

Local Government Grants and Subsidies Program (LGGSP)

Infrastructure Subsidy

Guidelines

April 2014

The Department of Local Government, Community Recovery and Resilience leads a coordinated Queensland Government approach to delivering short and long-term solutions for strong local government.

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Introduction

The Queensland Government has committed \$8.77 million in 2014-15 to assist Queensland councils in delivering priority infrastructure that meets the need of their communities.

This funding commitment—the Local Government Grants and Subsidies Program Infrastructure Subsidy (LGGSP IS)—is administered by the Department of Local Government, Community Recovery and Resilience.

LGGSP IS aims

The LGGSP IS aims to provide funding assistance to eligible applicants to enable them to deliver priority infrastructure that meets the identified need of their communities.

LGGSP IS objectives

The objectives of the LGGSP IS are to support eligible applicants with the capital costs of essential infrastructure construction and upgrade works that:

- support realisation of the aspirations of the Queensland Plan
- support economic development activities and to strengthen the community through social and cultural facilities
- support crime prevention, community health and safety
- respond to growth pressures
- meet identified needs and priorities of local communities
- are supported by the community.

Funding

A total of \$8.77 million in LGGSP IS funding is allocated in the 2014-15 financial year to subsidise delivery of infrastructure projects.

Applying for funding

Eligibility

Eligible applicants

Eligible applicants under the LGGSP IS are local government bodies constituted under the *Local Government Act 2009* and the *City of Brisbane Act 2010*.

Other entities may be deemed by the Minister as an eligible applicant for the purposes of the LGGSP IS.

Eligible projects

Where a range of options is available, the applicant must demonstrate through an options analysis, that the proposed project is the most cost effective and practical solution. When applying for funding where the project cost is greater than \$500,000, councils will be required to complete an options analysis to accompany the cost benefit analysis.

Eligible projects are required to incorporate the concepts and principles behind the crime prevention through environmental design (CPTED) strategy to reduce crime, enhance community safety and improve liveability where practical.

Eligible projects under the LGGSP IS include the following areas:

Water infrastructure

Types of eligible water infrastructure include:

- source of supply
- treatment works
- rising mains and delivery mains from source of supply to first service reservoir.

Sewerage infrastructure

Types of eligible sewerage infrastructure include:

- treatment works
- nutrient removal works
- disposal of effluent after treatment
- beneficial wastewater re-use after treatment
- disposal and re-use of effluent after treatment.

Community infrastructure

Types of eligible community infrastructure include:

- social and cultural facilities such as community centres, halls, libraries, heritage sites, museums and cultural centres
- modifications to public facilities.

Crime prevention and community safety infrastructure

Types of eligible crime prevention and community safety infrastructure include:

- monitored security cameras
- lighting in public places
- emergency contact systems.

Economic development infrastructure

Types of eligible economic development infrastructure include:

- business development facilities such as town centres and street scaping
- technology such as internet kiosks and wireless access.

Tourism infrastructure

Types of eligible tourism infrastructure projects include:

- facilities such as camping grounds, heritage or natural attractions, rest areas and foreshore developments
- other relevant infrastructure to attract and retain tourists.

Ineligible projects

Projects deemed ineligible under the LGGSP IS include:

- works on land that is not owned or controlled by council
- road works and/or related drainage systems
- planning studies
- flood way development or upgrade
- purchase of or works to an asset not owned by council
- leasing of an asset by council
- purchase or leasing of vehicles.

Eligible costs

LGGSP IS is intended only to assist with the direct costs to applicants of an approved project as detailed in the application for funding.

Under the LGGSP IS, eligible project costs are the total project costs from the application less any other funding contributions to the approved project, less any ineligible costs.

Program funding may be used for the following:

- remuneration costs for technical or professional work time over and above 100 hours (excluding executive duties) on the planning, designing or construction (including technical supervision) of approved works
- the cost of administrative staff specifically engaged for the project, but does not include any portion of the remuneration of any other clerical or administrative staff of the council, or general overhead charges.

These costs must be detailed in the application for funding.

Ineligible costs

Ineligible costs/project components include:

- reservoirs holding treated water
- new or replacement reticulation mains
- trunk mains transporting treated water
- water meters
- balance tanks
- reticulation or delivery of sewage to a sewage treatment facility
- purchase of land
- furnishings
- sketch plans
- in-kind contributions
- ongoing operation and maintenance costs or items
- recurrent costs

- temporary works, except where required as part of the construction of the eligible works
- ongoing costs for council administration or engineering
- remuneration of executive officers, such as the chief executive officer, deputy chief executive officer and chief engineer
- official opening expenses
- legal expenses.

