# Preparing Australian Communities – Local Stream

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| --- | --- |
| Opening date: | 10 December 2021 |
| Closing date and time: | 5:00pm Australian Eastern Daylight Time on 06 January 2022  Please take account of time zone differences when submitting your application. |
| Commonwealth policy entity: | National Recovery and Resilience Agency |
| Administering entity: | Department of Industry, Science, Energy and Resources |
| Enquiries: | If you have any questions, contact us on 13 28 46. |
| Date guidelines released: | 1 November 2021 |
| Type of grant opportunity: | Open competitive |

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## Preparing Australian Communities: Local Stream

**The Preparing Australian Communities Program is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program, which contributes to the National Recovery and Resilience Agency’s Outcome 1. The National Recovery and Resilience Agency works with stakeholders to plan and design the grant program according to the [*Commonwealth Grants Rules and Guidelines*.](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines)

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**The grant opportunity opens**

We publish the grant guidelines on business.gov.au and GrantConnect.

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**You complete and submit a grant application**

You complete the application form, addressing all the eligibility and assessment criteria in order for your application to be considered.

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**We assess all grant applications**

We review the applications against eligibility criteria and notify you if you are not eligible.

We assess eligible applications against the assessment criteria including an overall consideration of value with relevant money and compare it to other eligible applications.

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**We make grant recommendations**

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



**Grant decisions are made**

The decision maker decides which applications are successful.

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**We notify you of the outcome**

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



**We enter into a grant agreement**

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

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**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.

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**Evaluation of the Preparing Australian Communities Program**

We evaluate the specific grant activity and Preparing Australian Communities as a whole. We base this on information you provide to us and that we collect from various sources.

## About the grant program

The Australian Government has committed $600 million over six years from 2021-22 to 2026-27 for the Preparing Australia Program. The Preparing Australia Program will support projects that mitigate or reduce the disaster risk, impact and consequence associated with large-scale natural hazards.

The objectives of the Preparing Australia Program are to:

* improve the long-term resilience of Australian communities and households to natural hazards including bushfires, floods and tropical cyclones
* deliver disaster risk reduction projects that reduce hazard exposure or vulnerability and are aligned with the recommendations of the Royal Commission into National Natural Disaster Arrangements[[1]](#footnote-2) and the National Disaster Risk Reduction Framework[[2]](#footnote-3).

The intended outcome of the Preparing Australia Program is to reduce the impact of natural hazards on Australian communities, including by:

* increasing disaster preparedness and resilience
* reducing the cost of recovery following future disasters
* reducing the time to recover following future disasters
* encouraging reductions in insurance premiums through a reduction in disaster risk.

For the Preparing Australia Program, resilience is defined in the glossary (section 15).

There may be other grant opportunities as part of the Preparing Australia Program and we will publish any opening and closing dates and any other relevant information on [business.gov.au](http://www.business.gov.au/grants-and-programs/preparing-australian-communities-local-stream) and [GrantConnect](http://www.grants.gov.au/).

We administer the program according to the [*Commonwealth Grants Rules and Guidelines* (CGRGs)](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines)[[3]](#footnote-4).

### About the Preparing Australian Communities Program – Local Stream

These guidelines contain information for the Preparing Australian Communities Program – Local Stream (the program). This is the first round for the program. There may be future funding rounds.

The program is one component of the Preparing Australia Program targeting support to locally identified and locally led projects that will improve the resilience of communities against natural hazards. Round 1 will focus on projects that will improve the resilience of communities against bushfires, flood and tropical cyclones.

The program is open to applications for projects all around Australia. The program will prioritise selected Local Government Areas (LGAs) based on their level of comparative hazard risk, informed by the Australian Climate Service and state and territory governments (see sections 4 and 7 for additional information about priority locations and prioritisation).

The intended outcome of the grant opportunity is to support communities to undertake disaster risk reduction and resilience initiatives that provide public benefit through reducing:

* the impact of future natural hazards on Australian communities
* the burden (cost and time) of recovery in communities following future disasters.

This document sets out:

* the eligibility and assessment criteria
* how we consider and assess grant applications
* how we notify applicants and enter into grant agreements with grantees
* how we monitor and evaluate grantees’ performance
* responsibilities and expectations in relation to the opportunity.

The Department of Industry, Science, Energy and Resources (we/the department) is responsible for administering this grant opportunity on behalf of the National Recovery and Resilience Agency.

We have defined key terms used in these guidelines in the glossary at section 15.

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

## Grant amount and grant period

A total of $600 million is available over six years for the Preparing Australia Program.

For this grant opportunity, Round 1 of the Preparing Australian Communities Program – Local Stream grant opportunity, $150 million is available from 2021‑22 to 2024-25.

### Grants available

The grant amount will be up to:

* 50 per cent of eligible project expenditure for infrastructure projects of $100,000 and over
* 100 per cent of eligible project expenditure for infrastructure projects under $100,000
* 100 per cent of eligible project expenditure for non-infrastructure projects.

Eligible project activity categories are outlined in section 6.2.

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

You are responsible for the remaining eligible and ineligible project costs.

Contributions to your project can be cash or in-kind. Contributions are encouraged for all projects.

