



Australian Government

Department of Industry, Science,
Energy and Resources

Department of Infrastructure, Transport,
Regional Development and Communications

Grant Opportunity Guidelines

Building Better Regions Fund – Infrastructure Projects Stream – Round Six

Opening date:	13 December 2021
Closing date and time:	5:00PM Australian Eastern Daylight Time on 10 February 2022 Please take account of time zone differences when submitting your application.
Commonwealth policy entity:	Department of Infrastructure, Transport, Regional Development and Communications
Administering entity:	Department of Industry, Science, Energy and Resources
Enquiries:	If you have any questions, contact us on 13 28 46.
Date guidelines released:	13 December 2021
Type of grant opportunity:	Open competitive

A message from the Minister



Our regions have always been the driving force behind our economy and this continues to be true as Australia emerges from one of the worst economic shocks since the Great Depression.

The Australian Government is committed to investing in the regions for a stronger Australia. In the 2021-22 Budget, we committed to a sixth round of the Building Better Regions Fund (BBRF). A total of \$250 million in funding will be allocated to this round.

The BBRF is our flagship regional grants program and has delivered competitive grants to the benefit of hundreds of local communities over the five previous rounds.

As in previous rounds, BBRF funding will be made available to help successful applicants undertake infrastructure or community investment projects that help their local communities recover from the effects of the pandemic.

Round Six also aims to encourage local opportunities for growth that may be emerging on the back of a growing appetite for domestic tourism as well as more permanent population movements that we are now seeing to the regions. More and more people are seeking the great lifestyle that country Australia has to offer and this round will help enhance the local infrastructure that our regional areas need to help them not merely bounce back but grow.

Despite catastrophic bushfires, droughts and floods, followed by a global pandemic, our regional communities have continued to embody the resilient and positive Aussie spirit for which they are famous, and I look forward to championing projects under Round Six of BBRF to support them.

The Hon Barnaby Joyce MP

Deputy Prime Minister

Minister for Infrastructure, Transport and Regional Development

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1. Building Better Regions Fund: Infrastructure Projects Stream – Round Six processes

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

This grant opportunity is part of the above grant program, which contributes to the Department of Infrastructure, Transport, Regional Development and Communications' (DITRDC) Outcome 3. The DITRDC works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines](#).



The grant opportunity opens

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



You complete and submit a grant application

You complete the application form, addressing eligibility and assessment criteria in order for your application to be considered. If you have not included all the mandatory attachments, your application may be considered ineligible.



We assess all grant applications

We review the applications against eligibility criteria and notify you if you are not eligible. We assess eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.



We make grant recommendations

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



Grant decisions are made

The decision maker decides which applications are successful.



We notify you of the outcome

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



We enter into a grant agreement

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



Delivery of grant

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



Evaluation of the Building Better Regions Fund

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

2. About the grant program

The Australian Government has committed a total of \$1.38 billion over eight years from 2017-18 to 2024-25 to the Building Better Regions Fund (the program). The Round Six grant opportunity was announced in the 2021-22 Budget Paper 2, *Securing Australia's Recovery*.

The objectives of the program are to:

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

The intended outcomes of the program are to:

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

When undertaking projects grantees are encouraged to:

- adhere to the National Waste Policy Action Plan 2019, in particular the sustainable use of recycled and re-purposed materials, and best practice waste management methods
- pursue opportunities for local procurement of goods, labour and services.

There are two grant opportunity streams as part of this program:

- Infrastructure Projects stream as outlined in these guidelines.
- Community Investments stream

Information about the Community Investments stream is available on business.gov.au.

We will publish the opening and closing dates and any other relevant information on business.gov.au and [GrantConnect](https://grantconnect.gov.au).

We administer the program according to the [Commonwealth Grants Rules and Guidelines](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines) (CGRGs)¹.

2.1. About the Infrastructure Projects Stream Round Six grant opportunity

These guidelines contain information for the Infrastructure Projects stream Round Six grant opportunity.

The Infrastructure Projects stream will support:

- investment ready projects for new infrastructure, or the upgrade or extension of existing infrastructure, that provide economic and social benefits to regional and remote areas (refer to section 2.1.1)

This document sets out:

- the eligibility and assessment criteria
- how we consider and assess grant applications
- how we notify applicants and enter into grant agreements with grantees

¹ <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

- how we monitor and evaluate grantees' performance
- responsibilities and expectations in relation to the opportunity.

The Department of Industry, Science, Energy and Resources (the department/we) is responsible for administering this grant opportunity on behalf of the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC).

- We have defined key terms used in these guidelines in the Glossary at section 14.

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

2.1.1. Investment ready projects

We consider a project to be investment ready where you have taken steps to allow construction to commence within 12 weeks of executing your grant agreement. This includes where you have:

- the authority of the land or infrastructure owner to undertake the project at the nominated site(s)
- confirmed funding contributions from all sources and can provide formal documentation to verify those contributions with your application
- identified and prepared submissions for all required regulatory and/or development approvals or have already submitted and/or obtained those approvals
- finalised project designs and costings.

