



Australian Government

Department of Industry,
Innovation and Science

Department of Infrastructure
and Regional Development

Business

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Program Guidelines

Building Better Regions Fund Infrastructure Projects Stream

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A message from the Minister

As Minister for Regional Development I aim to help build the strong and sustainable regional communities our children and grandchildren either want to stay in or come back to.



Strong regions make a strong nation. Regional Australia is the heart of our nation and helps drive our economy. This is why we are supporting a new competitive grants program – the Building Better Regions Fund.

This Fund will see regional communities partner with governments and stakeholders to take full advantage of a range of economic and regional development opportunities that can make a real difference.

Importantly, the funding will be directed to projects outside of major capital cities.

Projects of similar size will compete against each other, so small community projects will not compete against major infrastructure proposals, for example.

The Infrastructure Projects Stream of the Fund will be open to investment-ready projects that will create jobs, drive economic growth and build regional communities for the long term.

I encourage you to put forward projects that will strengthen your communities through new infrastructure, or upgrades or extensions to existing infrastructure.

I look forward to considering your funding proposals to help build those strong and sustainable regional communities for our children and grandchildren.

Senator the Hon Fiona Nash

Minister for Regional Development

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1. Introduction

These guidelines set out the funding rules for the Building Better Regions Fund (the program) – **Infrastructure Projects Stream**. There is a separate set of guidelines for the **Community Investments Stream**.

The Department of Industry, Innovation and Science is responsible for administering the program on behalf of the Department of Infrastructure and Regional Development.

The program is competitive and we will assess applications against eligibility and merit criteria and compare them to other applications in a funding round. Decisions on projects to be funded are taken by a Ministerial Panel in consultation with the Australian Government's National Infrastructure Committee of Cabinet.

We will publish the opening and closing dates of any funding rounds on business.gov.au.

We have defined key terms used in these guidelines in Appendix A.

You should read this document carefully before you fill out an application. Further information is available on business.gov.au to help you determine if your project is investment-ready and prepare your application.

Investment-ready projects are those that have confirmed all co-funding, identified all required regulatory and/or development approvals and can demonstrate robust planning, in order to commence following execution of a grant agreement.

If your project is still in the planning or concept stage your application may be eligible for funding, but may not be as competitive as projects that are further progressed in their planning. In this case it is recommended that you further develop your project and consider submitting an application for consideration in future funding rounds.

2. Program overview

The \$297.7 million Building Better Regions Fund supports the Australian Government's commitment to create jobs, drive economic growth and build stronger regional communities into the future.

The program will run over four years from 2016-17 to 2019-20.

The program has been designed to achieve the following outcomes in regional and remote communities

- create jobs
- have a positive impact on economic activity, including Indigenous economic participation through employment and supplier-use outcomes
- enhance community facilities
- enhance leadership capacity
- encourage community cohesion and sense of identity.

The program will fund projects in regional Australia outside the major capital cities of Sydney, Melbourne, Brisbane, Perth, Adelaide, and Canberra (see section 5.1).

There are two streams of funding available under the program.

2.1 Infrastructure Projects Stream

The **Infrastructure Projects Stream** will support projects which involve the construction of new infrastructure, or the upgrade or extension of existing infrastructure that provide economic and social benefits to regional and remote areas.

2.2 Community Investments Stream

The **Community Investments Stream** will fund community building activities including, but not limited to, new or expanded local events, strategic regional plans, and leadership and capability building activities. These projects will deliver economic and social benefits to regional and remote communities.

Note: *These guidelines provide information on the Infrastructure Projects Stream only. To find information regarding the Community Investments Stream visit business.gov.au.*

3. Grant amount and project duration

The minimum grant amount is \$20,000 and the maximum grant amount is \$10 million.

You must complete your project by 31 December 2019.

