



Australian Government

Department of Industry,  
Innovation and Science

Department of Infrastructure,  
Regional Development and Cities

**Business**

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## Grant Opportunity Guidelines

# Building Better Regions Fund - Infrastructure Projects Stream - Round Three

<b>Opening date:</b>	27 September 2018
<b>Closing date and time:</b>	17.00 AEDT on 15 November 2018
<b>Commonwealth policy entity:</b>	Department of Infrastructure, Regional Development and Cities
<b>Administering entity</b>	Department of Industry, Innovation and Science
<b>Enquiries:</b>	If you have any questions, contact us at <a href="http://business.gov.au">business.gov.au</a> .
<b>Date guidelines released:</b>	27 September 2018
<b>Type of grant opportunity</b>	Open competitive

# A message from the Minister



**Being raised on family farms and living and working in the Riverina all my life, has given me a tremendous sense of ownership towards making regional and remote Australia an even better place to live, work and invest.**

I am committed to help build strong and sustainable regional and remote communities our families either want to stay in or come back to. By supporting regional Australia we improve the quality of living in the regions for all Australians.

Regional Australia is the engine room for this country, producing 30 per cent of our annual GDP. This is why we are extending the Building Better Regions Fund and providing \$200 million for a third round.

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.

Recognising the importance of the tourism industry to regional economies, this round of the Building Better Regions Fund will earmark up to \$45 million to support tourism related infrastructure. The visitor economy is a major driver in regional Australia and supporting this part of the economy is a focus of this grant round.

This competitive funding opportunity will continue to support projects that benefit areas outside of the major capital cities. Successful projects will receive grants of up to \$10 million from the Commonwealth.

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

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 that will make a difference to our community.

**The Hon Michael McCormack MP**

**Deputy Prime Minister**

**Minister for Infrastructure, Transport and Regional Development**

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# 1. Building Better Regions Fund: Infrastructure Projects Stream - Round 3 processes

## **The Building Better Regions Fund is designed to achieve Australian Government objectives**

This grant opportunity is part of the above Grant Program which contributes to Department of Infrastructure, Regional Development and Cities' (DIRDC) Outcome 3. The DIRDC works with stakeholders to plan and design the grant program according to the *Commonwealth Grants Rules and Guidelines*.



## **The grant opportunity opens**

We publish the grant guidelines on [business.gov.au](http://business.gov.au) and GrantConnect



## **You complete and submit a grant application**



## **We assess all grant applications**

We assess the applications against eligibility criteria.  
We assess eligible applications against the merit criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



## **We make grant recommendations**

We provide advice to the decision maker on the merits of each application.



## **Grant decisions are made**

The decision maker decides which applications are successful.



## **We notify you of the outcome**

We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants.



## **We enter into a grant agreement**

We will enter into a grant agreement with successful applicants. The type of grant agreement is based on the nature of the grant and proportional to the risks involved.



## **Delivery of grant**

You undertake the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



## **Evaluation of the Building Better Regions Fund**

We evaluate the specific grant activity and Building Better Regions Fund as a whole. We base this on information you provide to us and that we collect from various sources.

## 2. About the grant program

The Building Better Regions Fund (the program) runs over 5 years from 2017-18 to 2021-22.

The objectives of the program are to:

- drive economic growth
- build stronger regional communities into the future.

The intended outcomes of the program are to:

- 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.

There are two grant opportunities as part of this program:

- Community Investments Stream
- Infrastructure Projects Stream.

Please read the Community Investments Stream Round 3 Grant Opportunity Guidelines available on [business.gov.au](http://business.gov.au)<sup>1</sup> and [GrantConnect](http://GrantConnect)<sup>2</sup> for further information about the Community Investments Stream grant opportunity.

We will publish the opening and closing dates and any other relevant information on [business.gov.au](http://business.gov.au)<sup>3</sup> and [GrantConnect](http://GrantConnect)<sup>4</sup>.

We administer the program according to the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf)<sup>5</sup>.

### 2.1. About the Infrastructure Projects Stream Round 3 grant opportunity

These guidelines contain information for the Infrastructure Projects Stream Round 3 grants.

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

The grant has earmarked up to \$45 million for tourism related infrastructure projects that will help stimulate local economies by investing in the tourism sector. This sector is vital for our regional and remote communities, creating jobs, stimulating new business and sustaining long term economic growth.

