



Australian Government

Department of Industry, Science,  
Energy and Resources

Department of Infrastructure, Transport,  
Regional Development and Communications

# Building Better Regions Fund Round 5

## Program Overview

### **Name**

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5 February 2021

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# BBRF | Program Objective

## What is the Building Better Regions Fund?

- Round Five was announced in Budget Paper 2, Supporting Regional Australia.
- The \$1.04 billion fund supports the Australian Government's commitment to create jobs, drive economic growth and build strong regional communities into the future.
- For Round 5, \$200 million is available, with \$100 million of this dedicated to tourism-related infrastructure projects.



# Building Better Regions Fund

## Round 5

Program	Building Better Regions Fund
Funding	\$1.04 billion over seven years from 2017-18 to 2023-24
Objective	<ul style="list-style-type: none"><li>drive economic growth</li><li>build stronger regional communities into the future.</li></ul>
Outcomes	<ul style="list-style-type: none"><li>create jobs</li><li>have a positive impact on economic activity, including Indigenous economic participation through employment and supplier-use outcome</li><li>enhance community facilities</li><li>enhance leadership capacity</li><li>encourage community cohesion and a sense of identity.</li></ul>
Streams	<ul style="list-style-type: none"><li>Community Investments Stream</li><li>Infrastructure Projects Stream</li></ul>
Grant opportunity	Building Better Regions Fund
Funding	Infrastructure Projects Stream <ul style="list-style-type: none"><li>Up to \$10 million</li></ul> Community Investment Stream <ul style="list-style-type: none"><li>up to \$1 million</li></ul>
Type	<ul style="list-style-type: none"><li>demand driven</li></ul>
Open	12 January 2021
Close	5 March 2021

# BBRF | Who can apply?

## Applicant eligibility

To be eligible, applicants must:

- must be the **key driver** of the project
- have an ABN
- be a local governing body or an incorporated not-for-profit organisation **or** a **non-distributing co-operatives**
- be undertaking a project in Australia in an included area.
  - If a project is in an excluded area, applicants must demonstrate in their application that **significant** project benefits flow directly to an included area (and this must include employment opportunities).
- provide evidence confirming ALL required cash contributions are in place
- confirm authority of the land or infrastructure (Infrastructure stream)
- declare that they can comply with special regulatory requirements
- project activities that commence before execution of a grant agreement are not eligible for funding.

# BBRF | What does it offer?

There are two streams of funding available under the Program

- **Infrastructure Projects Stream** will support projects which involve the construction of new infrastructure, or the upgrade or extension of existing infrastructure that provide economic and social benefit to regional and remote areas.
- **Community Investments Stream** will fund the following community activities, new or expanded local events, strategic regional plans, and leadership and capability strengthening activities. These projects will deliver economic and social benefits to regional and remote communities. **Infrastructure projects are not eligible for the Community Investments Stream.**



