



ATTACHMENTS

**Under Separate Cover
Council Meeting**

6.00pm Tuesday 28 July 2020

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7.8	Local Roads and Community Infrastructure Program funding allocation	
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COVID-19 Local Roads and Community Infrastructure Program Guidelines

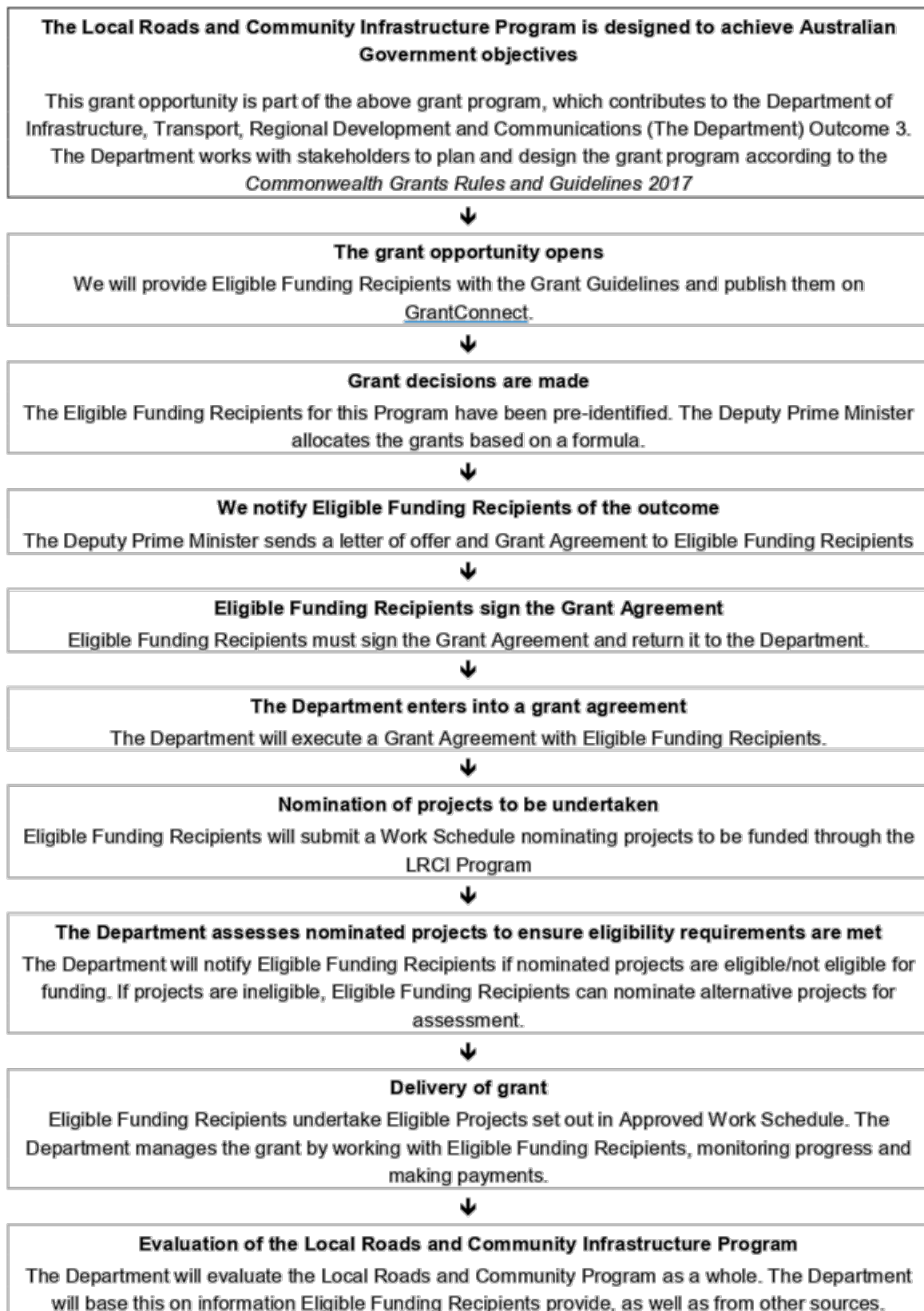
Opening date:	1 July 2020
Commonwealth policy entity:	Department of Infrastructure, Transport, Regional Development and Communications
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Enquiries:	Any questions should be directed to: Program Manager Local Roads and Community Infrastructure Program IIP@infrastructure.gov.au
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1. Local Roads and Community Infrastructure Program Process



1.1 Introduction

These guidelines contain information for the Local Roads and Community Infrastructure (LRCI) Program.

The LRCI Program was announced on 22 May 2020. The program will support local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies. This funding will stimulate growth and create jobs in local communities following the impacts of COVID-19.

This document sets out:

- the purpose of the grant opportunity
- the eligibility criteria
- how Eligible Funding Recipients will be monitored and evaluated
- responsibilities and expectations in relation to the opportunity.

The LRCI Program is administered by the Department of Infrastructure, Transport, Regional Development and Communications (the Department).

2. About the grant program

The LRCI Program will run from 1 July 2020 to 31 December 2021, with projects required to be physically completed by 30 June 2021. The Program was announced as part of the Australian Government's wider economic response to COVID-19.

The LRCI Program aims to assist a community-led recovery from COVID-19 by supporting local jobs, firms, and procurement. It is expected that councils will use local businesses and workforces to deliver projects under the LRCI Program where possible to ensure stimulus funding flows into local communities.

The scope of the LRCI Program supports a broad range of Eligible Projects so communities can fund the infrastructure that they need, support businesses and create employment opportunities across their communities.

