



Australian Government

Department of Infrastructure, Regional Development and Cities

Grant Programme Guidelines

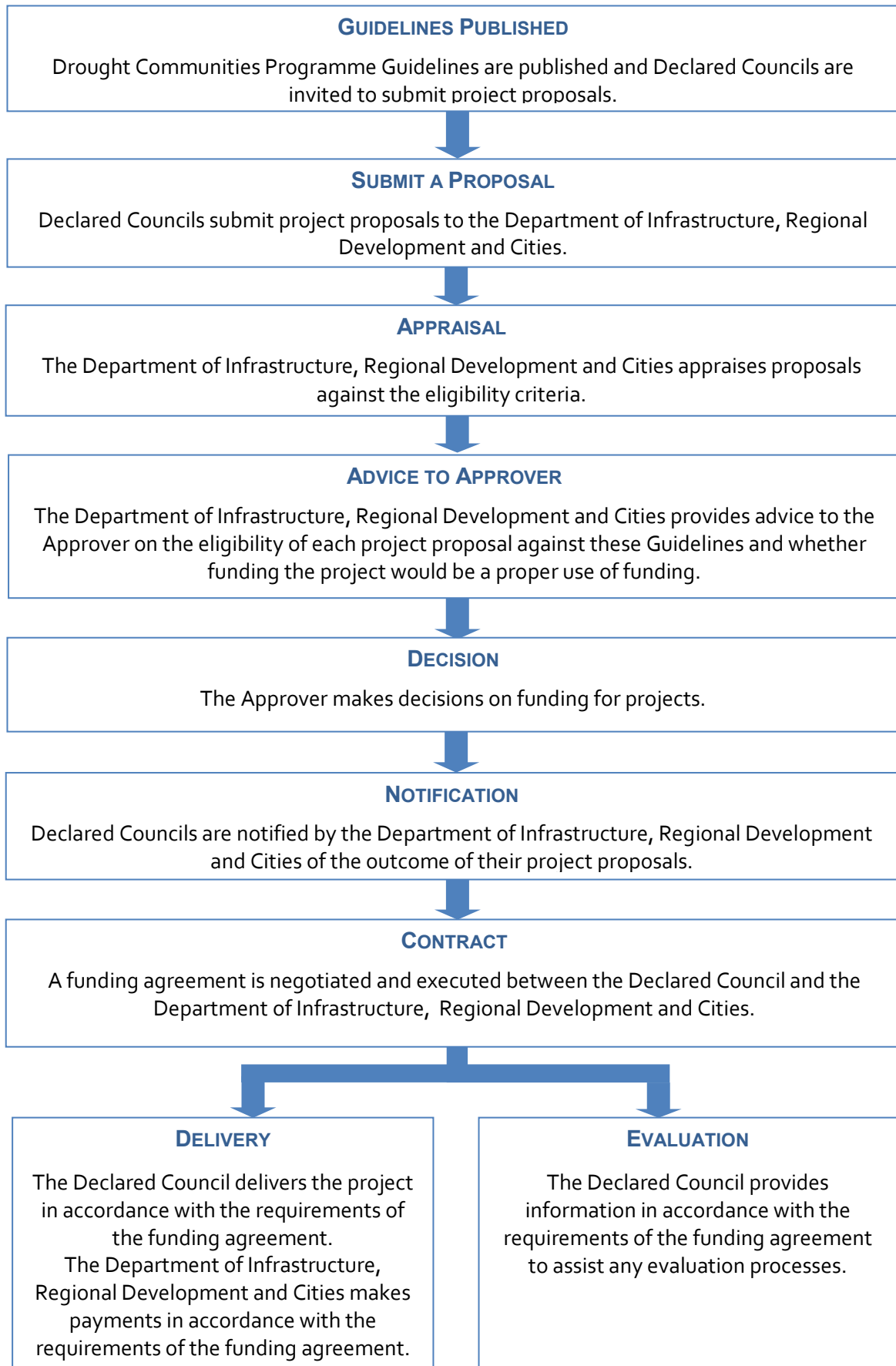
DROUGHT COMMUNITIES PROGRAMME

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Drought Communities Programme Process Flowchart



1. Introduction

1.1. Overview

The Drought Communities Programme (DCP) is designed to deliver benefits in targeted drought-affected regions of Australia. The Government is providing \$35 million over four years, commencing in 2015-16, to fund local infrastructure initiatives that provide employment for people whose work opportunities have been impacted by drought.

