



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications

Guidelines for Successful Funding Recipients

Remote Roads Upgrade Pilot Program

December 2021

Introduction

The Australian Government Remote Roads Upgrade Pilot (RRUP) Program is designed to provide funding to State, Territory and Local Governments for projects which will address significant deficiencies on key regional and rural roads that limit community access, pose safety risks and impact the economic development of the surrounding area.

This is a pilot program to assess the social and economic benefits to remote and regional communities of addressing significant deficiencies on the road network where there has not been significant investment.

These Guidelines have been prepared to support successful funding recipients/proponents with approved projects receiving funding under the programs. They outline the obligations that proponents must follow in their management of the project.

Table of Contents

Introduction	1
Table of Contents	2
1 About the Guidelines for Funding Recipients	3
1.1 Contacting the Department	3
2 Funding agreement	3
2.1 Timing of Construction	3
3 Milestones	4
3.1 Milestone amounts	4
3.2 Achievement of milestones	4
3.3 Payment of milestones to Local Government Authorities	5
4 Funding amount	5
4.1 Projects over budget	5
4.2 Projects under budget	5
5 Funding eligibility	5
5.1 What is eligible for funding	5
5.2 What is not eligible for funding	6
5.3 Specific funding eligibility issues	6
6 Regular and ad-hoc reporting	6
6.1 Monthly reporting	6
6.2 Event based reporting	6
7 Changes to projects	7
8 Withdrawal and Cancellation of projects	7
9 Other project obligations	7
9.1 Approval and erection of signage	7
9.2 Procurement	8
9.3 Advise us of public events and media	8
9.4 Comply with relevant laws	8
9.5 Financial records	8
9.6 Other reporting obligations	8
10 Administration	9
10.1 Additional conditions	9
10.2 Amendment of the Guidelines	9
10.3 Failure to comply	9
11 Glossary	9

1 About the Guidelines for Funding Recipients

This document outlines the rules you must follow in managing a project which is funded under the RRUP.

The document is written from the point of view of the Department. When you see the terms “you” or “your” this refers to the successful funding recipient, known as a proponent, either a Local Government Authority (council), State or Territory. When you see the terms “we”, “us” or “ours”, this refers to the Department. You can find a glossary of common terms at the end of the Guidelines.

1.1 Contacting the Department

If you have questions in relation to the Guidelines or programs, please contact us by email at remoteroads@infrastructure.gov.au

2 Funding agreement

Projects submitted under the RRUP are assessed and considered for approval by the Minister (see the **Application Guidelines**).

If the Minister has approved your project, we will send you a funding agreement. The agreement will detail your project name and scope, milestones, and contact information.

Your project name and scope must be specific enough that the major elements of the project are fixed, while still permitting flexibility to adjust minor details as needed as the project progresses. For example a project to seal a road would specify the length of road and width of seal, but not the depth of seal or precise start and end point. We will work with you to develop the project name and scope. Once returned within the timeframe specified in the agreement (the due date), we will consider your funding agreement, and if it is acceptable, advise you in writing that the project may commence.

If your funding agreement is not acceptable to us, i.e. because it is incomplete or is outside of our requirements, you may revise and resubmit it up until the due date. If you do not provide an acceptable funding agreement by the due date, we may withdraw funding for your project.

2.1 Timing of Construction

2.1.1 Pre-construction design

Pre-construction design costs are eligible under the program, so that proponents may, through better preparation, manage the costs, scope and timeframe of projects. You may commence design work prior to us advising you that the project can commence, but any work undertaken before this time will not be eligible for funding.

Completion of the design must have occurred within 12 months of the date of the funding agreement.

Following the pre-construction design stage, if the cost estimate for construction is within the budget approved for the project it can continue onto construction. If the estimated cost is higher or project scope has changed significantly, the proponent may either:

- bear any additional costs above the approved funding level;
- submit a formal variation/additional funding request; or
- withdraw the project, with funding paid only for the pre-construction design portion of the project.

2.1.2 Construction

Where the project proceeds to construction, completion of construction must occur within 24 months of the date of the funding agreement.

Provision of an acceptable Post Completion report must occur within three months of completion of construction.

3 Milestones

3.1 Milestone amounts

Payment will be made on the basis of achievement of milestones. A proposed standard program of milestones divides funding as follows:

Milestone	Amount
Completion of pre-construction design	20% of AG share of funding
Commencement of construction	30% of AG share of funding
Completion of construction	30% of AG share of funding
Acceptance of Post Completion Report	20% of AG share of funding ¹

Other milestones or different split of milestones may be negotiated separately with us.

We may vary the milestone schedule (including the number and amount of milestones) as required. You may also request an amendment in writing to the milestone schedule at any time.

3.2 Achievement of milestones

Claims for milestones must be provided on the form available from us. Additional guidance is available on the form.

All projects must provide evidence of erection of signage (see section [9.1](#)) as part of their first construction milestone claim.

All milestone claims must be accompanied by evidence supporting the claim that the milestone has been achieved. We may accept or reject evidence provided or change the requirements for evidence at our discretion.