This document sets out:

- the eligibility and merit criteria

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<sup>1</sup> [www.business.gov.au/bbrf](http://www.business.gov.au/bbrf)

<sup>2</sup> <http://www.grants.gov.au/>

<sup>3</sup> [www.business.gov.au/bbrf](http://www.business.gov.au/bbrf)

<sup>4</sup> [www.grants.gov.au](http://www.grants.gov.au)

<sup>5</sup> <https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf>

- how we consider and assess grant applications
- how we monitor and evaluate grantees
- responsibilities and expectations in relation to the opportunity.

The Department of Industry, Innovation and Science (the department) is responsible for administering the grant opportunity on behalf of the Department of Infrastructure, Regional Development and Cities.

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

You should read this document carefully before you fill out an application.

## 2.2. Grant amount and grant period

The Australian Government has announced a total of \$641.6 million over 5 years from 2017-18 to 2021-22 for the program. For Round 3, \$200 million is available, with up to \$45 million of this funding earmarked to support tourism related infrastructure projects.

## 3. Grants available

The minimum grant amount is \$20,000.

The maximum grant amount is \$10 million.

The grant amount will usually be 50 per cent of eligible project costs. In some circumstances the grant may be up to 100 per cent.

Your contribution to the project must be cash and not in-kind. Refer to section 4.3.2.

Where you receive other Commonwealth funding for your project, the total Commonwealth funding cannot exceed the percentage indicated in the table below.

Table 1: Project circumstance and your grant amount

Project circumstance	Total Commonwealth Government funding (including this grant) towards eligible project cost*
Projects classified as remote or very remote (see section 4.3.2)	Up to 75 per cent of total eligible project cost
Projects granted exceptional circumstances exempt from a cash contribution (see section 4.3.4)	Up to 100 per cent of total eligible project cost (although we encourage any level of contribution)
All other classifications	Up to 50 per cent of total eligible project cost

\*Total eligible project costs include the grant amount and your contribution.

## 3.1. Project duration

You must complete your project by 31 December 2021.

## 4. Eligibility criteria

We cannot consider your application if you do not satisfy **all** eligibility criteria.

#### 4.1. Who is eligible?

To be eligible you must:

- have an Australian Business Number (ABN)
- and
- be one of the following incorporated entities:
    - an incorporated not for profit organisation. 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
    - an Australian local government agency or body as defined in appendix A
    - non-distributing co-operatives.

For the purposes of the program, we also consider the following organisations to be an Australian local government agency or body:

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

#### 4.2. 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 non for profit trust organisation)
- a Commonwealth, state or territory government agency or body (including government business enterprises) with the exception of those organisations referred to in section 4.1
- a university, technical college, school or hospital
- a Regional Development Australia Committee
- a registered training organisation.

#### 4.3. Additional eligibility requirements

We can only accept applications that:

- have projects located in Australia and in an eligible area (see section 4.3.1), and
- can demonstrate, with evidence, that you can fund your contribution to the project.

We cannot waive the eligibility criteria under any circumstances.

#### 4.3.1. Project location

Your project must not be located in an excluded area unless you can clearly demonstrate the significant benefits and employment outcomes, which flow directly into an eligible area. A mapping tool is available on [business.gov.au](http://business.gov.au) to assist you in determining the eligibility of your project location.

Excluded areas are the Urban Centre and Locality (UCL) cities over 1 million people for Sydney, Melbourne, Brisbane, Perth and Adelaide as defined by the [Australian Bureau of Statistics' Australian Statistical Geography Standard](http://www.abs.gov.au/Australian+Statistical+Geography+Standard+(ASGS))<sup>6</sup>. For the city of Canberra, the excluded area is only the part of the Canberra-Queanbeyan Significant Urban Area that is located within the Australian Capital Territory.

#### 4.3.2. Project remoteness classification and your grant amount

Your project location (latitude and longitude) determines your remoteness classification. We base the criteria for the remoteness classification on the [Australian Bureau of Statistics' Remoteness Structure](http://www.abs.gov.au/Remoteness+Structure)<sup>7</sup> under the Australian Statistical Geography Standard. A mapping tool is available on [business.gov.au](http://business.gov.au) to assist you in determining the location of your project.

Your contribution to the project 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 contribution 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 your contribution.

#### 4.3.3. Your contribution

Your contribution is your cash contribution to the total eligible project costs from you or sources other than the Commonwealth. This does not include any in-kind contributions. We determine the level of your contribution by the remoteness classification of your project location as referred to in Section 3. We consider your contribution when assessing applications at the eligibility and merit assessment stage. We encourage any additional level of contribution (cash or in-kind) to score highly against merit criterion four.

Your contribution can come from:

- you as the applicant
- an individual
- local government
- state or territory governments
- not for profit organisations
- private sector companies.

