



COFFS HARBOUR CITY COUNCIL

**SUPPLEMENTARY REPORT
(ORDINARY MEETING)**

**COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR**

8 JULY 2010

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COFFS HARBOUR CITY COUNCIL

SUPPLEMENTARY REPORT (ORDINARY MEETING)

8 JULY 2010

Mayor and Councillors

MAYORAL MINUTE

**MM10/1 REGIONAL AND LOCAL COMMUNITY INFRASTRUCTURE PROGRAM ROUND
3 - 2010/11 - \$100M**

Purpose:

To request Council to consider which project/s will be submitted for the **Regional and Local Community Infrastructure Program Round 3**.

Description of Item:

Council will be provided with a grant of \$456,000 from the Federal Governments **Regional and Local Community Infrastructure Program Round 3**. Council must submit a conforming application no later than 30 July 2010 and the project must be completed by 31 December 2011. The full guidelines, FAQ Sheet and Web Page document are attached to this report.

Funding is provided for the following areas:

- Social and Cultural infrastructure
- Recreational facilities
- Tourism infrastructure
- Children, youth and senior facilities
- Access facilities
- Environmental initiatives

The guidelines state that "Councils are encouraged to submit a number of prioritised projects, the aggregate value of which may exceed their allocation. Should the Department find that a higher priority project is ineligible, a lower priority yet eligible project may then be substituted in its place."

Given this Council should submit applications in accordance with this guideline.

Cont'd

MM10/1 Regional and Local Community Infrastructure Program Round 3 - 2010/11 - \$100m ...(Cont'd)

The following list of infrastructure projects (in order of priority) were endorsed by Council for consideration in future State and Federal government grant funding programs at its meeting of 13 August 2009.

1. Upgrade of lighting at BCU International Stadium – **Now funded**
2. Sportz Central improvements – **Now funded**
3. Coffs Harbour War Memorial Olympic Pool – **Now funded**
4. Upgrade to sport field amenities across the LGA - \$2.5M
5. Commuter bike paths (Coffs Creek track) – **Now funded**
6. Solitary Islands Coastal Walk
7. Bruxner Park Ecotourism Site
8. Local passenger rail (or projects) as developed by the newly formed Rail Committee in CHCC be added as a potential Infrastructure Project (for 2011) - **Does not meet criteria**
9. Heritage photo catalogue - \$50K - **Does not meet criteria**
10. Surf Life Saving Championships at Boambee Beach – **No longer needed**

Additional projects that have been discussed recently by Councillors and staff include:

- | | |
|--|--------------|
| 1. Foreshores redevelopment | \$1M - \$10M |
| 2. Regional Skate Park | \$1M |
| 3. Performing Arts Centre | \$30M |
| 4. Toilet facilities at Diggers Beach | \$450K |
| 5. Additional Seating at BCU Stadium (Gladiator style) | \$1M |

Council will also receive some funds from the sale of the strip of land to the Pet Porpoise Pool in the near future. These funds would need to be directed to the foreshores area and could be combined with the funds from the Federal Government if this was determined to be the priority project.

Recommendation:

That Council determine which projects (in priority order) will be submitted to the Federal Government for the Regional and Local Community Infrastructure Program Round 3, \$456,000 grant.

**Keith Rhoades, AFSM
Mayor**

Attachment:

Guidelines Regional and Local Community Infrastructure Program Round 3 – 2010/11 – \$100 Million

1. INTRODUCTION

On 18 June 2010, the Australian Government made an additional \$100 million available to boost the Regional and Local Community Infrastructure Program (RLCIP). This investment is intended to support local jobs and provide long-term benefits to communities by assisting councils to build and modernise local infrastructure. Round 3 of the RLCIP provides a non-competitive, direct allocation of \$100 million to be shared amongst all local governments (for further details about the RLCIP Rounds 1 and 2, please visit <http://www.infrastructure.gov.au/local/cip/index.aspx>)

Funding under the RLCIP Round 3 \$100 million component will be provided directly to councils as a one-off payment. The funding will be administered by the Department of Infrastructure, Transport, Regional Development and Local Government (the Department). Eligible projects must be additional or additional stages of current projects, and represent value for money. Additional projects are those which have not been included in the local government's financial budget for 2010/11, are new or can be brought forward as a result of RLCIP funding. Projects need to be ready to begin construction within 6 months of signing the Funding Agreement (contract). Councils must not commence their RLCIP project until they have received a Funding Agreement executed by the Commonwealth. Projects which represent value for public money are those which, in the context of the objectives and outcomes of the project, add value by achieving something worthwhile for the community that would not occur without grant assistance.