The LRCI Program is a Demand Driven (eligibility based) grant program.

The LRCI Program will be delivered under Outcome 3 of the Department's Portfolio Budget Statement:

- Strengthening the sustainability, capacity and diversity of our cities and regional economies, including through facilitating local partnerships between all levels of government and local communities; through reforms that stimulate growth; and providing grants and financial assistance.

The objective of the LRCI Program is to stimulate additional infrastructure construction activity in local communities across Australia to assist communities to manage the economic impacts of COVID-19.

The intended outcomes of the LRCI Program are to:

- provide stimulus to protect and create local short-term employment opportunities through funded projects following the impacts of the COVID-19; and
- deliver benefits to communities, such as improved road safety, accessibility and visual amenity.

The Department will administer the LRCI Program according to the [Commonwealth Grants Rules and Guidelines 2017 \(CGRGs\)](#).

3. Grant amount and grant period

The Australian Government has announced a total of \$500 million for the LRCI Program. Funding is available from July 2020.

Eligible Funding Recipients will receive a grant amount called a 'Nominal Funding Allocation'.

The formula used to calculate a Nominal Funding Allocation has been modelled on funding allocations under the Roads to Recovery Program (R2R) and the local road component of the Financial Assistance Grants Program. The formula used to determine a state/territory's share of funding under the LRCI Program follows the same state/territory allocation process as these programs. Within a state/territory's share of funding, the calculation of each Eligible Funding Recipient's Nominal Funding Allocation has been derived based on recommendations from the relevant Local Government Grants Commission, and takes into consideration factors such as population estimates, and road length in each local governing body area. This is similar to how individual shares of R2R funding and local road component of the Financial Assistance Grant Program is calculated.

The formula has been consistently applied to determine the Nominal Funding Allocation of each Eligible Funding Recipient under the LRCI Program.

Co-contributions are not required under the LRCI Program, but Eligible Funding Recipients may expend their own funds on Eligible Projects.

4. Eligibility criteria

Only Eligible Funding Recipients will receive a letter of offer for the LRCI Program.

4.1 Who is eligible for a grant?

The Eligible Funding Recipients for this grant program have been identified. They are:

- all local councils in Australia;
- the ACT Government in lieu of a system of local government;
- relevant state government, the shires of Christmas Island, Cocos (Keeling) Islands and Norfolk Island and the Lord Howe Island Board that provide local council services to 'unincorporated areas' in Australia;
- the NT Government for areas that were unincorporated until 2008 but are yet to transferred to the new councils; and
- the Victorian Department of Environment, Land, Water and Planning for the French Island.

The Eligible Funding Recipients have been selected for this grant opportunity as the intention is to fund local communities directly. By providing funding to the level of Government closest to communities, the Australian Government can ensure that the economic boost is felt throughout every community across Australia. Further, by allowing councils to select projects to be undertaken (within a specified framework), local governments will be able to deliver projects in line with priorities at the local level.

4.2 Who is not eligible for the Grant Program?

Organisations are not eligible for the LRCI Program unless they have been identified by the Australian Government as an Eligible Funding Recipient (see: Section 4.1).

General applications by other organisations will not be accepted.

5. What the grant money can be used for

Grant money can only be used on Eligible Projects, which are those that meet the requirements set out in section 5.1, 5.2 and 5.3 and deliver benefits to the community.

5.1 Eligible grant activity

Eligible local road projects are projects that involve the construction or maintenance of roads managed by local governments. Local governments are encouraged to consider how works can support improved road safety outcomes. This could include projects involving any of the following associated with a road:

- traffic signs;
- traffic control equipment;
- street lighting equipment;
- a bridge or tunnel;
- a facility off the road used by heavy vehicles in connection with travel on the road (for example, a rest area or weigh station);
- facilities off the road that support the visitor economy; and
- road and sidewalk maintenance, where additional to normal capital works schedules.

Eligible community infrastructure projects are projects that involve the construction, maintenance and/or improvements to council-owned assets (including natural assets) that are generally accessible to the public.

Projects that involve the construction, maintenance and/or improvements to state/territory and crown owned land/assets and Commonwealth owned land/assets, can also be eligible projects where the Council can confirm that they have the authority of the land or asset owner to undertake the project at the nominated site(s) and the sites are accessible to the public (including natural assets).

These projects must deliver benefits to the community, such as improved accessibility, visual amenity, and/or safety. Examples of eligible works include:

- Closed Circuit TV (CCTV);
- bicycle and walking paths;
- painting or improvements to community facilities;
- repairing and replacing fencing;
- improved accessibility of community facilities and areas;
- landscaping improvements, such as tree planting and beautification of roundabouts;
- picnic shelters or barbeque facilities at community parks;
- playgrounds and skate parks (including all ability playgrounds);

- noise and vibration mitigation measures; and
- off-road car parks (such as those at sporting grounds or parks).

5.2 Projects must be additional to existing work plans

To be considered an Eligible Project, projects need to be additional to an Eligible Funding Recipient's existing work plan for 2020-21.

Projects that have been brought forward from post 2020-21 work plans will be considered additional.

Projects will not be considered additional if Eligible Funding Recipients substitute LRCI Program funds for their own funding or other sources of funding. The purpose of the LRCI Program funding is to enable Eligible Funding Recipients to undertake infrastructure projects additional to what they had planned to undertake using their own funds, to stimulate local economies and employment opportunities.