Your contribution can also come from Aboriginal Benefits Account and Financial Assistance Grants to local government, as we do not consider these Commonwealth funding.

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<sup>6</sup> [http://www.abs.gov.au/websitedbs/D3310114.nsf/home/Australian+Statistical+Geography+Standard+\(ASGS\)](http://www.abs.gov.au/websitedbs/D3310114.nsf/home/Australian+Statistical+Geography+Standard+(ASGS))

<sup>7</sup> <http://www.abs.gov.au/websitedbs/d3310114.nsf/home/remoteness+structure>

#### 4.3.4. Exceptional circumstances and your contribution to the project

We recognise that some applicants may be experiencing exceptional circumstances that may limit their capacity to contribute to the project.

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.

Where you can demonstrate that you are experiencing exceptional circumstances, you may seek an exemption from your contribution to the project in your application.

If you seek an exemption, you must submit a supporting case that includes evidence demonstrating the exceptional circumstances you are experiencing, and how they are preventing you from making a cash contribution. This must also include evidence to demonstrate the capacity to maintain and fully utilise the project. Evidence could include being listed as a declared council for the Drought Communities Programme or rainfall statistics if you are in a drought declared area, low rates base, disaster impacted area listed on the Disaster Assist website etc.

The Ministerial Panel will consider requests for exemption. If the panel grants an exemption, we will consider your application to have met the requirements under section 4.3.3. If the panel does not grant an exemption your application will be ineligible.

Before you consider seeking an exemption, note:

- we will only grant exemptions in very limited circumstances
- if the Ministerial Panel does not approve your exemption, your application will be ineligible and there will be no opportunity to resubmit your application in the same funding round
- we assess all applications, including those granted an exemption, against each of the merit criteria. Applications without a cash contribution may receive a lower score against merit criterion 4
- we encourage you 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 merit criterion 4.

## 5. Eligible grant activities

### 5.1. Eligible projects

To be eligible your project must:

- be for new infrastructure or the upgrade or extension of existing infrastructure
- include eligible activities and eligible expenditure.
- not have started construction

- be ready to commence shortly after executing the grant agreement. We consider commencement to be taking steps to allow construction to commence including the procurement of contractors, or, actual construction work commenced.

Your project should be investment-ready. Investment-ready projects

- have confirmed all funding contributions
- have identified all required regulatory and/or development approval
- can demonstrate robust planning
- if successful, are able to commence their project soon after the execution of a grant agreement with the Commonwealth.

If your project is still in the planning or concept stage, it may not be as competitive as projects that are further progressed in their planning.

## 5.2. Eligible activities

Eligible activities must directly relate to the project and must be one of the following:

- the construction of new infrastructure
- the upgrade to existing infrastructure
- the extension of existing infrastructure
- the replacement of infrastructure where there is a significant increase in benefit.

If you do not own the land or infrastructure for your project, you must have the owner's authority. The authority must cover the project period. If your application for funding is successful, you must provide evidence of this authority to the satisfaction of the Program Delegate before we enter into a grant agreement.

## 5.3. Eligible expenditure

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in your grant agreement.

- For guidelines on eligible expenditure, see appendix B.
- For guidelines on ineligible expenditure, see appendix C.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

Not all expenditure on your project may be eligible for grant funding. The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you for required project audit activities.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise.

**You must not commence your project until you execute a grant agreement with the Commonwealth.**

## 6. The merit criteria you need to address

To be competitive, you will need to address all merit criteria in your application. We will assess your application against each merit criterion using the weighting indicated.

The application form asks questions that relate to the merit criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays size limits for answers.

We encourage you to seek the support of your [Regional Development Australia](#)<sup>8</sup> (RDA) Committee for your project. Your RDA Committee can:

- assist you to identify and develop a strong project proposal that will contribute to long term economic growth and is a priority within your region, and
- work with you to prepare a competitive application, supporting documents and evidence.

### 6.1. Merit criterion 1 – Economic benefit

#### **Economic benefits of your project for the region (15 points).**

**Economic benefits** for a region may cover increases in economic activity, improvements in productivity, wider access to markets or fairer and more equitable economic outcomes. For projects located in an excluded area (as outlined in section 4.3.1), you must clearly demonstrate how economic benefits flow directly into an eligible area.

Examples of how your project could demonstrate these economic benefits include:

- a. increasing the number or value of jobs, new businesses or the production of goods and services in the region (this includes direct and indirect opportunities created through the project).
- b. providing opportunities for growth in existing sectors, e.g. tourism, agriculture, manufacturing
- c. the use of local suppliers and goods
- d. increasing efficiency of the transport system or service delivery
- e. increasing Indigenous economic participation – including Indigenous employment and supplier-use outcomes
- f. the degree to which the project delivers benefits beyond the construction phase.