# Building Better Regions Fund

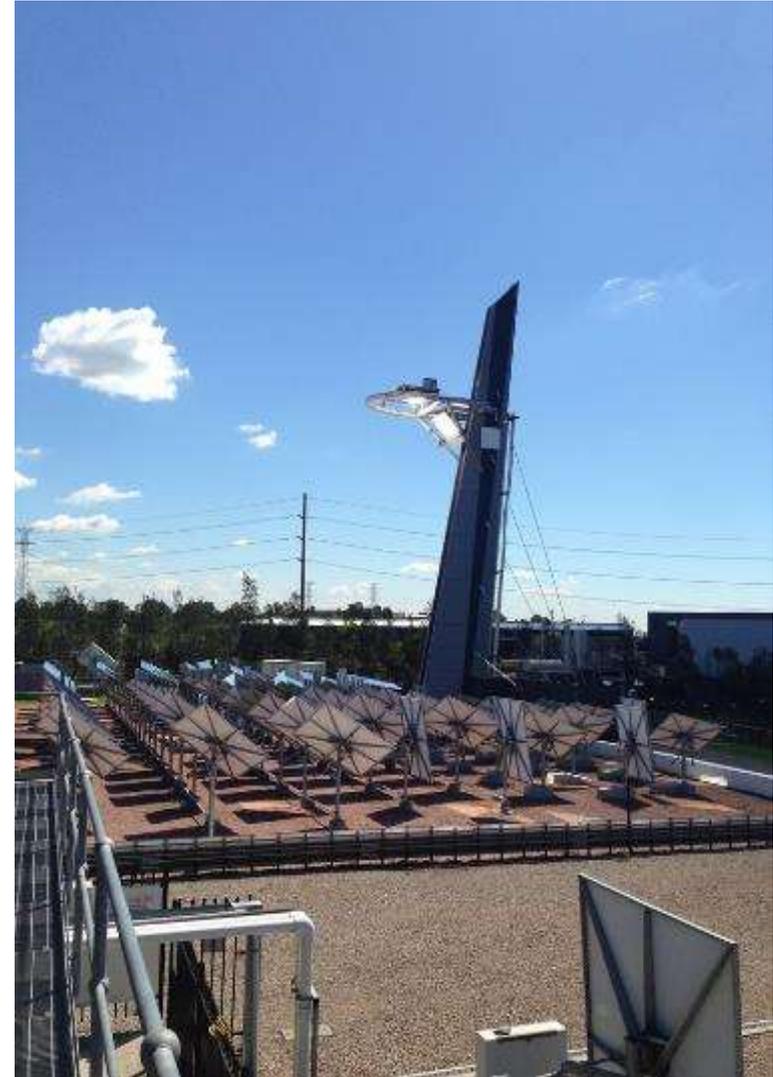
## Infrastructure Projects Stream

<b>Minimum grant</b>	<b>\$20,000</b>
Maximum grant	\$10 million
Grant %	Up to 50%, 75%, 100%
Co-contribution	50%, 25% or no contribution
Eligibility	<ul style="list-style-type: none"><li>▪ have an Australian Business Number (ABN)</li><li>▪ be an incorporated not-for-profit organisation</li><li>▪ an Australian local government agency or body as defined in the glossary or</li><li>▪ non-distributing co-operatives</li></ul>
Additional eligibility	<ul style="list-style-type: none"><li>▪ letter of consent from the building owner/manager (where required)</li><li>▪ where their project is located in Australia and in an eligible location</li><li>▪ where they can provide evidence of how they will provide their share of project costs</li></ul>
Target examples	<ul style="list-style-type: none"><li>▪ community sporting clubs</li><li>▪ scout or guide groups</li><li>▪ Aboriginal and Torres Strait Islander community groups</li><li>▪ surf lifesaving clubs</li><li>▪ community owned kindergartens</li><li>▪ welfare centres</li><li>▪ men's sheds</li><li>▪ community centres</li><li>▪ women's associations</li><li>▪ community owned childcare centres</li><li>▪ local government agencies or bodies</li></ul>

# BBRF | Infrastructure Projects Stream

## Key Stream details

- The grant amount must be between \$20,000 and \$10 million.
- All projects must be investment ready within 12 weeks of executing the grant agreement with the Commonwealth.
- Projects must be completed by 31 December 2023.



# BBRF | Eligible Infrastructure Projects

## Eligible Activities

To be eligible their project must:

- be aimed at the construction, upgrade or extension of infrastructure that provides economic and social benefits to regional and remote areas
- comprise one of the following activities:
  - the construction of new infrastructure
  - the upgrade to existing infrastructure
  - the extension of existing infrastructure
- the replacement of infrastructure where there is a significant increase in benefit
- not have started construction.

Applicants can only spend grant and co-funding on eligible activities directly related to the project.

# BBRF | Eligible Infrastructure Projects

## Investment Ready

The Infrastructure Projects Stream only supports investment ready projects.