5.3 Eligible construction time period

Construction activity on Eligible Projects must be undertaken between 1 July 2020 and 30 June 2021, subject to the following exceptions:

- Where an Eligible Funding Recipient contributes at least fifty per cent towards the total cost of a project. Construction activity on a project may be undertaken until 30 June 2022 as long as the Australian Government's contribution covers the cost of construction activity to 30 June 2021, and all other Eligible Project requirements are met.
- Where agreed by the Department due to exceptional circumstances.

If construction activity cannot be completed during between 1 July 2020 and 30 June 2021, an Eligible Funding Recipient may not receive their full Nominal Funding Allocation.

5.4 What the grant money cannot be used for

Eligible Funding Recipients cannot use grant money to pay for business as usual activities and costs, or any other activities and costs not associated with Eligible Projects. These are Ineligible Projects and Ineligible Expenditures.

The following are examples of Ineligible Projects and Ineligible Expenditures:

- costs incurred in the preparation of a Work Schedule or related documentation;
- general administrative overheads and staff salaries not connected with Eligible Projects funded under the Program;
- subsidy of general ongoing administration of an organisation such as electricity, phone and rent;
- projects that receive Australian, state or territory government funding for the same purpose, unless otherwise agreed by the Department;
- commencement ceremony, opening ceremony or any other event associated with Eligible Projects;
- transport planning studies;
- road rehabilitation studies (if not part of an Eligible Project);
- community/public art;

- road building plant or other capital equipment especially moveable equipment (e.g. graders);
- training (if not part of an Eligible Project);
- public liability insurance;
- fringe benefits tax;
- GST payable component of a supply;
- finance leases on equipment;
- depreciation, except for depreciation of plant and equipment directly attributable to a grant funded eligible project;
- stand-alone design and preliminary works;
- operating lease charges where the rental expense cannot be directly linked to the grant project (e.g. a grader may be hired for a period for a variety of tasks, only charges that specifically relate to the funded eligible project can be charged against the grant funds);
- overseas travel; and
- the covering of retrospective costs.

6. The grant selection process

6.1 Who will approve grants?

The Deputy Prime Minister or Secretary of the Department will decide the award of grants to Eligible Funding Recipients.

A grant to an Eligible Funding Recipient will be made on the basis that the organisation meets the Eligibility Criteria.

The amount of grant money awarded to an Eligible Funding Recipient will be determined by the Department in accordance with the formula set out at Section 3.

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

- the approval of the grant; and
- the grant amount.

There is no appeal mechanism for the decision to approve or not approve a grant.

7. Letter of offer process

Eligible Funding Recipients will receive a letter of offer to participate in the LRCI Program. This will occur in June 2020 by mail/electronic form. This letter will:

- a) specify the Nominal Funding Allocation; and
- b) include a Grant Agreement that sets out the terms and conditions of the LRCI Program.

Before accepting the offer, Eligible Funding Recipients must read and understand these Guidelines and the Grant Agreement. The Guidelines can be found at the Department's

website and on [GrantConnect](#). Any alterations and addenda¹ will be published on GrantConnect and the Department's website. By registering on GrantConnect, organisations will be automatically notified of any changes to the Guidelines.

8. Notification of outcomes

An Eligible Funding Recipient will receive a letter of offer and Grant Agreement.

9. Successful grantees

9.1 The grant agreement

An Eligible Funding Recipient must enter into a legally binding grant agreement with the Commonwealth. The Grant Agreement used for the LRCI Program will be supplied to Eligible Funding Recipients. The Grant Agreement has standard terms and conditions that cannot be changed.

The Grant Agreement may also contain conditions specific to an Eligible Funding Recipient in a Schedule.

An Eligible Funding Recipient should not make financial commitments until a grant agreement has been executed with the Commonwealth. The Department is not responsible for any of an Eligible Funding Recipient's expenditure until a Grant Agreement is executed and the Work Schedule is approved.

A Grant Agreement must be executed with the Commonwealth before any payments can be made.

To accept the offer, the Eligible Funding Recipient must sign the Grant Agreement:

- provide all the information requested; and
- return the Grant Agreement to the Program Manager by the date stipulated in the letter of offer.

By signing and returning the Grant Agreement, Eligible Funding Recipients agree to abide by the terms and conditions contained therein. The Department will then execute the Grant Agreement on behalf of the Commonwealth and return a copy to the Eligible Funding Recipient.

Eligible Funding Recipients should keep a copy of the Grant Agreement and any supporting documents.

The Commonwealth may recover grant funds from an Eligible Funding Recipient if the Grant Agreement has been breached. Where an Eligible Funding Recipient fails to meet the obligations of the Grant Agreement, the Grant Agreement may be terminated.

¹ Alterations and addenda include but are not limited to: corrections to currently published documents, changes to close times for applications, and Questions and Answers (Q&A) documents

