics used to identify the transport problem.

Appropriate metrics may include, but are not limited to, travel time, level of service, delay time, queue length and crash rate. Include breakdowns of the data to indicate heavy vehicle usage where appropriate.

B3 List and describe the performance objectives and intended outcomes for this Project, including:

- Efficiency outcomes
- Safety outcomes
- Other (social, economic, environmental) outcomes.

Performance objectives will refer to the desired effects of the Project overall. They may include, but are not limited to, reductions in travel times and improvements in capacity, safety or facility (for example, pedestrian or cycle facility).

Project outcomes will refer to the actions or products created by the Project. They may include, but are not limited to, mode separation (for example, buses from general purpose lanes), completion of a network and grade separation of traffic streams.

Where possible, objectives and outcomes proposed will be those that can be monetised, so they can be used in Cost Benefit Analysis (CBA). Volume 3 of the *ATC National Guidelines for Transport System Management in Australia 2006* provides a list of benefits that can be monetised for CBA. These are:

- savings in vehicle/train operating costs;
- improvements in service reliability;
- savings in time costs for passengers and/or freight;
- savings in crash/accident costs;
- reduced environmental externalities (noise, pollution);

- scrap or residual values of assets;
- savings in infrastructure operating costs including maintenance and administration; and
- benefits associated with diverted and generated traffic.

B4 Propose specific transport performance indicators to measure the performance of the asset post-completion (For example, advice of time and distance savings and improvement in crash statistics).

These performance indicators should reflect the data used at B2 to identify the problem. Section 25 of the NPA requires both parties to agree on specific transport performance indicators for each Project.

C. PROJECT APPROACH AND TIMING

C1 If you are a State or an Authority of a State, the role of private financing should be explored commensurate with the size and nature of the Project. In particular, will the project benefit a specific industry or user group?

Has private funding or financing been investigated? YES/NO

If 'NO' – outline the reasons behind this decision

– If it is not the intention to investigate private funding or financing, outline the reasons behind this decision

If 'YES' – a copy of the formal assessment is to be provided.

Increased funding from the private sector is an important factor in meeting future land transport infrastructure requirements. Participation by the private sector may include ownership, financing and operation, operation of business concessions, or financial contribution in recognition of specific benefits flowing from the Project. The potential for private sector participation must be explored for all Projects where the Proponent is a State or an authority of a State. Proponents must provide details of how the assessment was carried out and whether there is scope for private sector participation

C2 Provide the preferred procurement method and the justification for its selection.

If collaborative contracting methods (for example, alliance or early contractor involvement) are proposed to be used, provide specific details of the contracting method. Funding Recipients must outline how they will adhere to the National Alliance Contracting Guidelines, available at <http://www.infrastructure.gov.au/infrastructure/nacg/index.aspx>. Is the project over \$100 million YES/NO?

If NO go to C3.

If YES, describe how Public Private Partnership procurement was considered?

If a Public-Private Partnership is proposed, provide details of the structure and funding method (user charges, availability payments) proposed. Funding Recipients must outline how they will adhere to the National Public Private Partnership Policy and Guidelines available at http://www.infrastructureaustralia.gov.au/public_private/.

C3 - Describe the critical path for the complete Project. Include the expected timing of high-level Project activities and the estimated completion date of the Project.

A large land transport infrastructure Project would typically have Milestones across the complete lifecycle, covering activities such as approvals, design, community engagement, land acquisition, infrastructure delivery, disruption management and handover. Milestones that provide potential for publicity (such as contract awarding, physical construction commencing or road / facility opening) should also be included.

A subset of these Milestones should be identified as the Project critical path.

C4 List and describe the assumptions underpinning the schedule set out above.

The articulation of key assumptions underpinning the expected critical path is particularly important where the proposed Project is dependent upon the delivery of other Projects, planning approvals or environmental studies by other bodies or agencies within assumed timeframes.

C5 – The Australian Government will be making payments to Funding Recipients on the completion of Milestones. The Australian Government does not expect there to be more than four payments per year to a Project. Please propose Milestones for the Phases seeking funding approval in the table below by linking the critical path and key Project activities outlined at C4 to the required cash flows. Include Australian Government (AG), Proponent (Propnt), and other contributions.