For multi-stage projects, the first stage of the project must be investment ready within 12 weeks of executing the grant agreement. You must demonstrate that subsequent stages are investment ready in the progress report immediately preceding the next stage's agreed commencement date, and the entire project (as defined in the BBRF grant agreement) must be complete within the maximum grant period.

3. Grant amount and grant period

Round Six will provide at least \$250 million for projects under the Infrastructure Projects and the Community Investments Streams combined, with the allocation of funding across these streams dependent on the volume and quality of applications.

3.1. Grants available

Your grant amount will be a percentage of the total eligible project costs (grant percentage) based on your project circumstances as outlined in Table 1 below.

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

You can fund your contribution from any source including state, territory and local government grants. Your contribution must be cash.

Where you receive a cash contribution from another source (e.g. state government), the source must provide you with formal documentation confirming the cash contribution so you can attach it to your application. A template is provided on business.gov.au and [GrantConnect](#). The requirements of funding confirmation are outlined below in Table 2 at section 7.1.

Your contribution can also come from the Aboriginal Benefits Account, Financial Assistance Grants to local government, and fully repayable loans from organisations such as Indigenous Business Australia and the Northern Australia Infrastructure Facility, as these are not considered

Commonwealth funding. Please check the individual agreements to ensure you can use the funds as your contribution to your proposed BBRF project.

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

Table 1: Project circumstance and your grant amount

Project circumstance	Total Commonwealth Government funding (including this grant) towards eligible project costs*
Projects classified as remote or very remote (see section 5.2.1)	Up to 75 per cent of total eligible project costs
Projects granted exceptional circumstances exemption from a cash contribution (see section 4.2.1)	Up to 100 per cent of total eligible project costs (we encourage any level of contribution)
All other classifications	Up to 50 per cent of total eligible project costs

*Total eligible project costs include the grant amount and your cash contribution. We will pay the grant in accordance with the agreed grant percentage of total eligible project costs up to the approved grant amount.

3.2. Project period

You must complete your project by the project end date specified in your grant agreement, which cannot be after 31 December 2024.

4. Eligibility criteria

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

4.1. Who is eligible?

To be eligible you must be the organisation with overall responsibility to deliver the project and:

- have an Australian Business Number (ABN)

and be one of the following incorporated entities:

- an incorporated not-for-profit organisation. As a not-for-profit organisation you must demonstrate your not-for-profit status through one of the following:
 - Current Australian Charities and Not-for-profits Commission's (ACNC) Registration
 - State or territory incorporated association status
 - Constitutional documents and/or Articles of Association that demonstrate the not-for-profit character of the organisation
- an Australian local government agency or body, as defined in the Glossary
- a non-distributing co-operative.

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

- Anangu Pitjantjatjara, Maralinga, Gerard, Nepabunna and Yalata local governing bodies in South Australia

- Cocos (Keeling) Islands Shire Council
- Lord Howe Island Board
- Norfolk Island Regional Council
- The Outback Communities Authority
- The Shire of Christmas Island
- The Silverton and Tibooburra villages in New South Wales
- The Trust Account in the Northern Territory
- Australian Capital Territory Government.

4.2. Additional eligibility requirements

We can only accept applications where:

- your project activities are eligible as outlined under section 5.1
- your project is located in an eligible location as outlined under section 5.2
- you can produce evidence of how you will provide your share of project costs:
 - if you will be making a cash contribution to the project you must provide a completed and certified Accountant Declaration using the form available on business.gov.au and GrantConnect
 - if your project will receive cash contributions from other sources, you must provide formal documentation confirming the cash contributions from those sources (e.g. state government) such as a commercial finance agreement or letter of offer with your application.
- you can confirm that you have the authority of the land or infrastructure project owner to undertake the project at the nominated site(s). You are required to provide a letter from the land or infrastructure project owner using the letter template provided on business.gov.au
- you provide all mandatory attachments as outlined under section 7.1.

We cannot waive the eligibility criteria under any circumstances.

4.2.1. Seeking an exceptional circumstances exemption from your cash contribution to the project

We recognise that at the time of application, some applicants may be experiencing exceptional circumstances, which may limit their capacity to contribute to the project.

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

Exceptional circumstances may include, but are not limited to:

- drought and/or disaster declaration
- limited financial capacity of the local council
- impact of industry decline
- significant recent change in population or community demographics.

If you seek an exemption, you must submit a supporting case that includes evidence demonstrating the exceptional circumstances you are experiencing, and how they are preventing you from making a cash contribution. This must also include evidence to demonstrate your capacity to maintain and fully utilise the project.

Before you consider seeking an exemption, note:

- we will only grant exemptions in very limited circumstances
- we require evidence of the exceptional circumstance (e.g. drought and/or disaster declaration, statistics demonstrating a trend towards the claimed exceptional circumstance)
- we require evidence of inability to pay (e.g. financial statements or an accountant's declaration confirming you cannot fund your share of the project costs in your current financial position)
- if the evidence provided does not show how the exceptional circumstances are preventing you from meeting your cash contribution requirement, or if evidence is considered insufficient, your application will be ineligible and there will be no opportunity to resubmit your application in the same funding round
- we assess all applications, including those granted an exemption, against each of the assessment criteria.

