

PROGRAM GUIDELINES
FOR THE
ROADS TO RECOVERY PROGRAM

For projects under
Part 8 of the
Nation Building Program (National Land Transport) Act 2009

Issued
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1 INTRODUCTION

1.1 Scope of Guidelines

These Guidelines are designed to provide Local Government Authorities (LGAs) with practical advice about the operation of the Roads to Recovery program, including the requirements with which they must comply in order to obtain their funding, and the obligations that they have toward the Australian Government for the funding provided.

1.2 Related documents

The legal basis for the program is the *Nation Building Program (National Land Transport) Act 2009* (the Act) and the funding conditions determined by the Minister under section 90 of that Act.

1.3 Commencement

The Guidelines apply to payments made after 1 July 2009.

The Notes on Administration that applied to the program which operated between July 2005 and June 2009 still apply to payments made in that period.

1.4 Definitions

The definitions set out in section 4 of the Act and in clause 1 of the funding conditions apply to these Guidelines.

Table 1: Definitions of terms used in the Notes

Term	Definition
(the) Act	<i>Nation Building Program (National Land Transport) Act 2009</i>
reference amount	the average financial year expenditure of own source funds by the LGA on the construction or maintenance of roads during the reference period
own source funds	the funds available to the LGA other than funds provided by the Commonwealth, a State or Territory government or project specific private sector contributions
reference period	Normally the period from 1 July 2004 to 30 June 2009 but, as described below, can be three of the years in that period excluding the highest and lowest years
FAGs	Financial Assistance Grants
Minister	The Australian Government Minister administering the Act

1.5 Administration

The program is administered on behalf of the Australian Government by the Department of Infrastructure, Transport, Regional Development and Local Government.

1.6 Contact information

The principal contact in the Department for Roads to Recovery matters is:

Section Head, Local Roads Programs (02) 6274 7350 (phone)
(02) 6274 6151 (fax)

Postal Address: Level 5, GPO Box 594, CANBERRA ACT 2601

2 REQUIREMENTS FOR ROADS TO RECOVERY

2.1 Objective

The program provides grant funding to LGAs for the maintenance and/or construction of roads in order to help maintain the local road network, essential to Australia's social and economic infrastructure.

2.2 Eligibility to receive funding

The Roads to Recovery Program provides Australian Government grants to all LGAs in Australia and certain state/territory agencies, including:

- (a) the ACT and NT Governments;
- (b) local LGAs in receipt of Australian Government Financial Assistance Grants (FAGs);
- (c) state agencies responsible for roads in the unincorporated areas of NSW, Vic and SA;
- (d) the Shires of Christmas and Cocos (Keeling) Islands and the Lord Howe Island Board.

Funding is not provided to non government organisations under this program.

2.3 Funding allocations

Roads to Recovery 'life of program funding allocations' were advised to LGAs by letter from the Minister dated 25 March 2009. These allocations cannot be changed during the life of the program; except in the case of some WA LGAs, where specific project funding is provided for bridges or Aboriginal access roads.

2.4 Information required from LGAs

LGAs should inform the Department when made aware of any planned LGA amalgamations, abolitions, boundary changes, or name changes to enable allocations for the new LGA(s) to be determined and arrangements made.

The Department requires information from LGAs to manage the program effectively, make payments, analyse outcomes, provide information to the public and satisfy accountability requirements.

Four types of information are required from LGAs. The first three are provided via the secure website. The address of this site is only available to LGAs:

- (a) contact details: This information is on the website and LGAs should keep it up to date;
- (b) work schedule: This is a listing of projects proposed for funding under the program. LGAs enter this information as projects are identified and LGAs are required to keep it up to date;
- (c) expenditure reports: These contain works information on expenditure to date and projected expenditure which is used to calculate payments; and
- (d) annual reports: A report audited by an independent auditor as required by the funding conditions. The report format for the Roads to Recovery program is at **Appendix A**.

LGA work schedules will be posted onto the public website of the Department of Infrastructure, Transport, Regional Development and Local Government.

The Department should also be informed of any changes to the bank account details in writing on LGA letterhead.

2.5 Roads to Recovery Circulars

The information in these Guidelines is augmented by circulars issued by the Department to address issues as they emerge. They are emailed to LGA contact officers and posted on the R2R website.

3 PROJECT CRITERIA

3.1 Eligibility of projects

Payments under the Program may be used on any project for the construction or maintenance of a road. As defined by the Act, the term 'roads', includes each of the following when in association with a road:

- (a) traffic signs and control equipment;
- (b) street lighting equipment;
- (c) vehicular ferries;
- (d) bridges or tunnels, including pedestrian bridges or tunnels;
- (e) bicycle paths;

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

- (a) is located within the road reservation; or
- (b) 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.

To list a bicycle path on your work schedule, you must contact the Departmental contact officer as detailed in Section 1.6.