1	2	3	5	6	7	8			9			10			11		
Project Phase	Milestone title	Description	Claim for Payment Date (mm/yyyy)	Estimated P50 Expenditure to meet Milestone	Cumulative P50 Expenditure	Payment needed to cover expenditure to meet Milestone			Payment to cover P50 cash flow needed for next Milestone period			Total Milestone P50 payments			Cumulative total Milestone (P50) payments		
						AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other	AG	Propnt	Other

Project Phase - The phase the Milestone will be paid in – Identification, Scoping, Development, Delivery, or Post-Completion

Milestone title - A short descriptor for the Milestone for ease of reference. Can be as simple as Milestone 1, 2, 3.

Description – Note the Milestones from C4 that will be completed by the Claim for Payment date. Include a description of any materials to be provided in support of verification, if required.

Claim for Payment Date – The month and year when the Funding Recipient will submit a claim for payment of the scheduled amount.

Estimated Expenditure to meet Milestone – the total expenditure on the activities required to be completed for the Milestone.

Payment needed to cover expenditure to date on Milestone – the amount of funding required from each Project Partner in order to cover the cost of the milestone. The amount should take into account payments to cover cash flow made in the previous period.

Payment to cover cash flow needed for next Milestone period – the Australian Government recognises that the Proponent will have cash flow requirements they will have to manage. AG funding to cover working capital for the next period should be included here.

Total Milestone payments – sum of the contributions in columns 8 and 9.

The Department acknowledges that during major procurement in the Delivery phase, it may not be possible to schedule Milestones for construction activities prior to the selection of a preferred tenderer. The Department also acknowledges that there may be costs incurred leading up to the completion of major procurement which may be Approved Purposes. In these circumstances, the Department will accept a Milestone schedule that covers the period leading up to the selection of a preferred tenderer. Once a preferred tenderer is selected and construction contracts signed, the Department expects the Funding Recipient to update the Milestone schedule to include construction activities.

One Milestone must be titled the Completion Milestone which must be linked to the Project becoming Complete. The Department and the Proponent will agree what constitutes Complete for a particular Project, but the agreed point must be consistent with the definition of Complete at Section 1.4. All Milestones scheduled after the Completion Milestone will be considered part of the Post-Completion Phase.

The last Milestone scheduled will be the Final Milestone. Payment of the Final Milestone ends the Australian Government’s liability for the Project and the Project will then be Closed. The Final Milestone should be scheduled no more than 12 months from the date of the Completion Milestone.

D. FINANCIAL ANALYSIS

D1

1. Complete the Project Cost Breakdown Template
2. Provide a budget profile of the:
 - proposed stakeholder contributions at P50 Outturn Costs (or actual cost as appropriate); and
 - Committed Funding;

for the overall Project in both financial year and Project phase format.

Note that:

- in each case the totals and the cash flows should be consistent with the populated Project Cost Breakdown template and the NPA schedule;
- the Australian Government will not pay for expenses incurred on the Project prior to approval.

Financial Year Cash flow

		FY	FY	FY	FY	Total
	Committed Funding					
P50 Outturn(or Actual as appropriate)	Approved Funding sought	\$	\$	\$	\$	\$
	Proponent contribution	\$	\$	\$	\$	\$
	Other contribution (provide detail)	\$	\$	\$	\$	\$
	Total	\$	\$	\$	\$	\$

Project Phase Cash flow

		Identification	Scoping	Development	Delivery	Total
	Approximate Dates (by Month e.g. Jan 20XX to Dec 20YY)					
	Committed Funding					

P50 Outturn(or Actual as appropriate)	Approved Funding sought	\$	\$	\$	\$	\$
	Proponent contribution	\$	\$	\$	\$	\$
	Other contribution (provide detail)	\$	\$	\$	\$	\$
	Total	\$	\$	\$	\$	\$

Note: Shaded cells will be “Actual” costs from previous phases if undertaken.

D2 Provide details of the anticipated Total Outturn Cost breakdown in the summary table below.

A probabilistic Cost Estimation process must be used for Projects with a total anticipated Outturn cost (including contingency) exceeding \$25 million unless otherwise approved by the Commonwealth. Projects with a total anticipated Outturn cost (including contingency) under \$25 million may use a deterministic methodology, however the Department recommends using a probabilistic cost estimation method where possible.