In your application, you must include the total employment numbers you expect to create during and following your project. You will need to identify how many of these employees will be Indigenous. You should substantiate any employment numbers with evidence.

### 6.2. Merit criterion 2 – Social benefit

#### **Social benefits of your project for the region (15 points).**

**Social benefits** for a region may cover increases in regional amenity, improving community connections and inclusion and providing opportunities for learning and knowledge creation. For projects located in an excluded area (as outlined in section 4.3.1) you must clearly demonstrate how the social benefits flow directly into an eligible area.

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<sup>8</sup> <https://rda.gov.au/>

Examples of how your project could demonstrate these social benefits include:

- a. making a region a more attractive place to live
- b. the degree to which the project fills a 'gap' within the community
- c. improving community connections and social inclusion
- d. supporting or protecting local heritage and culture
- e. increasing community volunteering
- f. the degree to which the project delivers benefits beyond the construction phase
- g. addresses disadvantage within the community.

### 6.3. Merit criterion 3 – Project delivery

#### **Capacity, capability and resources to deliver the project (5 points).**

You should demonstrate this through identifying:

- a. your track record managing similar projects and access to personnel and/or partners with the right skills and experience
- b. your access, or future access to, any infrastructure, capital equipment, technology, intellectual property, and readiness to commence the project with appropriate approvals planned for or in place
- c. sound project planning to manage and monitor the project, which addresses scope, implementation methodology, timeframes, budget and risk
- d. how you will operate and maintain the infrastructure and benefits of the project.

### 6.4. Merit criterion 4 – Impact of grant funding

#### **Impact of grant funding on your project (5 points).**

You should demonstrate this through identifying:

- a. the total investment the grant will leverage. This includes additional cash and in-kind contributions
- b. the extent to which the project leverages additional partnerships
- c. the likelihood the project would proceed without the grant. If not, why not? Explain how the grant will impact the project in terms of size, timing and reach.

## 7. How to apply

Before applying, you should read and understand these guidelines, the sample [application form](#) and the sample [grant agreement](#) published on business.gov.au and GrantConnect.

You can only submit an application during a funding round.

To apply, you must:

- complete the online [program application form](#) on business.gov.au
- provide all the information requested
- address all eligibility and merit criteria
- include all necessary attachments.

When you submit your online application, we will provide you with an automated receipt number and we will send a copy of your complete application to both the contact email address and the declarant email address that you provide in the form.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* (Cth). If we consider that you have provided false or misleading information we may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application. However, we can refuse to accept any additional information from you that would change your submission after the application closing time.

If you need further guidance around the application process or if you are unable to submit an application online [contact us](#) at [business.gov.au](http://business.gov.au) or by calling 13 28 46.

## 7.1. Attachments to the application

We require the following documents with your application:

Table 2: Attachments to the application

Applicant type	Document
Mandatory for all applicants	<p>You must attach a letter/s of support evidencing the cash or in-kind contribution from each contributing organisation or individual. Letters must be:</p> <ul style="list-style-type: none"> <li>▪ on the organisation's letterhead (not applicable for individuals)</li> <li>▪ signed and dated by an authorised person or the individual providing the contribution</li> <li>▪ set out the value and timing of contributions and any conditions attached.</li> </ul> <p>Note: You as the applicant do not need to provide a letter of support to confirm your organisation's cash or in-kind contributions. You will declare your contributions in the application form.</p> <p>A template is provided on <a href="http://business.gov.au">business.gov.au</a> and <a href="#">GrantConnect</a>.</p>
Mandatory for applicants seeking exceptional circumstances exempt from a cash contribution	Evidence to demonstrate your case for exemption.
Mandatory for not for profit organisations	If you do not have an active ACNC registration or state or territory incorporated association registration at the time of application, you must provide Constitutional documents and/or Articles of Association that demonstrate the not for profit character of the organisation.
Mandatory for not for profit organisations (if you are making a cash contribution)	Accountant's declaration using the template at <a href="http://business.gov.au">business.gov.au</a> and <a href="#">GrantConnect</a> .
Mandatory for not for profit organisations that are incorporated trustees applying on behalf of a trust	Trust documents showing the relationship of the incorporated trustee to the trust.
Mandatory for projects with a total eligible project costs over \$1 million	Cost benefit analysis.

You must attach supporting documentation to the application form in line with the instructions provided within the form.

## 7.2. Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We will only accept a late application where:

- a natural disaster has occurred in your area, which has affected the submission of an application or
- there is a technical issue with the application form.