Local governments are responsible for community consultation and the consideration of the community benefit for potential infrastructure projects within their jurisdictions. Councils are encouraged to consider projects that:

- address the needs of the local indigenous population;
- address environmental sustainability, and how their RLCIP activities will promote green building technologies, design practices and operations and preparing for climate change impacts; and
- Involve collaboration with neighbouring councils including joint-projects.

Councils can also sponsor projects on behalf of not-for profit community organisations.

2. PROJECT ELIGIBILITY

2.1 Eligible categories of infrastructure

Funding will be provided to councils for community infrastructure, including new construction and major renovations or refurbishments of assets such as:

- social and cultural infrastructure (e.g. art spaces, gardens);
- recreational facilities (e.g. swimming pools, sports stadiums);
- tourism infrastructure (e.g. walkways, tourism information centres);
- children, youth and seniors facilities (e.g. playgroup centres, senior citizens' centres);
- access facilities (e.g. boat ramps, footbridges); and
- environmental initiatives (e.g. drain and sewerage upgrades, recycling plants);

A full list of eligible categories is at Annexure A.

Funding can be used for:

- construction for new or upgraded facilities; and
- refurbishment and fit out.

Fit out is defined by the Department as internal construction of a facility to enable its functional use, for example, the installation of electrical sockets and lighting, or the painting of walls. Projects must clearly demonstrate value for money. Councils may wish to demonstrate this through undertaking a tender process, quotes or experience from similar projects.

2.2 Ineligible projects and activities

Projects must provide a clear and direct benefit to the local communities within a council's jurisdiction. Examples of projects that are ineligible for this reason include those which support council operations (such as an upgrade of council offices), those which make a direct contribution to private businesses (other than those which provide a direct community service as suggested in Annexure A), or those which benefit specific individuals (such as the renovation of a caretaker's residence).

Funding will not be approved to bolster funding for existing projects which have exceeded their original budget forecasts.

Funding cannot be used for:

- ongoing costs (e.g. operational costs and maintenance);
- roads or related infrastructure covered by the Roads to Recovery or Black Spots programs;
- artworks;
- information technology and communications hardware and software;
- non-fixed infrastructure [e.g. above ground irrigation systems]; or
- project management costs.

Further information and examples of ineligible projects is provided in the attached RLCIP Frequently Asked Questions at Annexure B.

3. APPLICATION SUBMISSION

The closing date and time for applications is 5pm AEST Friday 30 July 2010, however Councils are encouraged to apply as soon as possible.

The Department will contact Local Governments to provide details on how to submit applications.

4. FUNDING ARRANGEMENTS

Each council receives a minimum payment of \$30,000. Those with populations greater than 30,000 and categorised as 'urban fringe' or 'urban regional' according to the Australian Classification of Local Governments Code will receive an additional growth component of \$150,000. All councils with at least 5,000 residents will share in the remaining funds proportionate to their 2009-10 general purpose Financial Assistance Grant.

As part of the application process, councils will be required to submit project application(s) that account for the entirety of their funding allocation. Councils are encouraged to submit a number of prioritised projects, the aggregate value of which may exceed their allocation. Should the Department find that a higher priority project is ineligible, a lower priority yet eligible project may then be substituted in its place.

All project proposals will be appraised by the Department to ensure their consistency with the Guidelines, including value for money. Following the appraisal of project proposals, the Department will approve eligible projects within the Councils funding allocation.

Following approval, the Department will provide councils with a Funding Agreement for execution.