We consider a project to be investment ready where the Applicants have taken steps to allow construction to commence within 12 weeks of executing their grant agreement. This includes where they have:

- the authority of the land or infrastructure owner to undertake the project at the nominated site(s)
- confirmed funding contributions from all sources and can provide formal documentation to verify those contributions with their application
- identified and prepared submissions for all required regulatory and/or development approvals or have already submitted and/or obtained those approvals
- finalised project designs and costings.

# BBRF | Infrastructure Eligible expenditure

## Eligible expenditure

- Must be directly related to project and incurred by Applicant
- Materials for construction
- Hired/leased plant and equipment
- Contract expenditure – organisations and individuals
- External labour hire and external consulting
- Other eligible expenditures for the project may include:
  - financial auditing of project expenditure
  - costs they 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
  - signage cost.
- Cap to pre-construction activities.

# BBRF | Tourism related infrastructure pool

## Tourism related infrastructure

Round Five will provide \$100 million for tourism-related infrastructure projects under the **Infrastructure Projects Stream**.

As part of the application process, applicants are asked to indicate if they are applying for funding for a tourism-related infrastructure project.

Section 2.1.2. of the guidelines covers the requirements:

- demonstrate the impact the COVID-19 pandemic has had on their region's tourism industry (or the region that will benefit from their proposed project)
- how their project will provide benefits to the tourism industry to assist in mitigating the impact from the COVID-19 pandemic
- provide evidence to support their claims.

If the Applicant does not provide a clear and supported case, the application will be reviewed as part of the general BBRF pool of funding.

# Building Better Regions Fund

## Community Investments Stream

<b>Minimum grant</b>	<b>\$5,000</b>
Maximum grant	\$1 million
Grant %	Up to 50%, 75%, 100%
Co-contribution	50%, 25% or no contribution
Eligibility	<ul style="list-style-type: none"><li>▪ have an Australian Business Number (ABN)</li><li>▪ be an incorporated not-for-profit organisation</li><li>▪ an Australian local government agency or body as defined in the glossary or</li><li>▪ non-distributing co-operatives</li></ul>
Additional eligibility	<ul style="list-style-type: none"><li>▪ where their project is located in Australia and in an eligible location</li><li>▪ where they can provide evidence of how they will provide their share of project costs</li></ul>
Target examples	<ul style="list-style-type: none"><li>▪ community sporting clubs</li><li>▪ scout or guide groups</li><li>▪ Aboriginal and Torres Strait Islander community groups</li><li>▪ surf lifesaving clubs</li><li>▪ community owned kindergartens</li><li>▪ welfare centres</li><li>▪ men's sheds</li><li>▪ community centres</li><li>▪ women's associations</li><li>▪ community owned childcare centres</li><li>▪ Local government agencies or bodies</li></ul>

# BBRF | Community Investments Stream

## Key Stream details

- The Community Investments Stream will fund the following community activities, new or expanded local events, strategic regional plans, and leadership and capability strengthening activities. These projects will deliver economic and social benefits to regional and remote communities. Infrastructure activities are not eligible for the Community Investments Stream.
- The Community Investments Stream eligibility is the same as the Infrastructure Projects Stream with the following exceptions:
  - the minimum grant amount is \$5,000
  - projects should be completed within 12 months of the project start date
  - applications with a total eligible project cost of less than \$20,000 do not have to provide any co-funding.

# BBRF | Eligible Community Investments Projects

## Eligible Activities: Local events

- Investment in local events provides economic, social and cultural opportunities for people living in regional areas.
- Funding is intended as seed funding for local events that are:
  - **new** to the community; or
  - support a **significant addition** to an existing event.
- Local events may include:
  - events or activities which attract tourists and visitors to a region
  - arts and culture events
  - community and public events
  - community sporting events
- Can only receive funding for an event once under this program.