The Department will review and assess the cost estimate (including the cash flows by financial year and Project phase) provided in the PPR before making a recommendation to the Minister. Proponents must cooperate with any review undertaken.

The NPA requires Proponents to provide access to underpinning data in order to permit cost estimates to be reviewed for the purpose of validation. As such, Funding Recipients must maintain an electronic library of all documentation reviewed in determining the Project estimate.

The cost estimate provided should include annual cash flows at Base Estimate, P50 and P90 figures. See Appendix B for detailed guidance.

OVERALL PROJECT SUMMARY TABLE		
NPA TOTAL PROJECT COST		
	P50	P90
BASE ESTIMATE	\$0	\$0
CONTINGENCY	\$0	\$0
PROJECT ESTIMATE	\$0	\$0

ESCALATION	\$0	\$0
OUTTURN COST	\$0	\$0

D3 Indicate the approach taken to cost escalation:

Overall/By Expenditure Component and constant annual rate/a different rate for each financial year.

D4 Provide details of the escalation rate(s) used and the source and justification for those rates. In the event that a different rate for different financial years is proposed, this table should be populated:

	FY	FY	FY	FY	FY
Escalation Rate (%)					

Cost Benefit Analysis

All Projects seeking funding at the Development Phase or later are required to complete a Cost Benefit Analysis (CBA). CBAs should be completed in accordance with the latest version of the *ATC National Guidelines for Transport System Management in Australia*. Projects under \$25 million are permitted to complete a rapid CBA. Projects equal to or over \$25 million must complete a detailed CBA.

D5 Identify the Evaluation Period used.

The Evaluation Period should be set at the expected life of the asset created by the initiative. It is usual to assume a 30-year life for road initiatives (except bridges that have much longer lives) and a 50-year life for rail initiatives. Intelligent Transport System initiatives will have shorter lives. If a longer life is anticipated for a road initiative, the Evaluation Period should remain at 30 years with the residual value identified as an additional benefit. Include a brief explanation of how the residual value was estimated.

D6 Provide summary BCRs in the tables below:

Where practicable, monetise all outcome benefits and provide details of the Benefit Cost Ratio (BCR) using a discount rate of 4 per cent and 7 per cent. If not practicable to do so, please outline reasons why.

Summary Measures

4% Discount Rate	BCR
-------------------------	------------

Based on P50	
Based on P90	

7% Discount Rate	BCR
Based on P50	
Based on P90	

Project Benefits

Instructions:

- As part of the Department's assessment methodology, a detailed review of the benefits used to calculate the BCR will be undertaken. States and Territories are to complete this document for each Project seeking **Delivery** funding.
- All costs and benefits contained within the benefits sheet should be in current year dollars.
- Fill in as many data fields as possible.

Descriptions of benefit components

Travel time savings include time savings both to existing users of the infrastructure and those diverted from other infrastructure.

Reduced vehicle operating costs include savings in vehicle operating costs to existing users of the infrastructure and those diverted from other infrastructure

Generated travel benefits comprise benefits to users undertaking trips that would not have been undertaken without the Project.

Accident reduction benefits include total reduction in accident-related costs resulting from the Project, including property damage and the economic costs of injuries and fatalities.

Environmental benefits include reductions in emissions of greenhouse and local pollutants, as well as the costs of noise and other environmental dis-amenity. (This may be negative, representing a dis-benefit, for some Projects).

Reduced maintenance costs include reductions in maintenance costs due to quality improvements in pavement or other materials. In cases where infrastructure expansion leads to increased maintenance costs, this component may be negative.

Wider economic benefits include agglomeration impacts, labour market effects, and increasing activity in imperfectly competitive markets. These should only be included to the extent that they are not already counted through other benefit components.

Unit cost (\$/unit) should indicate the monetary value of impacts on society, for example value of time in dollars per hour, or environmental costs per litre of fuel used. This may be an average of different values to different users (for example, total benefit to all user groups divided by total time saved or total crashes saved averaged over all crash severity levels or types).

Quantitative impacts on users should indicate, where possible, the impacts associated with this benefit component. The appropriate units will differ for different components, but may include, for example, minutes saved per trip, or reductions in fuel use per trip. These should be totals for all users, not amounts per user.