In-kind contributions are non-cash contributions towards your eligible project costs. The reported value of in-kind contributions must be consistent with current market rates.

For in-kind contributions to count towards your eligible project costs they must directly relate to the project and eligible activities.

Other funding can come from any source including Commonwealth, state, territory and local government grants.

We cannot fund your project if it has already received funding from another Commonwealth, state, territory or local government grant for the same activities (noting that this excludes co-contribution amounts). You can apply for funding under other programs but if you are successful, you need to decide under which program you wish to be funded.

You can apply for, and receive, up to one grant through this grant opportunity.

### Project period

The maximum project period is up to three years.

You must complete your project by 31 March 2025.

## Priority locations

Round 1 of the program will prioritise LGAs at risk from flood, bushfire and/or tropical cyclones as these hazards cause major impacts (disruption, damage and loss) on homes and infrastructure with significant fatalities. These LGAs have been assessed as having high hazard exposure and magnitude of potential impact, as a result of climate change, informed by the Australian Climate Service, the National Recovery and Resilience Agency and state and territory governments. This will target the limited program funding to high-risk areas identified as most exposed to bushfires, flood and tropical cyclone as a result of climate change.

Applications with project activities addressing the hazard risks in the selected Local Government Areas (LGAs) listed at Appendix A will receive an additional 20 points as outlined in section 7.4. (You can only receive a maximum of 20 additional points per application).

A summary of the methodology for LGA selection is available at [recovery.gov.au](https://recovery.gov.au/preparing-australia-program).

The LGAs and activities are specific to Round 1 and may be amended for future funding rounds.

You may still apply if your project is located outside the priority LGAs.

## Eligibility criteria

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

### Who is eligible?

To be eligible you must:

* have an Australian Business Number (ABN)

and be one of the following entities:

* an entity incorporated in Australia
* a company limited by guarantee
* an incorporated association
* an incorporated not for profit organisation
* a non-distributive co-operative
* an incorporated trustee on behalf of a trust
* a Regional Development Australia Committee
* an Australian local governing agency or body as defined in the glossary, including the Australian Capital Territory Government
* an Aboriginal and/or Torres Strait Islander Corporation registered under the [*Corporations (Aboriginal and Torres Strait Islander) Act 2006*](https://www.legislation.gov.au/Series/C2006A00124)
* a registered Aboriginal and Torres Strait Islander land council
* Mount Hotham Alpine Resort Management Board (ABN: 93 938 780 598), the Southern Alpine Resort Management Board (ABN 80 841 224 798), the Falls Creek Alpine Resort Management Board (ABN: 21 789 770 569), or the Mt Buller and Mt Stirling Resort Management Board (ABN: 44 867 982 534).

If you are applying as an incorporated association or not for profit organisation, you must demonstrate your entity status through one of the following:

* State or territory incorporated association status (e.g. registration number or certificate of incorporation)
* current Australian Charities and Not‑for‑profits Commission’s (ACNC) registration
* constitutional documents and/or Articles of Association that demonstrate the character of the organisation
* legislation that demonstrates the character of the organisation.

Joint applications are acceptable, provided you have a lead organisation who is the main driver of the project and is eligible to apply. You are encouraged to collaborate with other organisations in your LGA or other LGA/s to deliver your project. For further information on joint applications, refer to Section 8.3.

### Additional eligibility requirements

We can only accept applications where:

* you agree that you will deliver your project in accordance with relevant legislation, policies and industry standards
* any required approvals are planned for or already in place in order to commence your project around May 2022
* you are able to meet your share of project costs and provide evidence of your cash or in-kind contributions as outlined in section 3
* you provide all mandatory attachments as outlined in section 8.2.

We cannot waive the eligibility criteria under any circumstances.

### Who is not eligible?

You are not eligible to apply if you are:

* an entity not listed in Section 5.1
* an Australian state or territory government agency or body, excluding the Australian Capital Territory
* an individual
* a partnership
* an unincorporated association
* a publicly funded research organisation
* a trust (however, an incorporated trustee may apply on behalf of a trust)
* a Commonwealth government agency or body (however, a Regional Development Australia Committee may apply)
* an organisation, or your project partner is an organisation, included on the National Redress Scheme’s website on the list of ‘Institutions that have not joined or signified their intent to join the Scheme’ ([www.nationalredress.gov.au](http://www.nationalredress.gov.au))
* an organisation that has been named by the Workplace Gender Equality Agency as an organisation that has [not complied](https://www.wgea.gov.au/what-we-do/compliance-reporting/non-compliant-list) with [*Workplace Gender Equality Act 2012*](https://www.wgea.gov.au/what-we-do/reporting).