# BBRF | Eligible Community Investments Projects

## Ineligible Activities: Local events

- Local events and activities
  - existing events (that are not new to the community, or a significant addition to an existing event or activity)
  - activities where the main benefit is intended to go to only one sector or group within the wider community (e.g. a specific club, society or religious group). Funding for an individual sports team or organisation to attend an event is not eligible
  - fundraising events
  - events for political/lobby groups
  - private events
  - classes and training (e.g. fitness, sports, arts, language, cooking)
  - activities that the organisation undertakes as part of its usual business practices and responsibilities
  - possible or future unidentified events.

# BBRF | Eligible Community Investments Projects

## Eligible Activities: Strategic planning

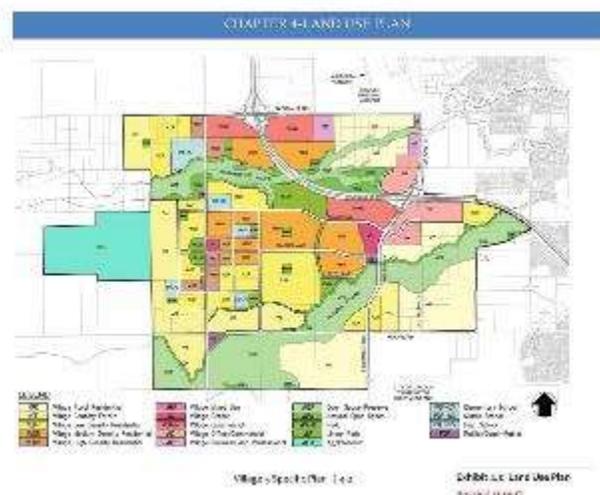
- Activities to facilitate **the development of** quality regional or sectoral plans which will help drive the development of strong regions.
  - regional skills audits
  - research projects to support regional development strategic plans
  - collecting socio-economic information



# BBRF | Eligible Community Investments Projects

## Ineligible Activities: Strategic planning

- Strategic planning
  - land use planning, including road and precinct planning
  - service delivery planning and internal business analysis
  - capital funding for research centres
  - feasibility studies or benefit-cost analysis for specific projects, and planning or designs for specific infrastructure development
  - activities that the organisation undertakes as part of its usual business practices and responsibilities
  - development of a prospectus.
  - Implementing a strategic plan is not developing a plan.



# BBRF | Eligible Community Investments Projects

## Eligible Activities: Regional leadership and capability

- Regional leadership and capability activities build the capability of **regional leaders**, equipping them with the skills to effectively drive change and champion positive futures for their communities.
  - leadership courses
  - participation and community building measures for young people
  - participation in activities to improve local business and industry leadership capability



# BBRF | Eligible Community Investments Projects

## Ineligible Activities: Regional leadership and capability

- Regional leadership and capability
  - vocational education and training (VET)
  - apprenticeships
  - higher education qualifications
  - direct funding to education and training providers
  - activities that the organisation undertakes as part of its usual business practices and responsibilities
  - funding for staff wages or leadership positions within an organisation
  - training unrelated to building leadership capability
  - internally provided staff training



# BBRF | Community Investment Stream Eligible expenditure

## Eligible expenditure

- Must be directly related to project and incurred by Grantee
- Hired/leased plant
- Labour expenditure is only eligible for 'Local events' and 'Strategic Planning' projects
  - pro rata – only can claim time spent on project
  - capped at \$175,000
  - 30% on-costs
- Contract expenditure
- Travel costs – economy rate claimable
- Other:
  - agreed Building Better Regions Fund signage
  - financial auditing of project expenditure
  - costs they 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

# BBRF | Co-funding Requirements

## Project Location

- The project location is defined as where the project is undertaken as determined by its longitude and latitude.
- Project location informs:
  - eligibility in terms of excluded areas
  - the level of contributions required
- There are six different remoteness classifications:
  - remote, very remote,
  - inner regional, outer regional,
  - major capital cities (included area) and
  - **excluded area where benefits flow directly into an eligible area.**

It is very important that Applicants specify the correct remoteness classification in their application. An error may cause their contribution to be inadequate and their application to be considered ineligible.