Costs

Note that the primary infrastructure operating cost is maintenance. Maintenance costs should be separated into annual (routine), periodic and rehabilitation categories.

- *Annual (routine) costs* may include vegetation control, repairs to pavements, signage/telecommunications equipment/signalling/train control systems, clearing drain/culverts and repainting line markings.
- *Periodic costs* may include resealing, stabilisation, re-sheeting, roughening concrete pavements, ballast cleaning, rail grinding, sleeper replacement and re-railing.
- *Rehabilitation costs* are major expenditures to substantially put the road/railway into 'as new' condition.

D7 Please fill in the blue cells in the table below:

Benefit component		Present value of all benefits in \$m	Year 10 only:		Underlying Physical Quantity: eg actual time savings in hours, total vehicle kms travelled, number of accidents/fatalities/injuries avoided, etc
			Year 10 benefits in \$m (10 years after construction completion)	Year 10 benefits as a percentage of total benefits	
Travel time savings	Passenger				
	Freight and business				
	Total travel time savings	0.00	0.00		
Reduced vehicle operating costs	Passenger				
	Freight and business				
	Total user benefits	0.00	0.00		
Generated travel benefits	Passenger				
	Freight and business				
	Total road user benefits	0.00	0.00		
Accident reductions	Total accident reduction benefits				
Environmental benefits	Reduced greenhouse emissions				
	Reduced local pollution				
	Reduced noise				
	Total environmental benefits	0.00	0.00		
Reduced maintenance costs	Reduced maintenance costs				
<u>TOTAL STANDARD BENEFITS</u>	Total standard benefits	0.00	0.00		
Wider economic benefits (WEB)	Agglomeration benefits				
	Other wider economic benefits				
	Total wider economic benefits	0.00	0.00		
Other benefits	Other benefits				

Descriptions of benefit component table columns:

Present value of all benefits: Represents the present value of the project (in millions of dollars). Enter figures only into the cells shaded light blue.

Year 10 benefits in \$m: Represents the benefits of the project forecasted to be achieved during Year 10 (in millions of dollars). If no Year 10 forecast is available, replace with projections from a different year that reflects the projects "steady state". Enter figures only into the cells shaded light blue.

Year 10 benefits as percentage of total benefits: Represents the forecasted Year 10 benefit for a specific line item as a percentage of the total Year 10 benefit.

Underlying physical quantity in Year 10: Represents the physical value (during Year 10) that drives each benefit component in quantifiable, non-dollar terms. This may be the total hours of travel time savings, the reduction in fatal and non-fatal accidents, the increase in vehicle kilometres travelled over which reduced vehicle operating costs will be had, the decrease in CO2 tonnes emitted, etc

Traffic and use assumptions

		First year after Project completion	10 years following Project completion	30 years following Project completion
Users in Base Case	Passenger			
	Freight and business			
Users diverted from other infrastructure	Passenger			
	Freight and business			
Generated trips	Passenger			
	Freight and business			

Options Evaluation

D8 What options are being considered/were considered?

List and describe which options were investigated.

D9 Where viable options exist, the Net Present Value (NPV) and an Incremental Benefit Cost Ratio (IBCR) for each option should be provided in this table, with options presented in ascending order of cost:

	PV Investment Costs (P50)	PV Benefits	NPV	IBCR
Option A				
Option B				
Option C				

Proponents should use the NPV and/or IBCR to compare options on economic grounds. The BCR is the present value of benefits less operating costs, divided by the present value of investment costs. IBCR is calculated in the same manner as the BCR but for the difference between adjacent options in ascending order of investment cost. On economic grounds, increases in the scale of a Project are worthwhile as long as the IBCR exceeds one but budgetary considerations may result in a less costly, but still beneficial option being approved.

D10 Identify the preferred option and summarise the reasons for its selection. State the assumptions made in comparing options.

If the highest NPV option was not selected, clearly identify the reasons a lower NPV option was preferred. Examples include budgetary considerations or concerns about community opposition to another option.

D11 Describe how public participation helped to identify the preferred option.

E. RISK AND GOVERNANCE

E1 Identify the major risks, and proposed mitigation strategies to successful delivery of this phase and the overall Project.