The Ministerial Panel will consider requests for exemption from providing a cash contribution. If the Ministerial Panel grants an exemption, we will consider the application to have met the requirements under section 4.2.1. If you apply for, but are not granted an exemption, your application will not be assessed further for funding.

4.3. Who is not eligible?

You are not eligible to apply if you are:

- an organisation, or your project partner is an organisation, included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme' (www.nationalredress.gov.au)
- an employer of 100 or more employees that has not complied with the [Workplace Gender Equality Act \(2012\)](#)
- a for-profit organisation
- an individual, partnership or trust (however, an incorporated trustee may apply on behalf of a not-for-profit trust organisation)
- a Commonwealth, state or territory government agency or body (including government business enterprises) with the exception of those organisations referred to in section 4.1.
- a university, technical college, school or hospital
- a resort management board
- an unincorporated Parents and Citizens Association
- a Regional Development Australia Committee.

5. What the grant money can be used for

5.1. Eligible activities

To be eligible your project must:

- be aimed at the construction, upgrade or extension of infrastructure that provides economic and social benefits to regional and remote areas
- comprise one of the following activities:
 - constructing new infrastructure

- upgrading existing infrastructure
- extending existing infrastructure
- replacing infrastructure where there is a significant increase in benefit
- not have started construction.

We may also approve other activities.

5.2. Eligible locations

Your project must not be located in an excluded area unless you can clearly demonstrate the significant benefits and employment outcomes, which flow directly into an eligible area. A mapping tool is available on business.gov.au to assist you in determining the eligibility of your project location. Your project can include activities at different sites, as long as they are in an eligible location or you can demonstrate the significant benefits and employment outcomes, which flow directly into an eligible location.

Excluded areas are the Urban Centre and Locality (UCL) cities over 1 million people for Sydney, Melbourne, Brisbane, Perth and Adelaide as defined by the Australian Bureau of Statistics' Australian Statistical Geography Standard. For the city of Canberra, the excluded area is only the part of the Canberra-Queanbeyan Significant Urban Area that is located within the Australian Capital Territory.

5.2.1. Project remoteness classification and your grant amount

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

Your contribution to the project depends on your remoteness classification. It is critical that you specify the correct remoteness classification in your application. An error may cause your contribution to be inadequate and your application to be ineligible.

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

5.3. Eligible expenditure

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

- for guidelines on eligible expenditure, see Appendix A
- for guidelines on ineligible expenditure, see Appendix B

If your application is successful, we may ask you to verify project costs that you provided in your application are eligible. You may need to provide evidence such as quotes for major costs and evidence of investment-readiness as outlined under 2.1.1.

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

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

To be eligible, expenditure must:

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

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

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

We will not make any payments to you for any expenditure that you incur prior to the execution of your grant agreement.

6. The assessment criteria

You must address all assessment criteria in your application. We will assess your application based on the weighting given to each criterion.

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

We will only consider funding applications that score at least 60 per cent against each assessment criterion, as these represent best value for money.

6.1. Assessment criterion 1

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

You should demonstrate this by identifying:

- a. the extent to which your project meets the needs of the regional community
- b. the broader economic benefits that your project will deliver for the region and community during and beyond the term of funding.

Economic benefits for a region may cover increases in economic activity, improvements in productivity, wider access to markets or fairer and more equitable economic outcomes.

Examples of how your project could deliver economic benefits may include but is not limited to:

- increasing the number or value of jobs, new businesses or the production of goods and services in the region (this includes direct and indirect opportunities created through the project)
- providing opportunities for growth and/or increasing efficiencies in existing sectors, e.g. tourism, agriculture, manufacturing
- the use of local suppliers and goods, especially those that employ the use of sustainable work practices/goods
- increasing efficiency of the transport system or service delivery
- increasing Indigenous economic participation, including Indigenous employment and supplier-use outcomes.

In your application, you must include the total employment numbers you expect to create during and following your project. You will need to identify how many of these employees will be Indigenous. You must substantiate any employment numbers with evidence. For information about determining employment numbers for your application, see Appendix C.

If your application is successful, we can help you with simple methods for calculating employment numbers and other economic outcomes during your project to assist you to make accurate calculations that meet our progress reporting requirements.

6.2. Assessment criterion 2

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

You should demonstrate this by identifying:

- a. the extent to which your project meets the needs of the regional community
- b. the broader social benefits that your project will deliver for the region and community during and beyond the term of funding
- c. the socioeconomic impact of your project and the need or problem your project will solve, as well as the impact of your project in the community it will benefit
- d. the extent to which your project addresses disadvantage in the region or community.

Social benefits for a region may cover increases in regional amenity, improving community connections and inclusion and providing opportunities for learning and knowledge creation.

Examples of how your project could deliver social benefits may include but is not limited to:

- making a region a more attractive place to live
- the degree to which the project fills a 'gap' within the community
- improving community connections and social inclusion
- supporting or protecting local heritage and culture
- increasing community volunteering
- supporting upskilling and capability development in the region and the community.