Payment of Round 3 funding may not be provided until councils:

- have completed and properly acquitted their projects under the Round 1 \$250 million allocated component of the RLCIP. This includes all reporting obligations for all completed projects.
- are performing to the Department's satisfaction under the Round 1 \$550 million Strategic Projects component of the RLCIP (if appropriate); and
- have executed Funding Agreements for all previous RLCIP Rounds (\$100 million allocated component and \$120 million Strategic Projects component if appropriate) and submitted the first progress reports under the Round 2 direct allocation of \$100 million (due 31 May 2010).

Once projects are approved and a Funding Agreement has been executed, councils are reminded that they are legally committed to delivering these projects in accordance with the terms of their Funding Agreement.

Successful applicants' information on individual grants will be published on the Department's website within seven working days after the funding agreement takes effect.

Councils should exercise particular care when compiling project budgets. Where a council undertakes to deliver a project for an agreed budget and the project exceeds

that budget, councils are still required to deliver that project and will need to pay for any funding shortfall. The budget should also demonstrate that the expenditure items provide value for money and withstand public scrutiny.

When submitting an application, councils should exercise extra care and diligence, ensuring they are in a position to deliver their projects within the program's timeframes. Councils should also ensure that project managers are fully aware of the requirement to complete projects and expend all funding by 31 December 2011.

As part of the application process, Councils will be required to provide details of any partnership funding in respect of each of their projects.

Should any Council not have forwarded to the Department two signed copies of the Funding Agreement with agreed projects by 30 August 2010, unclaimed funding may be redistributed to other Councils with suitable and eligible projects.

Councils must not commence their RLCIP project until they have received a Funding Agreement executed by the Commonwealth.

4.1 Payments

Requests for additional funding from the Australian Government will not be approved.

Payments will be structured as follows:

- Councils allocated less than \$200,000 - the release of 100 per cent of funds on execution of the Funding Agreement.
- Councils allocated more than \$200,000 – the release of 50 per cent of the funds on execution of the Funding Agreement, followed by the remaining 50 per cent upon evidence of expenditure of the previous installment.

Councils are reminded that this funding is available in 2010-11 only and should take this into account when planning and budgeting for their projects

Payment of council allocations will commence upon execution of the Funding Agreement by the Commonwealth. Councils should be mindful that the timeliness of payments will be influenced by the quality and eligibility of their project proposals and their responsiveness when executing Funding Agreements. High quality applications and prompt execution of Funding Agreements will shorten the Department's processing timelines significantly.

Projects must be completed with all funding expended by 31 December 2011 unless a council receives approval to vary the funding agreement.

Councils should expend RLCIP funding in accordance with the principles of accrual basis accounting. In accrual accounting, expenses are recognised during the period in which they occur, irrespective of whether an invoice has been received or the goods and services have been paid for. To comply with the Guidelines, councils must have incurred an expense against RLCIP funding no later than 6 months after signing of the funding agreement [contract].

5. PROGRESS REPORTS

Once funding is confirmed the council will be required to actively manage the project.

It is recommended that councils consider appropriate project management arrangements proportionate to the size and nature of the project.

The Department will monitor the project's progress through reports received under the Funding Agreement and may conduct site visits.

By **1 March 2011**, councils will be required to provide a progress report on their projects.

A second progress report will be due by **1 September 2011**. Councils may also be required to provide progress reports at other times.

By **1 February 2012**, councils will be required to provide a final report on the expenditure of Australian Government funding and demonstrate that they have spent the funding in accordance with the Guidelines.

Irrespective of the requirement to provide progress reports at nominated times, councils are required to notify the Department **within 5 working days** whenever their ability to deliver approved projects and meet the terms of their Funding Agreement is compromised.

Councils are required to maintain true, accurate and up to date plans and records, tracking and documenting the progress and history of each of their projects.

