



Australian Government

Department of Regional Australia,
Regional Development and Local Government



GUIDELINES

Regional Development Australia Fund

Round Two

November 2011



Minister's Foreword

The Australian Government is committed to embedding localism into the way we govern the country.

With our national economy in transition, we are working in partnership with local communities to opportunities for diversification and strengthening their economic base.

Each of Australia's regions plays an important role in the life and economy of the nation, and has unique challenges and strengths.

The \$1 billion Regional Development Australia Fund (RDAF) is about helping regions unlock opportunities and reach their full potential. It goes to the heart of driving economic growth and supporting the liveability and sustainability of our regional communities.

Under Round One of RDAF, \$150 million was allocated to 35 projects across Australia. These projects respond to regional issues and priorities, support regional communities and deliver both short and long-term community and economic benefits.

I asked the Chair of the RDAF Advisory Panel, Mr Christian Zahra, and my Department to engage with all interested parties and gather feedback to improve clarity and processes for Round Two. I thank all those who participated in the review forums or responded to the online survey.

We received constructive feedback from local government, not-for-profit organisations and Regional Development Australia (RDA) committees and have now revised and refined the Guidelines to encourage stronger, investment-ready applications that have a clear regional benefit.

Under Round Two of RDAF, \$200 million will be available to support projects that address the highest priorities of RDA committees and have a strong regional impact.

For the RDAF to work effectively, proposals must stack up – we want well-researched strategic applications that set clear priorities and leverage funds or partnerships investment from local, state government or the private sector.

With the experience of Round One, it is appropriate to better focus local input by strengthening the role of RDA committees in identifying priority needs and projects.

This initiative is welcomed by the Advisory Panel, and received support from stakeholders in the review of Round One.

It is another step in ensuring that local government and local communities have a shared understanding of what their communities value most.

I look forward to a stronger contribution from RDA committees, particularly their advice on projects which meet the priorities in their Regional Plan.

In response to your feedback, the Guidelines have been reviewed to clarify the mandatory eligibility criteria and reinforce the need to focus efforts across the board on high-priority, high-value projects and to lock in partnership commitments.

A new Expression of Interest process will also minimise the compliance costs for potential applicants. Only three projects assessed by the RDA committee as priorities for the region will proceed to full application.

I am confident that these changes will bring about better outcomes for Australia’s regional communities.

Sustained, collaborative effort is needed to support regional productivity and to strengthen and empower Australia’s regional communities into the future. It requires not only the resources of government, but the determination, creativity and innovation from regions themselves to achieve their vision.

I look forward to our continued strong partnership with Australia’s regions as we secure and develop their potential.

Simon Crean

Minister for Regional Australia,
Regional Development and Local Government

Table of Contents

1	Introduction	3
1.1	Program background	3
1.2	Program objectives and outcomes	3
1.3	Round Two	4
2	Role of External Organisations.....	4
2.1	The Regional Development Australia Fund Advisory Panel.....	4
2.2	Regional Development Australia committees	5
2.3	Advice from state and territory governments and Commonwealth agencies.....	5
3	Eligibility Requirements	5
3.1	Eligible applications	5
3.2	Eligible organisations	5
3.3	Ineligible organisations.....	6
3.4	Arrangements for consortia.....	6
3.5	Eligible projects.....	7
3.6	Ineligible projects	7
3.7	Eligible regions.....	8
4	Partnership funding	8
5	Applications for Funding.....	9
5.1	The application process	9
5.2	Expression of Interest	9
5.3	Application form	10
5.4	Completing a full application form	11
6	Eligibility and Selection Criteria	12
6.1	Eligibility criteria	12
6.2	Selection criteria.....	14
7	Assessment	16
7.1	Assessment of Expression of Interest	16
7.2	Assessment of full applications	16
7.3	Independent viability assessments.....	17
7.4	Value-for-money	17
7.5	Role of Regional Development Australia committees	17

7.6	Role of the Advisory Panel.....	18
7.7	Outcomes of assessment.....	19
7.8	Advice to applicants.....	19
8	Probity	20
8.1	Conflict of interest	20
9	Approval for Funding	21
10	Contracting and Funding	21
10.1	Funding agreement.....	21
10.2	Branding and recognition	22
10.3	Payment arrangements	22
10.4	Managing the project	23
10.5	Reporting	23
10.6	Acquittals.....	24
10.7	Evaluation	24
10.8	Funding for projects relating to building and construction	24
11	Confidential Information	25
12	Complaints Process.....	25
13	Key Dates	25
	Glossary of Terms	26
	Attachment A.....	I
	Attachment B.....	II
	Attachment C.....	V
	Attachment D.....	VII
	Attachment E	IX

Program Overview

The Regional Development Australia Fund (RDAF) is a national program to support Australia's regions and enhance their wellbeing and economic development. The program is administered by the Department of Regional Australia, Regional Development and Local Government (the Department). It is designed to ensure that new investments build on strengths and reflect the characteristics, opportunities and challenges of our diverse regions.

Round Two opened on Thursday, 3 November 2011. \$200 million has been allocated, with grants of between \$500,000 and \$15 million available to eligible applicants. Preference will be given to applications which demonstrate partnership funding on a dollar for dollar basis for grant requests of \$5 million or less and of \$2 for every \$1 of RDAF funding for grant requests over \$5 million.

Eligible applicants will submit an Expression of Interest (EOI) for their project to their local RDA committee by COB on Thursday, 1 December 2011 (local time). Following review of these EOIs against five criteria, RDA committees will select the three highest priority and viable projects to proceed to full application. RDA committees will also provide an overview of their Regional Plans to the Department to inform the assessment process.

The Department will assess applications to ensure compliance with the eligibility criteria, and to determine value-for-money and the risk associated with the project. The Advisory Panel will consider eligible applications and make recommendations to the Minister on the most meritorious. The Minister for Regional Australia, Regional Development and Local Government will make decisions on the projects to be funded, taking account of the advice from the Advisory Panel.

What's New for Applicants?

- A two-stage application and assessment process, including a short paper-based Expression of Interest (section 5)
- A strong role for RDA committees (section 2)
 - ✓ Review all Expressions of Interest from their region
 - ✓ Select the three viable priority projects, which will proceed to assessment
- One Expression of Interest per applicant (section 3)
- A maximum grant value of \$15 million (section 4)
- Preference will be given to applications that demonstrate partnership funding on a dollar for dollar basis for grant requests of \$5 million and less, and on a 1:2 dollar basis for grant requests of more than \$5 million (section 4)
- At least 50 per cent of partnership funding must be cash (section 4)
- Not-for-profit organisations must have a minimum annual income of \$1.5 million (section 3)
- Projects located in capital cities must demonstrate how the proposed project will benefit the broader region, or other parts of regional Australia (section 3)
- Guidance on the content of mandatory documents ([Attachment B](#))

Eligibility and Selection Criteria Checklist

To be eligible to apply for RDAF funding, potential applicants must meet a number of mandatory requirements. Potential applicants should carefully consider the following checklist.

- For Expressions of Interest: does your project address one of the priorities set out in the Regional Development Australia (RDA) committee's Regional Plan?
- For full applications: Is your project one of the three priority projects selected by your RDA committee?
- Are you a local government organisation or a not-for profit organisation (not-for-profit must have an annual income of at least \$1.5 million)? Do you have documents to confirm this?
- Is your project shovel ready and will it commence construction within 6 months of signing the Funding Agreement?
- Is your project predominantly infrastructure in nature?
- Are you requesting between \$500,000 and \$15 million?
- Will the component of your project which is funded by RDAF be completed by the end of the 2014-15 financial year?
- Does your project have a broad regional impact? Do you have documents and data to support this?
- Does your project have community support?
- Can you implement your project and ensure that it is sustainable and viable in the longer term?
- Do you have the following mandatory documents to support your application?
 - ✓ Letters to confirm the provision of any partnership funding from the funding provider;
 - ✓ Letters of support and evidence of community consultation;
 - ✓ Audited financial statements for the most recent three consecutive years;
 - ✓ Evidence that projects which are similar in size or scope have been delivered on time and on budget by your organisation;
 - ✓ A Business Case incorporating the scope and outputs of the project;
 - ✓ An Asset and Operations Management Plan;
 - ✓ A Project Management Plan;
 - ✓ A Risk Management Plan;
 - ✓ A Project Quality Plan; and
 - ✓ A Procurement Management Plan.
- Can you present a strong, well supported case against the following three selection criteria?
 - ✓ The extent to which the project will contribute to and sustain regional economic growth;
 - ✓ The extent to which the project will provide community benefit; and
 - ✓ The extent to which the applicant leverages additional funding from a variety of sources.
- Are you willing to enter into a Funding Agreement with the Department?

