



COUNTRY LOCAL GOVERNMENT FUND 2011-12 FUNDING ROUND

FREQUENTLY ASKED QUESTIONS

What are the Royalties for Regions policy objectives?

Royalties for Regions has six policy objectives:

- Building capacity in regional communities
- Retaining benefits in regional communities
- Improving service in regional communities
- Attaining sustainability
- Expanding opportunity
- Growing prosperity

What does the Country Local Government Fund (CLGF) aim to achieve?

CLGF aims to:

- Address infrastructure needs and support capacity building
- Improve the financial sustainability of country local governments in Western Australia through improved asset management
- Provide financial assistance to country local governments which choose to amalgamate voluntarily
- Assist groups of country local governments to fund regionally significant infrastructure projects

Who administers the CLGF?

The Department of Regional Development and Lands (RDL) administers and monitors CLGF expenditure.

The Department of Local Government delivers capacity building programs to individual and groups of country local governments, funded through CLGF. This includes assistance towards the development of strategic plans, asset management plans, the costs of amalgamation and scoping plans to cost the delivery of municipal services to Aboriginal communities.

The nine Regional Development Commissions (RDCs) work with local governments in their region to facilitate the identification and planning of priority regional group projects.

How are CLGF funds disbursed to local governments?

RDL is responsible for the administration of the CLGF and the Department of Finance's Office of Shared Services (OSS) arranges payment of funds.

Once a local government's Financial Assistance Agreement (FAA) has been executed by RDL's nominated representative, a requisition is raised by RDL. Raising a requisition then generates a purchase order number (PO). Recipients receive this purchase order number via their designated OSS contact person.

Once a purchase order number is received recipients are required to send an invoice to the Office of Shared Services, addressed to RDL.

To ensure prompt payment the following information is required on the invoice:

- purchase order number;
- brief description of the grant funding. For example, Shire Name Individual / Regional Group CLGF 2011-12 funding allocation, Project Name;
- CLGF 2011-12 allocation amount plus 10 percent GST. For example, if the recipient's allocation is \$400,000 the invoice should state \$400,000 plus \$40,000 GST, with total \$440,000.

Where are invoices to be sent?

Invoices are to be sent to the Office of Shared Services via:

- Email – business@oss.wa.gov.au
- Post – Office of Shared Services, PO Box 591 CANNINGTON WA 6987
- Fax – +61 08 9258 0303

What are the 2011-12 Individual and Regional Groups Country Local Government allocations in the 2011-12 CLGF funding round?

The proportion of the total CLGF amount allocated to local governments for 2011-12 is 50 percent for individual local governments and 50 percent for regional groups of country local governments.

The 2011-12 CLGF Individual and Regional Groups Country Local Government Allocations are available on the Royalties for Regions website.

What if the required documentation is not received by RDL by the required deadlines?

Failure to meet set deadlines may result in local governments being excluded from accessing their 2011-12 funding and their 2011-12 notional allocation being re-distributed to other eligible recipients.

When are CLGF funds required to be fully expended by?

The preference is for CLGF funds to be spent in the year in which they are paid. However, local governments are given up to two years from the signing of the FAA to acquit funds, to RDL's satisfaction and as detailed in the FAA.

When are 2011-12 funds likely to be disbursed to recipients?

Subject to reasonable progress being made with 2010-11 expenditure and to the satisfaction of RDL, payments may be made in the financial year in which funding is allocated.

This also applies to the disbursement of 2012-13 CLGF funds, in which case, reasonable progress of 2011-12 CLGF funds will be required and is likely to be paid in the financial year in which it is due.

Please note that payment of 2012-13 CLGF funds cannot be made until 2010-11 funds are fully acquitted.

What if local governments are experiencing exceptional circumstances?

Local governments facing exceptional circumstances such as flooding, drought, bushfires or other critical situations, are encouraged to contact RDL as soon as possible to discuss options available.

What if assets are owned or managed by third parties?

Local governments may expend CLGF funds on assets which are not directly under the control or care of a local government, provided the following are met:

- There is a clear commitment from the asset owner that the asset will be accessible to the community on a long term basis
- The local government maintains control in ensuring the asset is used for the benefit of the community
- There is a plan and written agreement between the parties for the long term maintenance of the asset and ongoing community access

How much CLGF funding can be used for project management and project documentation?

Up to 15 percent of the total project cost of approved projects can be utilised from CLGF for project management and documentation activities such as architectural fees or engineering plans.

Can CLGF funding be used for local government staff wages?

The cost of limited but reasonable direct wages, where they are a component in the construction of an infrastructure asset, may be included under CLGF expenditure.

For further information refer to Section 9 of the *Local Government Accounting Manual (Edition 2)*.

Are local governments required to formally acknowledge CLGF funding via signage on project sites?

Yes. Details of acknowledgement requirements can be obtained by contacting the RDL Regional Investment Communications team on 6552 4400.

Individual Country Local Government Funding

What is the process for local governments to receive CLGF funding?

Local governments are not required to submit a Forward Capital Work Plan (FCWP). However, individual local governments should review their FCWP and update it for 2011-12 and onwards. Local governments are required to notify RDL of changes as necessary.

