Grant Programme Guidelines

Community Development Grants Programme
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**Process Flowchart**

**PROGRAMME COMMENCES**
Community Development Grants Programme Guidelines are published. Australian Government selects projects to be invited to submit a Project Proposal.

**PROJECT PROPOSALS**
Department invites organisations responsible for projects identified by Australian Government to submit Project Proposal (the *funding proponent*).
Funding proponent completes and submits a Project Proposal form.

**APPRAISAL**
Department assesses the Project Proposal against the eligibility and assessment criteria of the Community Development Grants Programme Guidelines.

**ADVICE TO APPROVER**
Advice will be provided to the Approver on the merits of Project proposal relative to the Community Development Grants Programme Guidelines, and whether, in its view, the project will represent a proper use of Commonwealth resources.

**DECISION & NOTIFICATION**
Approver makes a decision on funding for Project Proposal and advises funding proponent of the decision.

**CONTRACTING**
Department negotiates and executes a Funding Agreement or Project Agreement with the successful funding proponent.

**DELIVERY**
Successful funding proponent delivers granting activity in accordance with the requirements of the Funding Agreement/Project Agreement.
Department makes payments in accordance with the requirements of the Funding Agreement/Project Agreement.

**EVALUATION**
Successful funding proponent provides information in accordance with the requirements of the Funding Agreement/Project Agreement to assist with evaluation.
Department evaluates how the funded activity contributes to Community Development Grants Programme Outcomes.
1. **Introduction**

The Australian Government has established the Community Development Grants Programme to support needed infrastructure that promotes stable, secure and viable local and regional economies.

The programme was announced by the Deputy Prime Minister and Minister for Infrastructure and Regional Development, the Hon Warren Truss MP and the Assistant Minister for Infrastructure and Regional Development, the Hon Jamie Briggs MP, on 4 December 2013 (http://www.minister.infrastructure.gov.au/wt/releases/2013/December/wt040_2013.aspx).

The programme will fund projects including the Government’s 2013 election commitments and Government selected uncontracted projects from the Regional Development Australia Fund and Community Infrastructure Grant Program.

A total of $342 million is available under the Community Development Grants Programme for single year or multiple years projects. Projects range in value from $9,000 to $13 million. Funding will commence in the 2013-14 financial year and will cease on 30 June 2017. Multi-year projects must be scheduled for completion and final payment made on or before 30 June 2017.

These Guidelines apply to all projects considered for funding under the Community Development Grants Programme.

1.1. **Programme Background**

The Australian Government announced its intention to consider funding for identified projects that will construct and upgrade local community and sports infrastructure across Australia.

In line with Australian Government requirements, a funding programme, the Community Development Grants Programme, was identified as the mechanism to provide this assistance.

The Community Development Grants Programme is administered by the Department of Infrastructure and Regional Development (the Department).

1.2. **Programme Outcomes**

The Outcome of the Community Development Grants Programme is to upgrade facilities to provide long term improvements in social and economic viability of local communities.

1.3. **Roles and Responsibilities**

The *Process Flowchart* at page three of these Guidelines outlines the roles and responsibilities of each party.

The Approver for the Community Development Grants Programme is the Assistant Minister for Infrastructure and Regional Development.

For the purposes of these Guidelines, the *funding proponent* means the organisation that will submit the Project Proposal form and/or will have responsibility for delivery of the project, if funded.
2. **Anticipated key dates**

The following table outlines the anticipated timeline for the programme:

<table>
<thead>
<tr>
<th>Key Dates</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Guidelines published</td>
<td>January 2014</td>
</tr>
<tr>
<td>Department writes to projects identified by Australian Government</td>
<td>January 2014</td>
</tr>
<tr>
<td>outlining process to progress to funding consideration</td>
<td>January 2014</td>
</tr>
<tr>
<td>Programme open for project proposals</td>
<td>January 2014</td>
</tr>
<tr>
<td>Appraisal and decision process commences</td>
<td>January 2014</td>
</tr>
<tr>
<td>Funding ceases</td>
<td>30 June 2017</td>
</tr>
</tbody>
</table>

3. **Eligibility**

3.1. **Who is eligible for funding?**

The Community Development Grants Programme is not a competitive grants programme. Only projects identified by the Australian Government will be considered for funding under the Community Development Grants Programme. These projects include the 2013 election commitments and a number of uncontracted projects of the previous Government.

General applications by organisations for projects not identified by the Australian Government will not be accepted by the Department.

Funding proponents must be a legal entity and have an Australian Business Number (ABN) or an Australian Company Number (ACN) to receive funding under the programme.