## What the grant money can be used for

### Eligible activities

To be eligible your project must:

* be aimed at reducing the risk to and/or improving the resilience of your community against bushfires, flood and/or tropical cyclones (including cyclone related flooding)
* have at least $20,000 in eligible expenditure
* increase the community’s ability to mitigate, avoid, withstand and/or recover from the increasing effects of tropical cyclone, bushfire or flood as a result of climate change, in a timely and efficient manner, through activities targeting or delivering resilience in one or more of the following domains:
  + social environment - increasing the community’s social resilience to relevant natural hazards. This may include projects that strengthen social networks or essential services that enable the community to continue functioning in the event of a disaster, or support health, wellbeing and social recovery following an event
  + economic environment - improving the ability of the local economy to withstand and recover from relevant natural hazards. This may include projects that enable businesses to continue operating in the event of a disaster or reduce their vulnerability to the economic shocks associated with particular kinds of hazards
  + natural environment - increasing the disaster resilience of and/or reducing the disaster risk to natural assets such as wetlands, rivers, land, forests, oceans, other complex natural ecosystems, agriculture, and water sources
  + built environment - increasing the disaster resilience of and/or reducing the disaster risk to infrastructure assets such as transport, energy and telecommunications, utilities, housing, cultural and commercial precincts, and other assets. This might involve, for example, projects designed to reduce the risk of local infrastructure sustaining damage in the event of a relevant hazard event, or enable it to continue functioning (or quickly resume functioning) following an event.

Where you do not own or manage the proposed project site/s, you must provide written consent from the site owner and/or site manager allowing the proposed project on each project site for the duration of the proposed project term prior to entering into a grant agreement.

### Eligible activity categories

Your project must fall into one of the three categories below:

* **Planning** - assessment of risk, vulnerability, resilience and disaster risk reduction activities, investment/business case, or technical feasibility
* **Awareness and capacity** - increasing disaster risk and resilience awareness and capacity building activities
* **Infrastructure** - delivery of built and/or natural infrastructure, including new or upgraded infrastructure.

Your project may have elements of more than one category. However, you must nominate the most relevant category.

#### Planning

Eligible activities may include, but are not limited to a:

* comprehensive scan of strategic disaster risks and mitigation options to support the development of a community focussed disaster risk reduction and resilience strategy and/or plan
* community scale flood risk assessment that provides accurate floor height measurements and tailored flood mitigation plans for all houses in a flood prone area
* community scale bushfire risk assessment and mitigation advice
* climate/disaster risk and vulnerability assessment of the LGA and/or a strategy or plan to mitigate these risks and vulnerabilities, and build resilience
* technical assessment of options and pathways to inform future investments that mitigate risks and build resilience.

#### Awareness and capacity

Eligible activities may include, but are not limited to, development and delivery of:

* communications initiatives or training courses that increase the ability of individuals, organisations or communities to prepare for, withstand or recover from the impacts of relevant natural disasters
* cultural, traditional and on-country practices, such as cultural burning, by Indigenous communities and organisations that have a disaster risk reduction or community resilience focus
* two-way cultural practice and knowledge sharing between Indigenous organisations or communities and universities, academic institutions and government agencies aiming to achieve a disaster risk reduction or community resilience outcome
* communications initiatives and training courses that build awareness, understanding, capability, competency and capacity of individuals, organisations, communities to prepare for and mitigate risk of future disasters
* training materials and courses that build the understanding, capability, competency and capacity of individuals, organisations, and communities to engage with systems thinking, disaster resilience and adaptation planning, systemic risk approaches and cultural, traditional and on-country risk reduction practices.

#### Infrastructure

Eligible activities may include, but are not limited to:

* new or relocated assets or infrastructure to mitigate disaster risk, including but not limited to levees, sluice gates, retarding basins, bridges or community refuges
* upgrading existing public hazard defence infrastructure, such as flood defences, to increase resilience or mitigate disaster risk
* refurbishing a community building to serve multiple purposes, e.g. refurbishing a community hall so it is hazard resilient and able to perform as a refuge during bushfires, tropical cyclones or floods.

We may also approve other activities that align with the outcomes and objectives of the program.

### What you cannot use the grant for

Ineligible activities include, but are not limited to:

* non-disaster/climate related technical assessments such as traditional commercial advisory, engineering, architects/design, environmental assessments
* general planning activities not related to the objectives and outcomes of the program
* for profit activities that cannot demonstrate public benefit
* ongoing delivery and maintenance of a program, campaign or course
* community social events
* refurbishing or building community infrastructure that does not have a direct link to reducing disaster risk, e.g. new amenities for existing hazard refuges
* activities that are a legislative or regulatory requirement of the applicant
* activities to build, upgrade or strengthen privately owned infrastructure or assets that cannot demonstrate public benefit.

### Eligible expenditure

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

To be eligible, expenditure must:

* be a direct cost of the project
* be incurred by you for the required project audit activities (refer to section 13.3).

The project costs must be incurred between the project start and end date for it to be eligible unless stated otherwise.

Eligible expenditure items are:

* For guidance on eligible expenditure, see Appendix B.
* For guidance on ineligible expenditure, see Appendix C.

We may update the guidance on eligible and ineligible expenditure from time to time between funding rounds. If your application is successful, the version in place when you submitted your application applies to your project.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is a manager within the department with responsibility for the program) makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

You may elect to commence your project from the date we notify you that your application is successful. We are not responsible for any expenditure you incur until such time as a grant agreement is executed. The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

You are encouraged to provide opportunities for local procurement of goods, labour and services.

## The assessment criteria

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

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

We will only consider funding applications that score at least 60 per cent against assessment criterion one, two and three, as these represent best value for money. There is a maximum of 120 points.