1 Introduction

These Guidelines outline the objectives and outcomes of the Regional Development Australia Fund (RDAF); the application and assessment process, including eligibility requirements; roles and responsibilities of the administering parties and funding recipients; and funding arrangements.

1.1 Program background

The Government has announced around \$1 billion will be allocated to the RDAF, some of which is subject to the passage of the Minerals Resource Rent Tax (MMRT).

The RDAF provides financial grants to support the infrastructure needs of Australia's regions. It is based on the principle that regions and their communities are best placed to identify the key opportunities that will support sustainable economic, environmental and community growth and to ensure that investments are targeted at projects of lasting benefit. Projects proposed for support under the RDAF should be identified by local communities and contribute to the achievement of the goals identified in the Regional Development Australia (RDA) committee's Regional Plans.

Under Round One of the RDAF, 35 projects were funded to the value of \$150 million. Details of successful projects can be found at www.regional.gov.au \$200 million will be provided for Round Two.

1.2 Program objectives and outcomes

The objective of the RDAF is to support the economic, environmental and community needs of Australia's regions by providing funding for projects that meet the identified priorities of regional communities, as articulated in RDA Regional Plans. Outcomes of the program will include:

- Investment in regional priorities which have been identified by local communities and are articulated in RDA committee's Regional Plans;
- Sustainable regional economic development, economic diversification, and increases to the economic output of local and regional economies;
- Increased social capital, liveability and social inclusion in regional communities, including contributing to "Closing the Gap";
- Australian, state and local government, private sector and community partnerships to support investment in regional communities; and
- Creating dynamic regional communities with quality recreational and social facilities.

Round Two will be characterised by a stronger focus on the regional benefits of projects. Preference will be given to projects and/or benefits that span local government areas and/or RDA boundaries.

Projects should also seek to foster creative and innovative solutions to meet identified regional needs. Applicants should not use the outcomes of Round One as an indicator of activities or projects that will be supported. Each project will be assessed on its merits, including the extent to which it delivers benefits to the region.

RDAF is a competitive grants program and not all RDA committees can expect that priority projects within their area will receive funding. Only those projects that can demonstrate how they address a region's highest priority issues; have the broad support of the region; deliver strong regional benefits; leverage investment from other partners, and provide excellent value-for-money will be recommended for funding. The case for the project, and particularly the benefits that will accrue to regions, must be supported by evidence of demand and cost effectiveness.

1.3 Round Two

RDAF Round Two opens on Thursday, 3 November 2011. Expressions of Interest (EOI) will close at COB on Thursday, 1 December 2011 (local time), and applications for selected priority projects will close on Wednesday, 15 February 2012 (COB EDST). Late EOIs or applications will not be accepted.

Receipt of all EOIs will be acknowledged in writing by the RDA committee within five working days. Receipt of full applications will be acknowledged in writing by the Department within five working days.

Applicants can ask questions relating to the application and assessment process by emailing rdaf@regional.gov.au. Questions should be clear and concise, and identify that part of the process they are seeking advice on, for example the EOI lodgement process or aspects of the full application. All questions that are directly relevant to Round Two of the RDAF will be placed in a Frequently Asked Questions document and placed on the Department's website. This document will be regularly updated. Guidance will be provided to RDA committees on their roles and responsibilities separately.

2 Role of External Organisations

2.1 The Regional Development Australia Fund Advisory Panel

The RDAF Advisory Panel (the Advisory Panel) provides independent advice and recommendations on the allocation of funds to the Minister. The Panel is guided by its Operating Arrangements. The Operating Arrangements and details of members of the Advisory Panel are available on www.regional.gov.au

Section 7 provides details of the Advisory Panel's assessment process.

2.2 Regional Development Australia committees

Regional Development Australia committees also play a critical role in the RDAF process. RDA committees will review Expressions of Interest (EOI) from all applicants within their RDA, and select the three priority projects that will progress to full application. Consistent with the eligibility requirements, an applicant can only submit one EOI for a single project.

Section 7 and [Attachment D](#) provides details of the RDA committee's assessment process.

2.3 Advice from state and territory governments and Commonwealth agencies

To ensure that comprehensive information is available, advice on eligible projects will be requested from other Commonwealth agencies, and state and territory governments. Advice may also be requested from Regional Organisations of Councils, Regional Development Commissions and Regional Development Trusts, where appropriate.

Advice will be requested on, but not limited to, such things as: the history of the applicant in delivering projects; the extent of community support; confirmation of funding contributions; viability of the proponent and project; leveraging on other initiatives; competitive neutrality and impact on the region. State and territory governments may also be asked to provide confirmation of their support for the project, comment on RDA priorities and list their own priorities with supporting reasons.

3 Eligibility Requirements

An Expression of Interest (EOI) form must be lodged by an eligible applicant for an eligible project. Applicants must also confirm that they can:

- submit a complete application, including all mandatory documents, if invited to submit a full application; and
- present a strong case against the selection criteria.

A full application must meet all of the points set out above and must have been selected as one of the three priority projects by the RDA committee.

3.1 Eligible applications

An eligible organisation (Section 3.2) may only lodge one application for funding under Round Two of the RDAF. An EOI and application must be complete, that is all forms are completed and authorised, and all mandatory documentation is complete and attached.

3.2 Eligible organisations

The following organisations are eligible to apply for funding:

- Local government bodies, including those in the Indian Ocean Territories; and
- Incorporated not-for-profit organisations, including those in the Indian Ocean Territories, such as incorporated associations or companies limited by guarantee.

Eligible not-for-profit organisations must have a minimum annual income of \$1.5 million, averaged over three years, and must provide audited financial statements to confirm this. Not-for-profit organisations with an annual income of less than \$1.5 million may apply as a part of a consortium. Not-for-profit organisations must attach to their application, a copy of the relevant section of their constitution, deed of incorporation or other statutory documents to confirm their not-for-profit status.

Eligible organisations may submit an application in their own right or as a lead member of a consortium. An eligible organisation may be a member of another consortium led by another eligible organisation.

Definitions for a local government body and an incorporated not-for-profit organisation are provided in the *Glossary of Terms*.

3.3 Ineligible organisations

The following organisations are not eligible to apply for RDAF funding in their own right or as a lead member of a consortium:

- For profit companies;
- Not-for-profit organisations with an annual income of less than \$1.5 million;
- Commercial arms of local or state government bodies, for example organisations that deliver services to communities which would normally be expected of a council and/or which operate on a commercial basis. The services which are delivered support the day-to-day operation of the community, and are not directly related to the strategic or emerging needs of regions;
- Universities and technical colleges; and
- RDA committees.

These organisations may apply as part of a consortium led by an eligible organisation (with the exception of RDA committees).

3.4 Arrangements for consortia

Applications for funding may be supported by a consortium of participants or partners. An eligible organisation must be the lead organisation and submit the application on behalf of the consortium. The lead organisation will be required to contract with the Department, be the recipient of grant funding and deliver on the milestones and outcomes agreed with the Department.

For the purposes of this program, a consortium is a joint venture established by two or more parties, which is created for the purpose of submitting an application and completing the proposed project under the RDAF. It is the responsibility of each consortium and its members to ensure that appropriate legal arrangements are in place to represent and protect their interests. Such arrangements need to be in place prior to a Funding Agreement with the Department being executed.

3.5 Eligible projects

In addition to the mandatory eligibility criteria (section 6.1), projects must be:

- ‘investment ready’, that is the project is ready to proceed within six months of execution of the Funding Agreement, including construction. To be investment ready, it is expected that all planning, zoning, environmental and/or native title approvals are in place. Where these approvals are not in place at the time of application, it is expected that approvals will be in place prior to execution of the funding agreement. Evidence of the pending approval is required as part of the application and must be from the approving agency;
- capital in nature, such as new infrastructure and upgrades to existing infrastructure. Possible projects might include, but are not limited to, community or child care centres, sporting facilities (particularly those that will be used as a regional hub or host regional sporting tournaments), airport upgrades or expansions, infrastructure to support economic and industry diversity, facilities to support training, inter-modal transport hubs, theatres and museums; and
- cohesive, and not involve two or more different projects artificially drawn together to create the impression of one project under a common name. Elements of projects (activities) will be eligible for funding, noting that funding for one activity does not guarantee funding for other activities in subsequent rounds of the RDAF.