9.2 How we pay the Grant

Table 1 Grant Payment Overview

Payment milestone	Grant payment date	Amount
First Instalment: Work Schedule approval payment	Within four weeks of the Work Schedule being approved.	The first payment will be equal to 50 per cent of an Eligible Funding Recipient's Nominal Funding Allocation.
Second Instalment: Top up - mid program progress payment	Within four weeks of the Secretary of the Department or their Delegate's decision on the following: 1) an updated Work Schedule; and 2) the second Quarterly Report submitted between 1–31 January 2021.	The Second Instalment will be equal to the Eligible Funding Recipient's: <ul style="list-style-type: none">• actual expenditure up until 31 December 2020; and• projected expenditure to 31 March 2021 on Eligible Projects in an Approved Work Schedule, less: <ul style="list-style-type: none">• the first instalment; and• 10 per cent of the Nominal Funding Allocation.
Second Instalment: Early Access	If all grant money has been expended in advance of 1 January 2021. Within four weeks of the Secretary of the Department's or their Delegate's decision on the following: 1) an updated Work Schedule; and 2) an Ad hoc report.	The Second Instalment will be equal to the Eligible Funding Recipient's: <ul style="list-style-type: none">• actual expenditure up until 31 December 2020; and• projected expenditure to 31 March 2021 on Eligible Projects in an Approved Work Schedule less: <ul style="list-style-type: none">• the first instalment; and• 10 per cent of the Nominal Funding Allocation.
Third Instalment: Final payment	Within four weeks of the Secretary of the Department or their Delegate's decision being made to release the final instalment upon receipt of the Annual Report.	The Third Instalment will equal the smaller of: <ul style="list-style-type: none">• the residual amount of an Eligible Funding Recipient's Nominal Funding Allocation; or• total eligible expenditure under the program less instalments paid to date.

Submission of a Work Schedule

Eligible Funding Recipients will nominate projects they intend to spend LRCI grant money on in their Work Schedule.

Eligible Funding Recipients are required to submit a Work Schedule in the manner and form stipulated by the Department.

The draft Work Schedule must contain the following information in relation to each of the nominated projects the Grantee proposes to undertake using the Grant:

- project description, including details of how the project meets the Project Eligibility Requirements detailed in Section 5;
- proposed timeframes for the project, including construction commencement date, construction duration and estimated construction completion date;
- detail any Conflicts of Interest and management actions to manage these conflicts;
- the amount of Grant funding required and details of any other contributions to the total costs of the project, along with details of all proposed expenditure including confirmation that none of the proposed expenditure is Ineligible Expenditure;
- provide clear project descriptions;
- detail any conflicts of interest and management actions;
- specify the amount of grant funding required (projected expenditure);
- meet mapping requirements notified by the Department; and
- expected number of full-time equivalent jobs supported by the project over the construction period.

If some of the jobs supported by a project are new jobs/redistribution of personnel in the Eligible Funding Recipient's workforces, labour costs for work undertaken must be derived from timesheets or via an equally acceptable method. Management time included in the expected number of jobs supported by a project must not include Ineligible Expenditure or costs associated in Ineligible Projects, and a clear and definable model needs to be in place to apportion these costs.

Eligible Funding Recipients will be provided with a Work Schedule template and further information on how to fill out a Work Schedule. The process for submitting a Work Schedule will be provided to Eligible Funding Recipients and made available on the Department's website.

Eligible Funding Recipients can submit their Work Schedule when they return their signed Grant Agreement or any time afterwards. However, failure to promptly return a Work Schedule will result in release of grant funds being delayed.

Approval of a Work Schedule

The Department will assess whether projects included in an Eligible Funding Recipient's Work Schedule meet the Eligible Project Requirements set out in these Guidelines and that all requested information has been provided.

If the Work Schedule or detailed projects do not meet requirements, an Eligible Funding Recipient may submit an updated Work Schedule that includes additional nominated projects for approval. The Department will contact the Eligible Funding Recipient to request further information.

The Department will make a recommendation to the Secretary of the Department or their Delegate to approve/not approve the Work Schedule and the release of the First Instalment (of three instalments) of grant funds on the basis of their assessment of the information provided by an Eligible Funding Recipient.

The Secretary of the Department or their Delegate will decide whether to approve the Work Schedule and the release of the First Instalment. Approval may be subject to conditions detailed in the Grant Agreement.

Only approved Eligible Projects will be included in the Approved Work Schedule.

Eligible Funding Recipients will be advised in writing if their Work Schedule and release of the First Instalment has been approved.

Eligible Funding Recipients must keep their Work Schedule up to date in accordance with the Program Guidelines as in force from time to time; and any other requirements notified by the Commonwealth.

At a minimum, an Eligible Funding Recipient must update a Work Schedule in accordance with any requirements notified by the Commonwealth, immediately prior to submitting the second Quarterly Report or immediately before submission of an Ad hoc report for Early Access (refer to Section 11 for information on reporting requirements). This is because the amount of grant money to be released is calculated with reference to projected expenditure on Eligible Projects.

First Instalment

The First Instalment will be paid to an Eligible Funding Recipient within four weeks of the Work Schedule and release of the First Instalment being approved by the Secretary of the Department or their delegate.

The value of the First Instalment will be 50 per cent of an Eligible Funding Recipient's Nominal Funding Allocation.

Second Instalment

The Secretary of the Department or their Delegate will decide whether to approve release of the Second Instalment on the basis of:

- The Department's assessment of, and the information contained in, an updated Work Schedule;
- the information provided in relevant Quarterly Report/s;
- If seeking Early Access to the second instalment, the information contained in an Ad hoc report detailing a Eligible Funding Recipient's actual expenditure to date and projected expenditure to 31 March 2021 in the manner and form required by the Department;
- whether or not a Eligible Funding Recipient is in breach, or suspected of being in breach, of the Grant Agreement; and
- consideration of other relevant information.

Further information may be requested by the Department at this stage and considered by the Secretary or their Delegate.

If the Secretary of the Department or their Delegate approves the updated Work Schedule and release of the Second Instalment, payment will be made within four weeks of the Secretary of the Department or their Delegate making this decision. Eligible Funding Recipients will be advised in writing of the decision to release the Second Instalment.