These lists should not be interpreted as either prescriptive or comprehensive. Contact the department if you require clarification on the eligibility of the proposed project and costs.

Subsidy rate

For projects approved for funding under the LGGSP IS, funding will be allocated based on a subsidy rate of up to 40 per cent of the eligible project costs.

The Minister may determine an alternative subsidy rate for an approved project. Under the LGGSP IS, eligible project costs are the total project cost minus ineligible components and any other funding contributions to the project.

Other funding contributions include: funding from partners, government grant funding received or applied for and in-kind contributions.

Assessment criteria

Applications must demonstrate that the proposed project:

- clearly meets the LGGSP IS objectives
- is an essential infrastructure project clearly linked to an identified community need
- is supported by the community - with evidence of the results of consultation (where applicable)
- represents value for money
- will be delivered within timeframes and the project is ready to proceed
- will comply with applicable legislative, industry or regulatory requirements
- is supported by the applicant's commitment to funding ongoing operation, maintenance and replacement costs (where applicable)
- will be evaluated for effectiveness by the applicant post completion.

The department may consult with other agencies in assessing and prioritising the allocation of funding to projects.

Approved projects

Successful applications

Successful applicants are required to enter into a funding agreement with the department before commencing the project and making claims for payments.

Funding period

The funding period for the approved project is a maximum of 12 months from the date of approval. In certain circumstances the project complexity may require a longer funding period and this will be negotiated on a case by case basis. The grant recipient must ensure that:

- all project work is completed within the funding period
- all final reporting and claims for payment are submitted to the department within one month after the project completion date.

Claims for payment

The funding agreement provides details of the payment schedule for each project. Under the LGGSP IS, funding will be administered on a 30:60:10 model.

A first payment equal to 30 per cent of the approved funding will be made following the execution of the funding agreement for the project by both parties. In particular circumstances, the department may approve a different payment schedule.

Once the first payment has been expended and acquitted, the funding recipient can then submit claims for progress payments at the approved subsidy rate against works completed (up to 60 per cent of approved funding), in accordance with the funding recipient's payment forecasts and project plan.

A final payment of 10 per cent will be made on completion and acquittal of the project.

Each claim for payment must be made on the prescribed form, with certification by the funding recipient that the works have been completed satisfactorily, and that expenditure of the amount stated has been properly incurred on the work for which funding was approved in accordance with these guidelines and the funding agreement. Certification must be made by an appropriately delegated officer of the funding recipient, or other persons as agreed by the department.

The prescribed form for claiming payments is available on the department's website:
www.dlgcrr.qld.gov.au.

How to apply

- submit one application for each project by using the "smart" application form and attaching supporting documentation. Scanned PDFs of the smart application form will not be accepted.
- The smart application forms are designed for information to be entered directly into the relevant fields.
- submit each completed application and all supporting project documents electronically via email to lgfundingunit@dlgcr.qld.gov.au
- complete all sections relevant to the project (use the relevant sections and schedules as a guide)
- ensure the certification form is completed.

Key dates in 2014-15

Applications open	29 April 2014
Applications close	29 May 2014
Announcement of successful projects	From June 2014

Applications must be received by the application closing date to be considered for funding.

More information

For more information on the LGGSP IS, contact the Department of Local Government, Community Recovery and Resilience.

Brisbane Office email: lgfundingunit@dlgcr.qld.gov.au

Phone: 07 3452 6725

Northern Region Phone: 07 4799 7378

Southern Region Phone: 07 3452 6762

Conditions of funding

Minister retains rights and powers

The Minister retains all rights and powers to make all decisions and actions that the Minister sees fit in order to achieve the priorities and objectives of the relevant Queensland Government funding program.

The Minister may require funding recipients to provide all such documents or to remedy irregularities, as deemed necessary, to demonstrate the appropriate management and use of State and/or Commonwealth funds.

The Minister may delegate, either generally or in specific cases, the powers and duties of the Ministers under this program, where appropriate.

Risk management

At the time of making an application, all applicants are required to demonstrate that they have considered the risks inherent in the proposed project. Funding recipients will be required to develop and implement a risk management plan as part of their obligations under the funding agreement.