4. Project location

The location of your project has bearing on different elements of the program. We consider the location of your project when determining

- eligibility (see section 5.1)
- the level of co-funding you need to provide (see section 5.6.3)
- a loading we will apply to your assessment score (see section 7.2)

In your application, you will need to provide the latitude and longitude of your project location. A mapping tool is available on business.gov.au to assist you in determining the location of your project.

5. Eligibility criteria

We cannot consider your application if you do not satisfy **all eligibility criteria**. We will not fund projects that you have already started or where contracts are already in place at the time of application.

5.1 Where can your project be located?

Your project must be located in Australia and outside an excluded area. The excluded areas for the purposes of the program are the Significant Urban Areas¹ of the cities of Sydney, Melbourne, Brisbane, Perth, Adelaide and Canberra as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard. For the city of Canberra, the excluded area is only the

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[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/1F858F367BE00CA0CA257A980013D437/\\$File/1270055004_sua_maps.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/1F858F367BE00CA0CA257A980013D437/$File/1270055004_sua_maps.pdf)

part of the Canberra-Queanbeyan Significant Urban Area that is located within the Australian Capital Territory.

A mapping tool is available on business.gov.au to assist you in determining the location of your project.

5.2 Who is eligible?

To be eligible you must be a legal entity, have an Australian Business Number (ABN) and be one of the following entities:

- a local governing body as defined by the *Local Government (Financial Assistance) Act 1995*.
- a not for profit organisation that has been established for at least two years. As a not for profit organisation you must demonstrate your not for profit status through one of the following:
 - Current Australian Charities and Not-for-profits Commission's (ACNC) Registration
 - State or Territory Incorporated Association status
 - Constitutional documents and/or Articles of Association that demonstrate the not-for-profit character of the organisation.

For the purposes of the program, we also consider the following organisations to be local governing bodies:

- Anangu Pitjantjatjara, Maralinga, Gerard, Nepabunna and Yalata local governing bodies in SA
- Cocos (Keeling) Islands Shire Council
- The Lord Howe Island Board
- Norfolk Island Regional Council
- The Outback Communities Authority
- The Shire of Christmas Island
- The Silverton and Tibooburra villages in NSW and
- The Trust Account in the NT
- ACT Government.

Applicants can submit up to two applications per round.

5.3 Joint applications

Joint applications are acceptable, provided you have a lead applicant who meets each of the following requirements:

- is the main driver of the project
- is eligible as per the list in section 5.2
- is making a cash contribution to the project.

It is the responsibility of the lead applicant to make sure the appropriate arrangements are in place to manage the project partners.

If you are submitting a joint application, you are the lead applicant. Only the lead applicant will enter into, and be responsible for the grant agreement with the Commonwealth. The lead applicant must complete the application form and identify all other project partners in their application. For requirements on submitting a joint application refer to section 8.2.

5.4 Who is not eligible?

You are not eligible to apply if you are:

- a for profit organisation
- an individual, partnership or trust (however, an incorporated trustee may apply on behalf of a trust)
- a Commonwealth, state or territory government agency or body (including government business enterprises)
- a university, technical college, school or hospital
- a Regional Development Australia Committee.

5.5 Additional eligibility requirements

In order to be eligible you must also

- be able to demonstrate that you can meet the applicable co-funding requirements as outlined in section 5.6
- provide the relevant mandatory attachments outlined in section 8.1.
- declare you can comply with special regulatory requirements as outlined in section 9.2.

5.6 Co-funding and your contributions

Co-funding is the cash contribution (excluding in-kind contributions) from you or sources other than the Commonwealth. Co-funding demonstrates your commitment to the project and shows evidence of community support. We consider the co-funding contributions when assessing applications at the eligibility and merit assessment stage.

Any organisation can provide the co-funding including

- you as the applicant
- local government
- state or territory governments
- not for profit organisations
- private sector companies
- Aboriginal Benefits Account (not considered Commonwealth funding)

The remoteness classification of your project location determines your co-funding requirements (see section 5.6.3).

