Program Guidelines

Building Better Regions Fund Community Investments Stream Round Two

November 2017

A message from the Minister

Investing in good projects and infrastructure can change lives and save lives in regional areas.

As a Cabinet Minister, I aim to help build better regions and ensure our communities are great places to visit, and to live, work and raise a family.

Strong regions make a strong nation. Regional Australia is the heart of our nation and helps drive our economy, as well as producing the food we eat and the energy we consume. This is why we are supporting a competitive grants program – the Building Better Regions Fund.

This Fund will see regional communities partner with governments and stakeholders to take full advantage of a range of economic and regional development opportunities to help build strong, sustainable communities.

Importantly, the funding will be directed only to projects that benefit areas outside of the major capital cities.

Projects of similar size will compete against each other, so small community activities will not compete against major event proposals.

I know regional communities are made of far more than bricks and mortar, and so the Community Investments Stream will invest in projects outside of traditional infrastructure – events and initiatives which aim to build regional communities in other ways.

These projects might, for example, attract locals and tourists to events, build leadership capacity or undertake strategic planning so communities can pursue new opportunities.

I look forward to considering your project proposals to help make a difference in your community.

The Hon Darren Chester MP

Minister for Infrastructure and Transport

Minister for Regional Development

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1. Building Better Regions Fund: Round 2 Processes

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

The Building Better Regions Fund is a $481.6 million investment by the Australian Government to create jobs, drive economic growth and build stronger regional communities into the future.

⬇

The grant opportunity opens

We publish the grant guidelines and advertise on business.gov.au and Grant Connect.

⬇

You complete and submit a grant application

⬇

We assess all grant applications

We assess the applications against eligibility criteria. We then assess your application against the merit criteria including an overall consideration of value for money and compare it to other applications. We will group all eligible applications in categories according to the total eligible project cost to ensure projects of similar size are ranked against each other.

⬇

We make grant recommendations

We provide advice to the Ministerial Panel on the merits of each application.

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Grant Decisions are made

The Ministerial Panel, in consultation with the Australian Government's National Infrastructure Committee or Cabinet decides which applications are successful.

⬇

We notify you of the outcome

We advise you of the outcome of your application.

⬇

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 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

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

2.   Introduction

These guidelines set out the funding rules for the Building Better Regions Fund (the program) – **Community Investments Stream**. There is a separate set of guidelines for the **Infrastructure Projects Stream**.

The Department of Industry, Innovation and Science is responsible for administering the program on behalf of the Department of Infrastructure and Regional Development.

The program is competitive and we will assess applications against eligibility and merit criteria and compare them to other applications in a funding round. We will group all eligible applications in categories according to the total eligible project cost to ensure projects of similar size are ranked against each other. Decisions on projects to be funded are taken by a Ministerial Panel in consultation with the Australian Government's National Infrastructure Committee of Cabinet or Cabinet.

We will publish the opening and closing dates of any funding rounds on business.gov.au.

We have defined key terms used in these guidelines in Appendix A.

You should read this document carefully before you fill out an application. Further information is available on business.gov.au to help you determine if your project is eligible and prepare your application.

You should have all co-funding confirmed, identified all required regulatory approvals and demonstrated robust planning, in order to commence your project following execution of a grant agreement.

If your project is still in the planning or concept stage, your application may be eligible for funding, but may not be as competitive as projects that are further progressed in their planning. In this case, it is recommended that you further develop your project and consider submitting an application for consideration in any future funding rounds.

3.   Program overview

The $481.6 million Building Better Regions Fund supports the Australian Government's commitment to create jobs, drive economic growth and build stronger regional communities into the future.

The program will run from 2016-17 to 2020-21.

The program has been designed to achieve the following outcomes in regional and remote communities:

- 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 sense of identity.

The program will fund projects in regional Australia outside the major capital cities of Sydney, Melbourne, Brisbane, Perth, Adelaide, and Canberra (see section 6.1).

There are two streams of funding available under the program.

3.1 Infrastructure Projects Stream

The **Infrastructure Projects Stream** will support projects which involve the construction of new infrastructure, or the upgrade or extension of existing infrastructure that provide economic and social benefits to regional and remote areas.

3.2 Community Investments Stream

The **Community Investments Stream** will fund the following community activities, new or expanded local events, strategic regional plans, and leadership and capability strengthening activities. These projects will deliver economic and social benefits to regional and remote communities. Infrastructure activities as defined in 3.1, are not eligible for the Community Investments Stream.

Note: These guidelines provide information on the Community Investments Stream only. To find information regarding the Infrastructure Projects Stream visit business.gov.au.

4. Grant amount and project duration

The minimum grant amount is $5,000 and the maximum grant amount is $10 million, however given the nature of eligible projects we expect most grants will be under $100,000.