3.6 Ineligible projects

Funding will not be provided for:

- soft infrastructure, such as computer software or hardware; or the payment of salaries for service delivery staff, research staff and/or contractors;
- the purchase of plant and equipment that is not an integral part of the funded capital project;
- administrative overhead items, including office equipment and vehicles; mobile capital equipment such as trucks and earthmoving equipment; or the provision of services and support activities;
- commercial projects or components of projects that can be either on-sold or otherwise granted to a commercial or business organisation;

- activities that are directly and primarily supported by other Australian Government programs, including major roads and highways, bridges, schools (private and public), and construction, upgrade or extensions to hospitals. Exceptions to this may be:
 - large transport hubs which facilitate the movement of freight and passengers within, around or across a region, thus supporting local industry and enhancing productivity; and
 - minor roads, access corridors or access drives which lead to an area of common use or common benefit, including and industrial estate or a social or economic facility which supports economic diversity, social inclusion or environmental sustainability;
- projects that are eligible to be funded under the National Disaster Relief and Recovery Arrangements (NDRRA) in the calendar year of lodgement of the application; and
- projects that are the normal responsibility of local governments, including upgrades to or refurbishment of sewerage systems, water pipes and stormwater drains; the construction of public amenity blocks; minor upgrades to a town centre; or the construction or refurbishment of council offices. Funding is provided for these purposes by the Commonwealth through other mechanisms, including the Financial Assistance Grants. Upgrades to or refurbishment of waste management systems will not be eligible unless those upgrades or refurbishments involve:
 - the introduction of a unique, innovative or creative element that builds on or enhances existing arrangements and technologies; or
 - the transformation of waste to provide energy.

3.7 Eligible regions

The RDAF is about supporting regional Australia.

Applications will be accepted from all regions across Australia, however those projects located in all capital cities need to demonstrate how the proposed project will benefit the broader region, or other parts of regional Australia. Applicants must provide written confirmation of the benefits of the project from either the RDA in the region that will benefit from the project or the state or territory government, where the benefit will accrue to more than one region.

4 Partnership funding

Grants of between \$500,000 and \$15 million (GST exclusive) will be available for eligible projects. For grants seeking \$5 million or less, preference will be given to projects that have partnership funding on a dollar for dollar basis. Partnership funding can be provided by one or a combination of a local government, state or territory government, not-for-profit organisation and the private sector.

For applicants seeking more than \$5 million, preference will be given projects that have partnership funding on a 1:2 basis, that is for every dollar of RDAF funding, at least two dollars partnership funding should be provided from one or a combination of a local government, state or territory government, not-for-profit organisation and the private sector. Priority will also be given to applications that demonstrate:

- the state or territory government is matching the RDAF contribution;
- partnership funding that maximises leverage, with funding contributed by a variety of sources.

Cash contributions must comprise 50 per cent of the partnership funding. In-kind contributions will be accepted as partnership funding, but are limited to a maximum of half of the partnership contribution. While land is considered to be an in-kind contribution, the land must be independently valued and a copy of the valuation attached to the application form. The land title is expected to be transferred to the project before the Funding Agreement is executed.

An RDAF grant can be one component of a larger Australian Government funding package. Total Commonwealth Government funding cannot exceed 50 per cent of the total project cost.

Applicants must provide evidence confirming funding commitments from partners, such as an authorised letter from each contributing partner specifying the commitment and any conditions that may apply to its release.

Grants may be provided for a single year or multiple years. Multi-year grants must end on or before the end of the 2014-15 financial years.

5 Applications for Funding

5.1 The application process

Round Two opened on Thursday, 3 November 2011 and closes on:

- Thursday, 1 December 2011 (COB local time) for EOIs; and
- Wednesday, 15 February 2012 (COB EDST) for full applications.

5.2 Expression of Interest

All potential applicants are required to lodge an Expression of Interest with the Regional Development Australia committee in which the project is located using the Expression of Interest form on the Department's website www.regional.gov.au. When completed, the EOI should be emailed to the RDA committee (email addresses for all RDA committees are on the Departments website at www.regional.gov.au). A copy of the EOI form should be copied to the Department at the same time that it is emailed to the RDA committee (rdaf@regional.gov.au).

Completed EOIs must be received by Thursday, 1 December 2011 (COB local time). No extensions will be granted and late EOIs will not be accepted.

Only EOIs from eligible applicants for eligible projects may be submitted, and applicants may only submit one EOI for a single project.

The EOI should be complete and provide succinct information about the project, the priority in the Regional Plan being addressed and the benefits that it will offer to the region. The EOI form is available from www.regional.gov.au. It requires all potential applicants to confirm their eligibility and that they already have or can prepare, by the closing date for applications, all required documentation (refer eligibility checklist). Applicants will be required to confirm the status of any partnership funding.

As only three EOIs from each RDA region will proceed to full application, it is critical that applicants present a strong, well argued and competitive case against the selection criteria.

Only fully completed EOIs will be accepted. Word limits apply to some questions and any text which exceeds those limits will not be considered by the RDA committee in its decision-making. Attachments should not be included.

RDA committees will review each EOI and select three viable priority projects that will proceed to full application (see section 7.5 and [Attachment D](#) for details of the RDA committee assessment process). It is preferred that mixes of projects are selected to proceed to full application, that is projects representing the diversity of regional needs and for a range of infrastructure types.

RDA committees will provide a complete list of EOIs received and the rationale for, and outcomes of, their assessment to the Department by Wednesday, 21 December 2011 (email to rdaf@regional.gov.au). The Department will advise both selected and unsuccessful applicants of the outcome of their EOI in writing by COB on Wednesday, 11 January 2012 (EDST). The Department will invite the proponents of the three viable priority projects in each RDA region to submit a full application, which is due by COB on Wednesday, 15 February 2012 (EDST). Unsuccessful applicants in the EOI process will be referred to their RDA committee for feedback on their proposal. RDA committees are expected to provide feedback to applicants by the end of February 2012.

A copy of the Department's correspondence with each participant in the EOI process will be provided to the relevant RDA committee.

5.3 Application form

Full applications are to be lodged via the web-form at www.regional.gov.au. It is the responsibility of the applicant to ensure that a completed application form and all mandatory attachments are uploaded. The Department will acknowledge receipt of all applications in writing within five working days.

In certain circumstances and only by prior agreement of the Department, an application may be accepted by alternative means of lodgement. To discuss alternative lodgement arrangements, please email rdaf@regional.gov.au well in advance of the closing date.

Late applications will not be accepted. Incomplete applications will be assessed as ineligible, and this decision is not appealable. Applicants may withdraw an application at any time.

Each application will be assessed for eligibility and an analysis of the case against the selection criteria will be completed. Eligible applications, together with the Department's analysis, will be provided to the Advisory Panel, which will consider each of these applications on their individual merits and relative to other eligible applications. The Advisory Panel will make recommendations to the Minister (section 2.1). Decisions on project funding will be made by the Minister.

5.4 Completing a full application form

Applicants must submit a completed on-line application form. Applicants must address both the eligibility and selection criteria in their application, and provide all required documents. Applicants are advised to be clear and succinct in their descriptions of the project and the benefits that will accrue to the region.

As a character/word limit applies to many parts of the application form, applicants should ensure that they are concise and accurate brief in their descriptions. Assessment of applications will be based on the responses as set out in the application form. References to additional wording outside of word limits or supplementary documentation will not be taken into account by the Department or the Advisory Panel.

Applications will benefit from presenting a strong, concise case against the selection criteria that does not over exaggerate claims or benefits, and through substantiating their claims with robust (preferably independent) evidence. This evidence could include, for example, cost/benefit analysis, feasibility studies, academic papers, or papers prepared by external consultants. In describing the outcomes and benefits of the project, particular attention should be paid to the broader regional reach or impact of the project.

Applicants could also describe any unique characteristics of their region and their relationship to the project. For example:

- Is it a fast growing coastal region or an area, which is trying to retain a declining population?
- Is the area impacted by fly-in fly-out workers?
- Is the project part of a long-term renewal and/or revitalisation program?
- Does the council have a low revenue base, and hence limited capacity to invest in infrastructure?

A Process flowchart outlining the assessment process is at [Attachment A](#).

A Guide to Preparing a Full Application for Funding – Lessons from Round One is available on the Department's website at www.regional.gov.au *Procedures for Completing a Full Application for RDAF Round Two* are also available on the Department's website.

Applicants should seek independent advice on taxation treatment of the grant prior to submitting an application.