Proponents should identify the most significant risks to successful Project delivery and provide details of the mitigation strategies proposed, including requesting increased Australian Government involvement where appropriate. This information may be provided in a summarised risk register table. These identified risks should be reflected in the probabilistic cost estimate provided as part of the PPR.

E2 List any environmental or cultural legislation which is triggered by the Project.

E3 Detail any sustainability strategies that will be adopted.

E4 Is a tender exemption being sought? If so, detail:

- How the proposed procurement strategy will ensure value for money;
- The scope of works for which the exemption is being sought;
- The value of these works;
- The intended entity to undertake these works;
- The category under which the exemption is being sought (Section 24(1)(c) i to vi of the NLT Act); and
- Supporting reasons for the exemption.

E5 How will public and stakeholder participation will be facilitated during this phase, and the Project overall.

Factors that should be considered when determining the appropriate level of public and stakeholder participation may include:

- the potential for conflict over the Project
- the potential for major social, environmental or economic impacts
- relevant legislative requirements

E6 Provide a comprehensive public recognition signage plan setting out proposed temporary and permanent signage for the Project in line with the Signage Guidelines.

Signage Guidelines are available from the Department.

F. COMPLIANCE

- F1 If the *Building Code 2016* (For more information see Appendix A3) applies to this Project: Confirm that the requirements set out in Appendix A4 “Funding Recipient responsibilities under the Code” will be met;

If the Code does not apply, please state why.

- F2 If the Australian Government Building and Construction WHS Accreditation Scheme (For more information see Appendix A3) applies to this Project, provide confirmation that they will be complied with. If they do not apply, please state the reasons why.

- F3 Has a copy of Local Industry Participation Plan (For more information see Appendix A2.1) or where appropriate the Australian Government’s Australian Industry Participation Plan been provided? YES/NO

These plans outline actions a Project Proponent will take to provide Australian suppliers, especially small and medium sized enterprise, with access to supply opportunities in the Project.

G. SUPPORTING INFORMATION

Please only attach documents that have been referred to in the body of the PPR.

- G1 Include a list of all supporting information referred to above which is attached to the PPR. Supporting documentation could include:

- GIS Data;
- Photographs;
- locality/topographical plans and maps;
- demand forecasts;
- safety audits;
- historical crash diagrams;
- engineering plans;
- business case and options analysis documents;
- environmental, cultural and social studies;
- risk assessment reports;
- other descriptive information.

- G2 These documents in relation to cost estimates must be provided:

- completed Road or Rail Project Cost Breakdown spreadsheet;
- Cost Estimate Report explaining how the cost estimate was developed which must include:
 - background and context for the Project
 - outline scope for the Project
 - details of the risk workshop/s undertaken, and subject matter experts consulted
 - copy of the Risk Register underpinning the contingency included in the Project costings (where a probabilistic cost estimation process has been used this will be the source of much of the Cost Estimation Tool risk input data)
 - details of the person/firm preparing the cost estimate, and
 - evidence that the Project costs have been comprehensively reviewed and authorised in accordance with the Proponent’s published guidelines.

G3 Provide information to support the cost estimations provided.

For Projects equal to or over \$25 million in total Outturn Cost or where a probabilistic cost estimation process has been used, Proponents must include the following information:

- the Cost Estimation Tool (for example, @RISK and Crystal Ball) Output Report files, which must at a minimum include charts showing the Non-Outturned Project cost probability distribution and associated cumulative probability distribution (“S” Curve), Simulation Summary Details (that is, sampling type, number of iterations, Random Number Generator, a “Tornado” diagram and accompanying Regression and Rank Information Table, and Summary Statistics for the Project Cost including the Project cost estimate (unescalated) at 5 per cent intervals from 5 per cent to 95 per cent confidence)
- the Cost Estimation Tool input data files in spreadsheet format that includes sufficient information to permit the Department or its contractors to re-run the probabilistic cost estimation simulation
- a Bibliography of all documents consulted by the cost estimator in preparing the cost estimate (including version number/date, proper title, document format and author). Note: that it is a requirement that the Proponent maintains a digital library of all documents consulted in preparing the cost estimate, and will provide copies of these documents at the Department’s request.

Projects with cost estimates prepared using a deterministic estimation process must provide the following when requested:

- Underpinning documentation explaining the derivation of the Base Estimate and the approximate P50 and P90 values (both Non-Outturned and Outturned).