The Second Instalment is scheduled to be paid between 1 January and 31 January, the payment value for the Second Instalment will equal:

- actual expenditure up until 31 December 2020; plus
- projected expenditure to 31 March 2021, less the amount paid as the first instalment

less:

- the first instalment; and
- 10 per cent of the Nominal Funding Allocation.

Early Access

If the Eligible Funding Recipient has expended all of its First Instalment in advance of 1 January 2021, an Eligible Funding Recipient can seek to access the Second Instalment early. The process followed in relation to the Second Instalment will be followed for Early Access with necessary changes to timeframes. The payment value will be equal:

- actual expenditure up until the Ad hoc Report date; plus projected expenditure to 31 March 2021

less:

- the first instalment; and
- 10 per cent of the Nominal Funding Allocation.

Third Instalment

The Secretary or their Delegate will decide whether to approve release of the Third and Final Instalment on the basis of:

- an assessment of compliance with the Grant Agreement, including any investigations or audit reports;
- the information provided in the Annual Report;
- information in the Work Schedule and relevant Quarterly Reports; and
- any other relevant information.

The Third Instalment will be the lesser of the residual amount of an Eligible Funding Recipient's Nominal Funding Allocation and the total actual expenditure and projected expenditure under the program less instalments paid to date. Projected expenditure should be limited to expenses expected to be incurred post 30 June 2021, which are not construction costs. These contracts are things such as noise monitoring contracts and final

landscaping contracts, and exclude construction costs unless otherwise agreed by the Department.

Further information may be requested by the Department at this stage and considered by the Secretary or their Delegate.

The Third Instalment will be paid within four weeks of the Secretary of the Department or their Delegate's decision to release the grant payment.

9.3 Grant Payments and GST

In accordance with the Terms of the Australian Taxation Office ruling GSTR 2012/2, payments made under the LRCI Program, which are payments made by a government related entity to another government related entity, and for which the amount of the grant does not exceed the cost of providing the goods or services, do not attract GST. Consequently, the actual and projected expenditure Eligible Funding Recipients report to the Department must exclude the GST component on goods and services, and the payments the Department makes to Eligible Funding Recipients to cover the costs of the program will not include GST.

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 your particular taxation circumstances.

10. Announcement of grants

The Department will publish details of the grants awarded on GrantConnect. The Department may also publish information details of grants, including individual projects funded on its website or other government websites. This information may include:

- title of the project;
- description of the project and its aims;
- amount of funding received and funding allocation; and
- project outcomes.

11. Reporting requirements

Eligible Funding Recipients must submit reports in line with the Grant Agreement and these Guidelines. The Department will remind Eligible Funding Recipients of their reporting obligations before reports are due.

Eligible Funding Recipients must also update their Work Schedules as required and in accordance with any other requirements notified by the Department.

The Department will monitor progress by assessing submitted reports and may conduct site visits to confirm details in Quarterly Reports and Work Schedules if necessary. Occasionally, the Department may need to re-examine claims, seek further information, or request an independent audit of claims and payments on a risk based or sampling basis.

11.1 Quarterly Reports

Eligible Funding Recipients must submit Quarterly Reports throughout the Grant Period.

Quarterly Reports must be submitted per the timeframes in **Table 2 –Quarterly Reports** and in accordance with the Grant Agreement.

Quarterly Reports are used to provide the Department with information on the progress of Eligible Projects and are a requirement for the receipt of funds for payment of the Second and Third Instalments of grant payments. Quarterly Reports must be submitted in the manner and form specified by the Department and include required details.

Eligible Funding Recipients must provide the following information in a Quarterly Report:

- the amount of grant funding spent (actual expenditure) for the period commencing on 1 July 2020 and ending on the last day of the quarter to which the Quarterly Report relates;
- the amount of grant funding (proposed expenditure) which the Eligible Funding Recipient intends to spend on Eligible Projects in the quarter following the report;
- details of progress towards completion of Eligible Projects; including any evidence required per the Grant Agreement; and
- estimated and/or confirmed jobs supporting by the grant funding.

The figures in the Quarterly Reports should be prepared on an accrual basis. Quarterly Reports must be submitted within the period specified in the Grant Agreement.

If an Eligible Funding Recipient has expended their Nominal Funding Allocation and/or returned any grant funding additional to the Approved Work Schedule, after providing the Quarterly Report for the quarter in which this occurs, an Eligible Funding Recipient the Grantee will not be required to provide and further Quarterly reports, but will be required to provide the Annual Report. This waiver of reporting requirements is an application of the proportionality principle.

Table 2 –Quarterly Reports

Lodgement period for Quarterly Reports	Quarter: Actual expenditure period	Quarterly Report
1–31 October 2020	1 July - 30 September 2020	Mid payment update of Work schedule. Actual expenditure and eligible project updates for the period commencing on 1 July 2020 and ending on the last day of the quarter to which the Quarterly Report relates. Projected Expenditure for the next quarter.
1–31 January 2021	1 October - 31 December 2020	Actual expenditure and eligible project updates for the period commencing on 1 July 2020 and ending on the last day of the quarter to which the Quarterly Report relates. Projected Expenditure for the next quarter.
1–30 April 2021	1 January - 31 March 2021	Actual expenditure and eligible project updates for the period commencing on 1 July 2020 and ending on the last day of the quarter to which the Quarterly Report relates. Projected Expenditure for the next quarter.
Annual Report by 14 August 2021.	1 July 2020 - 30 June 2021	Annual Report Actual expenditure and eligible project updates from 1 July

		2020/Commencement of program to 30 June 2021
1–31 October 2021	1 July 2021 - 30 September 2021 (if required)	Actual expenditure for the period commencing on 1 July 2020 and ending on the last day of the quarter to which the Quarterly Report relates. Projected Expenditure for the next quarter.
1–31 January 2022	1 October 2021 – 31 December 2021 (if required)	Actual expenditure for the period commencing on 1 July 2020 and ending on the last day of the quarter to which the Quarterly Report relates. Projected Expenditure for the next quarter.