6 Eligibility and Selection Criteria

All full applications for RDAF funding must meet a number of mandatory criteria, and present a case against the selection criteria. The case presented by applicants against the mandatory and selection criteria should be strong, supported by evidence, and leave the reader with a clear understanding of both the project and how it meets the criteria.

Although this material is not required to complete the EOI, applicants must confirm their capacity to provide these documents in the EOI.

6.1 Eligibility criteria

Eligible applications must satisfy all of the listed eligibility criteria.

■ ***Eligibility Criterion 1: The applicant must be an eligible organisation***

Eligible organisations are described in section 3 and the *Glossary of Terms*. Not-for-profit organisations must have an annual income of at least \$1.5 million and provide appropriate evidence of their status in their application (section 3).

■ ***Eligibility Criterion 2: The application must be for an eligible project***

The project or activity must be:

- investment ready and able to proceed with construction within six months of execution of the Funding Agreement;
- capital in nature; and
- scheduled to finish on or before 30 June 2015.

The Department will regularly monitor the progress of projects, and any delays in commencement or completion will be dealt with according to the procedures set out in the Funding Agreement.

■ ***Eligibility Criterion 3: The project and applicant must have been nominated by the RDA committee***

Applications which are not for one of the RDA committee's three priority projects will be ineligible.

■ **Eligibility Criterion 4: The project must be viable and sustainable**

Applications must demonstrate that the completed asset will be maintained in a viable state for at least five years. An *Asset Management and Operations Plan* must be provided.

■ **Eligibility Criterion 5: All mandatory documentation is provided**

A number of documents must be provided by applicants to demonstrate their capability and capacity to implement and maintain the project. The size and detail of the supporting documents should be commensurate with the size and scope of the project, for example the detail of supporting documents for a \$1 million grant and \$2 million project will be significantly less than that for a \$13 million grant and \$40 million project.

Supporting documents can be provided individually or in one consolidated document, where this document includes a clearly marked index or guide to contents. This index or guide should clearly reference the documents set out below.

Supporting documents which must be provided are:

- *Evidence of community support.* This demonstrates consultation with and support for the project, and could include letters from regional representatives; Commonwealth and state members of parliament; regional councils; community groups; chambers of commerce and philanthropic; or community organisations. Community consultation plans or strategies and documentation on the outcomes of the consultations should also be provided.
- *Evidence of partnership funding:* The applicant must confirm, and provide details of, partnership funding from external sources in writing from the provider. This can include letters or other documents from contributors. If funding is to be provided by a state or territory government program, a letter of intention, media statement or evidence of a public announcement should be provided.
- *Financial statements for the most recent three consecutive years.* This demonstrates viability of the applicant. Statements should be for 2010-11, 2009-10 and 2008-09, unless exceptional circumstances apply.
- *Evidence that the applicant has experience in delivering projects which are similar in size or scope.* This confirms that the applicant has the capability and capacity to deliver the project. Evidence should include documentation to show that previous projects have been delivered on time and on budget.
- *A business case.* This document, which demonstrates regional benefit and the applicant's capability to deliver the project, should include a detailed description of the project, rationale, outcomes and a methodology to review progress against outcomes.

- *An Asset Management and Operations Plan.* This document will demonstrate capacity and capability of the applicant to deliver and maintain the project. It needs to articulate how the asset will be retained in original condition for a five year period. Where the project involves leased premises, a copy of the lease agreement confirming that the asset will be retained by the applicant for a five year period must be provided.
- *A Project Management Plan.* This should outline the implementation of the project, from commencement to completion. The Project Plan must demonstrate that construction of the component being funded will commence in 2012-13 and be completed by the end of 2014-15. It must include planning approvals, timelines, costing and budget, and resource allocations. This Plan will demonstrate the applicant's capacity to deliver the project.
- *A Risk Management Plan.* This outlines all risks associated with the project, a risk register and a strategy for managing or mitigating identified risks. This Plan will demonstrate the applicant's capacity to deliver the project.
- *A Project Quality Plan.* This plan identifies appropriately, qualified personnel and project management skills. It also sets out how the project will be delivered to specification and will achieve its purpose. This Plan may be a subset or component of the Project Management Plan, and will demonstrate capacity and capability to deliver the project.
- *A Procurement Management Plan.* This plan should demonstrate that the applicant will be spending public funds in an appropriate manner. It should include details of expenditure authorisation arrangements and demonstrate that internal procedures are in place to ensure open and transparent procurement. This Plan may be a subset or component of the Project Management Plan.

To assist applicants in providing only that information which is needed in the assessment process, further guidance on mandatory documents is at [Attachment B](#).

6.2 Selection criteria

Applications that meet the eligibility criteria and are one of the RDA committee's three prioritised projects will be assessed on a competitive basis. Eligible applications will be considered by the Advisory Panel on their merits, with the Panel making recommendations to the Minister on the most meritorious projects.

To be competitive in the selection process, applicants will need to address each of the selection criteria.

■ ***Selection Criterion 1: The extent to which the project will contribute to and sustain regional economic growth***

This criterion will assess the long and short-term impacts of the project on the region's economy. Projects that sustain the regional economy or drive innovation and growth will be given priority. Benefits must accrue beyond a town or community and have a broad regional impact.

Benefit to the region can be demonstrated by documents such as, business cases, a cost-benefit analysis, market research and feasibility studies. Qualitative and quantitative evidence to demonstrate compliance with the Criterion should be provided.

Projects could address emerging issues, particularly around structural adjustment. As such, the case developed for this criterion may refer to the capacity of the project to sustain existing growth, mitigate the impacts of declining industry or compensate for declining agricultural outputs because of drought or flood or other environmental changes. Adjustment resulting from changes in the Murray Darling Basin may also be addressed in this criterion. A case to demonstrate the extent to which the project will contribute to new investment in the region or will diversify the region's industry base may be included.

The case against this criterion may address productivity improvements, enhancements to regional outputs and/or the number of jobs that will be created in the region.

An articulation of the costs versus benefits should be provided to demonstrate the positive impact of the project on the regional economy, and a sound cost/benefit analysis supported by relevant, recent data may significantly enhance an applicant's case.

■ ***Selection Criterion 2: The extent to which the project will provide community benefit***

In assessing this criterion, consideration will be given to the number of people that will utilise the approved project, the contribution that the project will make to community amenities and social capital, and the level of local support. Where relevant, reference should be made to "Closing the Gap". A key element of this criterion is the extent to which the project enhances social inclusion in the region. Benefits from the project should be both short and long-term.

The case for the project against this criterion should identify how the project will address community needs and the benefits that will accrue to regional communities. For example, these benefits could be expressed in terms improved movement of community members from welfare to work. Building community via infrastructure to support the relocation of families to work in mining communities, rather than fly-in fly-out workers, may also be addressed in the case against this criteria.

Preference will be given to projects which enhance the public good, and are not for individual or commercial benefit. Projects that work with a range of community groups or complement existing or planned facilities will be highly regarded, such as:

- the location of a sporting hub next to a high school to support an integrated approach to education and sport; or
- the location of a youth centre next to a local training or education facility to support an integrated approach to the introduction of young people to the workforce.

Benefits to the community should be described and quantified with supporting evidence.

■ ***Selection Criterion 3: The extent to which the applicant leverages additional funding from a variety of sources***

Priority will be given to applications that have a funding ratio of 1:1 for grants of \$5 million and less, and at least 1:2 for grants of more than \$5 million. Priority will also be given to projects that demonstrate funding from a variety of sources.

This criterion ensures that applicants have a strong commitment from within the community and that the benefits of the RDAF funding are maximised. The goal is to leverage the most funds from the Government's contribution to the benefit of the region and ensure that value-for-money is enhanced.

7 Assessment

7.1 Assessment of Expression of Interest

RDA committees will assess all EOIs and advise both the applicant and the Department of the three projects that will proceed to full application. The RDA committee will base its assessment on:

- Priorities in the Regional Plan;
- Capacity of the project to address needs in the region, with consideration of the geographical spread of projects;
- Impact of the project on the region and neighbouring regions, with endorsed projects coming from across the region, rather than any one town, locality or Local Government Area;
- Level of community support; and
- Readiness to proceed.

7.2 Assessment of full applications

The Department will determine the eligibility of projects according to the eligibility criteria set out in section 6. In addition, the Department will confirm that each submitted application is one of the three selected by the RDA committee and is consistent with the scope of the project supported through the EOI process. Applications which are submitted and have not been selected as one of the three priorities by the RDA committee will immediately be deemed as ineligible.