For completion of pre-construction design milestones the following information will be required:

- Evidence of the completion of design (e.g. samples of design drawings)
- Evidence supporting the expenditure incurred to develop the design
- An updated cost estimate for construction of the projects (see section 2.1.1)

Commencement of construction milestones must demonstrate that work has advanced towards completion of the project, such as earthworks, or ordering of pre-fabricated components.

Completion of construction milestones require evidence that the project is complete. Where there are very minor works remaining and the timeframe to complete these is extended, a completion milestone may be paid.

¹ See additional information at Financial Management in relation to the total costs payable.

3.3 Payment of milestones to Local Government Authorities

Payments to Local Government Authorities will be managed through State and Territory governments under the National Partnership Agreement on Land Transport Infrastructure Projects and the related Notes on Administration. Appropriate funding arrangements (e.g. a separate deed) between Local Government Authorities and the relevant State/Territory government may also be required by your jurisdiction.

This means that payment will be made to the relevant State/Territory government, who, where projects are Local Government Authority led, will pass this payment onto you. They may have additional requirements before funding can be paid, such as the provision of an invoice.

4 Funding amount

Your funding amount is contained within your funding agreement. This is a maximum amount and may not be increased except in accordance with section 7. It will be reduced where there are project savings (see section 4.2).

The percentage funded for the project is also fixed and will be contained in the funding agreement.

In some situations, the approved Australian Government funding amount will be less than the maximum allowable percentage of total project costs. Where this is the case the percentage of Australian Government Contribution (AGC) funding will be maintained where cost savings are realised. This can only be varied with our agreement through the submission of a project variation form (to be available on our website).

All funding amounts and claims for funding are GST exclusive.

Funding is paid in whole dollar amounts only. Cents will be ignored and are the responsibility of the proponent.

4.1 Projects over budget

All costs over the original project budget are the responsibility of the proponent. Where a project goes over budget, additional funds from the AG will not be provided, except in accordance with section 7.

4.2 Projects under budget

Where a project is completed under budget, the savings will be shared between the Australian Government and the proponent in the same percentage that they contributed to the project.

5 Funding eligibility

The following section outlines costs which are and are not eligible for funding under the program. These lists are not intended to be exhaustive. Where you have doubt about the eligibility of costs, please contact us for advice.

5.1 What is eligible for funding

The following items are eligible for funding:

- Purchase of materials
- Labour hire
- Plant and equipment hire
- Construction activities

- Project management costs
- Labour costs for eligible work
- Ancillaries directly related to the project, such as insurance
- Land acquisition, but only in relation to the direct costs of acquiring the land

5.2 What is not eligible for funding

The following items are **not** eligible for funding:

- Maintenance – Activities and costs which contribute to the maintenance of an existing asset, rather than the improvement of an asset
- Approvals – Expenditure associated with seeking approval for the project, such as planning, waterways or environment
- Procurement – Costs relating to procurement. This only relates to costs of the procurement itself, not the goods involved. For example, in selecting a supplier for gravel, the costs of the gravel is eligible, but the cost of probity adviser for the tender would not be eligible.
- Preliminary items – this includes inspections, engineering assessments and other like activities

5.3 Specific funding eligibility issues

Internal costs

Proponents may include costs which are internal to the proponent, where those costs can be attributed to the project. For example, it is possible to claim the costs of a project manager already employed by a Local Government Authority, where the time spent by that person on the project can be identified. We may require you to provide evidence on how the claimed amount has been arrived at.

Internal costs which are ineligible include those not directly related to the project, such as training undertaken by members of the project team.

6 Regular and ad-hoc reporting

All proponents have obligations to report in a number of ways on the status of their project. We may change these obligations at any time. In addition, projects delivered by Local Governments Authorities may have additional obligations imposed on them by their State or Territory Government.

Where reporting requirements change, we will inform you in advance where possible.

6.1 Monthly reporting

For Local Government Authorities, you must provide monthly reports in the form and format required by your State or Territory Government, or in the absence of these requirements, by us.

For State and Territories, you must provide reporting in the form required by us.

Topics covered by the reporting will include progress on the project, risks, and finances.

6.2 Event based reporting

You must also tell us, as soon as practicable, before or after particular events happen. Failure to inform us of these events in a reasonable time may lead to withdrawal or cancellation of funding for the project.

Events that you must tell us about are:

- Change of senior personnel on the project, such as the project manager.
- Change to the funding sources for the project, such as the granting of further funding from other sources.
- Changes to the likely scope, timeframe or cost of the project (both increases and decreases). These must be approved by us (see section 7).
- Events that are likely to impact the delivery of the project (e.g. weather, natural disasters or project management issues).

If you are unsure whether you need to report an event for your project, please contact us.

7 Changes to projects

It is possible to vary the name, scope, timeframe and Australian Government funding for your project.

Changes to projects should be requested in writing at the time the need for change is identified. Changes must be approved prior to work continuing. Where this does not happen funding for the project may be withdrawn. Some changes, such as requests for additional funding, are a decision of the Australian Government and cannot be guaranteed.