The Department must be informed of any Reporting delays or significant delays affecting Eligible Projects on an Approved Work Schedule as soon as Eligible Funding Recipients become aware of them.

11.2 Ad hoc Report

If an Eligible Funding Recipient has spent all of their First Instalment in advance of 1 January 2021, they can submit an Ad hoc report to access their second instalment early. The submission of an Ad hoc report does not negate the requirement to submit Quarterly Reports or an Annual Report.

An Ad hoc report must be in the manner and form required by the Department and contain the following information:

- the amount of grant funding spent from 1 July 2020 until the date specified in the Ad Hoc Report;
- the amount of grant funding which the Eligible Funding Recipient intends to spend on Eligible Projects on an Approved Work Schedule following the report until 31 March 2021;
- details of progress towards completion of funded Projects; including any evidence required per the Grant Agreement; and
- estimated and/or confirmed jobs supported by the grant funding.

11.3 Annual Report

Eligible Funding Recipients must provide the Department with an Annual Report no later than 14 August 2021, unless otherwise agreed by the Department. The Annual Report will need to be in the manner and form specified by the Department. The Annual Report will need to include the following information:

1. Total amount of grant funding made available and subsequently received over the financial year;
2. Total amount of grant funding spent on Eligible Projects;
3. Total amount (if any) of grant money unspent and either returned or will be returned to the Department:
 - a) a written Financial Statement by the Chief Executive Officer or equivalent officer however named. The Financial Statement must be in the form specified by the Department and include:

- i. the amount of grant payments which remained unspent from the financial year;
 - ii. the amount of grant payments received by the Eligible Funding Recipient in the financial year;
 - iii. the amount of grant payments available for expenditure by the Eligible Funding Recipient on Eligible Projects in an Approved Work Schedule in that year;
 - iv. the amount spent by the Eligible Funding Recipient during that year out of the grant payments available for expenditure by the Eligible Funding Recipient during that year;
 - v. the amount (if any) retained at the end of that year by the Eligible Funding Recipient out of grant payments available for expenditure by the Eligible Funding Recipient during that year and which remained unspent at the end of that year.
- Note: The figures in the Chief Executive Officer's financial statement should be calculated on an accrual basis.
- b) a report in writing and signed by an appropriate auditor stating whether, in the auditor's opinion:
 - i. the Chief Executive Officer's financial statement is based on proper accounts and records;
 - ii. the Chief Executive Officer's financial statement is in agreement with the accounts and records;
 - iii. the expenditure referred to in subparagraph (d)(iv) has been on Eligible Projects under the LRCI Program;
 - iv. the amount certified by the Chief Executive Officer in the Chief Executive Officer's financial statement as the Eligible Funding Recipient's own source expenditure is based on, and in agreement with, proper accounts and records.
 - c) The Department may ask Eligible Funding Recipients to make a declaration that the grant funding was spent in accordance with the Grant Agreement and to report on any underspends of the grant money.

11.4 Reconciliation Process

If any amount of grant funding provided to the Eligible Funding Recipient is not spent on Eligible Projects on an Approved Work Schedule within the grant period between 1 July 2020 – 31 December 2021, they will be required to repay that amount to the Department within four weeks of 31 December 2021.

11.5 Compliance visits and Record Keeping

Eligible Funding Recipients must create and keep accurate and comprehensive records relating to grant payments received and retain those records for a minimum of five years.

Eligible Funding Recipients must, when requested to do so by the Department, provide, in the manner and form requested by the Department:

- copies of any or all of the records referred to in this subsection; and
- photographs of projects completed using program payments.

The Department may visit the Eligible Funding Recipient during or at the completion of the grant program to review compliance with the Grant Agreement. Eligible Funding Recipients will be provided with reasonable notice of any compliance visit.

The Department may also inspect the records Eligible Funding Recipients are required to keep under the Grant Agreement.

11.6 Fraud

Eligible Funding Recipients must comply with fraud provisions in the Grant Agreement.

11.7 Specific legislation, policies and industry standards.

Eligible Funding Recipients must comply with all relevant laws and regulations in undertaking Eligible Projects on an Approved Work Schedule. The Eligible Funding Recipient may also be requested to demonstrate compliance with relevant legislation/policies/industry standards detailed in the Grant Agreement, including Environment and Planning Laws detailed below.

Environment and Planning laws

Projects on which grant payments are spent must adhere to Australian Government environment and heritage legislation including the *Environment Protection and Biodiversity Conservation Act 1999*. Construction cannot start unless the relevant obligations are met.

Eligible Funding Recipients must also meet other statutory requirements where relevant. These may include, but are not limited to: Native title legislation; State government legislation - for example, environment and heritage; and Local government planning approvals.

12. How we monitor your grant activity

12.1 Keeping the Department informed

Eligible Funding Recipients must notify the Department of significant changes that are likely to affect an Eligible Project or their participation in the LRCI Program.

This includes any key changes to the Eligible Funding Recipient's organisation, particularly if it affects their ability to complete an Eligible Project, carry on their business and pay debts due.

Eligible Funding Recipients must also inform the Department of any changes to their:

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

An Eligible Funding Recipient's bank account details for the LRCI program is the bank account the Eligible Funding Recipient uses for the Roads to Recovery Program. Any changes to an Eligible Funding Recipient's name, addresses, nominated contact details and bank account details must follow the process stipulated by the Department.

