



**Australian Government**

**Department of Infrastructure, Transport,  
Regional Development and Communications**

**To: The Hon Barnaby Joyce MP (for signing)**

**cc: Mr Simon Atkinson, Secretary**

**cc: Dr Rachel Bacon, Deputy Secretary**

**Building Better Regions Fund (BBRF) Round Five - Co-funding Exemption Requests**

**S 34**

S 34

S 34

S 34

s 34

s 34



s 34



s 34







s 34

s 34

s 34



s 34



## Co-funding Exemption Assessment Framework

### 1. Co-funding requirements in the BBRF Guidelines

Under Section 3 of the Guidelines for both the Infrastructure Projects and the Community Investments streams, a project's remoteness classification determines the proportion of co-funding required to be contributed, from sources other than the Commonwealth.

The co-funding ratio for projects classified as remote or very remote is 3:1, whereby for every \$3 of grant funding requested, co-funding of at least \$1 is required.

The ratio for projects in all other classifications is 1:1, whereby for every \$1 of grant funding requested, co-funding of at least \$1 is required.

Projects granted an exceptional circumstances co-funding exemption will be exempt from the co-funding requirements above, although a level of contribution is still encouraged.

Under the Guidelines for the Community Investments Stream, there is no co-funding requirement for projects with total eligible project costs of less than \$20,000.

### 2. Co-funding exemption requirements in the BBRF Guidelines

Section 4.2.1 of the Guidelines states "Where you can demonstrate that you are experiencing exceptional circumstances, you may seek an exemption from your cash contribution to the project in your application". Exceptional Circumstances may include:

- drought and/or disaster declaration
- limited financial capacity of the local council
- impact of industry decline
- significant recent change in population or community demographics
- other exceptional circumstances.

The Guidelines advise applicants seeking an exemption that:

- they must submit a supporting case and evidence to demonstrate the exceptional circumstances and how it prevents them from making a cash contribution
- we will only grant exemptions in very limited circumstances
- if the evidence provided does not include how the exceptional circumstance is preventing them from meeting a cash contribution requirement, or is deemed insufficient, the application will be deemed ineligible and there will be no opportunity to resubmit the application in the same funding round
- we assess all applications, including those granted an exemption, against each of the assessment criteria.

### 3. Assessment Framework:

The Department of Industry, Science, Energy and Resources (DISER) applied the guiding principles for exceptional circumstances whilst assessing each applicant's co-funding exemption request.

These requirements are summarised below:

#### *Requirement 1:*

An applicant **will not** be recommended to receive a co-funding exemption if they fail to:

- Provide a supporting case
- Provide evidence to support the case
- Articulate in the supporting case, how the 'exceptional circumstances' is preventing the applicant from providing the cash contribution
- Provide evidence to demonstrate the capacity to maintain and fully utilise the project.

#### *Requirement 2:*

The Department of Industry, Science, Energy and Resources will consider the evidence provided by the applicant based on:

- Letter/declaration from relevant authority re drought or disaster occurrence
- Auditors/Accountant/bank statements of applicants financial situation
- Letters from authority of the applicant's current situation to support its case
- Any other evidence/supporting documentation to support its case.

Only applicants who have satisfied Requirement 1 with sufficient evidence (Requirement 2), **will be recommended** to receive a co-funding exemption.

### 4. Department Recommendation:

The Department has reviewed the assessments made by DISER and provided a recommendation to the Ministerial Panel.

S 34