# BBRF | Co-funding Requirements

## What is meant by contribution?

- The remoteness classification of the project location determines the co-funding requirement.
  - Projects classified as remote or very remote attract a 3:1 ratio of co-funding.
  - All other classifications attract a 1:1 ratio of co-funding.
- Contribution is the cash from the applicant or sources to the applicant, other than the Commonwealth, to be used on the project.
  - In-kind support (or non-cash support) cannot be used as matched contribution.
- Where there is other Commonwealth funding for their project the total Commonwealth funding cannot exceed the maximum grant ratio (e.g. 50%, 75% or 100% as applicable).

## Exceptional Circumstances Co-funding Exemption?

- Applicants may qualify for co-funding exemption which means they can opt to submit an application with no co-funding or less than the co-funding requirement.
- **Applicants will need to demonstrate why their exceptional circumstances prevent them from meeting the co-funding requirement.**
- Exceptional circumstances may include:
  - drought and/or disaster declaration
  - limited financial capacity of the local council
  - impact of industry decline
  - significant recent change in population or community demographics
  - other exceptional circumstances
- The Ministerial Panel will consider requests for exemption, if the request is not approved then the applicable will be ineligible.

# BBRF | Assessment Criteria

## Assessment Criteria

- Assessment and scoring of each merit criterion will be based on applicants' responses to the indicators listed under each assessment criterion in the Grant Opportunity Guidelines.
- Each application will be scored out of a total of 40 points.
- Each criteria is weighted as follows:
  - Assessment criterion 1 – 15 points
  - Assessment criterion 2 – 15 points
  - Assessment criterion 3 – 5 points
  - Assessment criterion 4 – 5 points

## Assessment Criteria: Economic and Social Benefits

- The assessment is essentially two parts:
  - the claimed benefits; and
  - are the claims supported by good assumptions and evidence.
- The claimed benefits are examined by its dimensions:
  - Is it clearly defined?
  - Are the benefits actually for the proposed BBRF project?
  - Are the benefits broad to the community or narrow to a few?
  - Are the benefits long lived?
- All evidence should be:
  - linked to the proposed project, or component of larger project, that is being supported
  - relevant to the location of the project (i.e. not state wide statistics but local statistics)
  - current (within 18 months where appropriate)

# BBRF | Assessment Criteria

## Economic benefits: Jobs created

- We use fulltime equivalent job numbers, it is not a head count.
- Direct jobs have a direct link to the project or the project outcome (direct jobs in the community centre made)
- Above the baseline (status quo) case – i.e. additional jobs. Job shifting is not additional jobs.
- There should be a description of the longevity of the jobs.
  - E.g. jobs created from the construction have a finite timeframe and ongoing direct jobs due to the operation of the infrastructure are long lived.
- Stronger applications:
  - Describe the jobs being created.
  - Clearly describe the logic and assumptions behind the claims.
  - Provide a business case and evidence for the claims. The evidence should clearly and logically support the specific claims.
- The jobs and Cost Benefits Analysis factsheets provide further information.

## Merit Assessment Scoring – Criteria 3: Project delivery

- The key questions are:
  - Do the people involved have the capability to undertake the project?
  - Are there risks involved with the project and are they managed?
  - Does the project have approvals, access to equipment and access to the land required?
  - Is the project well planned and designs finalised?
  - Will the project outcomes be operated and maintained into the future?
- Example of strong evidence
  - detailed planning
  - approvals
  - current, detailed quotes
  - CVs of key management team or contractors showing relevant experience
  - evidence of alternatives explored (sometimes in Cost Benefit Analysis)
  - evidence of public support and consultation