You must complete your project within 12 months of executing the grant agreement with the Commonwealth and by 31 December 2020.

5. Project location

The location of your project has bearing on different elements of the program. We consider the location of your project when determining:

- eligibility (see section 6.1)

- the level of co-funding you need to provide (see section 6.5.3)

- a loading to apply to your assessment score (see section 8.2).

In your application, you will need to provide the latitude and longitude of your project location. A mapping tool is available on business.gov.au to assist you in determining the location of your project.

If your project has no physical location, you must nominate the project location that receives the most economic and social benefit.

6. Eligibility criteria

We cannot consider your application if you do not satisfy **all eligibility criteria**. We will not fund projects that you have already started or where contracts are already in place at the time of application. Applicants can submit up to two applications per stream per round.

6.1 Where can your project be located?

Your project must be located in Australia and in an eligible area.

The excluded areas for the purposes of the program 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.

You may still apply if your project is located in an excluded area however, you must clearly demonstrate the significant and demonstrable 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 location of your project.

6.2   Who is eligible?

To be eligible you must be a legal entity, have an Australian Business Number (ABN) and be one of the following entities:

- a local governing body as defined by the *Local Government (Financial Assistance) Act 1995.*

- a 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.

For the purposes of the program, we also consider the following organisations to be local governing bodies:

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

- 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 NSW

- The Trust Account in the NT

- ACT Government.

6.3   Who is not eligible?

You are not eligible to apply if you are:

- 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 6.2

- a university, technical college, school or hospital

- a Regional Development Australia Committee.

6.4 Additional eligibility requirements

In order to be eligible you must also:

- be able to demonstrate that you can meet the co-funding requirements outlined in section 6.5

- provide the relevant mandatory attachments outlined in section 9.1.

6.5 Co-funding and your contributions

Co-funding is the cash contribution (excluding in-kind contributions) from you or sources other than the Commonwealth. Co-funding demonstrates your commitment to the project and shows evidence of community support. We consider the co-funding contributions when assessing applications at the eligibility and merit assessment stage.

Your contributions can come from:

- you as the applicant

- an individual

- local government

- state or territory governments

- not for profit organisations

- private sector companies

- Aboriginal Benefits Accounts (not considered Commonwealth funding).

If your total eligible project cost is less than $20,000, there is no co-funding requirement. However, any level of contribution is encouraged and applications without co-funding may receive a lower score against the 'value for money' criterion (merit criterion 3).

The remoteness classification of your project location determines your co-funding requirements (see section 6.5.3).

Where you receive other Commonwealth funding for your project the total Commonwealth funding cannot exceed the percentage indicated in section 6.5.3.

We do not consider financial assistance grants to local government as Commonwealth funding.

6.5.1 Project remoteness classification

Your project location (latitude and longitude) determines your remoteness classification. The criteria for the remoteness classification is based on the Australian Bureau of Statistics' Remoteness Structure[1] under the Australian Statistical Geography Standard. A mapping tool is available on business.gov.au to assist you in determining the location of your project.

Your co-funding requirement will be different depending on your remoteness classification. It is very important that you specify the correct remoteness classification in your application. An error may cause your co-funding to be inadequate and your application to be ineligible.

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[1] http://www.abs.gov.au/websitedbs/d3310114.nsf/home/remoteness+structure

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

If your project has no physical location, you must nominate the project location that receives the most economic and social benefit.

6.5.2 Exceptional circumstances co-funding exemption

The Australian Government recognises that some applicants may be experiencing exceptional circumstances resulting in a limited capacity to meet the co-funding requirement.

Where you can demonstrate that you are experiencing exceptional circumstances, you may seek an exemption from the co-funding requirement.

If you seek an exemption, you must submit a supporting case, which includes evidence demonstrating the exceptional circumstances you are experiencing and how they are preventing you from meeting the co-funding requirement. Evidence could include being listed as a declared council for the Drought Communities Programme or rainfall statistics if you are in a drought declared area, low rates base, disaster impacted area listed on the Disaster Assist website etc.

The Ministerial Panel will consider requests for exemption. If an exemption is granted your application will be considered to have met the requirements under section 6.5. If an exemption is not granted your application will be ineligible.

Before you consider seeking an exemption, note:

- exemptions will only be granted in very limited circumstances

- if an exemption is not granted your application will be ineligible and there will be no opportunity to resubmit your application in the same funding round

- all applications, including those granted an exemption, will be assessed against each of the merit criteria. Applications without co-funding may receive a lower score against the 'value for money' criterion (merit criterion 3)

- you are encouraged to leverage cash contributions, community partnerships and in-kind contributions, even if you seek an exemption, to strengthen your application and increase your score against the 'value for money' criterion.

Exceptional circumstances may include:

- drought and/or disaster declaration

- limited financial capacity of the local council

- impact of industry decline

- significant recent change in population or community demographics

- other exceptional circumstances.