### Assessment criterion 1

Project alignment with policy intent (program objectives/ outcomes) (50 points)

You must demonstrate how your project:

1. will support a community that is at increased risk of bushfire, tropical cyclone and/or flood due to climate change
2. reduces the risk or increases the long term resilience of the community against disruption/disaster arising from bushfire, tropical cyclone and/or flood
3. aligns with the objectives of the National Disaster Risk Reduction Framework.

### Assessment criterion 2

Capacity, capability and resources to deliver the project (30 points)

You must demonstrate this by:

1. proving your track record, and your project partner/s track record (if you have project partners), to successfully manage and deliver similar projects (including project budget and scale)
2. outlining your plan for managing the project, including implementation methodology, timeframes, risk management (including mitigation of risks associated with the current COVID-19 pandemic), and maintaining the benefits of your project beyond the program funding

A project plan must be attached for projects with a grant amount over $100,000 (refer to 8.1.1 for guidance).

### Assessment criterion 3

Community support and broader public benefit (20 points).

You must demonstrate this by identifying:

1. evidence of community support for your project, including any contributions to the project
2. the broader public benefits that your project will deliver for the region and community, including how the project supports the needs of group(s) within communities who are at greater risk.

### Assessment criterion 4

**Priority locations (20 points)**

Applications for projects that address the hazard risks in the selected LGAs identified in Appendix A will be awarded an additional 20 points. You can only receive a maximum of 20 additional points per application.

## How to apply

Before applying you should read and understand these guidelines, the sample [application form](http://www.business.gov.au/grants-and-programs/preparing-australian-communities-local-stream#key-documents) and the sample [grant agreement](http://www.business.gov.au/grants-and-programs/preparing-australian-communities-local-stream#key-documents) published on business.gov.au and GrantConnect.

You can only submit an application during a funding round.

To apply, you must:

* complete the online [application form](http://www.business.gov.au/grants-and-programs/preparing-australian-communities-local-stream#key-documents) via business.gov.au
* provide all the information requested
* address all eligibility and assessment criteria
* include all necessary attachments.

You can view and print a copy of your submitted application on the portal for your own records.

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

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

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

### Project plan

A project plan is mandatory for applications seeking a grant amount over $100,000.

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

Your project plan should contain the following in order to be competitive:

* a summary of your project including key objectives and outcomes
* a background of your organisation and your key management staff
* scope of the project and overview of project activities, including milestones
* project timeline
* a breakdown of roles and responsibilities
* a communication plan identifying key stakeholders
* a risk management framework identifying risks, impacts and mitigation strategies.

### Attachments to the application

You must provide the following documents with your application:

* project plan to support assessment criterion 2 (projects with a grant amount over $100,000)
* for joint applications, a letter of support from each of the project partners
* evidence of how you will provide your share of project costs:
  + if you will be making a cash/in-kind contribution to the project you must use the Accountant Declaration form available on [business.gov.au](https://www.business.gov.au/Assistance/Building-Better-Regions-Fund/Building-Better-Regions-Fund-Infrastructure-Projects) and GrantConnect. If you do not use this template, you must include equivalent information and the declaration in your own document
  + if your project will receive cash/in-kind contributions from other sources, you must provide formal documentation confirming the cash/in-kind contributions from those sources (e.g. state government) such as a commercial finance agreement or letter of offer with your application
* if applying as an incorporated association or not for profit organisation and you do not have an active state or territory incorporated association registration or ACNC registration at the time of application, you must provide Constitutional documents and/or Articles of Association that demonstrate the character of the organisation (where applicable).

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

### Joint applications

We recognise that some organisations may want to join as a group to deliver a project. In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application should identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include:

* details of the project partner
* an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
* an outline of the relevant experience and/or expertise the project partner will bring to the group
* the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
* details of a nominated management level contact officer.

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

### Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We cannot accept late applications.

If you are successful, we expect you will be able to commence your project around May 2022.

Table 1: Expected timing for this grant opportunity

| Activity | Timeframe |
| --- | --- |
| Assessment of applications | 6 weeks |
| Approval of outcomes of selection process | 2 weeks |
| Negotiations and award of grant agreements | 1-3 weeks |
| Notification to unsuccessful applicants | 2 weeks |
| Earliest start date of project | May 2022 |
| End date of grant commitment | 30 June 2025 |

## The grant selection process

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

We consider your application on its merits, based on:

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

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

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

We will establish a committee, chaired by the Coordinator-General of the National Recovery and Resilience Agency and including representatives from relevant Commonwealth departments and agencies, to assess applications. The committee may also seek additional advice from independent technical experts, including the Australian Climate Service, as well as local knowledge through the engagement network of the National Recovery and Resilience Agency.

The committee will assess your application against the assessment criteria, compare it to other eligible applications in a funding round, and have regard to State and Territory Government priorities for disaster risk reduction, the geographical spread of proposed projects and the selected LGAs listed at Appendix A before recommending which projects to fund.

The committee may engage external experts/advisors to inform the assessment process, including technical experts in State, Territory and Commonwealth government agencies.

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

### Who will approve grants?

The Minister for Emergency Management and National Recovery and Resilience (the Minister) decides which grants to approve taking into account the recommendations of the committee and the availability of grant funds.

The Minister’s decision is final in all matters, including:

* the grant approval
* the grant funding to be awarded
* any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application.