If you are the lead applicant in a joint application, you must make a cash contribution to the project unless you are seeking an exceptional circumstances co-funding exemption (see section 5.6.3).

Where you receive other Commonwealth funding for your project the total Commonwealth funding cannot exceed the percentage indicated in section 5.6.3.

5.6.1 Project remoteness classification

Your project location (latitude and longitude) determines your remoteness classification. The criteria for the remoteness classification is based on the Australian Bureau of Statistics' Remoteness Structure² under the Australian Statistical Geography Standard. A mapping tool is available on business.gov.au to assist you in determining the location of your project.

Your co-funding requirement will be different depending on your remoteness classification. It is very important that you specify the correct remoteness classification in your application. An error may cause your co-funding to be inadequate and your application to be ineligible.

Your project may include multiple site locations. Where there is mix of regional and remote site locations we will consider your entire project location as remote for the purposes of the co-funding requirement.

5.6.2 Exceptional circumstances co-funding exemption

The Australian Government recognises that some applicants may be experiencing exceptional circumstances resulting in a limited capacity to meet the co-funding requirement.

Where you can demonstrate that you are experiencing exceptional circumstances, you may seek an exemption from the co-funding requirement.

If you seek an exemption you must submit a supporting case which includes evidence demonstrating the exceptional circumstances you are experiencing and how they are preventing you from meeting the co-funding requirement. This must also include evidence to demonstrate the capacity to maintain and fully utilise the project.

The Ministerial Panel will consider requests for exemption. If an exemption is granted your application will be considered to have met the requirements under section 5.6. If an exemption is not granted your application will be ineligible.

Before you consider seeking an exemption, note:

- Exemptions will only be granted in very limited circumstances
- If an exemption is not granted your application will be ineligible and there will be no opportunity to resubmit your application in the same funding round
- All applications, including those granted an exemption, will be assessed against each of the merit criteria. Applications without co-funding may receive a lower score against the 'value for money' criterion (merit criterion 3)
- You are encouraged to leverage cash contributions, community partnerships and in-kind contributions, even if you seek an exemption, to strengthen your application and increase your score against the 'value for money' criterion.

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.

² <http://www.abs.gov.au/websitedbs/d3310114.nsf/home/remoteness+structure>

5.6.3 Co-funding requirements

The co-funding requirements are summarised in the following table.

Project circumstance	Co-funding requirement (cash)	Total Commonwealth Government funding (including this grant)
Projects classified as remote or very remote	3:1 ratio (for every \$3 of grant funding requested you must contribute at least \$1)	Up to 75 per cent of eligible project cost
All other classifications	1:1 ratio (for every \$1 of grant funding requested you must contribute at least \$1)	Up to 50 per cent of eligible project cost
Projects granted an exceptional circumstances co-funding exemption (See section 5.6.2).	Exempt from co-funding (although any level of contribution is encouraged)	Up to 100 per cent of eligible project cost

Table 1.

Where your project costs are less than anticipated we will maintain the co-funding/grant ratio in our payment of funds.

5.7 Eligible projects

Your project must be a capital project involving the construction of new infrastructure, or the upgrade or an extension of existing infrastructure. The replacement of existing infrastructure will only be eligible where you can demonstrate significant increase in benefit.

To be eligible your project must also be ready to **commence within 12 weeks** of executing the grant agreement. We consider commencement to be the procurement of contractors or actual construction work commenced.

If your project is still in the planning or concept stage your application may be eligible for funding, but may not be as competitive as projects that are further progressed in their planning. In this case it is recommended that you further develop your project and consider submitting an application for consideration in future funding rounds.

We will not fund projects that you have already started or where contracts are already in place at the time of application.

As part of your Final report, you will be required to provide an evaluation of the project including the outcomes achieved.

5.8 Eligible activities

You can only spend the grant and co-funding on eligible activities directly related to the project. If your application is successful, these activities will be defined in your grant agreement.

Eligible activities may include

- purchase of materials
- external labour hire
- plant and equipment hire