Funding of \$1.5 million will be available to support projects in each Declared Council area. Declared Councils may submit as many projects as they wish up to their total funding amount of \$1.5 million. The component of a project funded under the DCP must be completed by 30 June 2019.

Project proposals seeking DCP funding will be appraised against the programme's eligibility criteria and whether funding the project would be a proper¹ use of funding. Decisions on projects to be funded will be taken by an Approver, who is an authorised officer of the Department of Infrastructure, Regional Development and Cities (the Department) delegated to do so.

These Grant Guidelines (the Guidelines) apply to all projects seeking funding under the DCP. The Guidelines outline the objectives and desired outcomes of the DCP, eligibility requirements, the selection process, roles and responsibilities, and funding arrangements.

Declared Councils are strongly encouraged to read these Guidelines before submitting their proposal(s).

1.2. Programme objective and outcomes

The objective of the DCP is to deliver benefits in Declared Council areas, by supporting investment in local infrastructure initiatives.

Funding will be targeted at infrastructure projects that provide employment for people whose work opportunities have been impacted by drought; stimulate local community spending; use local resources, businesses and suppliers; and/or provide a long-lasting benefit to communities and the agricultural industries on which they depend.

The desired outcomes of the DCP are:

- increased employment in regions by providing work for locals and/or farmers and farm labourers/staff/contractors whose employment opportunities have been affected by drought;
- improved levels of economic activity in regions;
- increased productivity in regions; and
- better retention of businesses, services and facilities.

1.3. Roles and responsibilities

The *Process Flowchart* (page 4) outlines the roles and responsibilities of each party.

The DCP is administered by the Department of Infrastructure, Regional Development and Cities (the Department).

¹ Proper' is defined in the *Public Governance, Performance and Accountability Act 2013* as meaning 'efficient, effective, economical and ethical'.
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The Approver, who is an authorised officer of the Department with appropriate delegations, considers information provided by the Declared Council and the Department’s advice in making decisions on projects to be funded. Relevant independent advice may be considered where needed.

The Approver for the DCP is the authorised delegate of the Department.

2. Key Dates

Key Dates	
DCP Announced	9 May 2015
Guidelines Published and Proposals are Invited	30 June 2015
Decision Process on Lodged Proposals Commences	1 July 2015
Funding Commences	1 July 2015
Funding Ceases	30 June 2019

3. How to Submit Proposals

3.1. Proposal process

Proposals can be submitted at any time from publishing of the Guidelines.

Proposals must be submitted using the relevant form available from the Department via email to dcp@infrastructure.gov.au.

Only completed proposals submitted by the Chief Executive Officer of the Declared Council, or other council officer authorised to sign funding agreements, will be accepted and assessed for their eligibility. Incomplete proposals may not be assessed, however they can be re-submitted.

Declared Councils may withdraw a proposal at any time prior to being notified of a decision on funding, with written advice of the withdrawal to be provided to the Department via email to dcp@infrastructure.gov.au.

There is no end date for proposals to be lodged.

3.2. Proposal requirements

Proposals must comply with all of the following requirements to be lodged:

- the Declared Council must only seek DCP funding up to a maximum of \$1.5 million; and
- the Declared Council must seek DCP funding of at least \$25 000 per project; and
- the project for which the Declared Council is seeking funding must be investment ready, that is, it will be able to commence within 6 months of signing a funding agreement²; and
- the DCP funded component of the project(s) must be scheduled to be completed on or before 30 June 2019.