Table 3: Expected timing for this grant opportunity

Activity	Timeframe
Applications Open	27 September 2018
Applications Close	15 November 2018

## 8. The selection process

We first assess your application against the eligibility criteria and then against the merit criteria. Only eligible applications will proceed to the merit assessment stage.

To recommend an application for funding it must score highly against each merit criterion. While we assess all applications against the same merit criteria, we will score your application relative to the project size, complexity and grant amount requested. The evidence you provide to support your application should be proportional to the size and complexity of your project.

We will group all eligible applications in the following categories according to the total eligible project cost (not the amount of funding requested) to ensure we compare projects of similar size against each other.

- Category 1: Projects with total eligible project cost under \$1 million
- Category 2: Projects with total eligible project cost from \$1 million to \$5 million
- Category 3: Projects with total eligible project cost over \$5 million.

We may seek advice regarding your project from state or territory government agencies, other Australian Government agencies, independent experts and other external parties. This advice may be taken into consideration when assessing the project.

To account for the challenges faced in outer regional and remote areas, we may apply a loading to your total assessment score. Very remote projects will receive the highest loading and inner regional projects the lowest loading.

If the assessment process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

### 8.1. Final decision

A Ministerial Panel chaired by the Minister for Infrastructure, Transport and Regional Development, has been established to make funding decisions for the program.

In addition to the assessed application and availability of grant funds, the Ministerial Panel in consultation with Cabinet then decides which grants to approve. The Panel may consider other factors when deciding which projects to fund, including, but not limited to:

- the spread of projects and funding across regions
- the regional impact of each project, including Indigenous employment and supplier-use outcomes
- other similar existing or planned projects in the region to ensure that there is genuine demand and/or no duplication of facilities or services
- other projects or planned projects in the region, and the extent to which the proposed project supports or builds on those projects and the services that they offer
- the level of funding allocated to an applicant in previous programs
- reputational risk to the Australian Government
- the Australian Government's priorities.

The Ministerial Panel's decision is final in all matters, including:

- the approval of applications for funding
- the amount of grant funding awarded
- the terms and conditions of funding.

We cannot review decisions about the merit of your application.

## 9. Notification of application outcomes

If you are successful, you will receive a written offer, including any specific conditions attached to the grant.

If you are unsuccessful, we will notify you in writing and give you an opportunity to discuss the outcome with us. You can submit a new application for the same (or similar) project in any future funding rounds. You should include new or more information to address the weaknesses identified in your previous application.

## 10. If your application is successful

### 10.1. Grant agreement

You must enter into a grant agreement with the Commonwealth. We use two types of grant agreements in this grant opportunity. Our selection will depend on the size and complexity of your project. Sample [grant agreements](#) are available on [business.gov.au](http://business.gov.au) and [GrantConnect](#).

We must execute a grant agreement with you before we can make any payments. **We are not responsible for any expenditure you incur before a grant agreement is executed.** If you choose to start your project before you have an executed grant agreement, you do so at your own risk.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the Ministerial Panel. We will identify these in the offer of funding.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

#### 10.1.1. Simple grant agreement

We will use a simple grant agreement for projects receiving less than:

- \$1 million for not for profit organisations
- \$1.5 million for an Australian local government agency or body

You will have 60 days from the date of a written offer to execute this grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement). During this time, we will work with you to finalise details. The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Ministerial Panel.

### 10.1.2. Standard grant agreement

We will use a standard grant agreement for projects receiving more than:

- \$1 million for not for profit organisations
- \$1.5 million for an Australian local government agency or body

You will have 60 days from the date of a written offer to execute this grant agreement with the Commonwealth ('execute' means both you and the Commonwealth have signed the agreement). During this time, we will work with you to finalise details. The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Ministerial Panel.

## 10.2. Project specific legislation, policies and industry standards

You are required to be compliant with all relevant laws and regulations. Wherever the government funds building and construction activities, the following special regulatory requirements apply.

- *Code for the Tendering and Performance of Building Work 2016*<sup>9</sup> ([Building Code 2016](#))
- Australian Government Building and Construction WHS Accreditation Scheme<sup>10</sup> ([WHS Scheme](#))

These regulations are subject to the level of funding you receive as outlined below.

To be eligible, you must declare in your application that you comply with these requirements. You will need to declare you can meet these requirements in your grant agreement with the Commonwealth.