As part of progress reporting and final reporting activities, the Department may require councils to provide any or all of the following information:

- An itemised budget for each project, including estimates for individual project components at the time of application, and how these estimates compare with the actual costs incurred by the council.
- Receipts for all expenditure in relation to each of the council's project(s).
- A detailed timeline for each project, including but not limited to community consultation, design, planning, construction and fit out activities. The timeline should estimate dates for the completion of milestones and track progress against these targets.
- At the Department's discretion, councils may be required to provide audited financial statements in relation to their project(s).

6. CONFLICT OF INTEREST

Where a Council identifies that a conflict of interest exists or might arise in relation to projects, the Council must identify the actual, apparent or potential conflict of interest and inform the Australian Government immediately.

A conflict of interest may exist, for example, if the Council or any of its personnel:

- Has a relationship (whether professional, commercial or personal) with a party who is able to influence the project assessment process, such as a Department of Infrastructure, Transport, Regional Development or Local Government official, or
- Has a relationship with, or an interest in, an organization which is likely to interfere with or restrict the Council in carrying out the proposed activities fairly and independently.

Each Council will be required to declare in the application form that to the best of its knowledge there is no conflict of interest that would prevent the Council from proceeding with the project or any Funding Agreement it may enter into with the Australian Government.

7. COMPLAINTS

Should a Council wish to make a complaint, they should do so through the RLCIP Information Line on 1800 005 494.

Updates to the Guidelines will be published on the website as an amendment addendum. It is the responsibility of each Council to keep monitoring the site to stay informed.

Annexure A

Examples of Community Infrastructure

Social and cultural infrastructure

- Town halls
- Community centres
- Libraries
- Local heritage sites
- Museums
- Cultural centres
- Enhancement of main streets & public squares
- Public marketplaces and saleyards
- Theatre/music/art spaces
- Historic buildings
- Parks and gardens
- Internet kiosk infrastructure
- Kitchens for organisations
- Community market areas
- Resources for cultural facilities

Recreation facilities

- Sports grounds and facilities
- Sports stadiums
- Community recreation spaces
- Playgrounds
- Rail trails
- Swimming pools
- Walking tracks and bicycle paths
- Skate Parks
- BMX/Mountain Bike parks/trails
- Surf lifesaving clubs

Tourism infrastructure

- Convention or trade centres
- Memorial halls/walkways
- Tourism information centres
- Community public attractions
- Buildings for exhibits
- Local infrastructure to support or provide access to tourist facilities

Children, youth and seniors facilities

- Playgroup centres
- Youth centres
- Community childcare centres
- Scout/guide halls
- Senior citizens' centres

Access facilities

- Disabled access infrastructure
- Foot/cycle bridges
- Bus/rail terminal upgrade
- Jetties/wharves/piers/pontoons/bollards
- Foreshore development
- Boat ramps
- Airport infrastructure and terminals

Environmental Initiatives

- Water source and treatment
- Drain and sewerage upgrades
- Water conservation infrastructure
- Waste management and processing infrastructure
- Wastewater infrastructure
- Water recycling plants
- Water catchments
- Recycling plants
- Environmental Protection Infrastructure

Annexure B

Frequently Asked Questions

Note: These Frequently Asked Questions may be updated. Councils must monitor <http://www.infrastructure.gov.au/local/cip/index.aspx> for updates.

Q1: How do local governments sponsor community organisations for funding under RLCIP \$100m?

A: Councils may apply on behalf of not-for-profit community organisations who service the local/regional community.

Q2: How can my council submit an application for a joint-project being undertaken collaboratively with other Councils?

A: Each Council must submit an application outlining the component of the activity or project on which their RLCIP \$100m allocation will be spent. No joint application forms will be accepted. All RLCIP \$100m funding must be spent on different components of the joint project/s.

Q3: What will happen if a Council breaches the terms of its funding agreement?

A: Before entering into a funding agreement, the Authorised Person for a local government should make sure that they have read the entire document, are aware of, and agree with the things they are required to do to deliver their proposed projects in accordance with the Guidelines and Commonwealth policy. In the majority of cases, local government breaches of RLCIP funding agreements result from a lack of awareness of their legal obligations under the funding agreement.