Projects proposals must be consistent with the intent of the announced commitment. A list of Community Development Grant projects can be found on the Department’s website at [www.infrastructure.gov.au](http://www.infrastructure.gov.au).

3.2. **What is/is not eligible for funding**

Funding will not be provided for ongoing operational and maintenance costs or for existing staff member salaries of the funding proponent organisation.

4. **Probity**

The Australian Government is committed to ensuring that the process for providing funding under the Community Development Grants Programme is transparent and in accordance with these Guidelines.

*Note: These Guidelines may be varied from time-to-time by the Australian Government as the needs of the programme dictate. Amended Guidelines will be published on the Department’s website.*
4.1. Conflict of interest

A conflict of interest may exist, for example, if a funding proponent or any of its personnel:

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the appraisal process, such as a Department staff member;
- has a relationship with, or interest in, an organisation, which is likely to interfere with or restrict a successful funding proponent from carrying out the proposed activities fairly and independently; or
- has a relationship with, or interest in, an organisation from which they will receive personal gain as a result of the granting of funding under the Community Development Grants Programme.

Funding proponents will be required to declare as part of their proposal, existing conflicts of interest or that to the best of their knowledge there is no conflict of interest, including in relation to the examples above, that would impact on or prevent them from proceeding with the project or any agreement they may enter into with the Commonwealth of Australia, represented by the Department, if funding were approved under the Community Development Grants Programme.

Where a funding proponent subsequently identifies that an actual, apparent, or potential conflict of interest exists or might arise in relation to their proposal for funding, they must inform the Department in writing immediately.

Further information on Conflict of Interest is provided in the Project Proposal form and the Funding Agreement. Departmental officers will manage any conflict of interest on their behalf in line with the department’s chief executive instruction on probity.

4.2. Confidential information

Information submitted by the funding proponent may be provided to other organisations for the purposes of eligibility and project proposal appraisal.

Funding proponents should identify any information submitted which they wish to be considered as confidential, supported by reasons for the request. The Australian Government reserves the right to accept or refuse a request to treat information as confidential.

The Privacy Act 1988 applies to the handling of personal information about individuals obtained in the course of the delivery of the Community Development Grants Programme.

Successful funding proponents must not act or engage in any practice which, if done or engaged in by the Commonwealth, would be a breach of an Information Privacy Principle contained at Section 14 of the Privacy Act 1988.
5. Submitting a proposal

5.1. Project Proposal requirements

Proposals must be completed on the official Project Proposal form and must address all of the requirements of this form.

- To assist with the appraisal of a proposal, further information may be requested by the Department. Funding proponents will be notified in writing where this is required.

Projects are expected to be ‘tender ready’ at the time the Project Proposal form is submitted.

- ‘Tender ready’ means a project has been scoped, costed and planned sufficiently, that the Australian Government is confident the supplier market can be formally approached and the project will not be unnecessarily delayed by known or expected factors.

5.2. Obtaining a Project Proposal form

The Department will write to funding proponents of identified projects outlining the process for progressing a request for funding. This correspondence will include:

- a copy of the Community Development Grants Programme Guidelines;
- a copy of the Project Proposal form; and
- a request for supporting information to assist with the completion of the Project Proposal form.

The Community Development Grants Programme Guidelines and Project Proposal form will also be available at the Department’s website: www.infrastructure.gov.au.

5.3. When and how to submit a Project Proposal form

Funding Proponents will be requested to submit their Project Proposal form to the Department within six months of official notification in writing by the Department that a project has been identified for funding consideration.

Requests for additional funding from the Australian Government will not be considered.

Requests to change the scope of the project or to partnership arrangements that do not involve the provision of additional funding by the Australian Government may be considered.

- Requests for extension to the determined submittal date, or a change of scope, must be provided to the Department in writing, clearly stating the reasons for delay and revised timeframes for project delivery, prior to the submission close date.
- The Department will make a recommendation to the Minister for Infrastructure and Regional Development as to whether a change of scope should be considered, further time should be allowed for the funding proponent to submit project information or that the funding commitment should be withdrawn.

Project Proposal forms may be submitted in the following manner:
5.4. Projects From Previous Programmes

If identified projects, to be included in the Community Development Grants Programme, have been assessed as value for money under the Regional Development Australia Fund or the Community Infrastructure Grants Program they have fulfilled the eligibility and appraisal criteria under the Community Development Grants Programme. The Department will contact funding proponents to ensure the scope and project information provided previously has not changed.

Subject to the checks, the project will not be required to undertake a further assessment and the Department will commence funding agreement negotiations. Funding agreement negotiations are to be completed within six months of official notification in writing by the Department that a project has been identified for funding consideration.