Footpaths are fundable under the program only where they are part of a wider road project. A project to solely upgrade a foot path will not be considered.

Drainage projects are allowed where the purpose of the project is connected with the road, e.g. to stop flooding in wet weather or to stop pooling of water which affects the road's sub-structure. Projects will not always be in the road reserve. Where a project has several objectives, only one of which is the road, it can be partially funded. The project would need to be entered as a jointly funded road with an appropriate proportion listed against the road.

The purchase of land for compensatory habitat, where required by an environmental permit, is an allowable expense but should be listed against the project to which it relates and not shown as a separate item.

3.2 Excluded items

For further advice about whether an intended project can be funded by the program, the LGA should contact the contact officer detailed in Section 1.6. Examples of items that cannot be funded under this program include:

- (a) transport planning studies (except road planning studies relating to a specific project);
- (b) street sweeping;
- (c) rehabilitation studies;
- (d) general administrative overheads and staff salaries not connected with specific projects funded under the program;
- (e) road building plant or other capital equipment especially moveable equipment (e.g. graders). However, note that bores for water for road building in remote areas have been allowed in association with complying projects;
- (f) training;
- (g) footpaths which are not part of the construction or upgrade of the road itself;
- (h) off road car parks;
- (i) street furniture;
- (j) public liability insurance;
- (k) fringe benefits tax;
- (l) LGA expenses such as light, power, stationery, IT support, telephone, cleaning and all other expenses which the LGA would have incurred anyway, regardless of whether or not the Roads to Recovery program was underway;
- (m) finance leases on equipment;
- (n) operating lease charges where the rental expense cannot be directly linked to the Roads to Recovery project, e.g. a grader may be hired for a period for a variety of tasks. Only the component that relates specifically to Roads to Recovery jobs can be charged against Roads to Recovery funds; and

- (o) depreciation, except for depreciation of plant and equipment directly attributable to a Roads to Recovery funded project.

3.3 Labour Costs

Labour costs for work done by LGA workforces should be derived from timesheets or via an equally acceptable method. Management time needs to be considered in light of the comments above i.e. a clear and definable model needs to be in place to apportion these costs. However, 'management costs' or 'labour' should not be entered as a single item. They should be allocated to specific jobs.

3.4 Multiple funding sources

Funds under this program may be used to fund a project in conjunction with funds from other sources, (e.g. a State Government, the LGA itself, the Black Spot program). Where this occurs, the project should be shown as jointly funded in the work schedule.

4 PROJECT SELECTION AND WORK SCHEDULES

4.1 Project selection and standards

LGAs are entitled to select the projects to be funded within their jurisdiction according to their own priorities, with the exception as set out under clause 4.2. They are responsible for all aspects of each project including the scope, design, the technical standards to which they are built, their construction and the subsequent management of the works involved.

However, LGAs are encouraged to maintain an appropriate balance between funding for urban and rural roads, where funding is provided for LGAs in remote areas the needs of indigenous communities should be recognised.

Councils are encouraged to lodge fewer larger projects rather than a larger number of small projects.

4.2 WA bridge and aboriginal access roads

\$17.92m of the WA funding is for a program of bridges and Aboriginal access roads. The arrangements which apply specifically to these projects will be advised by letter to the LGAs involved. In particular, where these projects are completed for less than the funds allocated, the Department's agreement is required before the surplus funds can be used for other projects.

4.3 Tendering arrangements

There is no requirement under the program for works to be put to tender, although LGAs will need to comply with any state or territory requirements on this matter.

4.4 Nomination by Members of the Public

Projects can only be nominated for funding by LGAs and members of the public wanting a project funded under this program should contact the relevant LGA.

4.5 Work Schedules

There are two types of projects, small funded projects and normal projects. The former are projects costing, or expected to cost, under \$10,000. The latter are all other projects. This clause deals with normal projects. See clause 4.3 of the funding conditions for small funded projects.

Projects to be funded under Roads to Recovery must be listed on the electronic work schedule in the secure website. This list should be kept up to date.

Projects that have been completed should be left on the work schedule. Projects should not be overwritten or withdrawn once they have been completed.

The ID number at the left of the screen is generated by the project management system. The information required from LGAs is:

- (a) the location of the project in enough detail for a member of the public to locate it without the assistance of the LGA including mapping data as requested by the Department;
- (b) a clear description of the problem being addressed for each proposed work allocation, to the satisfaction of the Department;
- (c) the work proposed to address the problem;
- (d) the start and completion dates of work (physical not financial);
- (e) whether the project is fully funded under Roads to Recovery (e.g. if part of the funding is to be provided by the LGA, the entry would be 'no');
- (f) the total project cost of the work, i.e. from all sources. This figure should be the most accurate figure available at any time. At the planning stage, it will be purely an estimate, but as the project progresses, its accuracy should be constantly improved, so that at completion it is the actual cost of the project; and
- (g) cost to the Roads to Recovery program. This figure equals the total cost for projects fully funded under Roads to Recovery but will be less than that figure for jointly funded projects.