The Minister will not approve funding if there is insufficient program funds available across relevant financial years for the program.

## Notification of application outcomes

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

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

## Successful grant applications

### Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A sample [grant agreement](http://www.business.gov.au/grants-and-programs/preparing-australian-communities-local-stream#key-documents) is available on business.gov.au and GrantConnect.

Where you do not own or manage the proposed project site/s, written consent from the site owner and/or site manager that allows for the implementation of the proposed project on each project site for the duration of the proposed project term must be provided prior to entering into a grant agreement.

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

A Commonwealth standard grant agreement will be used for all grant recipients.

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

If you enter an agreement under the Preparing Australian Communities Program – Local Stream, you cannot receive other grants for the same activities from other Commonwealth, State or Territory granting programs.

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

You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

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

### Project specific legislation, policies and industry standards

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

#### Child Safety Requirements

You must comply with all relevant legislation relating to the employment or engagement of anyone working on the project that may interact with children, including all necessary working with children checks.

You must implement the [National Principles for Child Safe Organisations](https://www.humanrights.gov.au/our-work/childrens-rights/national-principles-child-safe-organisations)[[4]](#footnote-5) endorsed by the Commonwealth.

You will need to complete a risk assessment to identify the level of responsibility for children and the level of risk of harm or abuse, and put appropriate strategies in place to manage those risks. You must update this risk assessment at least annually.

You will also need to establish a training and compliance regime to ensure personnel are aware of, and comply with, the risk assessment requirements, relevant legislation including mandatory reporting requirements and the National Principles for Child Safe Organisations.

You will be required to provide an annual statement of compliance with these requirements in relation to working with children.

#### Building and construction requirements

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

* *Code for the Tendering and Performance of Building Work 2016* ([Building Code 2016](https://www.abcc.gov.au/building-code/building-code-2016)) [[5]](#footnote-6)
* Australian Government Building and Construction WHS Accreditation Scheme ([WHS Scheme](http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme))[[6]](#footnote-7)

These regulations are subject to the level of funding you receive as outlined below.

##### Building Code

The Building Code is administered by relevant State and Territory administrations under relevant State or Territory legislation on behalf of the [Australian Building and Construction Commission](https://www.abcc.gov.au/).[[7]](#footnote-8)

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

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

##### WHS Scheme

The WHS Scheme is administered by the [Office of the Federal Safety Commissioner](http://www.fsc.gov.au/sites/FSC)[[8]](#footnote-9).

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

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

### How we pay the grant

The grant agreement will state the:

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

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

We will make an initial payment on execution of the grant agreement. We will make subsequent payments six monthly in advance based on your forecast eligible expenditure and adjusted for unspent amounts from previous payments. Payments are subject to satisfactory progress on the project.

Payments are subject to satisfactory progress on the project.

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

### Tax obligations

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities[[9]](#footnote-10).

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](https://www.ato.gov.au/). We do not provide advice on tax.

## Announcement of grants

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [*Commonwealth Grants Rules and Guidelines*](https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines) unless otherwise prohibited by law. We may also publish this information on business.gov.au. This information may include:

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

## How we monitor your grant activity

### Keeping us informed

You must let us know as soon as possible if anything is likely to affect your project or organisation.

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

You must also inform us of any changes to your:

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

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

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

### Reporting

You must submit reports in line with the [grant agreement](file://prod.protected.ind/User/user03/LLau2/insert%20link%20here). We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

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

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

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

#### Progress reports

Progress reports must:

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

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

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

#### End of project report

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

End of project reports must:

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

#### Ad-hoc reports

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

### Independent audits

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

### Compliance visits

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

### Grant agreement variations

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

* changing project milestones
* extending the timeframe for completing the project up to 31 March 2025
* changing project activities

The program does not allow for:

* an increase of grant funds.

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

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

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

* how it affects the project outcome
* consistency with the program policy objective, grant opportunity guidelines and any relevant policies of the department
* changes to the timing of grant payments
* availability of program funds.

### Evaluation

The National Recovery and Resilience Agency (NRRA) will evaluate the grant program to measure how well the outcomes and objectives have been achieved. We may use information from your application and project reports for this purpose. The NRRA may also interview you, or ask you for more information to help them understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes. The NRRA may establish case studies of successful projects in consultation with grantees.

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

### Grant acknowledgement

If you make a public statement about a project funded under the program, including in a brochure or publication, you must acknowledge the grant by using the following:

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

If you erect signage in relation to the project, the signage must also contain an acknowledgement of the grant.