Requests for a change of scope, must be provided to the Department in writing, clearly stating the scope changes, the reasons for the changes and revised timeframes for project delivery. The Department will make a recommendation to the Minister for Infrastructure and Regional Development as to whether a change of scope be considered or that the funding commitment should be withdrawn. If a change of scope is agreed, assessment, approval and completed funding agreement negotiations are to be completed within six months of official notification in writing by the Department that a project has been identified for funding consideration.

If identified projects have not had a value for money assessment completed under Regional Development Australia Fund or the Community Infrastructure Grants Program, the Department will contact funding proponents to ensure the scope and project information provided previously has not changed.

If further project information is required, funding proponents are required to provide this within two months from the request date. Following completion of the assessment and approval by the Minister, funding agreement negotiations are to be completed within six months of the approval date.

6. Appraisal

6.1. Appraisal process

Based on the information provided in the Project Proposal form, the Department will undertake a value with public money assessment of proposals against the appraisal criteria outlined below. The assessment will be undertaken by the Regional Programmes Branch in the Department.

The value with public money appraisal process is intended to promote projects that are eligible for funding; have met the appraisal criteria; involve reasonable cost having regard to the quality and quantity of deliverables proposed and have a risk profile that is acceptable to
the Australian Government, with any identified risks able to be efficiently and effectively managed.

Where the Department believes that it requires independent professional assistance to appropriately assess viability or sustainability, an Independent Viability Assessment may be undertaken.

- The Independent Viability Assessment will be undertaken by an appropriately qualified external consultant engaged by the Department and the findings of the Independent Viability Assessment will be included in the project assessment;
- All information provided in the project proposal may be subject to an Independent Viability Assessment; and
- Funding Proponents will be notified by the Department if it intends to undertake an Independent Viability Assessment on their project proposal.

6.2. Appraisal criteria

A value with public money assessment of applications will be undertaken against the following criteria:

- Outcome;
- Project viability and sustainability; and
- Funding proponent viability.

The Project Proposal form requires funding proponents to provide key information to support claims against these criteria.

Funding proponents should refer to the Department’s website www.infrastructure.gov.au for a full description of key information and instructions for completing the Project Proposal form.

6.2.1. Outcomes

An assessment against this appraisal criterion is intended to determine whether a project will contribute to the Outcome of the Community Development Grants Programme.

Key considerations will include, but may not be limited to:

- Does the project align with the Outcome of the Community Development Grants Programme;
- What information is required to measure whether a project has contributed to the Community Development Grants Programme Outcome and is the funding proponent able to collect this information.

6.2.2. Project viability and sustainability

An assessment against this appraisal criterion is intended to identify and consider the complexity of the project, risks associated with its delivery and ongoing management and the capability of the funding proponent to deliver and maintain the project.
Key considerations will include, but may not be limited to:

- how rigorously the project has been scoped and costed by the funding proponent;
- how the funding proponent plans to secure partnership funding (both in-kind and cash) for the project, where required;
- how rigorously the funding proponent has assessed delivery risks and treatments for these risks;
- how the funding proponent aims to maintain the project in the future.

### 6.2.3. Funding proponent viability

An assessment against this appraisal criterion is intended to establish the financial stability of the funding proponent and their capacity to meet costs associated with the delivery of the project.

A financially viable funding proponent is considered to have the ability to generate sufficient income to meet operating payments, debt commitments and, where applicable, to allow growth.

Key considerations may include:

- what is the funding proponent’s level of liquidity (its ability to pay its debts when they fall due) and solvency (does it have enough assets to cover liabilities);
- what is the quality of the funding proponent’s financial governance (policies and procedures to ensure that financial information is complete and accurate and this information is being used for decision-making); and
- what is the funding proponent’s ability to secure partner funding to meet the cost of the project, where required.

### 7. Decisions

#### 7.1. Approval of funding

Following an appraisal of the funding proposal, a recommendation on funding will be provided to the Approver.

The Approver will consider whether the proposal will make proper use of Commonwealth resources, as required by Commonwealth legislation, and whether any specific requirements will be imposed as a condition of funding, should funding be approved.

Funding approval is at the discretion of the Approver.

#### 7.2. Advice to the Applicant

Funding proponents will be advised in writing of the funding decision.

Timelines for approval and notification will be dependent upon funding proponents providing sufficient project information for an assessment to be completed.
Letters to successful funding proponents will contain details of any specific conditions attached to the funding. Funding approvals will also be listed on the Department’s website.

8. Conditions of Funding

8.1. Contractual arrangements

Successful funding proponents will be required to enter into a formal agreement with the Commonwealth of Australia, represented by the Department, that establishes the obligation of both parties.