# BBRF | Assessment Criteria

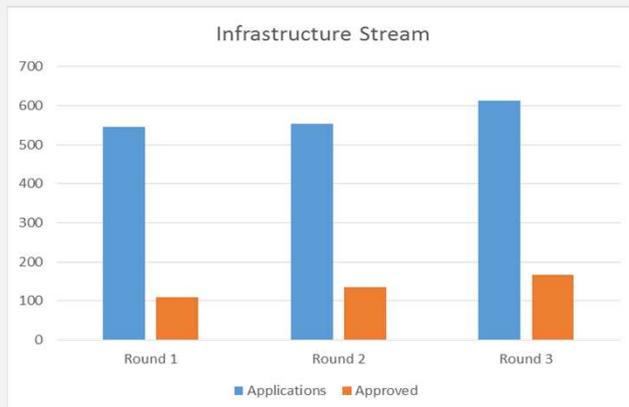
## Merit Assessment Scoring – Criteria 4: Impact of Grant Funds

There are three main components to this criterion:

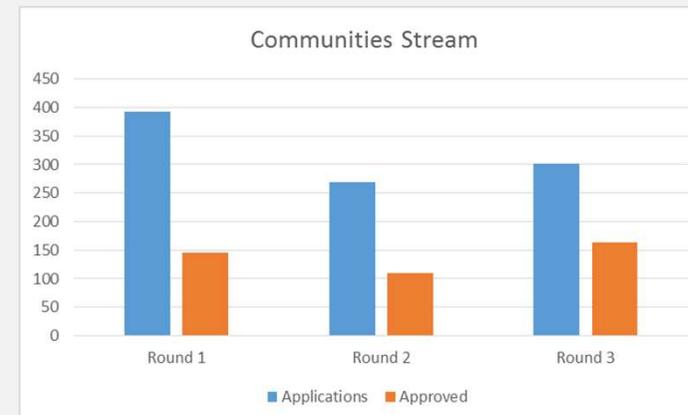
- Has the applicant leveraged additional cash above the minimum required, and in-kind support relative to the project size.
- Is the project collaborative, with project partners and contributors involved.
- Is there a need for funding. That is:
  - Would the project happen anyway without being supported by a grant; or
  - Would the benefits be diminished without support
    - » *e.g. the applicant needs to build something to be able to host a major event and grant support will mean the project could be completed sooner to meet the timeframe.*

## Increasing demand

- Infrastructure Stream
  - Round 1: 545 applications
  - Round 2: 567 applications
  - Round 3: 613 applications
- Community Stream:
  - Round 1: 392 applications
  - Round 2: 272 applications
  - Round 3: 302 applications



- Infrastructure Stream
  - Round 1: 110 offers
  - Round 2: 136 offers
  - Round 3: 166 offers
- Community Stream:
  - Round 1: 147 offers
  - Round 2: 109 offers
  - Round 3: 164 offers