PPR Guidance – Projects under \$25 million (total estimated cost)

This document assists Proponents to draft a Project Proposal Report (PPR) for the development and delivery of projects (including planning projects) in the Infrastructure Investment Programme with a total estimated project cost of \$25 million or less. The Department requires this information to be provided to complete its assessment and make recommendations for funding.

A. PROPONENT AND PROJECT DETAILS

Proponent Details

A1 Entity Name

A2 Primary Project Contact (name, telephone, facsimile, email and postal address)

Project Details

A3 Project ID

Project ID is assigned by the Department. Projects that have previously been approved by the Department must quote the assigned number.

A4 Project Name

Project Name should be the name the Department uses in correspondence with the Funding Recipient (if applicable). This name must be used consistently across future PPRs.

A5 Project Partners

Other registered entities who will be partnering with the Proponent to deliver the Project should be named here.

A6 Project Scope

Project Scope should detail the specific design aspects of the Project (for example, the road length and number of lanes to be constructed). Funding will be provided to activities described in this scope. Any changes to this description once approved will require a variation.

A7 Related Projects

Provide details of other works or Projects in proximity or otherwise related to the proposed Project which do not constitute part of the proposed Project. This may include works related to the Project which are not Approved Purposes (Section 2.1.3.2) or other Projects which fall near or adjoin the proposed Project.

A8 Geographical References

Project location data is preferable in Esri format of file geodatabase or shape file. The data should have spatial reference defined and in the coordinate systems of GDA94 in decimal degrees, or projected coordinate system of MGA94.

A9 Project Summary and progress to date

A Project summary should be prepared with potential publication on the Department or programme website in mind. The summary should be 300-500 words in length and should cover the Project's: Rationale; Location; Objectives; Expected Start Date; Expected benefits.

A10 Corridor and section of the National Land Transport Network the Project is located on (if applicable)

The National Land Transport Network is defined by the National Land Transport Network Determination 2014 (No.1) available at: <http://www.comlaw.gov.au/Details/F2015C00261>

A11 Section of relevant Act under which the Project is eligible for funding (Part 3, section 10 of the Land Transport Act for an investment project, including a planning project).

National Land Transport Act 2014, Part 3, Section 10:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- (a) the construction of an existing or proposed road that is in a State or Indian Ocean Territory;*
- (b) the maintenance of an existing or proposed road that is included in the National Land Transport Network;*
- (c) the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;*
- (d) the maintenance of an existing or proposed railway that is included in the National Land Transport Network;*
- (e) the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;*
- (f) the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.*

Note: The definition of construction in section 4 covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

B. PLANNED OUTCOMES AND OUTPUTS

B1 State the transport problem the Project is addressing.

B2 Propose specific transport performance indicators to measure the performance of the asset post-completion (e.g., time and distance savings; improvement in crash statistics).

Section 25 of the NPA requires both parties to agree on specific transport performance indicators for each Project.

B3 List and describe the performance objectives and intended outcomes for this Project, including:

- Efficiency outcomes
- Safety outcomes
- Other (social, economic, environmental) outcomes.

Performance objectives will refer to the desired effects of the Project overall. They may include, but are not limited to, reductions in travel times and improvements in capacity, safety or facility (for example, pedestrian or cycle facility).

Project outcomes will refer to the actions or products created by the Project. They may include, but are not limited to, mode separation (for example, buses from general purpose lanes), completion of a network and grade separation of traffic streams.

Where possible, objectives and outcomes proposed will be those that can be monetised, so they can be used in Cost Benefit Analysis (CBA). Volume 3 of the ATC National Guidelines for Transport System Management in Australia 2006 provides a list of benefits that can be monetised for CBA. These are:

- Savings in vehicle/train operating costs;
- Improvements in service reliability;
- Savings in time costs for passengers and/or freight;
- Savings in crash/accident costs;
- Reduced environmental externalities (noise, pollution);
- Scrap or residual values of assets;
- Savings in infrastructure operating costs including maintenance and administration; and
- Benefits associated with diverted and generated traffic.

C. PROJECT APPROACH AND TIMING

C1 Provide the preferred procurement method.

C2 Describe the critical path for the complete Project. Include the expected timing of high-level Project activities.