6.3. Assessment criterion 3

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

You should demonstrate this by identifying:

- a. your track record managing similar projects and access to personnel and/or partners with the right skills and experience
- b. how you will seek to provide opportunities for local procurement of goods, labour and services
- c. sound project planning to manage and monitor the project, which addresses scope, implementation methodology, timeframes, budget, community consultation, and risk management
- d. how you will operate and maintain the infrastructure and benefits of the project into the future
- e. your readiness to commence the project, including access. You should describe the steps you have taken to get your project investment ready including:
 - required regulatory and/or development approvals
 - project designs and costings
 - authority from the land or infrastructure owner to undertake the project at the nominated site(s)
 - funding contributions from all sources.

For investment ready projects, if your project is still in the planning or concept stage, it is not likely to be competitive.

6.4. Assessment criterion 4

Impact of funding on your project (5 points)

You should demonstrate this by identifying:

- a. your plan for engagement and collaboration to ensure community support for your project. In your response you can describe:
 - the total investment the grant will leverage including additional cash contribution and in-kind support
 - the extent that your project increases investment and builds partnerships in your region.
- b. the likelihood the project would proceed without the grant. If not, why not? Explain how the grant will impact the project in terms of size, timing and reach.
- c. if you have already received Commonwealth funding for this project or an associated project, explain why you need additional funding.

7. How to apply

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

During the application phase, we encourage you to seek the support of your nearest [Regional Development Australia](#)³ (RDA) Committee for your project. Your RDA Committee can:

- assist you in identifying and developing a strong project proposal which is a priority within your region and will contribute to long term economic growth, or
- work with you to prepare a competitive application, including supporting documents and evidence.

You can only submit an application during a funding round.

To apply, you must:

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

You will receive confirmation when you submit your application, and we recommend you view and print a copy of your submitted application from the portal at that time for your own records.

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

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

³ <https://rda.gov.au/>

accept any additional information from you that would change your submission after the application closing time.

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

7.1. Attachments to the application

We require the following documents with your application as per Table 2.

Table 2: Mandatory attachments to the application

Applicant type	Document
Mandatory for all applicants making a cash contribution to the project	<ul style="list-style-type: none"> • If you are making a cash contribution to the project, you must provide an Accountant Declaration that confirms you can fund your share of the project costs. You must use the Accountant Declaration form available on business.gov.au and the GrantConnect website. • If your project will receive cash contributions from other sources, you must attach a letter/s from each contributing organisation or individual that includes formal documentation confirming the cash contributions they will make towards the project. A template is provided on business.gov.au and the GrantConnect. • Letters must: <ul style="list-style-type: none"> ○ be on the organisation's letterhead (not applicable for individuals) ○ be signed and dated by an authorised person or the individual providing the contribution ○ set out the value of cash contributions and any conditions attached ○ set out the timing of cash contributions by financial year ○ include the commercial agreement or letter of offer to verify that the cash contribution has been committed to the project (not applicable for individuals).
Mandatory for applicants seeking an exceptional circumstances exemption from the cash contribution requirements	Evidence to demonstrate your case for exemption as outlined in 4.2.1.

Applicant type	Document
Mandatory for not-for-profit organisations	If you do not have an active Australian Charities and Not-for-profits Commission (ACNC) registration or state or territory incorporated association registration at the time of application, you must provide Constitutional documents and/or Articles of Association that demonstrate the not-for-profit character of the organisation.
Mandatory for not-for-profit organisations that are incorporated trustees applying on behalf of a trust	Trust documents showing the relationship of the incorporated trustee to the trust.
Mandatory for projects with a grant request over \$1 million	Cost benefit analysis. Further information on how to prepare a cost benefit analysis is available at Appendix D.
Mandatory for all organisations that do not own the land or infrastructure for their project, to demonstrate they have authorised access to the project location(s) and/or infrastructure	Evidence of the owner's authority to conduct the project at the nominated site(s) using the letter template at business.gov.au and GrantConnect . Where your project has multiple locations, evidence of the owner's authority must be provided for each location.

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. We will not consider information in attachments that we do not request.

7.2. Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We will only accept a late application where a natural disaster has occurred in your area and affected the submission of an application.

If you are successful, you can commence your project from the date you execute a grant agreement with the Commonwealth.

Table 3: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	12 weeks
Approval of outcomes of selection process	8 – 10 weeks
Negotiations and award of grant agreements	2-8 weeks
Earliest start date of project	From execution of your grant agreement
End date of grant commitment	30 June 2025

8. The grant selection process

We first review your application against the eligibility criteria. If eligible, we will then assess it against the assessment criteria. Only eligible applications will proceed to the assessment stage.

We consider your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications
- whether it provides value with relevant money.

When assessing whether the application represents value with relevant money, we will have regard to:

- the overall objectives of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought.

We assess applications relative to the project size, complexity and grant amount requested. The amount of detail and supporting evidence you provide in your application should be relative to these factors.