The Department will complete an analysis of all submitted applications against the selection criteria, assess viability and conduct risk assessments. This material will be provided to the Panel for its information and to inform its discussions. Following consideration by the Advisory Panel (see section 7.6), recommendations and advice will be provided to the Minister for decision.

The Minister will consider the advice provided by the Advisory Panel and make decisions on projects to be funded, taking into account whether each project constitutes an efficient, effective and ethical use of public money, as required by Commonwealth legislation. The Minister may also require additional conditions and management strategies as a condition of funding, based on the assessment and risk analysis.

7.3 Independent viability assessments

The Department will undertake a risk analysis of the application and, based on the outcomes, additional checks will be undertaken or independent advice requested via an Independent Viability Assessment (IVA).

An IVA will be by an appropriately qualified external consultant engaged by the Department and the findings will be included in the project analysis. All information provided in an application may be considered during an IVA process conducted on that application.

7.4 Value-for-money

Funding recipients must promote the use of resources in an efficient, effective and ethical manner and projects must be undertaken in an accountable and transparent manner. Project documentation should enable the proper identification, assessment and comparison of associated costs, benefits and risks.

Information provided in the application form and attached documents will be used to assess value-for-money. Generally, value-for-money requires that the project can be delivered at a reasonable whole-of-life cost and would generally involve open procurement processes or mechanisms to ensure competitive delivery with project delivery arrangements.

Project costs must compare favourably with available benchmarks for the activities being undertaken.

7.5 Role of Regional Development Australia committees

RDA committees will assess all EOIs for their region and select three priority projects according to the following process:

- All members of an RDA committee are expected to consider and rank each application, except where a conflict of interest has been identified;
- Each committee member will assign each EOI a score out of ten, based on the five points set out in section 7.1. Ten will be the highest score, and these projects are expected to meet the points set out above to a very high degree. Where a committee member does not assign a score to a project because of a conflict of interest, an average of all members scores will be assigned;

- Scores will be totalled and given the priority order of applications (the project with the highest total score will be ranked number one, the project with the second highest score will be ranked number two, and so on); and
- Committee members will review the proposed priority rankings and confirm that it reflects their consolidated views, and agree on the three priority projects to proceed to full application.

The Department will publish, on its website at www.regional.gov.au, details of all EOIs received by RDA committees and the three EOIs that will proceed to full application. RDA committees may also wish to publish material related to the EOI process on their own website. RDA committees will provide feedback to each applicant on the outcomes of its assessment, including the rationale for its decision. The Department will invite full applications from successful applicants. The Department will review and audit the process followed by RDA committees to ensure consistency and compliance. More detail on this process is at [Attachment D](#).

Prior to commencing their prioritising role, RDA committee members and staff will be required to sign and observe confidentiality declarations.

All RDA committees were required to lodge a revised Regional Plan with the Department by 31 October 2011. Each RDA committee will provide the Department with a three page summary of its Regional Plan that clearly identifies key issues and priorities. This should be emailed by Wednesday, 21 December 2011 (COB local time) to rdaf@regional.gov.au.

The summary will be submitted to the Panel for its consideration in making assessments of projects and will provide context for the prioritised projects. It will also ensure that the Advisory Panel can identify the extent to which the project addresses key issues and priorities.

7.6 Role of the Advisory Panel

The Advisory Panel will consider the relative merits of applications that are eligible and are in the first three priority ranking from an RDA. The Advisory Panel's review will encompass information presented by the applicant, the Department's analysis of the case presented against the selection criteria, a risk assessment, the Department's advice on whether the project is an efficient and effective use of public resources, advice from other Government agencies, and any other material which it may deem relevant.

The Panel will frame its discussions around:

- the outcomes that will be achieved and positive benefits for the community;
- the viability of the applicant and project;
- the sustainability of the project; and
- value-for-money.

The Advisory Panel will prioritise and make recommendations to the Minister on projects to be funded. It will categorise all projects as either:

- ‘Recommended for Funding’; or
- ‘Suitable for Funding’; or
- ‘Not Recommended for Funding’.

All proposals that are rated as ‘Recommended for Funding’ and ‘Suitable for Funding’ will be ranked by the Advisory Panel in order of merit. More than one application may be assigned to a ranking. For example, three projects may be ranked as equal first in the “Suitable for Funding” group.

In making its recommendations, the Advisory Panel may:

- identify additional project risks that should be addressed before funding is provided;
- recommend a different level of funding to that requested for the project; and
- vary the scope of the project that it recommends to the Minister to be funded.

The Panel may choose to consider the distribution of funding in its recommendations to the Minister, including by:

- population by state;
- the GDP of each state and territory;
- the distribution of projects funded in Round One, including by region and state and territory;
- the socio-economic status of Local Government Areas and RDA regions; and
- the Australian Government’s commitment to support recovery and reconstruction of disaster affected areas in regional Australia.

Details of the process to be used by the Advisory Panel to assess applications is at [Attachment E](#).

7.7 Outcomes of assessment

At the conclusion of the assessment of full applications for Round Two, each application will be classified as one of the following:

- Ineligible;
- Not recommended for funding;
- Suitable for funding; or
- Recommended for funding.

7.8 Advice to applicants

Advice on the outcome of full applications will be provided to all applicants:

- ineligible applicants will be advised in writing via email at the conclusion of the assessment of eligibility. A letter from the Department will provide more detail on reasons for the assessment of ineligibility. This decision is final and not appealable. The Department will provide feedback to applicants, on request;
- applicants whose applications are eligible but ‘Not recommended for funding’ will be advised in writing via email at the same time that the Minister announces details of successful applications. A letter from the Department will provide more detail on the classification, and the Department will provide feedback on request;
- applicants whose applications are eligible and ‘Suitable recommended for funding’ will be advised in writing via email at the same time that the Minister announces details of successful applications. A letter from the Department will provide more detail on the classification, and the Department will provide feedback on request;
- applicants to receive funding will be notified via email in the first instance and then in writing. This advice may detail any conditions associated with the provision of funding, including revised funding amounts, potential risk that should be addressed, or milestones on which payments will be based. Projects approved for funding will be listed on the Department’s website at www.regional.gov.au

8 Probity

The Australian Government is committed to ensuring that the process for providing funding under programs is fair and in accordance with published guidelines, as may be varied by the Australian Government from time to time.

Independent probity advice will be requested, as required, to support the implementation of the Guidelines, including the EOI and assessment process.

Amendments to the Guidelines will be published on the Department’s website.

8.1 Conflict of interest

Where an applicant identifies an existing or potential conflict of interest in relation to projects, the applicant must declare the actual, apparent or potential conflict of interest and inform the Australian Government immediately.

For example, a conflict of interest may exist if the applicant, or any of its personnel:

- has a relationship, whether professional, commercial or personal, with a party who is able to influence the project assessment process; or
- has a relationship with, or an interest in, an organisation which is likely to interfere with or restrict the applicant in carrying out the proposed activities fairly and independently; or

- has a relationship, whether professional, commercial or personal, with a member of the RDAF Advisory Panel.

Each applicant will be required to make a legal declaration as part of its application.

Conflicts of interest between potential applicants and RDA committees need to be declared and managed in accordance with RDA committee operating procedures. Procedures for managing conflicts of interest in the Advisory Panel are included in its Operating Arrangements (available on the Department's website at www.regional.gov.au).

9 Approval for Funding

Approved projects will be subject to the following arrangements:

- before any funding can be paid, the applicant will enter into contractual arrangements with the Australian Government set out in a Funding Agreement that specifies the terms and conditions under which the funding is provided;
- applicants must not make financial commitments for funded activities until the Agreement has been executed;
- requests for additional funding from the Australian Government will not be considered; and
- 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 will be considered as long as the revised project continues to meet the objectives and outcomes of the RDAF.

10 Contracting and Funding

10.1 Funding agreement

Successful applicants should enter into an Agreement within 8 weeks of the project funding being announced by the Minister. The offer of funding may be withdrawn if the applicant cannot meet the timeframe, has not obtained agreement from the Department to obtain an extension to this timeframe, or if there are significant reasons why the project cannot commence.

The Funding Agreement is a legally enforceable document that clearly defines the obligations of both parties. The Agreement will describe the purpose for which the Australian Government funding must be used. It will provide a description of how, when and where the project will be delivered, and will set out any requirements or conditions that must be met prior to the release of funds. The Agreement will also set out milestones and project outcomes that must be achieved prior to the release of payments.

