Local Roads and Community Infrastructure Program – Frequently Asked Questions

You can find the answers to some frequently asked questions about the Local Roads and Community Infrastructure Program (LRCI Program) in this fact sheet.

Detailed information on the LRCI Program can be found in the COVID-19 Local Roads and Community Infrastructure Program Guidelines (Program Guidelines) available on the Department’s website at www.investment.infrastructure.gov.au/lrci.

What projects are eligible for funding?

Councils can choose which projects to nominate for funding under the LRCI Program, according to priorities for the local community.

Similar to the Roads to Recovery Program, the Department will assess nominated projects against the eligibility requirements in the Program Guidelines.

Projects will be approved as long as all eligibility requirements are met. Eligible projects will be included on an Approved Work Schedule.

When do Project Nomination forms need to be submitted?

Councils can submit Project Nomination forms with their signed Grant Agreement, or at any time afterwards.

While there is no deadline for submitting Project Nomination forms, the sooner project nominations are submitted, the sooner the department can assess and approve projects.

How do I submit a Project Nomination form?

You are required to submit completed Project Nomination forms by email to IIP@infrastructure.gov.au.

Councils are not able to submit Project Nomination forms via the Infrastructure Management System Portal that is used by the Roads to Recovery Program.

Can I use LRCI Program funds to purchase land, buildings or machinery?

LRCI Program funds cannot be used to purchase land, buildings or machinery, even if this would support the future delivery of an eligible grant activity. This is due to the fact that the LRCI Program seeks to protect and create local short-term employment opportunities through funded projects. The purchase of land, buildings or machinery would not deliver this intended outcome.

To be eligible for funding, local road projects must involve the construction or maintenance of roads managed by local governments.

To be eligible for funding, community infrastructure projects must involve the construction, maintenance and/or improvements to council-owned assets (including natural assets) that are generally accessible to the public. Projects can involve state, territory, crown or Commonwealth owned land/assets if
permission has been obtained from the land or asset owner to undertake the project, and all other eligible project requirements are met.

**How do I estimate the number of full-time equivalent jobs supported by a project?**

A full-time employee is defined as working 75 hours per fortnight.

You need to calculate the estimated number of full-time employees that will be working on the project for the duration of the construction period. This is typically people who are directly working on the project, and not staff providing general administrative support. For contractors or part-time employees, you will need to convert part-time hours to full-time equivalent (FTE).

For example:
Five workers will be working on a project.
Three of these workers will be employed full-time, working 75 hours per fortnight.
Two workers will be employed part-time, working 20 hours per fortnight.
To determine FTE of part-time workers: 2*(20/75) = 0.53 FTE
So total FTE = 3 FTE (full time workers) + 0.53 FTE
= 3.53 FTE

**What is considered to be an additional project for the purposes of the Eligible Project Requirements?**

To be considered an Eligible Project, a project needs to be additional to a Council’s existing work plan for 2020-21. The Department has not specified a point in time for when a work plan would be considered an ‘existing work plan’, but an approved plan that was in place before the announcement of LRCI Program would be considered ‘existing’.

Projects will also not be considered additional if a Council substitutes LRCI Program funds for their own funding or other sources of funding. This means that a Council cannot use LRCI funds if the Council had planned to make a contribution or pay for a project using its own funds, but has now decided to substitute those funds for LRCI funds. This is in keeping with the purpose of the LRCI Program. A key principle of the program is to enable Councils to undertake infrastructure projects additional to what they had planned to undertake using their own funds, to stimulate local economies and provide employment opportunities. If, however, because of the effects of COVID-19, the funds that the Council intended to use for a project were no longer available (i.e. revenue has reduced) and a project would no longer be able to be funded in 2020-21 unless LRCI funds were used, this may be considered additional. The loss of the intended funds must be an actual loss.

**Would a project be eligible for funding under the LRCI Program if it has received funding under state government/other Australian Government programs?**

Under the LRCI Program, a project can be funded by a combination of LRCI Program funds and other government programs (including state government programs), as long as the combined funding for the project does not exceed the estimated cost of a project.

You will, however, need to demonstrate how the project is additional to your existing 2020-21 work program, which would generally not be the case if funding had been awarded through another government program. You will also need to provide details of council or other funding contributions on the Project Nomination form.
You need to ensure that you are also meeting the conditions associated with the other funding sources (i.e. a state program) if you intend to use LRCI Program funding towards a project. It is your responsibility to determine if the funding conditions of another program would not permit your use of LRCI Program towards a project, for example, by consulting with the administrators of the other program.

Can I commence a project before the Department advises that my project nomination has been approved?

The Department understands that Councils wish to commence projects as soon as possible. As per the Program Guidelines, the Department must approve all projects on a Council’s Work Schedule, confirming the projects have met eligibility requirements.

If you commence a project before it has been approved by the Department, you risk commencing a project that is not eligible for funding under the LRCI Program. In this case, you would be responsible for meeting all incurred costs.

What is a conflict of interest?

A conflict of interest is any professional, commercial or personal relationship or interest that Council personnel may have with any organisation, including persons within an organisation or sole traders (for example contractors for construction work).

A conflict of interest may be actual, apparent or perceived. Perceived conflicts of interest are often overlooked but are important to report. While you may believe a commercial or personal relationship will not affect your decision in awarding work, it is possible that someone could perceive that such a relationship may have influenced your decision. For this reason, it is important that these relationships are disclosed and that steps are taken to manage any perceived conflict of interests to ensure fairness and transparency in decision making.

In completing the Project Nomination Form, you must disclose if you/any of your personnel involved in selecting projects:

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

You must also include the following information in the Project Nomination Form:

- any details of any real, apparent, or potential conflicts of interests that may arise in relation to the eligible projects or the program;
- details of how you propose to manage any conflicts of interest that may arise (including information on established conflict of interest policies, processes and guidelines; provision of ongoing training and awareness about conflict of interests; and how you identify, record, manage and monitor conflicts of interests); or
- that to the best of your knowledge there are no conflicts of interest.

How can I demonstrate that measures are in place to manage any conflicts of interests?

As the closest level of government to the community, Councils will have developed relationships with their community, including local businesses. These relationships may be personal or professional and may result in a conflict of interest or perception of a conflict of interest. It is important that conflicts of interest are managed by the Council to ensure fair and transparent awarding of work.

The below are examples of how Councils can demonstrate how conflicts of interests are managed:
• rules/policies for procurement that are followed for the award of work, which include principles of transparency, fairness and value for money;
• a fair and merit based process identifies that the party/organisation is the best party for performance of the work;
• fair and merit based tender processes are used to produce a list of authorised providers of the work, and the person or organisation is selected from that list;
• the work is specialist work, which can only be provided by one provider; and/or
• the provider is the only businesses that undertakes the work in the council area; and the nomination of an eligible project or design of an eligible project was not made with the intention of providing that party with financial benefit or gaining quid pro quo.