If an Eligible Funding Recipient becomes aware of a breach of terms and conditions of the Grant Agreement, or they cannot meet their obligations, they must contact the Department immediately. For example, if a funded Eligible Project is at risk of not being physically completed by 30 June 2021.

12.2 Department Contact Details

Email the mailbox at: IIP@infrastructure.gov.au

Mail to: Program Manager

Local Roads and Community Infrastructure Grant Program

Infrastructure Investment Division

Department of Infrastructure, Transport, Regional Development and Communications

GPO Box 594

CANBERRA ACT 2601

12.3 Evaluation

The Department will evaluate the LRCI Program to measure how well the outcomes and objectives have been achieved. Information provided by Eligible Funding Recipients, including through Work Schedules, submitted Quarterly and Ad hoc reports, and interviews may be used for evaluation purposes.

The Department may contact Eligible Funding Recipients up to two years after completion of funded projects to assist with this evaluation.

12.4 Acknowledgement

Formal public statements, media releases or statements, displays, publications and advertising made by Eligible Funding Recipients must acknowledge and give appropriate recognition to the contribution of the Australian Government to that project.

12.5 Media releases

If Eligible Funding Recipients propose to issue any media release relating to an Eligible Project under the LRCI Program, they must:

- At least two business days prior to the proposed release, unless otherwise agreed by the Department, provide a copy of the proposed media release and obtain the Department's agreement to the media release; and
- Provide the relevant local Federal Member of Parliament with the opportunity to participate in the media release.

On receipt of the second and third instalment, an Eligible Funding Recipient must provide via email a summary of projects commencing, in progress, and completing in a Federal Electorate, and the funds claimed against those projects, to the relevant local Federal Member of Parliament. Eligible Funding Recipients must copy the Department into this email and must send the email within seven calendar days of the payment being made to them.

12.6 Signage

For Eligible Projects on an Approved Work Schedule over \$10,000, Eligible Funding Recipients must ensure that signs are erected for each funded Eligible Project, at the time work on the Eligible Project commences.

Signage guidelines will be available on the Department's website.

Eligible Funding Recipients must ensure that all signs erected as required by these Guidelines remain in place for the duration of the project to which they relate and for a minimum period of six months, after the day on which the project is completed.

12.7 Project Events

If a Eligible Funding Recipient proposes to hold a works commencement ceremony, opening ceremony or any other event in relation to a funded project, they must inform the Department and the relevant local Federal Member of Parliament of the proposed ceremony or event at least two weeks before the proposed ceremony or event is to be held, and provide details of the proposed ceremony or event, including proposed invitees and order of proceedings.

If requested by the Department or the relevant local Federal Member of Parliament, Eligible Funding Recipients must arrange a joint Australian Government/Eligible Funding Recipient works commencement ceremony, opening ceremony or any other event.

If requested by the Minister, a member of the Minister's staff, the relevant local Federal Member of Parliament, or the Department, Eligible Funding Recipients must invite and, if the invitation is accepted, arrange for an Australian Government representative (nominated by the Minister or a member of the Minister's staff) to participate in any works commencement ceremony, opening ceremony or any other event proposed to be held in relation to a funded project.

13. Probity

The Australian Government will make sure that the grant opportunity process is fair; conducted according to the published Guidelines; incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct; and, is consistent with the CGRGs.

These Guidelines may be changed from time-to-time by the Department. In the event of a change to the guidelines, the revised guidelines will be published on GrantConnect and the Department's website.

13.1 Enquiries and feedback

For further information or clarification, the Department can be contacted at IIP@infrastructure.gov.au.

Frequently Asked Questions may be published at https://investment.infrastructure.gov.au/infrastructure_investment/local-roads-community-infrastructure-program/index.aspx

To make a complaint, the Department can be contacted on 13 28 46. Complaints will be referred to the appropriate manager.

Alternatively, complaints can be directed to:

General Manager
COVID Recovery Infrastructure Investment Stimulus
GPO Box 2013
CANBERRA ACT 2601

If persons do not agree with the way the Department has handled your complaint, you may complain to the Commonwealth Ombudsman. The Ombudsman will not usually look into a complaint unless the matter has first been raised directly with the Department.

The Commonwealth Ombudsman can be contacted on:

Phone (toll free): 1300 362 072

Email: ombudsman@ombudsman.gov.au

Website: www.ombudsman.gov.au

13.2 Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program.

Eligible Funding Recipients must disclose if any of their personnel:

- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict them/the Eligible Funding Recipient from carrying out the proposed activities and/or implementing the Work Schedule fairly and independently; or
- has a relationship with, or interest in, an organisation from which may be awarded work in relation to a Eligible Project or is otherwise be involved on the implementation of the Work Schedule.

An Eligible Funding Recipient must include the following information in the Work Schedule:

- any details of any real, apparent, or potential conflicts of interests that may arise in relation to the Eligible Projects or the program;
- details of how they propose to manage these or any other conflicts of interest that may arise; or
- that to the best of their knowledge there are no conflicts of interest.

If an Eligible Funding Recipient later identifies an actual, apparent, or perceived conflict of interest, they must inform the Department in writing immediately.

13.3 How we manage conflicts of interest

Conflicts of interest for Australian Government staff will be handled as set out in the Australian Public Service Code of Conduct (Section 13 (7)) of the Public Service Act 1999. Commonwealth officials including the decision maker, must also declare any conflicts of interest.