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

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

8.1. Who will approve grants?

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

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

- the spread of projects and funding across regions
- the regional impact of each project, including Indigenous employment and supplier-use outcomes
- other similar existing or planned projects in the region to ensure that there is genuine demand and/or no duplication of facilities or services
- other existing or planned projects in the region, and the extent to which the proposed project supports or builds on those projects and the services they offer
- the level of funding allocated to an applicant in previous programs
- reputational risk to the Australian Government
- community support for projects, which can include support from local MPs, councils and other organisations confirming the benefits that will flow to their region, provided through information included in applications and letters of support
- the Australian Government's priorities.

After considering the assessed applications and availability of grant funds, the Ministerial Panel, in consultation with Cabinet, decides which grants to approve.

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

- the approval of applications for funding
- the amount of grant funding awarded

- the terms and conditions of funding.

We cannot review decisions about the merit of your application.

9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we advise you of any specific conditions attached to the grant.

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

10. Successful grant applications

10.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A sample [grant agreement](#) is available on business.gov.au and GrantConnect.

We must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. We are not responsible for any expenditure you incur until a grant agreement is executed.

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

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

10.2. Standard grant agreement

We will use a standard grant agreement for all projects.

You will have 60 days from the date of a written offer to execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Ministerial Panel.

10.3. Project specific legislation, policies and industry standards

You must comply with all relevant laws and regulations in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

- State/Territory legislation in relation to working with children
- Building and construction requirements

10.3.1. Building and construction requirements

Wherever the government funds building and construction activities, the following special regulatory requirements apply.

- *Code for the Tendering and Performance of Building Work 2016* ([Building Code 2016](#))⁴
- Australian Government Building and Construction WHS Accreditation Scheme ([WHS Scheme](#))⁵

10.3.1.1. Building Code

The Building Code is administered by relevant State and Territory administrations under relevant State or Territory legislation on behalf of the [Australian Building and Construction Commission](#).⁶

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

- the value of Australian Government contribution to a project is at least \$5 million and represents at least 50 per cent of the total construction project value; or
- regardless of the proportion of Australian Government funding, where the Australian Government contribution to a project is \$10 million or more.

10.3.1.2. WHS Scheme

The WHS Scheme is administered by the [Office of the Federal Safety Commissioner](#).⁷

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

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

10.4. How we pay the grant

The grant agreement will state the:

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

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

⁴ <https://www.abcc.gov.au/building-code/building-code-2016>

⁵ <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme>

⁶ <https://www.abcc.gov.au/>

⁷ <http://www.fsc.gov.au/sites/FSC>

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

Note that if you request an upfront initial payment, we will request additional financial information from you, to verify your organisation is unable to cover the costs associated with your project without that initial grant payment.

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

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

10.5. Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities⁸.

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

11. Announcement of grants

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#) unless otherwise prohibited by law. We may also publish this information on business.gov.au. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

12. How we monitor your grant activity

12.1. Keeping us informed

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

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

You must also inform us of any changes to your:

⁸ See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

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

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

You must notify us of events relating to your project and provide an opportunity for the Minister or their representative to attend.

12.2. Reporting

You must submit reports in line with the grant agreement. We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

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

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

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

12.2.1. Progress reports

Progress reports must:

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

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

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

12.2.2. End of project report

When you complete the project, you must submit an end of project report.

End of project reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project
- include a declaration that the grant money was spent in accordance with the grant agreement and report on any underspends of the grant money
- be submitted by the report due date.

12.2.3. Ad-hoc reports

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

12.3. Independent audits

We may ask you to provide an independent audit report. An audit report will verify that you spent the grant in accordance with the grant agreement. The audit report requires you to prepare a statement of grant income and expenditure. The report template is available on business.gov.au and GrantConnect.

12.4. Compliance visits

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

12.5. Grant agreement variations

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

- changing project milestones
- extending the timeframe for completing the project but within the maximum time period referred to in section 3.2 (i.e. 31 December 2024)
- changing project activities

The program does not allow for:

- an increase of grant funds
- material changes in project scope.

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

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

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

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

12.6. Evaluation

DITRDC will evaluate the grant program to measure how well the outcomes and objectives have been achieved. DITRDC may use information from your application and project reports for this

purpose. DITRDC may also interview you or ask you for more information to help understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes.

DITRDC may contact you up to two years after you finish your project for more information to assist with this evaluation.

12.7. Grant acknowledgement

You must acknowledge the grant by using the following statement:

‘This project received grant funding from the Australian Government.’

The signage in relation to the project must contain an acknowledgement of the grant and comply with the [Australian Government’s Building Our Future Signage Guidelines](#). You must include the Australian Government’s Building Our Future logo in all signage, publications and promotional activities in relation to the project.

12.8. Maintaining project benefits

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

Table 4 – Operational periods for maintaining project benefit

Project Cost	Number of years
< \$250,000	1 year
\$250,000 to \$1 million	3 years
> \$1 million	5 years
Projects granted an exceptional circumstances exemption from a cash contribution (see section 4.2.1)	5 years

13. Probity

We will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

13.1. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer or member of an external panel
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program/ grant opportunity.

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

If you later identify an actual, apparent, or perceived conflict of interest, you must inform us in writing immediately.