Requests for changes to projects should be made on the electronic form available on our website.

For changes not subject to decisions of the Australian Government, these must be considered by a delegate, who has complete discretion to accept or reject your request.

Funds from completed, withdrawn or cancelled projects cannot be redirected to existing projects.

8 Withdrawal and Cancellation of projects

You may request to withdraw a project prior to a milestone payment being made. You should use the withdrawal form available from us.

Where funding has already been paid you must repay that funding in order for the project to be withdrawn, rather than cancelled.

Where funding has already been paid, you may request that the project is cancelled. Where we agree that the project is cancelled, we will advise you what amount we will contribute to the project. The maximum amount we will contribute is: the amount of the funds already paid or our percentage of the expenditure already incurred, whichever is the lower amount.

Withdrawn or cancelled projects may be a factor in the assessment of future project applications if there is an extension to the program.

9 Other project obligations

9.1 Approval and erection of signage

You must erect signage which recognises the Australian Government's contribution to the project. That signage must be compliant with the signage guidelines published by us (Available at:

<https://investment.infrastructure.gov.au/resources/signage-guidelines.aspx>)

Do not erect any signage without approval that the proposed signage meets these requirements. Instructions on how to request approval are on the Infrastructure.gov.au website.

9.2 Procurement

You must procure all elements of the project through a competitive process, or seek a tender exemption from us on the form available.

You may combine the project with existing or new projects (including projects not funded through this program) for the purpose of procurement.

9.3 Advise us of public events and media

You must provide us with advice of any events or communications in relation to this project, with as much advance notice as possible.

Media releases and other like material must be cleared by us prior to use to ensure that the Australian Government's contribution is recognised appropriately.

Events, including openings, must include an invitation for an Australian Government representative to participate.

9.4 Comply with relevant laws

In undertaking the project, you must comply with all relevant laws and rules for both the Commonwealth and your relevant jurisdiction(s) (your state or territory or local government). This includes, but is not limited to:

- *The National Land Transport Act 2014* (Cth)
- The National Partnership on Land Transport Infrastructure Projects (<https://www.federalfinancialrelations.gov.au/content/npa/infrastructure.aspx>)
- The Notes on Administration for Land Transport Infrastructure Projects (<https://investment.infrastructure.gov.au/resources/national-partnership-agreement/>)
- Planning, Work Health and Safety and other legislation
- Relevant standards for building codes.

9.5 Financial records

You must keep separate financial records for the project. We may inspect these records. We may also require you to have these records independently audited, at your own expense.

9.6 Other reporting obligations

We may also ask you for any of the following:

- Any other information in relation to the project
- To participate in audit, research and other activities
- To inspect records relating to the project, including financial records
- To inspect the project site

When requested you must fulfil the request in the specified time frame.

10 Administration

10.1 Additional conditions

We may apply additional conditions to your project. If we do so, we will notify you in writing.

10.2 Amendment of the Guidelines

We may amend these Guidelines from time to time. If we do, you must comply with the current Guidelines from the point they are current. Any changes will be communicated as soon as we are able.

10.3 Failure to comply

If you do not comply with any of the elements of these Guidelines we may take action. Actions we can take include, but are not limited to:

- Imposing additional conditions on your project
- Only making payments in arrears, rather than advance
- Adding additional milestones to the project
- Withdrawing funding for the project

11 Glossary

Term	Definition
Accountable Authority	See subsection 12(2) of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)
Australian Government Funding	The amount committed to the project by the Australian Government.
Cancellation	A project is cancelled when you and us agree that the project will no longer go ahead. If funding has been paid and will not be repaid, then the project is cancelled. Cancellations can be initiated by either you or us.
Commencement Date	The expected start date for the project activity.
Commonwealth	A Department of State, or a Parliamentary Department, or a listed entity or a corporate body established by a law of the Commonwealth. See subsections 10(1) and (2) of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act).
Construction	Construction means actual on ground works at the project site and/or the fabrication of major components off site. In the case of natural disasters, clearance of damaged infrastructure is not being considered commencement of construction where it directly is related to remediation proposals.

Term	Definition
Funding agreement	An agreement between the proponent and the Department on the conditions to be adhered to in order to receive funding.
Proponent	The organisation which has applied for funding and is ultimately responsible for the delivery of the project.
The Department	The Department of Infrastructure, Transport, Regional Development and Communications or its successors responsible for road transport infrastructure.
The Minister	The Minister is the Minister for Infrastructure, another portfolio Minister or a delegate of the Minister for Infrastructure.
The Programs	The Remote Roads Upgrade Pilot Program
We and us	The Department of Infrastructure, Transport, Regional Development and Communications or its successors responsible for road transport infrastructure.
Withdrawal	A project is withdrawn when you and us agree that the project will no longer go ahead. In order to be withdrawn, no funding must have been paid by us, or funding paid to date has been repaid. A withdrawal of the project can be initiated by either you or us.
You and yours	The proponent that applied for the project, whether that is a Local Government Authority, State or Territory.