In some cases, local governments enter into funding agreements and commit to delivering certain projects, only to find in the planning and construction phases that the project is no longer feasible. Where a local government wishes to utilise RLCIP funding for purposes other than those specified in their funding agreement, they must first contact the Department, seek the delegate's approval and obtain a formal deed of variation to their funding agreement.

Where a local government utilises RLCIP funding for purposes other than those specified in their funding agreement, and does not obtain the delegate's approval to do so, the Department may initiate legal proceedings and seek the return of RLCIP funding.

Q4: Can local governments use funding from both the RLCIP \$100 million component and other funding sources to undertake the same activity?

A: No, councils cannot receive funding twice for the same stage or element of the project or activity, regardless of the funding source (Commonwealth, State, Local Government or private funding).

Q5: How should I interpret clause 2.2 of the Guidelines, which states that funding cannot be used for operational costs and maintenance?

A: Ongoing operational costs and maintenance costs are defined as those that local governments would typically be expected to provide for as part of their normal operating budgets. For example:

- Internal or external painting in isolation of a larger refurbishment project
- Repairs to existing playground equipment, as opposed to the installation of a new playground or the complete replacement or upgrade of an old playground
- Local Government staffing.

Q6: How should I interpret clause 2.2 of the Guidelines, which states that funding cannot be used for roads or related infrastructure covered by the Roads to Recovery or Black Spots programs?

A: The *Roads to Recovery Act 2000* allows funding for the construction or maintenance of roads. In addition to the common definition of 'roads', where these facilities are associated with a road, the term 'roads' is taken to include:

- traffic signs and control equipment;
- street lighting equipment;
- vehicular ferries;
- bridges or tunnels, including pedestrian bridges or tunnels; and
- bicycle paths associated with a road.

A bicycle path 'associated with a road' is one that:

- is located within the road reservation; or
- where removed from the road reservation, provides a route between points on the road that is shorter than or broadly similar in distance to the road route.

Q7: The Guidelines state that local governments are encouraged to include projects in their application that address the needs of the local Indigenous population. What are some of the ways that local governments can achieve this?

A: Improving employment opportunities and the job readiness of Indigenous Australians is crucial to building pathways out of disadvantage. In addition to providing infrastructure which addresses the needs of the local Indigenous population, local governments are encouraged to utilise RLCIP funding for projects which will employ Indigenous apprentices, trainees and workers.

Further information is available from the Australian Government's social inclusion website at: www.socialinclusion.gov.au/Pages/default.aspx, and from the Department of Families, Housing, Community Services & Indigenous Affairs website at: <http://www.fahcsia.gov.au/Pages/default.aspx>

Q8: The Guidelines state that local governments are encouraged to consider environmental sustainability when preparing project proposals, and how their RLCIP activities will promote green building technologies, design practices and operations. What are some of the ways that local governments can achieve this?

- A: Initiatives that contribute to this goal could include:
- common area lighting
 - installation of photovoltaic cells
 - heating, ventilation and air-conditioning systems
 - the building fabric, for example glazing and shading
 - monitoring equipment, automation systems, and control systems linked to improving the energy efficiency of buildings.

The benefits of building green include:

- lower overheads
- more productive and healthier environments
- access to financial incentives and tax credits
- a baseline measure to earn carbon credits

Further information is available from the Australian Government's AusIndustry website at: www.ausindustry.gov.au/Pages/AusIndustry.aspx

Q9: Can local governments use funding from the RLCIP Round 3 \$100 million component to construct a footpath?

- A: No. Construction of a footpath is not an eligible project under the RLCIP \$100 million funding. However, footpaths necessary for the appropriate completion of another eligible project (such as a main street enhancement) may be eligible provided they are part of a larger project.

Covered walk ways may be an eligible project if their construction provides a clear and direct benefit to the local communities within a council's jurisdiction, as referred to in clause 2.2 of the Guidelines.

Q10: Are amenity blocks a valid project under RLCIP \$100 million funding?

- A: No. Individual amenity block(s) are not eligible under the RLCIP \$100 million funding. However, amenities constructed as part of an eligible building refurbishment or larger building construction may be admissible