## Probity

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

### Conflicts of interest

Any conflicts of interest could affect the performance and integrity of the grant opportunity or program. There may be a [conflict of interest](http://www.apsc.gov.au/publications-and-media/current-publications/aps-values-and-code-of-conduct-in-practice/conflict-of-interest), or perceived conflict of interest, if our staff, any member of a committee or advisor and/or you or any of your personnel:

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

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

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

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct (Section 13(7))](https://www.legislation.gov.au/Details/C2019C00057)[[10]](#footnote-11) of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our [conflict of interest policy](https://www.industry.gov.au/sites/g/files/net3906/f/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf)[[11]](#footnote-12) on thedepartment’s website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

### How we use your information

Unless the information you provide to us is:

* confidential information as per 14.2.1, or
* personal information as per 14.2.3,

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

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

#### How we handle your confidential information

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

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

#### When we may disclose confidential information

We may disclose confidential information:

* to the committee, its advisers (including technical experts) and our Commonwealth employees and contractors and advisers, to help us manage the program effectively
* to the Auditor-General, Ombudsman or Privacy Commissioner
* to the responsible Minister or Assistant Minister
* to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if

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

#### How we use your personal information

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

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

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

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

We, or the Minister, may:

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

You may read our [Privacy Policy](https://www.industry.gov.au/data-and-publications/privacy-policy)[[12]](#footnote-13) on the department’s website for more information on:

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

#### Freedom of information

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

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

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

### Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](https://www.business.gov.au/contact-us) or through our [online enquiry form](http://www.business.gov.au/contact-us/Pages/default.aspx) on business.gov.au.

We may publish answers to your questions on business.gov.au as Frequently Asked Questions.

Our [Customer Service Charter](https://www.business.gov.au/about/customer-service-charter) is available at [business.gov.au](http://www.business.gov.au/). We use customer satisfaction surveys to improve our business operations and service.

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

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

Chief Finance Officer

Department of Industry, Science, Energy and Resources

GPO Box 2013  
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](http://www.ombudsman.gov.au/)[[13]](#footnote-14) with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

## Glossary

| **Term** | **Definition** |
| --- | --- |
| Application form | The document issued by the Program Delegate that applicants use to apply for funding under the program. |
| Department | The Department of Industry, Science, Energy and Resources. |
| Committee | The body established by the National Recovery and Resilience Agency to consider and assess eligible applications and make recommendations to the Minister for funding under the program. |
| Commonwealth agency or body | A Department of State, or parliamentary Department, or a listed entity or a body corporate established by the law of the Commonwealth. See subsections 10(1) and (2) of the *Public Governance, Performance and Accountability Act 2013* (Cth). |
| Disaster | A serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic or environmental losses and impacts. |
| Disaster risk | The potential loss of life, injury, or destroyed or damaged assets caused by a disaster, which could occur to a system, society or a community. |
| Disaster risk reduction | Disaster risk reduction is aimed at preventing new and reducing existing disaster risk and managing residual risk, all of which contribute to strengthening resilience and therefore to the achievement of sustainable development. |
| Eligible activities | The activities undertaken by a grantee in relation to a project that are eligible for funding support in the list in Section 6.1. |
| Eligible application | An application or proposal for grant funding under the program that the Program Delegate has determined is eligible for assessment in accordance with these guidelines. |
| Eligible expenditure | The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in Section 6.4. |
| Eligible expenditure guidance | The guidance that is provided at Appendix B. |
| Grant agreement | A legally binding contract between the Commonwealth and a grantee for the grant funding. |
| Grant funding or grant funds | The funding made available by the Commonwealth to grantees under the program. |
| [GrantConnect](http://www.grants.gov.au/) | The Australian Government’s whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the Commonwealth Grants Rules and Guidelines (CGRGs). |
| Grantee | The recipient of grant funding under a grant agreement. |
| Groups within communities who are at greater risk | Including but not limited to:   * Aboriginal and Torres Strait Islander communities * Culturally and Linguistically Diverse (CALD) communities * migrant and refugee communities * people with a disability * LGBTQIA+ community * children and young people * the elderly * those experiencing homelessness, unemployment or poverty. |
| Guidelines | Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time. |
| Local government agency or body | A local governing body as defined in the *Local Government* *(Financial Assistance) Act 1995* (Cth).  For the purposes of the program, we also consider the following organisations to be an Australian local government agency or body:   * Anangu Pitjantjatjara, Maralinga, Gerard, Nepabunna and Yalata local governing bodies in South Australia * Cocos (Keeling) Islands Shire Council * Lord Howe Island Board * Norfolk Island Regional Council * The Outback Communities Authority * The Shire of Christmas Island * The Silverton and Tibooburra villages in New South Wales. |
| Minister | The Commonwealth Minister for Emergency Management and National Recovery and Resilience |
| National Disaster Risk Reduction Framework | The National Disaster Risk Reduction Framework sets out the foundational work required nationally across all sectors, to reduce disaster risk, minimise new disaster risk, and deliver better climate and disaster risk information. The Framework is available at [recovery.gov.au](https://recovery.gov.au/latest-news/resilience-way-forward) |
| Natural hazard | A natural process or phenomenon that may cause loss of life, injury or other health impacts, property damage, social and economic disruption or environmental degradation. |
| Personal information | Has the same meaning as in the *Privacy Act 1988* (Cth) which is:  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. |
| Program Delegate | A manager within the department with responsibility for the program. |
| Program funding or Program funds | The funding made available by the Commonwealth for the program. |
| Project | A project described in an application for grant funding under the program. |
| Resilience | The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management. |

1. Priority Local Government Areas (LGAs)

**Table 1 - Bushfire Risk LGAs**

Applications for projects that address bushfire risks in the selected LGAs identified in the table below will be awarded an additional 20 points (You can only receive a maximum of 20 additional points per application).