The process for CLGF grant applications will be:

1. Prepare a draft Financial Assistance Agreement (FAA) which outlines the conditions of funding and work schedule, and where required, supporting documentation and a letter notifying RDL of changes to the FCWP.
2. RDL or its nominee will then assess the documentation against the guidelines.
3. Upon acceptance by both RDL and the local government, two copies of the FAA will need to be signed by the local government and forwarded to RDL.
4. The FAA will then be signed by a nominated representative of RDL and the grant payment can be processed.

What is the deadline for individual country local government funding applications?

Documentation is required to be submitted to RDL before **30 December 2011**.

What can be funded?

Grant expenditure must be on individual local government infrastructure asset creation, preservation or renewal projects.

CLGF expenditure must be directly related to the delivery of capital works projects, this includes:

- materials and labour costs associated with construction of assets;
- installation of facilities and fixtures such as air conditioning and floor coverings;
- purchase of buildings;
- headworks costs such as earthworks, power and water;
- renewal and preservation of fixed infrastructure such as repainting.

What cannot be funded?

CLGF funds cannot be used for:

- projects not identified within the local government's approved FCWP;
- purchase of equipment such as furniture, computers and vehicles;
- retiring debt;
- general maintenance;
- engagement of consultants or staff outside or beyond the scope of the approved CLGF project;
- investment for the sole purpose of return, such as interest;
- retrospective funding, in which case, projects have been completed or have commenced construction prior to RDL's approval;
- feasibility studies, cost-benefit analysis, impact studies, marketing plans or research projects.

Can vacant land be purchased using CLGF funds?

Yes. Land can be purchased using CLGF funds however, the purchase of land must clearly relate to the establishment of:

- fixed community and local government infrastructure assets; or
- residential, commercial or industrial subdivisions.

CLGF funds should not be used for the sole purpose of purchasing and selling land in its vacant state. Development is required to commence within two years from signing the FAA.

What does 'total available funds allocated' mean?

This refers to the amount of funding which will be allocated to individual country local governments and to regional groupings of local governments in any particular year of the CLGF. It does not include funding for local government amalgamations, capacity building or administration of the fund that might be otherwise funded through the CLGF.

Regional Groups Country Local Government Funding

What are regional groups?

Regional groups may include Regional Collaborative Groups, Regional Transitional Groups, those local governments that have agreed to voluntary amalgamate or any other grouping of local governments that wish to work together for the purpose of delivering a regionally significant infrastructure project.

Please note, CLGF funding can only be made available to local governments and not associated bodies or organisations that local governments may be in partnership with. Therefore, groups made up of local governments and external stakeholders together are not eligible for funding.

What is the deadline for regional groupings country local government fund applications?

Applications for CLGF group project funding need to be submitted to RDL by **30 May 2012**.

What can be funded?

Grant expenditure needs to be on infrastructure asset creation, preservation or renewable projects.

Projects are required to demonstrate regional significance, such as:

- benefit multiple communities across local government boundaries;
- address a substantial gap in infrastructure;
- link to a regional plan.

What cannot be funded?

CLGF funds cannot be used for:

- projects not identified as priorities for a group in the RDC's facilitation process;
- purchasing of equipment such as computers, furniture and vehicles;
- retiring debt;
- general maintenance;
- feasibility studies, cost-benefit analysis, impact studies, marketing plans or research projects;
- utilising consultants or staff outside or beyond the scope of the approved project;
- non-CLGF approved project plans and designs;

- investment for the sole purpose of return, such as interest;
- retrospective funding, where projects have been completed or have commenced prior to RDL approval.

What if there are changes to approved group projects?

Regional groups need to seek RDL's written approval, should they wish to reallocate CLGF funding to alternate projects.

Project variations will need to go through the standard assessment process prior to approval. These changes must comply with the guidelines and must be acknowledged through a variation of the FAA, signed by both local governments and RDL.

Who supports the regional group project?

All members of the group are required to support the project, including financial support, and expenditure of funds must be by mutual agreement of the group.

Therefore, each local government in the group is expected to contribute to a reasonable portion of their allocated CLGF group funding towards the project.

Only regional group projects that have been developed through a regional planning process and facilitated by their local Regional Development Commission, are eligible for funding.

How do local governments apply for regional group funding?

Local governments are required to submit to RDL an application for each CLGF group project.

Applications need to include:

- CLGF 2011-12 Regional Groups Application Form, signed by the Chief Executive Officer and President of each local government forming the group
- Business case for the intended group project, outlining budget and sources of other funding
- Relevant supporting documentation

The Regional Groups Application Form and Business Case Template are available on the Royalties for Regions website.

Where can I find more information?

For enquiries relating to CLGF funding contact RDL on telephone (08) 6552 4400 or Freecall 1800 735 784 or email clgf@rdl.wa.gov.au.

For enquiries in relation to regional group project planning, contact your local Regional Development Commission.

For enquiries relating to strategic planning, asset management planning, other capacity building initiatives and funding for voluntary amalgamation, contact the Department of Local Government on (08) 6552 1500.

All templates required for the funding proposal are available on the Royalties for Regions website.