The agreement will be as follows:

- Funding provided by the Australian Government to a State or Territory government will be managed under a Project Agreement.
- Funding provided by the Australian Government to all other organisations will be managed under a Funding Agreement.

It is recommended that funding proponents familiarise themselves with the conditions of the agreement relevant to them, or consider seeking independent advice on the implications of agreement conditions and their capacity to meet these conditions if funding is approved.

8.1.1. Funding Agreements

A Funding Agreement is a legally enforceable document and action may be taken under the law where an obligation is not met.

A template of the standard Funding Agreement is available on the Department’s website at www.infrastructure.gov.au.

The Department will work with successful funding proponents with the aim of having Funding Agreements signed within four weeks of funding approval.

Funding proponents should not make financial commitments based on approval of funding until the Funding Agreement has been executed.

Financial commitments dependent on the Australian Government funding which are entered into before a Funding Agreement has been finalised with the Department, are done so at the risk of the funding proponent.

8.1.2. Project Agreements

On 29 November 2008, the Council of Australian Governments (COAG) established a new framework for the Commonwealth’s financial relations with the States and Territories, the Intergovernmental Agreement on Federal Financial Relations.

This framework aims to improve the quality and effectiveness of government services by reducing Commonwealth prescription, aligning payments with the achievement of outcomes and/or outputs and giving States and Territories the flexibility to determine how to achieve those outcomes efficiently and effectively.
Under this framework, Project Agreements are simple, standalone, outputs-focussed
documents used as a substitute for a funding agreement to implement low-value and/or low-
risk projects for which the Commonwealth is providing funding assistance to a State or
Territory.

8.2. Compliance with the Building Code 2013 and Australian Government Building
and Construction OHS Accreditation Scheme
Project funding specifically relating to building and construction activity, as defined in the
Building Code 2013 and subject to any threshold requirements, must comply with the Building
Code 2013\(^1\). Construction activity must be undertaken by an accredited builder as specified
under the Australian Government Building and Construction OHS Accreditation Scheme\(^2\).

8.3. Specific conditions
There may be specific conditions attached to the funding approval as a result of the appraisal
process or further considerations by the Approver. These will be identified in the offer of
funding or during agreement negotiations.

8.4. Reporting and acquittal
Successful funding proponents will be required to report on the progress of the project and
acquit the expenditure of Community Development Grants Programme funding at the times
and in the manner stipulated in the Funding Agreement and Project Agreement.

8.5. Monitoring
Successful funding proponents will be required to actively manage the delivery of the project.
The Department will monitor progress against the Funding Agreement and Project Agreement
through progress reports submitted by the funding proponent and site visits conducted by the
Department or representatives of the Department.

8.6. Branding and Recognition
Successful funding proponents will be required to comply with a range of branding and
recognition requirements. These requirements are clearly identified in the Funding
Agreement and Project Agreement.

8.7. Evaluation
Evaluations by the Department will determine the extent to which the granting activity is
contributing to the Outcomes of the Community Development Grants Programme. Funding
proponents will be required to provide information to assist with evaluations for a period of
time.

The Department will work with successful funding proponents to determine the information
required to undertake an evaluation. The nature of information required will be determined

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with consideration to the complexity and purpose of the project to be funded. Details will be included in the Funding Agreement and Project Agreement.

9. **Payment of Funding**

9.1. **Payment arrangements**

Payments will be made on achievement of agreed milestones.

Before any payment can be made, funding proponents will be required to provide:

- a tax invoice for the amount of the payment;
- evidence of meeting the requirements for payment, as stipulated in the Funding or Project Agreement;
- a satisfactory progress report and supporting documentation

9.2. **GST and Tax implications**

It is recommended that funding proponents consider seeking guidance about the implications for receiving Community Development Grants Programme funding from a tax advisor or the Australian Taxation Office [www.ato.gov.au](http://www.ato.gov.au) prior to submitting a Project Proposal form.

In accordance with the terms of Australian Taxation Office ruling GSTR 2012/2, payments made by a government related entity to another government related entity do not attract GST. Payments to other entities are expected to attract GST.

10. **Enquiries**

Any enquires relating to aspects of the Community Development Grants Programme, including processes for its delivery, complaints and feedback on funding decisions, should be directed to:

**Director**  
Community Development Grants Programme  
Department of Infrastructure and Regional Development  
GPO Box 594  
CANBERRA ACT 2601

and should be emailed to cdg@infrastructure.gov.au

The Department will endeavour to ensure enquiries are resolved promptly, fairly and confidentially.