C3 List and describe the assumptions underpinning the schedule set out above.

The articulation of key assumptions underpinning the expected critical path is particularly important where the proposed Project is dependent upon the delivery of other Projects, planning approvals or environmental studies by other bodies or agencies within assumed timeframes.

C4 The Australian Government will be making payments to Funding Recipients on the achievement of milestones. For projects with a total estimated cost of \$25 million or less, the indicative milestones shown in the table below will apply. Provide a proposed allocation of Australian Government funding and, where applicable, proponent funding linked to the achievement of each milestone, and an expected date of achievement.

Milestone	Australian Government (\$m)	Proponent/Other (\$m)	Expected date (mm/yyyy)
Contract award			
Project completion			
Submission of a satisfactory Post Completion Report ¹			
Total			

Note: Milestone dates and amounts are subject to variation in accordance with the terms of the NPA and NoA. The PCR milestone cannot be scheduled more than 12 months after the Project completion milestone.

D. FINANCIAL ANALYSIS

D1 Complete the following table. The totals and cash flows by financial year should be consistent with the NPA Schedule. The Australian Government will not pay for expenses incurred on the Project prior to approval.

Financial Year Cash flow

		FY	FY	FY	FY	Total
	Committed funding					
P50 Outturn (or Actual as appropriate)	Approved funding sought	\$	\$	\$	\$	\$
	Proponent contribution	\$	\$	\$	\$	\$
	Other contribution (provide detail)	\$	\$	\$	\$	\$
	Total	\$	\$	\$	\$	\$

D2 Provide details of the anticipated Total Outturn Cost breakdown in the summary table below.

A deterministic methodology may be used for projects with a total estimated cost of \$25 million or less; however, the Department recommends using a probabilistic cost estimation method where possible.

¹ Including a post-completion Project Cost Breakdown Structure.

Overall Project Summary Table

NPA TOTAL PROJECT COST		
	P50	P90
Base estimate	\$0	\$0
Contingency	\$0	\$0
Project estimate	\$0	\$0
Escalation	\$0	\$0
Outturn cost	\$0	\$0

- D3 Provide summary Benefit Cost Ratios (BCRs) in the table below. Where practicable, monetise all outcome benefits and provide details of the BCR using a discount rate of 4 per cent and 7 per cent. If not practicable to do so, please outline reasons why.

	BCR @ 4%	BCR @ 7%
Based on P50		
Based on P90		

Cost Benefit Analysis (CBA) should be completed in accordance with the Australian Transport Assessment and Planning (ATAP) Guidelines. Projects under \$25 million are permitted to complete a rapid CBA.

- D4 Based on the P50 @ 4% BCR, what proportion of the benefits accrue to:

Passenger:

Freight & Business:

- D5 Provide any further information on the benefits of this project (e.g. wider economic benefits; qualitative benefits).

E. RISK AND GOVERNANCE

- E1 Identify the major risks, and proposed mitigation strategies to successful delivery of this phase and the overall Project.

Proponents should identify the most significant risks to successful Project delivery and provide details of the mitigation strategies proposed.

- E2 List any environmental or cultural legislation which is triggered by the Project.

- E3 Is a tender exemption being sought? If so, detail:
- How the proposed procurement strategy will ensure value for money;
 - The scope of works for which the exemption is being sought;
 - The value of these works;
 - The intended entity to undertake these works;
 - The category under which the exemption is being sought (Section 24(1)(c) i to vi of the NLT Act); and
 - Supporting reasons for the exemption.
- E4 Projects are required to comply with the Department's Signage Guidelines, which are available on the Department's website. Please provide a statement confirming compliance with the guidelines.

F. COMPLIANCE

- F1 If the *Building Code 2016* (For more information see Appendix A3) applies to this Project, provide confirmation that it will be complied with. If they do not apply, please state the reasons why.
- F2 If the Australian Government Building and Construction WHS Accreditation Scheme applies to this Project, provide confirmation that the requirements of the Scheme will be complied with. If they do not apply, please state the reasons why.
- F3 Where relevant, provide a copy of Local Industry Participation Plan (For more information see Appendix A2.1) or the Australian Government's Australian Industry Participation Plan.

G. SUPPORTING INFORMATION

- G1 Please provide copies of all supporting documents that have been referred to in the body of this PPR.