Funding period

The funding period for all projects approved under the 2014-15 LGGSP IS is a maximum of 12 months from the date of approval. In certain circumstances the project complexity may require a longer funding period and this will be negotiated on a case by case basis. The funding recipient must ensure that:

- all aspects of an approved project are completed within the approved funding period
- all claims for payment are submitted within one month following the completion date of the approved project.

Funding approvals will lapse upon the expiration of the approved funding period, at which point the department's commitment to the relevant LGGSP IS payments will be discharged and unclaimed funding will be forfeited.

Funding recipients may request an extension of time (see extensions of time section below).

Approval prior to commencement of works

Prior to commencing works on an approved project where funding has been granted, recipients must:

- obtain confirmation of Queensland Government funding approval for the project
- enter into a funding agreement with the department.

Works are considered to have commenced once:

- actions incurring physical changes to a proposed project site have been instigated
- the funding recipient enters into a contract or tender for the project.

Funding agreements

Successful applicants are required to enter into a funding agreement with the department before commencing the project and making claims for payments.

The agreement provides details on general and specific conditions of funding associated with delivery of the funding program.

More information on funding agreements can be found from the department's website at [Grants and subsidies - Queensland Government](#).

Forecasts of cash flows

Funding recipients are required to provide forecasts of cash flows and milestones at the time of executing the funding agreement for a project. This will align with the project plan and indicate dates when payment claims are expected to be lodged with the department.

Should project expenditures or timeframes vary following commencement, the funding recipient must provide updated cash flow forecasts and revised project timeframes to the department within 10 working days of these variances being identified.

Regulatory requirements

LGGSP IS funding approvals and payments are conditional on the funding recipient observing all relevant laws and state or Commonwealth policies. The Queensland Government provides funding assistance only and does not relieve a funding recipient from:

- performing or observing all conditions and duties that may apply to the works under any Act, Law or Regulation
- having due regard to any relevant state or Commonwealth policies.

Approval of funding under the LGGSP IS funding process does not imply that any necessary licences or approvals will be granted, or that agencies will make favourable policy decisions. Funding recipients must independently obtain all necessary permits, licences, consents, or a clear statement of requirements, from relevant parties prior to commencement of projects.

Following the completed construction of an approved project, the funding recipient must independently obtain all relevant approvals and certifications as required by any Acts, Laws or Regulations.

Where licences cannot be obtained prior to completion, the final 10 per cent of the approved assistance may be withheld by the Queensland Government until licences are obtained.

Third party contributions

Applicants may seek funding contributions for the proposed project from other sources.

Project costs

State subsidies and financial assistance are intended only to assist with the direct costs of approved projects, as detailed in the application for funding.

Roles and responsibilities

The funding agreement clearly specifies the roles and responsibilities of the parties in relation to the funding allocated.

Reporting and evaluation

The funding agreement provides details of reporting and evaluation requirements for the approved project. Funding recipients must submit project progress reports and post completion reports and the results of the project evaluation to the department.

If a funding recipient does not comply with these requirements for an approved project, the final 10 per cent of the approved funding may be withheld until all relevant reporting is submitted to the department.

Goods and services tax

For all approved projects, approved applicants are subject to the Australian Government taxation legislation and associated tax rulings with respect to the goods and services tax (GST). The department and funding recipients are required to comply with this legislation and the relevant rulings.

Claims for payment

The funding agreement provides details of the payment schedule for each approved project.

Final claim for payment

Within one month after the completion of an approved project, the funding recipient must submit a certified claim for final payment along with the relevant completion documentation.

As outlined in the funding agreement, a post-completion report must be submitted with the final claim for payment.

Where the funding recipient does not comply with established reporting requirements, the final 10 per cent of the approved funding may be withheld until all relevant reporting is submitted to the department.

Once the certified claim for final payment has been submitted, additional funding requests for the approved project will not be considered.

Extensions of time

In exceptional circumstances, the Minister or delegate may approve a request for an extension of time to complete a project. A request for an extension of time should be submitted to the relevant department before the approved project completion date.

Suspension of works

Where project works have been delayed for any reason, the funding recipient must immediately notify the relevant contact officer, as specified in the funding agreement, indicating reasons for the delay and the anticipated date of recommencement of works.