The Funding Agreement aims to:

- protect the Government's interests and ensure the effective and efficient use of public money;
- set out arrangements covering treatments of any cost savings;
- ensure the achievement of the agreed outputs of the project; and
- ensure appropriate recognition of Australian Government funds.

If there are any conditions or risk treatments identified by the Department or the RDAF Advisory Panel which need to be satisfied, evidence must be provided to, and accepted by, the Department that these conditions have been met, prior to grant payments being made. Conditions and risk treatments will be managed through milestones specified in the Funding Agreement. Action may be taken to terminate Funding Agreements where its requirements are not met.

A template of the RDAF Funding Agreement is available on the Department's website at www.regional.gov.au

10.2 Branding and recognition

Organisations must ensure that all advertisements, promotional activities, such as pamphlets, other publicity or fundraising events, and any other public relations matters are consistent with the branding requirements and arrangements to acknowledge Commonwealth funding set out in Funding Agreement. As a minimum, all publicly available material on the project should include the words '*Funded by the Australian Government under the Regional Development Australia Fund*'.

Successful applicants must notify the Department at least 20 business days in advance of any upcoming promotional activity, such as launches, sod-turning events, openings, graduations and visits or public statements. The Minister must be invited to all such activities. The Minister has the option of accepting, declining or nominating a representative to attend on his behalf. The representative may be another Minister, a Parliamentary Secretary, a RDA Chair and/or a local member supporting the Minister. Departmental staff may also attend.

It is not appropriate for organisations to invite a representative, such as a local Member of Parliament, to attend such a launch or function without prior agreement from the Minister's Office. Such permission must be sought through the Department well in advance of the event.

10.3 Payment arrangements

An initial payment will be made, with remaining payments made on achievement of agreed milestones. Before the second and subsequent payments can be made, funding recipients will be required to provide:

- evidence of meeting the milestone through provision of a progress report, photographs and other documentation as requested;
- evidence of meeting the obligations of the Funding Agreement;
- evidence that all payments made by the Department under the RDAF for the project have been expended or committed; and
- a tax invoice, which meets the requirements of the Australian Taxation Office, for the amount of the payment.

Payments will only be made after the Department is satisfied that milestones and the associated obligations specified in the Funding Agreement have been met.

10.4 Managing the project

Once the Agreement is executed, the applicant will be required to actively manage the project. The project's progress against the Agreement will be monitored by the applicant, which will provide progress reports to the Department.

The Department will monitor progress against the Agreement by assessment of progress reports and by conducting site visits as necessary. Based on project size, complexity and the amount of funding being provided, the Department may require an applicant to establish a Project Governance Board with regular meetings and reports. The Department may be an observer at these meetings.

10.5 Reporting

Applicants must provide regular reports on their progress against the achievement of agreed milestones. Depending on the size and/or complexity of the projects, reporting will be quarterly or half yearly.

Whether reports are to be made quarterly or half yearly will be determined as part of the Funding Agreement negotiations and will be directly linked to the agreed milestones and risk assessments. Acquittal of expenditure will also be a key element of these reports.

Where progress payments are linked to the achievement of particular activities, these payments will only be made after the relevant progress report is accepted and the requirements for payment stated in the Agreement have been met, including expenditure or commitment of the previous payment.

Additionally, if funding has been approved subject to meeting certain conditions, evidence that the conditions have been met must be presented to, and accepted by the Department.

10.6 Acquittals

Applicants are required to provide the Department with financial acquittals, and audited statements upon completion of the Activity and the Project, that demonstrate that they have spent the Australian Government funding on the purposes specified in the Agreement. For large projects, audited statements may also be required as part of milestone reports.

Applicants should familiarise themselves with the Agreement to ensure they are able to comply with the acquittal requirements.

When the Activity and the Project has each been completed, applicants must submit to the Department a:

- 'Completion Report', to demonstrate that they have achieved all the agreed milestones; and
- financial acquittal and audited statement by an independent auditor, of all expenditure of Australian Government funding and other funding sources, as set out in the Funding Agreement.

Once this report has been accepted by the Department, the final grant payment will be made.

10.7 Evaluation

To enable evaluation of the benefits of Government funding, each applicant is required to identify the project's key outputs and the manner in which they will be measured (Performance Measures). These outputs and Performance Measures will be included in the Agreement. The Project Completion Report will document what was achieved with the funding provided for the project by the Australian Government.

Utilising this information, the Department will determine how the funding contributed to the objectives and outcomes of the program.

10.8 Funding for projects relating to building and construction

Building work funded by the Australian Government is subject to all relevant state or territory health and safety laws. Special arrangements apply to projects relating to building and construction, and are set out at [Attachment C](#). In particular, applicants must ensure that all contractors engaged to work on that part of the project funded by the RDAF have OH&S accreditation where:

- the value of the Australian Government contribution (including the amount of any Contingency Payment) to the project is at least \$5 million and represents at least 50 per cent of the total construction project value; or
- the Australian Government contribution (including the amount of any Contingency Payment) to a project is \$10 million or more, irrespective of the proportion of Australian Government funding.

11 Confidential Information

Applicants must identify any information contained within their project application which they consider should be treated as confidential and provide reasons for the request. The Australian Government reserves the right to accept or refuse a request to treat information as confidential.

A request made under the *Freedom of Information Act 1982* for access to an application marked 'confidential' will be determined in accordance with that Act.

12 Complaints Process

Complaints about the RDAF application and assessment process should be directed to:

RDAF Complaints
Corporate Services
Department of Regional Australia, Regional Development and Local Government
GPO Box 803
CANBERRA ACT 2601

Details of the complaints process are available from the Department's website.

13 Key Dates

The following table outlines the anticipated timeline for the program.

Milestone	Anticipated Dates
RDA Regional Plans finalised	Monday, 31 October 2011
RDAF Round Two announced	Thursday, 3 November 2011
RDAF Round Two Guidelines published	Thursday, 3 November 2011
Expressions of Interest open	Thursday, 3 November 2011
Expressions of Interest close	Thursday, 1 December 2011
RDA committee decisions on Expressions of Interest	Wednesday, 21 December 2011
Notification of outcomes of the Expression of Interest process by the Department	Wednesday, 11 January 2012
Full applications for Round Two close	Wednesday, 15 February 2012
Minister announces successful projects	Commences mid to late May 2012
Funding Agreements negotiated and executed	Within 8 weeks of Minister's announcement

Glossary of Terms

Australian Business Number (ABN)

The ABN is the single business identifier that allows businesses to meet their regulatory obligations and access information and assistance through a single entry point to government.

Regional Development Australia committees

Regional Development Australia committees are operating around Australia. The RDA committees will play a key role in identifying local projects, confirming alignment of projects with their Regional Plans and endorsing applications and prioritising applications submitted from their region. RDA committees can play a facilitation role by bringing stakeholders, local governments and other organisations together to identify suitable projects and sources of funding consistent with their regional plans.

Consortium

An association of two or more individuals, companies, organisations or governments in any combination with the objective of participating in a common activity or pooling their resources to achieve a common goal. A consortium is often formed to undertake a venture that would be beyond the resources of a single individual or company.

The Department

Australian Government Department of Regional Australia, Regional Development and Local Government.

EDST

Eastern Daylight Saving Time

Infrastructure

The facilities, services, and installations needed to support a functioning community.

In-kind contributions

In-kind contributions may be contributions of land, equipment, supplies, or other tangible resources, as distinguished from a monetary grant.

Investment Ready

Projects which are “investment ready” must be ready to proceed with construction. It is expected that all planning, rezoning, environmental and/or native title approvals will be in place or pending. Active and continuous construction must commence within six months of signing the Funding Agreement.

Local Government

A *local governing body* is defined by the *Local Government (Financial Assistance) Act 1995* (Cwlth) as either:

- a) a local governing body established by or under a law of a State, other than a body whose sole or principal function is to provide a particular service, such as the supply of electricity or water; or
- b) a body declared by the Minister, on the advice of the relevant State Minister, by notice published in the *Gazette*, to be a local governing body for the purposes of this Act.

Please note that 'State' in the *Local Government (Financial Assistance) Act 1995* (Cwlth) includes the Australian Capital Territory and the Northern Territory.

For the purposes of RDAF, the following organisations will be considered local governing bodies:

- Five Indigenous local governing bodies in South Australia (Anangu Pitjantjatjara, Maralinga, Gerard, Nepabunna and Yalata);
- The Outback Communities Authority, formerly the Outback Areas Community Development Trust, in South Australia;
- The Trust Account in the Northern Territory;
- The Silverton and Tibooburra villages in New South Wales;
- Cocos (Keeling) Islands Shire Council;
- The Shire of Christmas Island; and
- Lord Howe Island governed by New South Wales.