6.5.3 Co-funding requirements

The co-funding requirements are summarised in the following table.

Project remoteness classification	Co-funding requirement (cash)	Total Commonwealth Government funding (including this grant)
Projects classified as remote or very remote	3:1 ratio (for every $3 of grant funding requested you must contribute at least $1)	Up to 75 per cent of total eligible project cost
All other classifications	1:1 ratio (for every $1 of grant funding requested you must contribute at least $1)	Up to 50 per cent of total eligible project cost
Projects with a total eligible project cost of up to $20,000	Exempt from co-funding requirement (although any level of contribution is encouraged)	Up to 100 per cent of total eligible project cost
Projects granted an exceptional circumstances co-funding exemption (See section 6.5.2).	Exempt from co-funding requirement (although any level of contribution is encouraged)	Up to 100 per cent of total eligible project cost

Table 1.

Total eligible project costs include the grant amount and co-funding.

Where your total eligible project costs are less than anticipated we will maintain the co-funding/grant ratio in our payment of funds.

6.6   Eligible projects

To be eligible your project must fall into one of the following categories:

Local events and activities - Investment in local activities and events provides economic social and cultural opportunities for people living in regional areas. Events and activities drive economic growth, promote community participation and inclusion, encourage volunteerism and build on a region's identity. **Note**: Local events and activities will only be eligible under the program once. Funding under the program is intended as seed-funding, for local events and activities that are new to the community, or a significant addition to an existing event or activity. Applicants will need to clearly outline in their applications their strategy to fund future and expanded events without Australian Government funding. Events cannot take place until a signed Grant Agreement is in place; this may take up to 6 months from the date you submit your application.

Strategic planning - Activities that facilitate the development of quality regional or sectoral plans will help to drive the development of strong regions. Plans should focus on pursuing economic opportunities and/or addressing identified challenges across a region or industry sector. You should develop plans in close consultation with key regional stakeholders.

Regional leadership and capability - These activities will build the capability of regional leaders, equipping them with the skills to effectively drive change and champion positive futures for their communities. All leadership and capability activities will need to demonstrate clear and definitive outcomes including broad benefits for the community. Regional leaders may include representatives from:

- community organisations

- local government

- local industry members

- local youth leaders

- indigenous leaders

- industry bodies.

We will not fund projects that you have already started or where contracts are already in place at the time of application.

As part of your End of project report, you will need to provide an evaluation of the project including the outcomes achieved.

6.7 Eligible activities

You can only spend the grant and co-funding on eligible activities directly related to the project. If your application is successful, these activities will be defined in your grant agreement. Eligible activities must be new to the community or a significant addition to an existing event or activity. They must deliver significant new benefits.

Eligible activities may include:

Local events and activities

- arts and culture events, for example theatre productions, gallery exhibitions and indigenous cultural events

- community and public events, for example food festivals, field days, seasonal activities, veterans or memorial events

- attracting new businesses or economic opportunities, for example hosting a conference or business event to coordinate and enable growth in a particular industry sector or address obstacles in accessing markets.

- community sporting events, for example an exhibition sporting match or hosting an interstate sports carnival

- events or activities which attract tourists and visitors to a region

- hire of equipment or infrastructure to support the event or activity.

Strategic planning

- regional skills audits

- research projects to support regional development strategic plans

- collecting socio-economic information

- plan development costs.

Regional leadership and capability

- leadership courses

- participation and community building measures for young people

- participation in activities to improve local business and industry leadership capability.

The Program Delegate makes the final decision on what are eligible activities. We cannot fund activities carried out prior to executing a grant agreement. All project activity must occur during the project period for it to be eligible.

6.8   Ineligible activities

Examples of ineligible activities include:

Local events and activities

- activities where the main benefit is intended to go to only one sector or group within the wider community (e.g. a specific club, society or religious group). For example, funding for an individual sports team to attend an event is not eligible

- fundraising events

- events for political/lobby groups

- private events

- existing events or activities (that are not new to the community, or a significant addition to an existing event or activity)

- possible or future unidentified events

- purchase, refurbishment or extension of permanent infrastructure or assets that have benefits wider than the specified event or activity, where the infrastructure or asset is the majority expenditure of the event or activity.

Strategic planning

- land use planning

- service delivery planning

- capital funding for research centres

- feasibility studies or benefit-cost analysis for specific projects, including infrastructure development

- activities that the organisation undertakes as part of its usual business practices and responsibilities.

Regional leadership and capability

- vocational education and training (VET)

- apprenticeships

- higher education qualifications

- funding education and training providers

- funding for staff wages or leadership positions within an organisation.