² All appropriate planning, construction, zoning, environmental and/or native title approvals should be in place or will be in place within six months of execution of the funding agreement.
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3.3. Documents to be provided to support eligibility

Proposals must provide sufficient information to enable them to be appraised against the eligibility criteria and the Australian Government's value for relevant money requirements.

Declared Councils must provide the following with their proposals:

- Cost estimates for the work to be undertaken: it is reasonable for cost estimates to be supplied for work to be undertaken; this could include quotes for work or supplies or a cost breakdown based on the Declared Council's experience with similar works.
- Advice on cash and in-kind contributions: if a proposal is dependent on other sources of funding, then the Declared Council must identify these sources and indicate their level of certainty. If some funding is yet to be confirmed, Declared Councils will need to consider whether the project will still be viable and how any shortfall will be covered.
- A risk management plan or other similar document: this should outline any significant risks associated with the project and the appropriate mitigation strategies (if any). Existing policy, programme delivery arrangements and protocols for the administration and delivery of programme funds can be summarised as appropriate.
- Relevant information on how projects are expected to: lead to the employment of locals, with a focus on employing farmers and/or farm labourers/staff/contractors; contribute to the economic activity of communities/regions; and deliver social and community benefits.

3.4. How to submit a proposal

Proposals must be submitted to the Department either:

- by email to dcp@infrastructure.gov.au (preferred), or
- in hardcopy to the Department of Infrastructure, Regional Development and Cities, GPO Box 594, CANBERRA ACT 2601.

3.5. Appraisal process

The Department will undertake an appraisal of proposals against the eligibility criteria for the DCP. The appraisal will be based on information provided in the proposal, supporting documentation and any relevant advice from other parties. Following advice from the Department on the eligibility of proposals, the Approver will complete the approval process for successful projects.

4. Eligibility

4.1. Declared Councils

Declared Councils that can receive funding under the DCP are those specified by the Minister for Regional Development in consultation with the Minister for Agriculture and Water Resources.

In 2015-16, DCP funding will be prioritised to focus on the following Declared Councils: Balonne, Barcardine, Barcoo, Blackall-Tambo, Boulia, Bulloo, Burke, Carpentaria, Diamantina, Flinders, Longreach, McKinlay, Murweh, Paroo, Quilpie, Richmond and Winton in Queensland; Brewarrina, Coonamble and Walgett in New South Wales; and Buloke, West Wimmera and Yarriambiack in Victoria.

4.2. Additional Councils

The Minister for Regional Development, in consultation with the Minister for Agriculture and Water Resources, can consider approving further Declared Councils under the DCP at their discretion.

The DCP does not create an entitlement for all drought-affected Councils to receive funding under the programme. DCP funding is capped at \$35 million, and once that ceiling is reached through additional councils being added to the list of Declared Councils, then no other approvals are possible, without a further consideration of the DCP's parameters by the Australian Government.

4.3. What projects are eligible for funding?

Eligible projects must relate to economic, social and cultural infrastructure, safety and accessibility upgrades, and/or town facility developments and upgrades.

These infrastructure projects must be expected to:

- lead to the employment of locals and/or focus on employing farmers and farm labourers/staff/contractors; and/or
- contribute to the economic activity of communities/regions; and/or
- lead to the retention of businesses, services and facilities.

4.4. What activities are not eligible for funding?

DCP funding cannot be used for:

- payment of salaries for existing staff or contractors, although projects may be carried out by existing workforces;
- computer software or hardware that is not an integral part of the funded capital project;
- a council's core or business-as-usual operations, which council rates and other government funding usually funds;
- purchases of land, buildings, vehicles or mobile capital equipment (eg trucks and earthmoving equipment);
- expenditure incurred prior to the announcement that the project has been successful in its proposal for funding;
- staging events, exhibiting a display or for filming;
- undertaking studies or investigations; or
- the development of private or commercial ventures, including licensed areas of registered clubs.

If an Declared Council is uncertain whether a particular type of expense is eligible for DCP funding they should contact the Department for further information in the first instance.

5. Demonstrating Project Eligibility

Declared Councils need to supply adequate information to enable the Department to assess the eligibility of proposed projects seeking DCP funding. Declared Councils must meet at least one of these criteria.