Incorporated non-profit or not-for-profit organisations

An organisation is non-profit or not-for-profit if its activities are not carried on for the profit or gain of its individual members. The constitution or governing documents of the organisation should prohibit distribution of profits or gains to individual members.

Outcomes

The long term benefits that a project brings to a community, i.e. the result, impact or consequence of the project. For example, outcomes could include an increase in employment, increase in education opportunities or increase in community capacity. Projects should have a positive outcome.

Partner contribution (or partnership funding)

A financial contribution to the project made by an individual or organisation (partner contributor) from a specific program or funding source. Contributions of tangible resources, such as land, should be included as contributions of in-kind support.

Project

A project is the entire endeavour undertaken to create a unique product, service, or result under the RDAF.

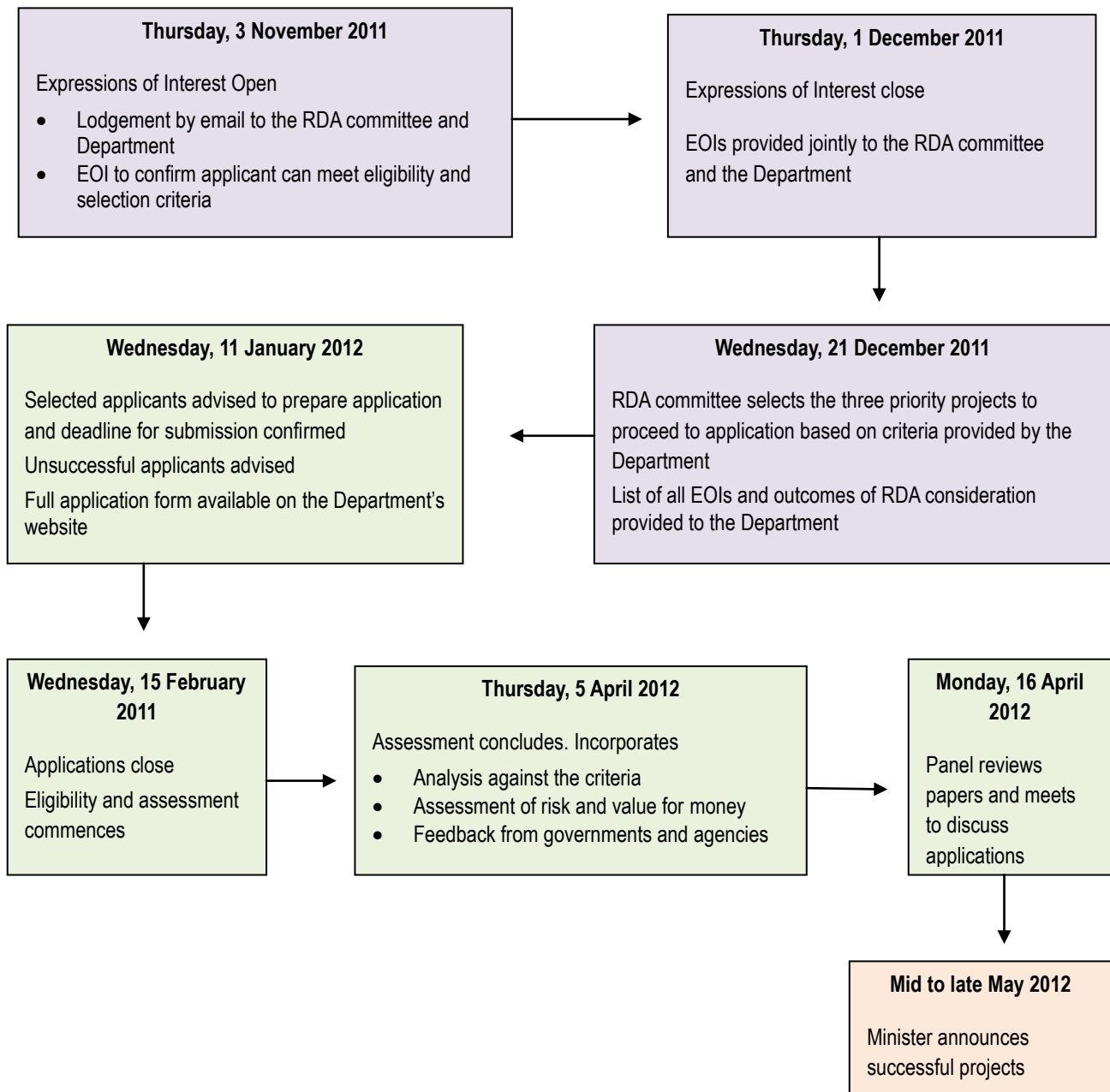
Social Capital

Projects which build the social cohesion of a community, support or enhance social inclusion, build or strengthen social networks or address issues which are specific to minority groups. The outcome is more integrated communities.

Sustainability

The continuation of the project outcomes beyond the period of funding.

Grant Process Flowchart



- Expression of Interest process
- Full application and assessment process
- Decisions

Guidance on Preparing Mandatory Documents

It is expected that the detail, size and content of these documents will be commensurate with the size and scope of the project. Documentation relating to larger projects and/or more complex projects is expected to be more detailed and provide extensive information to demonstrate capacity and capability. Documentation relation to smaller projects will be less detailed.

1. Business Case

The Business Case should provide an overview of the project and the benefits that will accrue. The Business Case should include a detailed description of the project; reasoning for initiating a project; outcomes; and a methodology to review progress against outcomes. It will also detail the physical aspects of the project, including inclusions and exclusions (for example because they are already in place or will be provided by a third party).

The Business Case sets the framework for the delivery of the project and for the documents set out below.

2. Asset Management and Operations Plan

The Asset Management and Operations Plan should demonstrate that the outcomes of the project will be retained in original condition for a 5 year period. It should also outline the operational needs of the project into the future, a strategy to manage the project and arrangements to maintain the ongoing viability of the completed project.

The Plan should include details of ownership arrangements for the facility_including:

- leasing and or rental arrangements. A copy of the lease should be provided to demonstrate that any leased premises will be retained by the applicant for 5 years; and
- roles and responsibilities of key staff in managing the project after completion.

The Plan should also describe any future capital upgrades, including timing for those upgrades and funding arrangements. Five year financial projections post project delivery should be provided, including¹:

¹ For capital assets with no revenue stream, and which will become part of the ongoing capital asset management activity of the applicant or a consortium member, the ownership, budget responsibilities and operational responsibilities for this must be identified and projected expenditure detailed.

- cost associated with operating and maintaining the infrastructure;
- projections of any revenue that may be generated and the percentage to be applied to ongoing maintenance and management of the infrastructure; and
- arrangements to manage revenue shortfalls relative to expenditure.

3. Project Management Plan

Applications must include a Project Plan, which addresses the implementation of the project, from commencement to completion. It should define how, when and by whom project activities will be completed. It must include planning approvals, timelines, costing and budget, and resource allocations. The Project Plan should include:

- *Project Objectives*: outline the outputs of the project, the infrastructure to be delivered and the benefits to be realized.
- *Project Scope*: outline what is included in and excluded from the project, identify geographical location and coverage, identify business units involved in implementation, note project prerequisites and assumptions, and specify the criteria that demonstrate completion of the project.
- *Governance and Organisational Structures*: outline the organisational structure, particularly as it relates to the project. Describe and define roles and responsibilities.
- *An Operational approach for the Execution of the Project*: outline timelines, milestones and key activities.
- *Resourcing*: define the staffing and physical resources required, and describe how these will be applied to the project.
- *Resource Management*: define the staffing, contractor and resources required to complete the project. Describe how these will be applied to the project.
- *Project Communication Strategy*: outline the formal and informal communication strategies to engage with stakeholders and other interested parties.
- *Financial Management*: include detailed budgets for the project, both for individual phases and overall. These budgets will contain statements of income, expense and projected balances by scheduled project milestones.
- *Approvals*: outline approvals which are in place and still to be obtained, as well as a strategy and timeline to finalise all outstanding approvals.
- *Compliance*: describe the processes to ensure that the activities undertaken comply will all requirements, and arrangements to monitor compliance.
- *Audit and performance reporting*: outline arrangements and time frames for internal reviews and audits.