Conflict of interest requirements form part of the Grant Agreement. Breach of conflict of interest requirements may result in termination of the Grant Agreement.

13.4 Privacy

The Department treats personal information according to the [Privacy Act 1988](#) and the [Australian Privacy Principles](#). This includes advising:

- what personal information is collected;
- why personal information is collected; and
- who personal information is given to.

Personal information can only be disclosed to someone for the primary purpose for which it was collected, unless an exemption applies.

The Australian Government may also use and disclose information about Eligible Funding Recipients under this grant opportunity in any other Australian Government business or function. This includes disclosing grant information on GrantConnect as required for reporting purposes and giving information to the Australian Taxation Office for compliance purposes.

The Department may share information it is provided with other Commonwealth entities for purposes including government administration, research or service delivery, according to Australian laws.

Eligible Funding Recipients must declare their ability to comply with the *Privacy Act 1988* and the Australian Privacy Principles and impose the same privacy obligations on officers, employees, agents and subcontractors that Eligible Funding Recipients engage to assist with the activity, in respect of personal information collected, used, stored, or disclosed in connection with the activity. Accordingly, Eligible Funding Recipients must not do anything, which if done by the Department would breach an Australian Privacy Principle as defined in the Act.

13.5 Confidential Information

Other than information available in the public domain, Eligible Funding Recipients agree not to disclose to any person, other than to the Department, any confidential information unless in accordance with these Guidelines or the Grant Agreement. The obligation will not be breached where required by law, Parliament or a stock exchange to disclose the relevant information or where the relevant information is publicly available (other than through breach of a confidentiality or non-disclosure obligation).

The Department may at any time, require Eligible Funding Recipients to arrange for their employees, agents or subcontractors to give a written undertaking relating to nondisclosure of our confidential information in a form the Department considers acceptable.

The Department will keep any information in connection with the grant agreement confidential to the extent that it meets all the three conditions below:

- information is clearly identified as confidential and explain why it should be treated as confidential;
- the information is commercially sensitive; and
- revealing the information would cause unreasonable harm to the Eligible Funding Recipient or someone else.

The Department will not be in breach of any confidentiality agreement if the information is disclosed to:

- the Minister and other Commonwealth employees and contractors to help the Department manage the program effectively;
- employees and contractors of the Department so it can research, assess, monitor and analyse our programs and activities;
- employees and contractors of other Commonwealth agencies for any purposes, including government administration, research or service delivery;
- other Commonwealth, State, Territory or local government agencies in program reports and consultations;
- the Auditor-General, Ombudsman or Privacy Commissioner;
- the responsible Minister or Parliamentary Secretary; and
- a House or a Committee of the Australian Parliament.

The grant agreement may also include any specific requirements about special categories of information collected, created or held under the grant agreement.

13.6 Freedom of information

All documents in the possession of the Australian Government, including those about this grant opportunity, are subject to the [*Freedom of Information Act 1982*](#) (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.

All Freedom of Information requests must be referred to the Freedom of Information Coordinator in writing.

Freedom of Information Coordinator
Department of Infrastructure, Regional Development and Cities
GPO Box 594
CANBERRA ACT 2601

Tel: (02) 6274 6495
Fax: (02) 6275 1347
email: foi@infrastructure.gov.au

14. Consultation

The Australian Government sought assistance from local councils to identify potential projects that could be fast-tracked given the economic impacts being experienced from the COVID-19 pandemic. Projects nominated by councils have informed the scope of the LRCI Program.

The Department has consulted with the Australian Local Government Association in developing these Guidelines.

15. Glossary

Term	Definition
accountable authority	see subsection 12(2) of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)
administering entity	when an entity that is not responsible for the policy, is responsible for the administration of part or all of the grant administration processes
commencement date	the expected start date for the grant activity
Commonwealth	a Department of State, or a Parliamentary Department, or a listed entity or a body corporate established by a law of the Commonwealth. See subsections 10(1) and (2) of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act).
Commonwealth Grants Rules and Guidelines	establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration
decision maker	the person who makes a decision to award a grant.
eligibility criteria	refer to the mandatory criteria which must be met to qualify for a grant. Assessment criteria may apply in addition to eligibility criteria
Eligible Funding Recipient	the organisation that is eligible to receive funding under the LRCI Program
Eligible Project	The Eligible Project Requirements are the requirements contained in section 5 of these Guidelines
Eligible Project Requirements	The Eligible Project Requirements are the requirements contained in section 5 of these Guidelines

Term	Definition
grant	<p>for the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:</p> <ul style="list-style-type: none"> a. under which relevant money² or other <u>Consolidated Revenue Fund</u> (CRF) money³ is to be paid to a grantee other than the Commonwealth; and b. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives
grant agreement	sets out the relationship between the parties to the agreement, and specifies the details of the grant
<u>GrantConnect</u>	is the Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs
Nominal Funding Allocation	The maximum funding that an Eligible Funding Recipient can access under the LRCI Program for Eligible Projects
Personal information	<p>Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:</p> <ul style="list-style-type: none"> • Information or an opinion about an identified individual, or an individual who is reasonably identifiable; • whether the information or opinion is true or not; and • whether the information or opinion is recorded in a material form or not
Approved Work Schedule	the Work Schedule that outlines Eligible Projects that the Funding Recipient can use grant money to pay for and approved by the Secretary of the Department or their Delegate
Work Schedule	a list of projects that a Funding Recipient proposes to be funded under the LRCI Program

² Relevant money is defined in the PGPA Act. See section 8, Dictionary.

³ Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.