5.1. How the project is expected to lead to the employment of locals and the extent to which farmers and/or farm labourers/staff/contractors are expected to be employed

Declared Councils need to provide evidence of:

- how the project is expected to lead to the employment of locals and over what period of time they are expected to be employed;
- the extent to which farmers and/or farm labourers/staff/contractors are expected to be employed by the project;
- the employment expected to be created beyond the immediate construction phase of the project and into the longer-term;
- the indirect employment expected to be created through the potential flow-on effects to local businesses, suppliers, and services.

5.2. How the project is expected to contribute to the economic activity of communities/regions

Declared Councils need to provide evidence that:

- local businesses, suppliers and services are expected to be used to complete the projects;
- equipment and services are expected to be purchased from local regions/communities;
- the project will encourage investment, business activities and other economic benefits to communities/regions.

5.3. How the project is expected to lead to the retention of businesses, services and facilities

Declared Councils need to provide evidence of:

- the benefits that should be delivered as a result of the project, such as increased tourism, increased trade for local businesses, improved services resulting from enhanced facilities;
- the expected longer-term employment benefits to the agricultural sector from the project;
- the number of people that are expected to use the approved project.

6. Decisions

6.1. Value with relevant money

The Department seeks to promote value with relevant money by funding projects that result in public resources being used in an efficient, effective, economical and ethical manner. It does this by funding projects that:

- have met all of the published eligibility requirements;
- involve a reasonable (rather than excessive) cost having regard to the quality and quantity of deliverables that are proposed; and
- have a risk profile that is acceptable to the Australian Government.

Value with relevant money will also be considered on an ongoing basis during and after the delivery of the project, including by ensuring that Australian Government funding is expended and acquitted in accordance with contracted requirements and all other conditions of funding are met.

6.2. Assessment of Risks

The department will undertake a risk assessment to ensure a project's identified risks can be efficiently and effectively managed.

Key considerations in this risk assessment may include, but are not limited to:

- Is it a complex project/activity for which planning is required, and does the plan have acceptable delivery claims (scope, time, cost, quality);
- In what manner has the project/activity been costed;
- Is there any adverse information known about the funding recipient or their personnel that might suggest funding could be at risk, misused or mismanaged; and
- Is the project/activity dependent on other projects/programmes/funding, and how the dependency effects implementation.

6.3. Decisions on projects to be funded

Proposals from Declared Councils will be appraised against the eligibility criteria by the Department (see Sections 4 and 5).

Following advice from the Department the Approver will consider whether the proposal will make an efficient, effective, economical and ethical 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.

Consideration of a proposal may be deferred if the proposal needs further development and/or more information is required to enable an assessment against the eligibility criteria to be made.

Should a project not be approved, the Declared Council will be provided with the opportunity to submit an alternative project or amend the current proposal and re-submit it.

6.4. Advice to the Declared Council

Declared Councils will be advised in writing of the funding decision. Letters to successful Declared Councils will detail any specific conditions attached to the funding. Funding approvals will also be listed on the GrantConnect website.³

7. Conditions of Funding

7.1. Contractual arrangements

Declared Councils that have been selected to receive DCP funding will be required to enter into a funding agreement with the Commonwealth of Australia, as represented by the Department.

The funding agreement for each project, or group of projects, will set out (amongst other things):

³ Projects with funding agreements executed prior to 1 January 2018 are listed on the Department's website. Drought Communities Programme April 2018

- any specific conditions attached to the funding approval as a result of the assessment process or further considerations by the Approver. These will be identified in the offer of funding or during agreement negotiations;
- work health and safety requirements
- arrangements to report on the progress of the project and acquit the expenditure of funding;
- media engagement processes, and branding and recognition requirements; and
- arrangements to manage the delivery of the project, including reporting requirements and site visits conducted by the Department and/or representatives of the Department.

Declared Councils should not make financial commitments for funded activities based on the approval of funding or public announcements. Financial commitments entered into before a funding agreement has been accepted with the Department are done so at the risk of the Declared Council.