7.   The merit criteria you need to address

To be competitive, you will need to address each of the four merit criteria in your application. **You should define, quantify and provide evidence to support your answers.**

1. Economic benefit
2. Social benefit

3. Value for money
4. Project delivery

We will assess your application against each merit criterion using the scoring indicated. The application form asks questions that relate to the merit criteria below.

The amount of detail and supporting evidence you provide should be relative to the project size, complexity and grant amount requested. The application form displays word limits.

We will only recommend funding applications that score highly against each of the merit criteria. This ensures Commonwealth funding represents value with relevant money.

7.1   Merit criterion 1 – Economic benefit

The economic benefit your project will deliver to the region during and beyond the project period (15 points)

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. For projects located in an excluded area (as outlined in 6.1), you must clearly demonstrate how economic benefits flow directly into an eligible area. Examples of how your project could demonstrate these economic benefits include:

a.   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)

b.   providing opportunities for growth in existing sectors, e.g. tourism, agriculture, manufacturing

c.   the use of local suppliers and goods

d.   increasing efficiency of the transport system or service delivery

e.   increasing Indigenous economic participation – including Indigenous employment and supplier-use outcomes

f.   the degree to which the project delivers benefits beyond the project period.

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.

7.2   Merit criterion 2 – Social benefit

The social benefit your project will deliver to the region during and beyond the project period (10 points)

Social benefits for a region may cover increases in regional amenity, improving community connections and inclusion and providing opportunities for learning and knowledge creation. For projects located in an excluded area (as outlined in 6.1), you must clearly demonstrate how the social benefits flow directly into an eligible area; Examples of how your project could demonstrate these social benefits include:

a.   making a region a more attractive place to live

b.   improving community connections and social inclusion

c.   supporting or protecting local heritage and culture

d.   strengthening community institutions, governance and leadership capacity

e. increasing community participation in local decision making

f. increasing community volunteering

g. the degree to which the project delivers benefits beyond the project period

h. addresses disadvantage within the community.

7.3 Merit criterion 3 – Value for money

The value for money offered by your project (5 points).

You may demonstrate the value for money through identifying:

a. the extent to which the project leverages additional funding (this includes cash contributions above the co-funding requirement and in-kind contributions)

b. the extent to which the project leverages additional partnerships

c. the likelihood of the project going ahead without the grant funding. Explain how the grant will impact the project in terms of size, timing and reach.

7.4 Merit criterion 4 – Project delivery

Your capacity, capability and resources to carry out the project (5 points).

You may demonstrate this through:

- your readiness to commence the project with appropriate approvals planned for or in place

- your track record with similar projects including managing similar grant funding

- your access to people with the right skills and experience

- your access to infrastructure, capital equipment, technology, intellectual property.

8. How we assess your application (selection process)

We first assess your application against the eligibility criteria and then against the merit criteria. Only eligible applications will proceed to the merit assessment stage.

The Ministerial Panel will make decisions on requests for exceptional circumstances co-funding exemptions. If your request for an exemption is not granted, your application will be ineligible.

To recommend it for funding your application must score highly against each merit criterion. While we assess all applications against the same merit criteria, we will score your application relative to the project size, complexity and grant amount requested. Larger and more complex projects should include evidence that is more detailed. We consider project size and remoteness classification in our assessment as detailed below.

We may seek advice from state or territory government agencies, other Australian Government agencies, independent experts and other external parties.

We then provide advice to the Ministerial Panel on eligible applications and recommendations on which projects to fund.

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

8.1   Project size

We will group all eligible applications in categories according to the total eligible project cost (not the amount of funding requested) to ensure projects of similar size are ranked against each other. We will consider applications according to the following categories:

- total eligible project cost between $5,000 and $20,000

- total eligible project cost between $20,001 and $100,000

- total eligible project cost over $100,000.

8.2   Assessment score loading

To account for the challenges faced in outer regional and remote areas, we may apply a loading to your total assessment score. Very remote projects will receive the highest loading and inner regional projects the lowest loading.

8.3   Final decision

The Ministerial Panel, in consultation with the National Infrastructure Committee of Cabinet, or Cabinet, decides which grants to approve taking into account our recommendations and the availability of grant funds. In addition to the application and supporting material, , 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 projects or planned projects in the region, and the extent to which the proposed project supports or builds on those projects and the services that they offer

- the level of funding allocated to an applicant in previous programs

- reputational risk to the Australian Government

- the Australian Government's priorities.

The Ministerial Panel may require additional conditions be attached to the grant funding. It may also offer a different amount of grant funding to what you requested.

If you are successful, you will receive a written offer.

If you are unsuccessful, we will notify you in writing and give you an opportunity to discuss the outcome with us and receive feedback on your application. You can submit a new application for the same project (or a similar project) in any future funding rounds. You should include new or more information to address the weaknesses identified in your previous application.

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

- approval of applications for funding

- grant funding amount to be awarded and

- terms and conditions of funding.