### 10.2.1. Building Code

The Building Code is administered by relevant State and Territory administrations under relevant State or Territory legislation on behalf of the Fair Work Building and Construction Commission.<sup>11</sup>

The Building Code applies to all construction projects funded by the Australian government through grants and other programs where:

- the value of Australian Government contribution to a project is at least \$5 million and represents at least 50 per cent of the total construction project value; or

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<sup>9</sup> <https://www.abcc.gov.au/building-code/building-code-2016>

<sup>10</sup> <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme>

<sup>11</sup> <https://www.abcc.gov.au/>

- regardless of the proportion of Australian Government funding, where the Australian Government contribution to a project is \$10 million or more.

### 10.2.2. WHS Scheme

The WHS Scheme is administered by the Office of the Federal Safety Commissioner<sup>12</sup>.

The Scheme applies to projects that are directly or indirectly funded by the Australian Government where

- the value of the Australian Government contribution to the project is at least \$6 million and represents at least 50 per cent of the total construction project value; or
- the Australian Government contribution to a project is \$10 million (GST inclusive) or more, irrespective of the proportion of Australian Government funding; and
- a head contract under the project includes building work of \$4 million or more (GST Inclusive).

### 10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage)
- any financial contribution provided by you or a third party
- any in-kind contributions you will make.

We will not exceed the maximum grant amount under any circumstances. If you incur extra costs, you must meet them yourself.

We may make an initial payment on execution of the grant agreement. We will make subsequent payments as you achieve milestones in arrears, based on your actual eligible expenditure. Payments are subject to satisfactory progress on the project.

We set aside up to 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory final report demonstrating you have completed outstanding obligations for the project. We may need to adjust your progress payments to align with available program funds across financial years and/or to ensure we retain a minimum up to 10 per cent of grant funding for the final payment.

The Program Delegate may approve alternative arrangements on a discretionary basis.

### 10.4. Maintaining project benefits

In your grant agreement, you will be required to commit to operate and maintain your project infrastructure and deliver project benefits into the future. In line with your grant agreement, the operational periods are relative to total eligible project cost.

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<sup>12</sup> <http://www.fsc.gov.au/sites/FSC>

Table 4 – Operational periods for maintaining project benefit

Project Cost	Number of years
< \$250,000	1 year
\$250,000 to \$1 million	3 years
> \$1 million	5 years
Projects granted exceptional circumstances exempt from a cash contribution (see section 4.3.4)	5 years

## 10.5. How we monitor your project

You must submit reports in line with the grant agreement. We will provide sample templates for these reports as appendices in the grant agreement. You will also be able to download them from [business.gov.au](http://business.gov.au) and GrantConnect. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- progress against agreed project activities
- project expenditure, including expenditure of grant funds
- contributions of participants directly related to the project.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

### 10.5.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities
- include the agreed evidence as specified in the grant agreement
- show the total eligible expenditure incurred to date
- include evidence of expenditure (if requested)
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or milestone reporting delays with us as soon as you become aware of them.

### 10.5.2. Final report

When you complete the project, you must submit a final report.

Final reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- be submitted by the report due date.
- be in the format provided in the grant agreement.

We may ask for evidence of expenditure.

### 10.5.3. Ad-hoc report

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

### 10.5.4. Independent audit report

Where your total eligible project cost is greater than \$1 million or we consider your project as high risk, you will need to provide an independently audited financial and audit report. The financial audit report will verify that you spent the grant in accordance with the grant agreement. We will assess your report and may re-examine your claims or conduct site visits if necessary.

## 10.6. Compliance visits

We may visit you during the project period, or at the completion of your project to review your compliance with the grant agreement. We may also inspect the records you are required to keep under the grant agreement. For large or complex projects, we may visit you after you finish your project. We will provide you with reasonable notice of any compliance visit.

## 10.7. Grant agreement variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a variation to your grant agreement, including:

- changing project milestones
- extending the timeframe for completing the project but within the maximum year period (ie. 31 December 2021) referred to in section 3.1.
- changing project activities.

Note the program does not allow for:

- an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date. We can provide you with a variation request template.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the project outcome
- consistency with the program policy objective, grant opportunity guidelines and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

## 10.8. Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the grant agreement you must contact us immediately.

## 10.9. Evaluation

We will evaluate the program to determine the extent to which the funded activity is contributing to the program objectives and outcomes. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes. We may contact you up to one year after you finish your project for more information to assist with this evaluation.

## 10.10. Tax obligations

If you are registered for the Goods and Services Tax (GST), we will add GST to your grant payment where applicable and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). We do not provide advice on tax.

## 10.11. Grant acknowledgement

If you make a public statement about a project funded under the program, you must acknowledge the grant by using the following:

'This project received grant funding from the Australian Government.'