| **State** | **LGA** |
| --- | --- |
| ACT | Unincorporated ACT |
| NSW | Bega Valley |
| NSW | Blue Mountains |
| NSW | Central Coast (NSW) |
| NSW | Cessnock |
| NSW | Eurobodalla |
| NSW | Kempsey |
| NSW | Lake Macquarie |
| NSW | Port Macquarie-Hastings |
| NSW | Port Stephens |
| NSW | Shoalhaven |
| NT | Barkly |
| NT | Litchfield |
| QLD | Sunshine Coast |
| SA | Adelaide Hills |
| SA | Campbelltown (SA) |
| SA | Clare and Gilbert Valleys |
| SA | Kangaroo Island |
| SA | Lower Eyre Peninsula |
| SA | Mitcham |
| SA | Mount Barker |
| SA | Onkaparinga |
| SA | Playford |
| SA | Port Lincoln |
| SA | Tea Tree Gully |
| TAS | Break O'Day |
| TAS | Brighton |
| TAS | Clarence |
| TAS | Derwent Valley |
| TAS | Glenorchy |
| TAS | Hobart |
| TAS | Huon Valley |
| TAS | Kingborough |
| VIC | Alpine |
| VIC | Ballarat |
| VIC | Bass Coast |
| VIC | Baw Baw |
| VIC | Cardinia |
| VIC | Colac-Otway |
| VIC | East Gippsland |
| VIC | Glenelg |
| VIC | Golden Plains |
| VIC | Greater Bendigo |
| VIC | Greater Geelong |
| VIC | Hepburn |
| VIC | Indigo |
| VIC | Latrobe (Vic.) |
| VIC | Macedon Ranges |
| VIC | Manningham |
| VIC | Mansfield |
| VIC | Mitchell |
| VIC | Moorabool |
| VIC | Mornington Peninsula |
| VIC | Mount Alexander |
| VIC | Moyne |
| VIC | Murrindindi |
| VIC | Nillumbik |
| VIC | Northern Grampians |
| VIC | South Gippsland |
| VIC | Southern Grampians |
| VIC | Surf Coast |
| VIC | Unincorporated Vic |
| VIC | Wangaratta |
| VIC | Wellington |
| VIC | Yarra Ranges |
| WA | Armadale |
| WA | Augusta-Margaret River |
| WA | Busselton |
| WA | Kalamunda |
| WA | Mundaring |
| WA | Swan |

**Table 2 – Tropical Cyclone Risk LGAs**

Applications for projects that address tropical cyclone risks in the selected LGAs identified in the table below will be awarded an additional 20 points (You can only receive a maximum of 20 additional points per application).

| **State** | **LGA** |
| --- | --- |
| NT | Darwin |
| NT | East Arnhem |
| NT | Katherine |
| NT | Litchfield |
| NT | Palmerston |
| NT | Roper Gulf |
| NT | Tiwi Islands |
| NT | West Arnhem |
| QLD | Aurukun |
| QLD | Banana |
| QLD | Barcaldine |
| QLD | Blackall-Tambo |
| QLD | Brisbane |
| QLD | Bundaberg |
| QLD | Burdekin |
| QLD | Burke |
| QLD | Carpentaria |
| QLD | Cassowary Coast |
| QLD | Central Highlands (Qld) |
| QLD | Charters Towers |
| QLD | Cook |
| QLD | Croydon |
| QLD | Etheridge |
| QLD | Flinders (Qld) |
| QLD | Fraser Coast |
| QLD | Gladstone |
| QLD | Goondiwindi |
| QLD | Gympie |
| QLD | Hinchinbrook |
| QLD | Ipswich |
| QLD | Isaac |
| QLD | Livingstone |
| QLD | Mackay |
| QLD | Maranoa |
| QLD | Moreton Bay |
| QLD | Mount Isa |
| QLD | Noosa |
| QLD | North Burnett |
| QLD | Redland |
| QLD | Rockhampton |
| QLD | Scenic Rim |
| QLD | Somerset |
| QLD | South Burnett |
| QLD | Southern Downs |
| QLD | Sunshine Coast |
| QLD | Tablelands |
| QLD | Toowoomba |
| QLD | Torres |
| QLD | Townsville |
| QLD | Western Downs |
| QLD | Whitsunday |
| WA | Ashburton |
| WA | Broome |
| WA | Carnamah |
| WA | Carnarvon |
| WA | East Pilbara |
| WA | Exmouth |
| WA | Karratha |
| WA | Mingenew |
| WA | Moora |
| WA | Morawa |
| WA | Perenjori |
| WA | Port Hedland |
| WA | Shark Bay |
| WA | Three Springs |

**Table 3 – Flood Risk LGAs**

Applications for projects that address flood risks in the selected LGAs identified in the table below will be awarded an additional 20 points (You can only receive a maximum of 20 additional points per application).