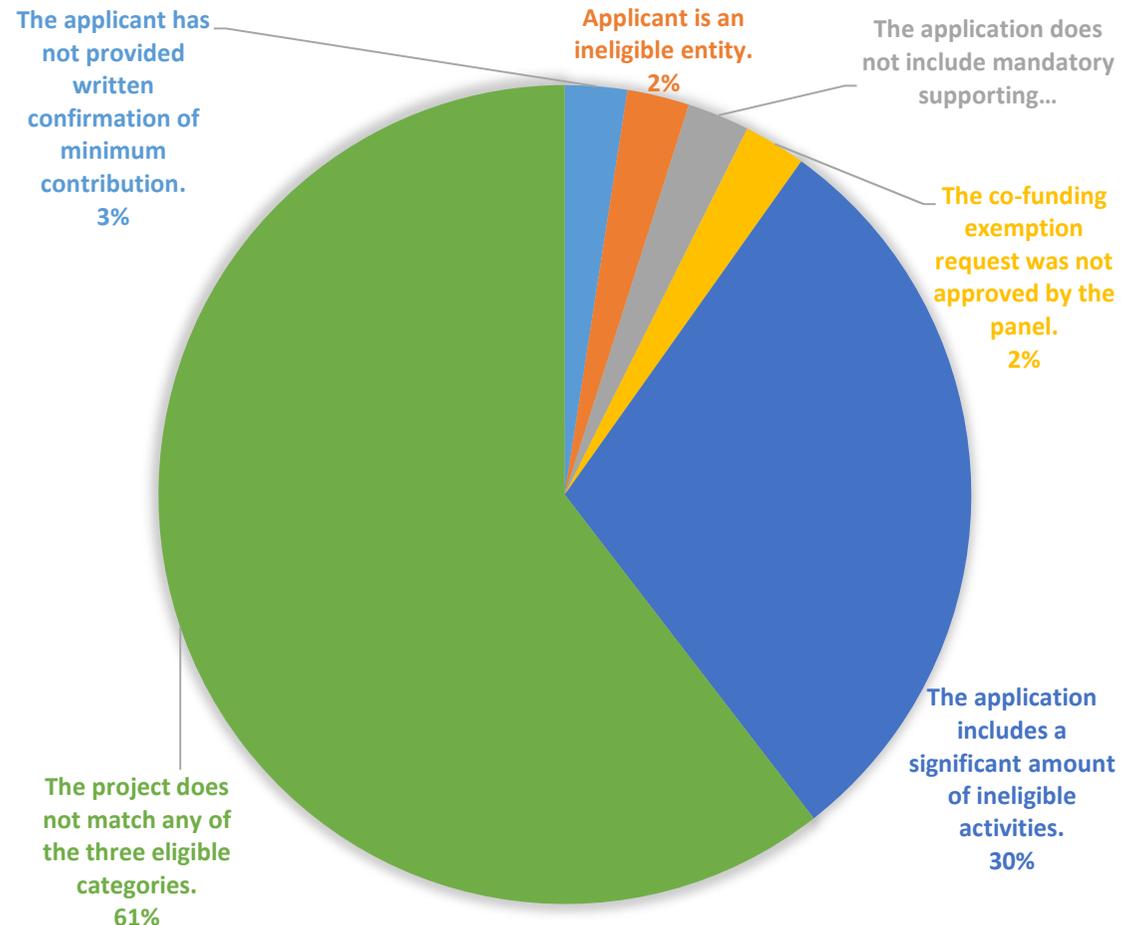
## Common issues with Infrastructure Projects Stream applications

This stream is very competitive and the larger the project the better the average scores. Every mark can have a significant impact on the Applicant's ranking.

- Benefits should be clear, broad to the community and last into the future.
- Claimed benefits for not specific to the BBRF project but are for outcomes outside the specified project.
- Over reliance on simple modelling, particularly construction spend only.
- Not providing evidence of a need or demand for the project.
- Not providing a series of logical links in supporting claims.
  
- Not addressing every dot-point in the project delivery. Many large organisations and local governments assume the assessors should know they can undertake a project and provide no or limited information to address this.
  
- Not clearly including all in-kind support.
- Not clearly describing the partnerships and community support.
- Not addressing the need for government funds.

# Most significant issue with Community Investment Stream

- Higher than normal level of ineligible applications. However, this has fallen with each round.
- Based on feedback sessions to date, most applicants are not reading the entire guidelines and believe the Community Investments Stream is a smaller version of BBRF Infrastructure stream.
- Community Investments Stream is not for supporting infrastructure projects or planning infrastructure projects.



## Common reasons for Community Investments Stream applications being ineligible

### **Strategic planning**

- These cannot be for planning future infrastructure projects or land use.
- Planning is inward focused, e.g. business plan, service delivery planning, or audit of applicant's assets/capability.
- It is for developing a plan not implementing one made before.

### **Local events and workshops**

- Events/workshops must be new or expanded. Only new or expanded activities are supported.
- There are no specific events identified and the claimed costs are for staff and assets.

### **Regional leadership**

- The training is not targeting community leaders or youth.
- The training is technical in nature.
- The applicant is a training organisation that wants to subsidise its services.

# BBRF | When can applicants apply?

- Grant Opportunity Guidelines and supporting documentation is published on [business.gov.au/bbrf](https://business.gov.au/bbrf).
- Applications opened on 12 January 2021 and will close 5.00pm AEDST on 5 March 2021.



# BBRF | Questions