You must erect signage in relation to the project. The signage must contain an acknowledgement of the grant.

## 10.12. Events

We will require you to notify us of events relating to your project and provide opportunity for the Minister or their representative to attend. We outline the requirements in your grant agreement.

# 11. Conflicts of interest

## 11.1. Your conflict of interest responsibilities

A conflict of interest will occur if your private interests conflict with your obligations under the grant. Conflicts of interest could affect the awarding or performance of your grant. A conflict of interest can be:

- real (or actual)
- apparent (or perceived)
- potential.

We will ask you to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest.

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to your grant, you must inform us in writing immediately.

## 11.2. Our conflict of interest responsibilities

We recognise that conflicts of interest may arise with our staff, technical experts, and others delivering the program between:

- their program duties, roles and responsibilities and
- their private interests.

We manage our conflicts of interest according to the APS Code of Conduct (section 13 (7) of the *Public Service Act 1999* (Cth)). We publish our [conflict of interest policy](#)<sup>13</sup> on the department's website.

Program officials must declare any conflicts of interest. If we consider a conflict of interest is a cause for concern, that official will not take part in the assessment of relevant applications under the program.

## 12. How we use your information

Unless the information you provide to us is:

- confidential information as per 12.1, or
- personal information as per 12.3,

we may share the information with other government agencies for a relevant Commonwealth purpose such as:

- to seek advice to help us assess your project
- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

### 12.1. How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets all of the following conditions:

- you clearly identify the information as confidential and explain why we should treat it as confidential
- the information is commercially sensitive
- disclosing the information would cause unreasonable harm to you or someone else
- you provide the information with an understanding that it will stay confidential.

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<https://www.industry.gov.au/AboutUs/InformationPublicationScheme/Ourpolicies/Documents/Conflict-of-Interest-and-Inside-Trade-Expectations-Policy.pdf>

## 12.2. When we may disclose confidential information

We may disclose confidential information:

- to our Commonwealth employees and contractors, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or
- someone other than us has made the confidential information public.

## 12.3. How we use your personal information

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Cth). This includes letting you know:

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

We may give the personal information we collect from you to our employees and contractors, and other Commonwealth employees and contractors, so we can:

- manage the program
- research, assess, monitor and analyse our programs and activities.

We, or the Minister, may:

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](#)<sup>14</sup> on the department's website for more information on:

- what is personal information
- how we collect, use, disclose and store your personal information
- how you can access and correct your personal information.

## 12.4. Public announcement

We will publish non-sensitive details of successful projects on GrantConnect and business.gov.au. We are required to do this by the *Commonwealth Grants Rules and Guidelines* and the [Australian Government Public Data Policy Statement](#)<sup>15</sup>, unless otherwise prohibited by law. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims

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<sup>14</sup> <http://www.industry.gov.au/Pages/PrivacyPolicy.aspx>

<sup>15</sup> <http://www.dpvc.gov.au/resource-centre/data/australian-government-public-data-policy-statement>

- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

We publish this information to ensure open access to non-sensitive data within Australian Government agencies to enable greater innovation and productivity across all sectors of the Australian economy.

## 12.5. Freedom of information

All documents in the possession of the Australian Government, including those about the program, are subject to the *Freedom of Information Act 1982* (Cth) (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

If someone requests a document under the FOI Act, we will release it (though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

## 13. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](#) or through our [online enquiry form](#) on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

Our [Customer Service Charter](#) is available at business.gov.au. We use customer satisfaction surveys to improve our business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

Head of Division

AusIndustry – Support for Business

Department of Industry, Innovation and Science

GPO Box 2013

CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)<sup>16</sup> with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

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<sup>16</sup> <http://www.ombudsman.gov.au/>

## Appendix A. Definitions of key terms

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
AusIndustry	The division of the same name within the department.
Department	The Department of Industry, Innovation and Science.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.2.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in Appendix B.
Eligible expenditure guidelines	The guidelines that are at Appendix B.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
Incurred	An incurred expense is a legal liability for receiving goods or services.
Infrastructure	Fixed physical structures and facilities (e.g. buildings, roads, power supplies) needed for the operation of a community.
In-kind contributions	In-kind contribution refers to goods, services and labour provided to deliver your project that have a monetary value, but do not involve a payment.
Local government agency or body	A local governing body as defined in the Local Government (Financial Assistance) Act 1995 (Cth).
Minister	The Commonwealth Minister for Regional Development.
Ministerial Panel	The panel of Ministers that make decisions on projects to be funded.