7.2. Use of Other Funding Sources

While co-funding from Declared Councils is not mandatory, they may have access to other funding for the project. Cash funding or in-kind support can be provided by any organisation including, but not limited to, the Declared Council, state government, not-for-profit organisations and private sector companies.

DCP funding can also form one component of a larger package of Australian Government funding, noting that other funding needs to meet the eligibility criteria of the programme from under which it is funded. For example, eligible fencing projects may be part funded under the Pest Animal and Weed Management Programme⁴, and eligible road projects may be part funded under the Roads to Recovery Programme⁵.

Funding under the DCP cannot be considered to be part of, or all of, a Council's contribution to projects under the Bridges Renewal Programme, the National Stronger Regions Programme or the Heavy Vehicle Safety and Productivity Programme.

Declared Councils that are using funding from other Australian Government programmes should contact the relevant administering agency to discuss whether amalgamating DCP monies with those funds contravenes any relevant funding agreements.

7.3. Compliance with the Building Code and WHS Scheme

Project funding specifically relating to building and construction activity, as defined in the Building Code⁶, as amended from time to time, must comply with the Building Code subject to any threshold requirements. Construction activity must be undertaken by an accredited builder as specified under the Work Health and Safety Accreditation (WHS) Scheme⁷.

Declared Councils who intend to combine DCP monies with other Australian Government funding should check the threshold requirements to ensure their compliance.

⁴ Delivered by the Department of Agriculture: www.agriculture.gov.au.

⁵ Delivered by the Department of Infrastructure, Regional Development and Cities: www.infrastructure.gov.au.

⁶ The Building Code can be found at www.abcc.gov.au/building-code.

⁷ The WHS Scheme can be found at www.fsc.gov.au.

7.4. Evaluation

A Monitoring and Evaluation Strategy forms part of the Department's programme delivery arrangements. This strategy may be used to assess the extent to which the DCP is achieving its policy objectives and provide valuable input to the development of future programmes.

Declared Councils are required to provide information, as requested, to support the collection of baseline data and inform any evaluation undertaken of the DCP.

8. Payment of Funding

8.1. Payment arrangements

The first payment of 50 per cent of the total funding amount will be paid up-front on execution of a funding agreement, with the remaining funding to be paid upon evidence of contractual commitment and/or expenditure of the total funding amount.

8.2. GST and tax implications

In accordance with the terms of Australian Taxation Office ruling GSTR 2012/2, payments made under the DCP, which are payments made by a government related entity to another government related entity, do not attract GST. Consequently, funding sought by Declared Councils in their proposal(s) must exclude the GST component on goods and services and the payments made to Declared Councils will not include GST.

9. Probity

The Australian Government is committed to ensuring that the process for providing funding is transparent and in accordance with published Guidelines. The Guidelines may be varied from time-to-time by the Australian Government, as needed or to reflect its priorities. Amended Guidelines will be published on the Department's website and communicated to Declared Councils.

9.1. Conflict of interest

A conflict of interest may exist if, for example, the Declared Council or any of their personnel:

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the proposal 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 the Declared Council in 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.

Each Declared Council will be required to declare existing conflicts of interest.

Where an Declared Council subsequently identifies an actual, apparent, or potential conflict of interest in relation to the proposal for funding, the Declared Council must inform the Department in writing immediately.

Department employees will manage any conflict of interest in accordance with the Department's Accountable Authority Instruction for probity.

9.2. Confidential information

Information submitted by the Declared Council may be provided to other organisations for the purposes of the project proposal assessment. Declared Councils 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 DCP.

Declared Councils 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*.

10. Contact Details

Questions about the DCP, including eligibility and the proposal process can be emailed to dcp@infrastructure.gov.au. Questions should be clear and concise.

Any enquires relating to funding decisions or complaints should be directed to:

General Manager
Regional Programs
Department of Infrastructure, Regional Development and Cities
GPO Box 594
CANBERRA ACT 2601
E: dcp@infrastructure.gov.au