| **State** | **LGA** |
| --- | --- |
| NSW | Albury |
| NSW | Ballina |
| NSW | Bayside |
| NSW | Byron |
| NSW | Central Coast (NSW) |
| NSW | Clarence Valley |
| NSW | Hawkesbury |
| NSW | Kempsey |
| NSW | Lake Macquarie |
| NSW | Liverpool |
| NSW | Mid-Coast |
| NSW | Northern Beaches |
| NSW | Parramatta |
| NSW | Penrith |
| NSW | Port Macquarie-Hastings |
| NSW | Richmond Valley |
| NSW | Shoalhaven |
| NSW | Wollongong |
| NT | Barkly |
| NT | East Arnhem |
| NT | Roper Gulf |
| NT | Victoria Daly |
| QLD | Brisbane |
| QLD | Bundaberg |
| QLD | Cairns |
| QLD | Cassowary Coast |
| QLD | Central Highlands (Qld) |
| QLD | Fraser Coast |
| QLD | Gold Coast |
| QLD | Hinchinbrook |
| QLD | Ipswich |
| QLD | Mackay |
| QLD | Moreton Bay |
| QLD | Rockhampton |
| QLD | Sunshine Coast |
| QLD | Toowoomba |
| QLD | Townsville |
| QLD | Western Downs |
| SA | Adelaide Plains |
| SA | Burnside |
| SA | Campbelltown (SA) |
| SA | Charles Sturt |
| SA | Holdfast Bay |
| SA | Marion |
| SA | Norwood Payneham St Peters |
| SA | Onkaparinga |
| SA | Playford |
| SA | Port Adelaide Enfield |
| SA | Salisbury |
| SA | Unley |
| SA | West Torrens |
| TAS | Break O'Day |
| TAS | Derwent Valley |
| WA | Carnarvon |
| WA | East Pilbara |
| WA | Moora |
| WA | Port Hedland |

1. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time, so you should make sure you have the current version from the [business.gov.au](http://www.business.gov.au/grants-and-programs/preparing-australian-communities-local-stream#key-documents) website before preparing your application.

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

To be eligible, expenditure must:

* be incurred by you within the project period
* be a direct cost of the project
* be incurred by you to undertake required project audit activities
* meet the eligible expenditure guidelines.
  1. How we verify eligible expenditure

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

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

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

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

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

* 1. Hired/leased plant

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

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

* 1. Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We consider costs for project management activities eligible labour expenditure. However, we limit these costs to 10 per cent of the total amount of eligible labour expenditure claimed.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee’s total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-sacrificed superannuation contributions as part of an employee’s salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is $175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

* 1. Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the provision of computers.

You should calculate eligible salary costs using the formula below:

Eligible salary costs equal the annual salary package times the number of weeks spent on the project divided by 52, times the percentage of time spent on the project. You cannot calculate labour costs by estimating the employee’s worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

Evidence you will need to provide can include:

* details of all personnel working on the project, including name, title, function, time spent on the project and salary
* ATO payment summaries, pay slips and employment contracts.
  1. Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

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

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

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

Invoices from contractors must contain:

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

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

We will require evidence of contractor expenditure that may include:

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

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

* 1. Travel expenditure

Eligible travel may include

* domestic travel limited to the reasonable cost of accommodation, transportation and food required to conduct agreed project and collaboration activities in Australia

Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy air fare costs at the time of travel.

* 1. Other eligible expenditure

Other eligible expenditures for the project may include:

* building modifications where you own the modified asset and the modification is required to undertake the project, for example installing a clean room. Modifications to leased buildings may be eligible. You must use the leased building for activities related to your project.
* staff training that directly supports the achievement of project outcomes
* financial auditing of project expenditure
* costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory and local governments are not eligible
* contingency costs up to a maximum of 10% of the eligible project costs. Note that we make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

1. Ineligible expenditure

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

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

Examples of ineligible expenditure include:

* research not directly supporting eligible activities
* activities, equipment or supplies that are already being supported through other sources
* costs incurred prior to us notifying you that the application is eligible and complete
* financing costs, including interest
* capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers
* costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
* costs such as rental and utilities
* non-project-related staff training and development costs
* insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
* debt financing
* costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
* depreciation of plant and equipment beyond the life of the project
* maintenance costs
* costs of purchasing, leasing, depreciation of, or development of land opportunity costs relating to any production losses due to allocating resources to the agreed grant project
* costs of manufacturing production inputs
* routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
* costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests
* travel costs that exceed 10% of total project costs except where otherwise approved by the Program Delegate.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.

1. [naturaldisaster.royalcommission.gov.au](https://naturaldisaster.royalcommission.gov.au/) [↑](#footnote-ref-2)
2. <https://recovery.gov.au/latest-news/resilience-way-forward> [↑](#footnote-ref-3)
3. <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines> [↑](#footnote-ref-4)
4. <https://www.humanrights.gov.au/our-work/childrens-rights/national-principles-child-safe-organisations> [↑](#footnote-ref-5)
5. <https://www.abcc.gov.au/building-code/building-code-2016> [↑](#footnote-ref-6)
6. <http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme> [↑](#footnote-ref-7)
7. <https://www.abcc.gov.au/> [↑](#footnote-ref-8)
8. http://www.fsc.gov.au/sites/FSC [↑](#footnote-ref-9)
9. See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au [↑](#footnote-ref-10)
10. https://www.legislation.gov.au/Details/C2019C00057 [↑](#footnote-ref-11)
11. <https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect> [↑](#footnote-ref-12)
12. <https://www.industry.gov.au/data-and-publications/privacy-policy> [↑](#footnote-ref-13)
13. <http://www.ombudsman.gov.au/> [↑](#footnote-ref-14)