Term	Definition
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
Not for profit (NFP)	<p>An organisation that does not operate for the purpose of profit, personal gain or other benefit of particular people, when it is in operation or when it is wound up.</p> <p>Whilst a NFP is allowed to generate profits, the profits must be used to carry out its purpose (e.g. charitable purpose) and cannot be distributed to owners, members or private people.</p>
Payment in arrears	Payments made progressively based on actual expenditure.
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> <li>a. whether the information or opinion is true or not; and</li> <li>b. whether the information or opinion is recorded in a material form or not.</li> </ol>
Program Delegate	An AusIndustry general manager or Executive Level 2 officer within the department with responsibility for the program.
Program funding or Program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the program.
Project location	Where the project is undertaken, as determined by its latitude and longitude.
Project period	The time between the project start date and project end date as detailed in the grant agreement.
Total eligible project cost	Total eligible project costs are the grant amount plus your cash contribution to be spent on eligible activities directly related to the project.

## Appendix B. Eligible expenditure

This section provides guidelines on the eligibility of expenditure.

The Program Delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be incurred by you within the project period
- be a direct cost of the project
- be incurred by you to undertake required project audit activities
- meet the eligible expenditure guidelines.

### How we verify eligible expenditure

If your application is successful, we may ask you to verify the project budget that you provided in your application when we negotiate your grant agreement. You may need to provide evidence such as quotes for major costs.

The grant agreement will include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure, and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you may be required to provide an independent audit report of all eligible expenditure from the project.

### Materials for construction

We consider costs of acquiring materials for the construction of infrastructure as eligible expenditure. You must list material costs as a separate item within your project budget in the application form and in the expenditure table in your progress reports.

We cannot consider any expenditure paid before the project start date as eligible expenditure. If you order materials before the project start date, they will not be considered as eligible expenditure even if these costs are paid after the project start date.

Examples of eligible material costs can include:

- building materials
- ICT cabling
- fit out of the infrastructure such as window dressings
- fixed furniture eg. kitchen fit outs as part of the construction of a building
- landscaping.

You may show expenditure on materials by providing evidence of:

- purchase price
- payments (e.g. tax invoices and receipts from suppliers confirming payment)

- commitment to pay for the materials (e.g. supplier contract, purchase order or executed lease agreement)
- receipt of materials (e.g. supplier or freight documents)
- associated costs such as freight and installation (e.g. supplier documents)
- the infrastructure on your premises (e.g. date stamped photographic evidence).

If you claim expenditure for materials, we limit this to:

- the costs of materials
- freight costs.

### Hired/leased plant

You must calculate eligible expenditure for hired, rented, or leased plant by the number of payment periods where you use the plant for the project multiplied by the period hiring fee. If you purchase plant under a hire purchase agreement, or you use a lease to finance the purchase of the plant, the cost of the item of plant, excluding interest, is capitalised, and then depreciated.

Running costs for hired or leased plant are eligible expenditure but you must be able to verify them. They may include items such as rent, light and power, and repairs and maintenance.

### Contract expenditure

Eligible contract expenditure is the cost of work undertaken on eligible activities that you contract others to do. These can include contracting:

- another organisation
- an individual who is not an employee, but engaged under a separate contract.

This does not include existing employees that you pay a salary or a wage.

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work they perform
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

### External labour hire and external consulting expenditure

Eligible external labour and external consulting expenditure for the grant covers the cost of contracting others on the core elements of the project related to construction.

Eligible external labour hire and external consulting expenditure may include:

- Architect services
- Design services
- Project management
- Quantity surveying
- Building services.

### Other eligible expenditure

Other eligible expenditures for the project may include:

- financial auditing of project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
- contingency costs up to a maximum of 10% of the eligible project costs. Note that we make payments based on actual costs incurred
- agreed Building Better Regions Fund signage.

Other specific expenditures may be eligible as determined by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

## Appendix C. Ineligible expenditure

This section provides guidelines on what we consider ineligible expenditure. We may update these guidelines from time to time, so you should make sure you have the current version from the [business.gov.au](http://business.gov.au) website before preparing your application.

The Program Delegate may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- purchase of land or existing infrastructure, including the costs associated with sub-division of land
- repair or replacement of existing infrastructure where there is no demonstrated significant increase in benefit
- purchase and installation of manufacturing equipment
- purchase of unfixed furniture, such as desks and fridges
- ongoing operating costs, including utilities and staffing
- ICT equipment, including software or hardware that is not an integral part of the funded infrastructure project
- payment of salaries for the applicant's employees
- project overhead items including office equipment, vehicles or mobile capital equipment. Examples include trucks and earthmoving equipment and the applicant's internal plant operating costs
- business case development and feasibility studies.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.