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)](#)⁹ of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our [conflict of interest policy](#)¹⁰ on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

13.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 13.2.1, or
- personal information as per 13.2.3,

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

- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

Your contact details may be provided to the office of the responsible Minister or Assistant Minister so you can be contacted on occasion including to arrange ad-hoc visits and/or events.

13.2.1. How we handle your confidential information

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

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

13.2.2. When we may disclose confidential information

We may disclose confidential information:

- to the Ministerial Panel and our Commonwealth employees and contractors, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner

⁹ <https://www.legislation.gov.au/Details/C2019C00057>

¹⁰ https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect

- to the responsible Minister or Assistant Minister/Parliamentary Secretary
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if:

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

13.2.3. How we use your personal information

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

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

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

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

We, or the Minister, may:

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

You may read our [Privacy Policy](#)¹¹ on the department's website for more information on:

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

13.2.4. Freedom of information

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

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

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

¹¹ <https://www.industry.gov.au/data-and-publications/privacy-policy>

13.3. Enquiries and feedback

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

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

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

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

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

Chief Financial Officer
Department of Industry, Science, Energy and Resources
GPO Box 2013
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#)¹² with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

14. Glossary

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Cash contributions	<p>Money contributed to the project from each contributing organisation (the grantee and other contributing organisations), and is provided to the grantee for the project and is immediately available for use on the project.</p> <p>Cash contributions can come from any source including state, territory and local government grants.</p> <p>Cash contributions can also come from the Aboriginal Benefits Account, Financial Assistance Grants to local government and fully repayable loans from organisations such as Indigenous Business Australia and the Northern Australia Infrastructure Facility, as these are not considered Commonwealth funding. Please check the individual agreements to ensure you can use the funds as your contribution to your proposed BBRF project.</p>
Community Investment projects	The funding stream in Round Six supporting community investment projects

¹² <http://www.ombudsman.gov.au/>

Term	Definition
Decision Maker	The Ministerial Panel, chaired by the Minister for Infrastructure, Transport and Regional Development, which will be established to make funding decisions for the program in consultation with Cabinet.
Department	The Department of Industry, Science, Energy and Resources.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.
Eligible application	An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines.
Eligible expenditure	The expenditure incurred by a grantee on a project that is eligible for funding support as set out in 5.3. You can only use BBRF grant funds or cash contributions for eligible expenditure directly related to the project.
Eligible expenditure guidance	The guidance that is provided at Appendix A.
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
GrantConnect	The Australian Government's website for accessing the whole-of-government grants information system and centralising the publication and reporting of Commonwealth grants in accordance with the CGRGs.
Grantee	The recipient of grant funding under a grant agreement.
Guidelines	Guidelines that the Minister gives to the Department to provide the framework for the day-to-day administration of the program, as in force from time to time.
Incurred	An incurred expense is a legal liability for the receipt of labour, goods or services.
Infrastructure	Fixed physical structures and facilities (e.g. buildings, roads, power supplies) needed for the operation of a community.

Term	Definition
Investment ready project	<p>Project construction is ready to commence in the immediate future and where you have:</p> <ul style="list-style-type: none"> ▪ the authority of the land or infrastructure owner to undertake the project at the nominated site ▪ confirmed funding contributions from all sources and can provide formal documentation to verify those contributions with your application ▪ identified and prepared submissions for all required regulatory and/or development approvals or have already submitted and/or obtained those approvals, finalised project designs and costings.
Local government agency or body	A local governing body as defined in the <i>Local Government (Financial Assistance) Act 1995</i> (Cth).
Minister	The Commonwealth Minister for Infrastructure, Transport and Regional Development.
Ministerial Panel	The panel chaired by the Minister for Infrastructure, Transport and Regional Development that makes decisions on the projects to be funded.
Not-for-profit (NFP)	A not-for-profit is an organisation that does not operate for the profit, personal gain or other benefit of particular people (for example, its members, the people who run it or their friends or relatives). The definition of not-for-profit applies both while the organisation is operating and if it closes down.
Payment in advance	Payments made progressively in advance based on your forecast eligible expenditure and adjusted for unspent amounts from previous payments.
Payment in arrears	Payments made progressively based on actual expenditure.
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <p>Information or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <ol style="list-style-type: none"> a. whether the information or opinion is true or not; and b. whether the information or opinion is recorded in a material form or not.
Program Delegate	A manager within the department with responsibility for administering the program.
Program funding or Program funds	The funding made available by the Commonwealth for the program.

Term	Definition
Project	A project described in an application for grant funding under the program.
Project location	Where the project is undertaken, as determined by its latitude and longitude and/or street address.
Project period	The time between the project start date and project end date as detailed in the grant agreement.
Project start date	The date as detailed in the grant agreement, which cannot be before grant agreement execution.
Project end date	The date as detailed in the grant agreement, which cannot be after 31 December 2024.
Total eligible project costs	This is the grant amount plus your cash contribution to be spent on eligible activities directly related to the project.
Value with relevant money	The processes, actions and behaviours employed by the Australian Government and grant recipients which result in public resources being used in an efficient, effective, economical and ethical manner.

Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure for investment ready projects. We may update this guidance from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

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

To be eligible, expenditure must:

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

You can only use BBRF grant funds or cash contributions for eligible expenditure. Non-cash contributions are not eligible. For BBRF purposes, non-cash contributions have the following characteristics:

- no impact on entity cash flow
- no record in the entity's statement of financial performance.

In-kind contributions are not eligible expenditure.

A.1 How we verify eligible expenditure

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

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

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

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

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

A.2 Materials for construction

We consider costs of acquiring materials for the construction of infrastructure as eligible expenditure. Where possible and suitable for your project, you should use locally procured and sustainable, recycled or repurposed building materials. For example applications of sustainable, recycled or repurposed building materials and to find potential suppliers see the [sustainable and recycled products](#) page on the Department of Agriculture, Water and the Environment's website.

You must list material costs as a separate item within your project budget in the application form and in the expenditure table in your progress reports.

We will not make any payments to you for any expenditure you have incurred prior to the execution of your grant agreement. Examples of eligible material costs can include:

- building materials
- ICT cabling
- fit out of the infrastructure, such as window dressings
- fixed furniture (e.g. kitchen fit outs as part of the construction of a building)
- landscaping.

You may show expenditure on materials by providing evidence of:

- purchase price
- payments (e.g. tax invoices and receipts from suppliers confirming payment)
- commitment to pay for the materials (e.g. supplier contract, purchase order or executed lease agreement)
- receipt of materials (e.g. supplier or freight documents)
- associated costs such as freight and installation (e.g. supplier documents)
- photographs of the infrastructure on your premises.

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

- the costs of materials
- freight costs.

A.3 Hired/leased plant

You may lease plant and equipment to support your project, and where possible, you should use local suppliers.

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

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

A.4 Contract expenditure

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

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

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

Where possible, you should engage local contractor/operators. All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

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

Invoices from contractors must contain:

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

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

We will require evidence of contractor expenditure that may include:

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

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

A.5 External labour hire and external consulting expenditure

Eligible external labour and external consulting expenditure for the grant covers the cost of contracting others on the core elements of the project related to construction. Where possible, you should engage local labour and services.

Eligible external labour hire and external consulting expenditure may include:

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

Costs for pre-construction activities including architect services, design, surveying, planning, environmental or other regulatory approvals (A.5 and A.6), are limited to 20 per cent of the total amount of eligible project expenditure claimed.

A.6 Other eligible expenditure

Other eligible expenditure for the project may include:

- financial auditing of project expenditure
- costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible.
- agreed Building Better Regions Fund signage if applicable as outlined in 12.7 of these guidelines.

Other specific expenditures may be eligible as determined by the Program Delegate in accordance with the CGRGs and Government practice.

Evidence you need to supply can include but is not limited to supplier contracts, purchase orders, invoices and supplier confirmation of payments.

Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the business.gov.au website before preparing your application.

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

Examples of ineligible expenditure include:

- purchase of land or existing infrastructure, including the costs associated with sub-division of land
- repair or replacement of existing infrastructure where there is no demonstrated significant increase in benefit
- purchase and installation of manufacturing equipment
- ongoing operating costs, including utilities
- payment of salaries for the applicant's employees
- project overhead items including office equipment, vehicles or mobile capital equipment. Examples include trucks and earthmoving equipment and the applicant's internal plant operating costs
- business case development and feasibility studies
- costs related to registered training organisation training activities
- routine operational expenses, including communications, accommodation, printing and stationery, postage, legal and accounting fees and bank charges
- writing the application and reporting for the grant
- making donations, gifts and sponsorships
- pre-construction activities, including architect services, design, surveying, planning, environmental or other regulatory approvals (A.5 and A.6), that exceed 20 per cent of the total eligible project expenditure
- costs incurred prior to the execution of a grant agreement
- fees paid to the Commonwealth, state, territory and local governments to obtain planning, environmental or other regulatory approvals.

Additional examples of ineligible expenditure specific to investment ready projects include:

- purchase of unfixed furniture, such as desks and fridges
- ICT equipment, including software or hardware that is not an integral part of the funded infrastructure project
- office computing facilities.

This list is not exhaustive and applies only to the expenditure on the agreed project. Other costs may be ineligible where the Program Delegate determines they do not directly support the achievement of the planned outcomes for the project or, they are contrary to the objectives of the program. You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.

Appendix C. Employment numbers

When addressing employment outcomes, you must estimate the number of jobs your project will create.

- *Direct jobs* are the employment impacts of the project itself. For example, new administrative or construction jobs generated during the process of creating, improving or extending community infrastructure or a community service and maintaining that infrastructure or service for ongoing use.
- *Indirect jobs* are the employment impacts generated in the community or in organisations because they are affected by, benefit from or support or service the funded project. For example, new transport, trades, retail or food services jobs generated as a result of the project.

Job numbers are expressed in terms of fulltime equivalent (FTE) jobs. A FTE job is not a head count. It refers to the number of hours of work undertaken compared to that typically undertaken by a full time employee. For example, if a full-time worker works 40 hours per week, a person working 20 hours per week is 0.5 FTE for that week.