4. Project Quality Plan

A Project Quality Plan must be provided. It can be a stand-alone document, or form part of the Project Plan. A Project Quality Plan must include details of how quality in the construction and delivery of the project will be managed and monitored. It should include details of staff working on the projects, and their project management skills and qualifications. The Plan should also specify quality standards to be applied during the project, how they will be monitored and reported.

5. Procurement Management Plan

A Procurement Management Plan must be provided. It can be a stand-alone document, or form part of the Project Plan. The Procurement Management Plan should confirm that the applicant will be spending Commonwealth funds in appropriate manner, and include arrangements to demonstrate this. It should, for example, include details of expenditure authorisation arrangements and demonstrate that internal procedures are in place to ensure open and transparent procurement. The Procurement Management Plan should also describe:

- Items to be procured individually or by package;
- Procurement schedules, with deadlines and deliverables;
- Procurement policies, such that they relate to the project;
- Approval process and decision criteria; and
- Arrangements to manage vendors and compliance with contracts.

6. Risk Management Plan

Applications must include a Risk Management Plan, which is essential to demonstrating that all key risks have been identified, assessed and appropriate mitigation or managements strategies put in place. The Plan should address project risks from commencement of the project, including construction and management in the medium term.

The Risk Management Plan should be compliant with the risk management principles and practices laid out in the appropriate Australian standard, ISO 31000. It should include the organisation's approach to identifying and managing risk. This may be a risk management policy which applies across the organisation.

The Plan must address risks which are particular to the project, including for each identified risk:

- the nature of the identified risk;
- the likelihood of occurrence;
- treatment and mitigation strategies;
- residual risk; and
- staffing arrangements to manage and monitor the risk.

This material should be presented in the form of a Risk Register.

National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry

The National Code of Practice for the Construction Industry (the Code) and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, revised September 2005, reissued June 2006 (the Guidelines for the Code), set out the responsibilities of the parties involved in building and construction projects funded by the Australian Government. The principles expressed in the Code promote best practice workplace relations and standards of honesty and integrity in the construction industry. The Guidelines for the Code were developed to assist the interpretation and implementation of the Code.

The Code and Guidelines for the Code apply, subject to the specified threshold requirements in the Guidelines for the Code, to all directly and indirectly funded building and construction activities undertaken by Australian Government agencies and funding applicants.

Applicants of project funding specifically relating to building and construction activity, as defined in the Code and subject to any threshold requirement in the Guidelines for the Code, must comply with the Code and Guidelines for the Code. Funding applicants will also be obliged, among other things, to ensure that all contractors, subcontractors, suppliers, consultants and employers who perform work in relation to a project funded under the Program comply with the Code and Guidelines for the Code.

For copies of the Code and the Guidelines for the Code, applicants should refer to: <http://www.deewr.gov.au/workplacerelations/policies/buildingandconstruction/pages/nationalcodeandguidelines.aspx>

Australian Government Building and Construction OHS Accreditation Scheme

The Australian Government is committed to improving occupational health and safety (OHS) outcomes in the building and construction industry. From 1 October 2007, only persons who are accredited under the Australian Government Building and Construction OHS Accreditation Scheme are able to contract for building work that is **indirectly** funded by the Australian Government where:

- the value of the Australian Government contribution (including the amount of any Contingency Payment) to the project is at least \$5 million and represents at least 50 per cent of the total construction project value; or
- the Australian Government contribution (including the amount of any Contingency Payment) to a project is \$10 million or more, irrespective of the proportion of Australian Government funding.

The Scheme is established by the *Building and Construction Industry Improvement Act 2005* and specified in the Building and Construction Industry Improvement (Accreditation Scheme) Regulations 2005.

Building work is considered **indirectly** funded where it is funded by the Australian Government or an Australian Government authority through grants and other programmes. This includes building projects where the Australian Government provides money through a funding agreement or grants to a person, for example, a state or territory government who then may contract with persons who will undertake the building work or persons who will arrange for the building work to be carried out.

Indirectly funded building work also includes building projects that the person, who receives Australian Government funding, facilitates by agreement (for example pre-commitment lease, Build Own Operate and Build Own Operate Transfer arrangements).

If a project meets the above threshold amounts, the requirement that accredited builders carry out the building work only applies to contracts for building work that are valued at \$3 million or more as defined in the Building and Construction Industry Improvement (Accreditation Scheme) Regulations 2005.

Further information on applying the Australian Government Building and Construction OHS Accreditation Scheme is available from the Office of the Federal Safety Commissioner at www.fsc.gov.au.

The Australian Government reserves the right to set other conditions especially where there may be a need to mitigate risks identified within the project.

Process for Prioritising RDAF Applications For use by Regional Development Australia Committees

This attachment provides an overview of the process to be used by RDA committees in prioritising applications.

Step 1.

Each member of the RDA committee is provided with a copy of each eligible application in their region. Members will consider each application and apply a score of out of ten (10) to each. In applying the score of ten (10), the member should take the following into account:

- Priorities in the Regional Plan;
- Capacity of the project to address needs in the region, with consideration for the geographical spread of projects;
- Impact of the project on the region and neighbouring regions, with endorsed projects coming from across the region, rather than any one town, locality or Local Government Area;
- Level of community support; and
- Readiness to proceed.

The higher the score, the more the project meets these criteria and delivers stronger benefits to the region.

Step 2.

The scores assigned by each committee member will be tallied to give a total score for the application.

Sample	Sample Committee Member	Sample Score out of 10
Application 1		
	Committee Member #1	7
	Committee Member #2	8
	Committee Member #3	4
	Committee Member #4	7
	Committee Member #5	8
	TOTAL SCORE FOR PROJECT	34
Application 2		
	Committee Member #1	3
	Committee Member #2	5
	Committee Member #3	5
	Committee Member #4	6

	Committee Member #5	3
	TOTAL SCORE FOR PROJECT	22
Application 3		
	Committee Member #1	6
	Committee Member #2	6
	Committee Member #3	7
	Committee Member #4	6
	Committee Member #5	8
	TOTAL SCORE FOR PROJECT	33

Where a committee member has a conflict of interest and does not review or assign a score to an application, an average of the other member's scores will be applied.

Application 3		
	Committee Member #1	6
	Committee Member #2	6
	Committee Member #3	7
	Committee Member #4 Conflicted	6.75 (average)
	Committee Member #5	8
	TOTAL SCORE FOR PROJECT	33.75

Step 3.

The application with the highest score will be allocated a priority of one (the highest). The application with the second highest score will be allocated a priority of two (the second highest), and so on until all applications are allocated a priority.

Application Number	Priority	Score
Application 1	One	34
Application 3	Two	33
Application 2	Three	22

Committee members will review and discuss the prioritised EOIs to ensure that it reflects a consolidated view. The first three priority projects will proceed to application.

The RDA will advise the Department of the outcome of their deliberations, including the rationale for their decisions. The Department will notify successful and unsuccessful applicants of their status and then post the information to the Department's website.

Successful applicants (proponents of the three viable priority projects) will be invited by the Department to submit a full application. Unsuccessful applicants will be invited to seek feedback from the RDA committee. RDA committees will provide feedback to applicants throughout February 2012.

Process for Prioritising RDAF Applications Regional Development Australia Fund Advisory Panel

In considering all applications at all steps of the process, including debate and discussion, the Panel will have regard to the member's expertise, experience and knowledge; material presented by the applicant; the Independent Viability Assessment; and the Department's analysis of the applicant's case against the selection criteria. The Panel will review applications against the three selection criteria set out in section 6.2 and additional matters set out in section 7.4 of the RDAF Guidelines.

Decisions taken by the Panel, including rationale, will be recorded and endorsed by the Chair.

Step 1. Review All Eligible Applications

- Identify applications which are 'Not Recommended for Funding'.

Step 2. Identify Indicative Pool of Suitable Applications

- Review applications not excluded via Step 1 to determine if they are 'Recommended for Funding' or 'Suitable for Funding'.

Step 3. Identify and Rank Applications which are Recommended for Funding

- Each Panel member will rank these applications in order of relative merit and a consolidated list representing the views of all Panel members prepared.

Step 4. Review Applications Recommended for Funding

- Applications which are 'Recommended for Funding' will be reviewed, with regard to:
 - population by state;
 - the GDP of each state and territory;
 - the distribution of projects funded in Round One, including by region and state and territory;
 - the socio-economic status of Local Government Areas and RDA regions; and
 - the Australian Government's commitment to support recovery and reconstruction of disaster affected areas in regional Australia.
- Final rankings will be agreed.

Step 5. Prepare Advice to the Minister