Incomplete projects

Where a funding recipient determines that work on a project will cease and will not be completed, the funding recipient may be required to repay all or part of the financial assistance received as outlined in the funding agreement executed for the project.

Retention money

Retention money held by the funding recipient may be included as part of the final project costs when submitting a certified claim for final payment.

Rights to site inspections

The Minister, or any person/s authorised by the Minister, may inspect the site of any project prior to, during and/or after completion of works.

All reasonable requests by the Minister or by authorised person/s for access to the site of an approved project must be complied with by the funding recipient.

Acknowledgment of the funding

Funding recipients must acknowledge the contributions of the Queensland Government funding. For capital works projects, this may include:

- erection of signage at construction sites
- placement of a plaque or sign once construction is finished
- acknowledgment in publicly made statements, or appropriate documentation.

Further information on acknowledgement requirements including the use of the Queensland Government logo can be found within the funding agreement.

Privacy and confidentiality

The use and disclosure of information provided by applicants for the program is regulated by the relevant provisions and penalties of the *Right to Information Act 2009* and the *Information Privacy Act 2009* and the general laws of the State of Queensland.

The information contained in applications will be regarded as private and confidential and will be treated as such by the department. This is subject to the operational need to provide applications to assessors, and any statutory or legal requirements to provide information to the Parliament and other organisations, for audit, law enforcement, investigative or other purpose.

As part of the assessment of an application, the department may need to consult with, and provide material from the application to, other government agencies or bodies, other organisations and/or relevant individuals, in order to substantiate any claims or statements made in the application form, or to otherwise assist in the assessment of the application. If this occurs, the department will endeavour to ensure that the parties who are consulted observe appropriate confidentiality provisions.

Following approval of an application, the broad details of an application (e.g. the identity of the successful applicant, the funding amount awarded, and a brief description of the project) may be disclosed by the department for purposes such as promoting the program and reporting on the program's operation and policy development.

Glossary

assistance	a monetary allocation under the LGGSP IS approved by the Minister provided to assist to conduct approved projects
approved or approval	the approval by the Minister or Executive Council
approval date	the date which a proposed project receives approval by the Minister or Executive Council
approved applicant	a council or other entity for whom funding is approved by the Minister under a specified program
authorised person	an officer or employee of a government department or other person authorised by the Minister to perform a specific function or duty
capital works	works of a lasting nature to be used by or to provide services to people. The term where necessary includes land, buildings, major items of plant, machinery or other equipment, but does not include component replacement or periodic maintenance
chief executive officer	the head of an organisation
council or councils	a local government body
department	the state government department responsible for administering the local government portfolio, unless otherwise explicitly stated. At the time of publishing these guidelines this is the Department of Local Government, Community Recovery and Resilience
eligible project costs	eligible project costs equals the total project costs as per application/approval: <ul style="list-style-type: none">• less any other contributions to the approved project and/or• less any ineligible costs
extension of time	the approval by the Minister or his delegate of additional time in which the funding recipient can complete the approved project
forfeited	the discharging of a commitment to provide funding assistance to an approved project
funding agreement	a head of agreement and sub-agreement forms the formal funding arrangement between the recipient and the department for the project
funding period	the one year period from the approval date to the project completion date
funding recipient or recipient	an eligible organisation in receipt of a subsidy for an approved project
in-kind contribution	consists either of the direct provision of a tangible asset to the infrastructure or of expenditure incurred directly which benefits the infrastructure. Includes goods, use of services and facilities, professional services or expertise in the form of staff time, provision of or access to equipment, special materials other than those defined as eligible costs in these guidelines
Minister	the Queensland Minister responsible for the local government portfolio
prescribed form	a form issued by the department
project	a discrete set of activities, producing a defined range of infrastructure or other defined outputs, within a specified timeframe
project completion date	one year from the project approval date or approved extension of time date

retention money	is money held by the funding recipient to ensure that a contractor makes good any defects identified following completion of the project, as per the agreed contract
round	the period of time when requests for funding applications are open to councils
sub-agreement	a sub-agreement that forms part of the formal funding agreement executed by the recipient and the department providing details of the funding approved, approved project and conditions related to the specific funding program
tender	means an offer specifying prices, costs and other details under which a person will enter into a contract with an approved applicant
third party contributions	funding contributions to the project received from other sources e.g. other state agencies, Australian Government or the private sector
total project costs	those costs that are directly attributable to the proposed project as at the time of application or approval