You should only report the employment impacts for new/additional jobs created by the project.

You must not report as additional (or 'net') job numbers any jobs that are filled by shifting existing employees onto the project. This applies to staff that are working in your organisation and in other organisations that are benefitting from, or are affected by the project. This is because there is no overall employment gain being generated.

The combination of direct and indirect additional job impacts gives the total 'net' employment impact of the project in the area affected

Information about employment impacts should include some estimation of the expected duration of the employment. For example, 'we expect to generate 5 direct FTE jobs for a period of 6 months during the project period' or 'we will generate 3 FTE indirect ongoing jobs following the project period'.

For infrastructure or community investment projects direct jobs are typically created during the active construction or development phase, and so should be reported as time-specific (e.g. for 6 months)

Indirect jobs generated by the project may not be time constrained (e.g. ongoing additional retail or food services jobs generated by the ongoing presence and community use of the new funded infrastructure or community amenity).

You will be required to provide evidence to support job impact claims, for example a statement substantiating the basis of your job estimates.

For projects requesting grants over \$1 million, please provide a supporting cost-benefit analysis (refer Appendix D).

Appendix D. Cost benefit Analysis

What is a cost benefit analysis?

A cost-benefit analysis (CBA) is an evidence-based process to understand the various impacts of a project. The scope of the CBA will be dependent on the scale and complexity of the project. The starting point for a CBA is to define the problem and specify the intended objectives and outcomes of the proposal.

The Building Better Regions Fund program is focused on regional and remote communities. The CBA should focus on impacts (costs and benefits) to the region or community (households, businesses, workers and/or governments) as the primary referent group.

A CBA report should include the following key information:

- A clear and concise summary of the base case, the options assessed and the main results of the sensitivity tests
- All critical assumptions should be made explicit and supported by evidence
- Net Present Value
- Cost-benefit Ratio.

Define the base case and develop options

A CBA should provide a comparison of alternative scenarios forecasting likely future scenarios.

- A CBA should compare the state of the world with the proposed project against the state of the world without the proposal. The base case provides the benchmark against which the proposed project or investment can be measured. It is the 'do-nothing' or 'maintain status quo' option, describing what is likely to occur in the absence of the project being evaluated. Organisations should select a realistic base case and document the assumptions used.
- Options for infrastructure projects could include construction of new infrastructure, refurbishing existing infrastructure, changing the timing of an investment, or demand management.

Value costs and benefits

The CBA compares costs and benefits by using a common measure of monetary value to quantify the value. Costs and benefits can cover economic and social (including environmental) impacts and benefits.

Examples of common costs includes:

- Capital costs on new assets
- Operating and maintenance costs
- Negative externalities - Examples of third party (externality) costs include noise, congestion, pollution, and reduction in visual amenity.

Examples of common benefits includes:

- Savings or avoided costs
- Revenues, e.g. increased tourism spend
- Additional jobs created
- Benefits to the broader community, e.g. improvements in public health and worker safety, reduction in injuries/fatalities, reduction in travel time, improved equity of access
- Improvements in environmental amenity.

In some cases, quantification may not be practical, particularly for social benefits. In these cases it is important that the CBA is clear about what can and cannot be reliably quantified and valued. The CBA should draw on the available information, describe and discuss the impacts, outline data limitations and all assumptions made.

The costs and benefits should cover the life of the project or asset. The Australian Taxation Office provides guidance on the effective life of assets. In many cases the infrastructure projects will use 20 or 30 years.

To compare costs and benefits over time, these are generally weighted by use of a discount rate and the concept of present value – where future costs and benefits are discounted. Typically this is calculated using a real discount rate of 7 per cent.¹³ A more detailed CBA will provide three discount rates, typically 3 per cent, 7 per cent and 10 per cent.¹⁴

Evidence

Reasonable effort should be made to collect the best available evidence to input into the CBA. The effort should be commensurate with the size of the project. As a general rule, projects that are high-cost or high-risk will warrant more extensive analysis than smaller projects.

Some possible information sources to help with the assessment task include:

- Consultation with those likely to be affected
- Surveys – existing or commissioned
- Experience in similar projects of other jurisdictions
- Experience and data held by government departments
- Consultants and peer reviewers
- Academic literature
- National statistics on economic indicators.

Conclusions

A CBA reports whether the benefits of a proposal are likely to exceed the costs, and which option, amongst a range of options, will result in the highest net benefit.

The preferred measures of the net benefit of a project include:

- Net Present Value (NPV) – The difference between the present value of benefits and the present value of costs.
- Benefit Cost Ratio (BCR) – The ratio of the present value of total benefits to the present value of total costs.

A sensitivity analysis examines how the NPV, total cost or other outcomes vary as individual assumptions or variables are changed.

The applicant should consider engaging a consultant/expert to prepare the CBA if it is outside the organisation's expertise.

¹³ In 2010, the Productivity Commission published [Valuing the Future](#), a research paper on discount rates.

¹⁴ In 2014, the Office of Best Practice Regulation (OBPR) recommended the use of a 7% discount rate with sensitivity analysis using discount rates of 3% and 10%.