Once projects are lodged, they are checked to ensure that they involve the construction or maintenance of roads within the meaning of the Act, that the location and description of the project are adequate and that the required maps have been submitted.

Work schedules are listed on the Department's public website and are publicly accessible. The project description should contain enough information to be informative. The 'problem being addressed' should describe the issue that made the project necessary viz 'pavement in need of renewal' does not say what is wrong with the pavement whereas 'pavement cracking and potholed' does. Similarly, the work proposed should say what the LGA is doing to fix the problem.

The work schedules should be updated at least quarterly, including the figures entered under 'Total project cost' and 'Cost to Roads to Recovery program'. These figures should reflect the estimate when the project begins but should be refined as the project progresses so by completion the figures reflect actual outturn cost.

The start and completion dates should also be updated as projects proceed. Where a project is listed well in advance of commencement, it may only be known that it will be done in a particular year. In those circumstances, it is acceptable to show commencement as 'July 200x' and completion as 'June 200y' but once the LGA seeks funding for the project, more precise commencement and completion dates should be shown.

Where a project has been listed for funding and it is decided not to proceed with the project or to fund it from another source, either:

- (a) the project should be withdrawn, using the facility in the work schedule or expenditure report; or
- (b) the actual expenditure figure in the expenditure report should be reduced to zero.

The project will continue to be listed; LGAs cannot remove projects once they have listed them. LGAs are entitled to change the projects listed at their own discretion up to the point where a project has been fully constructed, the funding allocated for it fully spent and the project marked as 'completed' in a expenditure report. Once this occurs, the project is 'locked in' and the funds used for it cannot be transferred to other projects.

4.6 Small funded projects

Several projects of the same type (i.e. same work schedule category) and each costing less than \$10,000, e.g. general maintenance and resheeting, can be grouped together to appear as one project on the website. Where this is done, the information required is:

- (a) a general description of the projects;
- (b) the location of each project, (e.g. Bay St) with the estimated cost in the grid behind it;
- (c) the total Roads to Recovery cost for the projects in the estimated cost field;
- (d) the estimated start date of the first of the projects to begin and the scheduled completion date of the last of the projects to be completed in the date fields.

4.7 Mapping

The program requires maps for all projects over \$10,000. Information required on maps will include data for use in a Geographical Information System in a form specified by the Department unless the LGA is exempted by the Department. This information is detailed in 'quick guides' issued by the Department.

5 PAYMENT AND ACQUITTAL ARRANGEMENTS

5.1 Total funding available

Each LGA is guaranteed its full life of program allocation by 30 June 2014 subject to compliance with the funding conditions. Payments to an LGA over the life of the program will not exceed the life of program allocation in any circumstances.

5.2 Annual allocations

An LGA's nominal annual allocation is one fifth of its life of program allocation, this is the amount that LGAs are guaranteed each year, subject to compliance with the normal administrative requirements (i.e. provision of annual reports). The full nominal annual allocation will be available to the LGA from the first payment (August) of each year, based on submission of the relevant reports.

The Department aims to match the funding requested by each LGA but, as the total funding available in any one financial year is limited to Parliamentary appropriation, funding is determined on an annual basis. Smaller LGAs will have priority to access available funds. Those with life of program allocations of up to \$500,000 will be allowed to draw down their full life of program allocation in any one year to enable them to undertake sensible projects within a sensible timeframe.

In particular, where an LGA fails to draw down its full annual allocation in the last quarter of any financial year, the amount not drawn down may be reallocated to other LGAs at the discretion of the Department. Additional funding allocated to an LGA, in any one year, will only result in bringing forward later year funding, so total funding to any LGA will not exceed the life of program allocation. The timing of the reallocation is at the discretion of the Department.

5.3 Goods and Services Tax (GST)

LGAs are eligible for an input tax credit for the GST paid. Consequently, expenditure reported by LGAs in their quarterly expenditure reports must exclude the GST component on goods and services and the payments made to LGAs will not include GST.

5.4 Expenditure of program funds

Funds are generally provided to LGAs up to four months in advance, on the basis of the information provided in expenditure reports, i.e. (cumulative) expenditure to date and projected expenditure for the next four months for nominated projects.

Funding recipients should spend the funds received within six months of receipt. LGAs holding R2R funds for longer than six months will be asked for an explanation, although it is recognised that delays can occur, e.g. in obtaining State Government planning permission, problems with contractors or equipment, early onset of the wet season, drought. LGAs must ensure that the projected expenditure in their expenditure reports reflects the actual situation for each project.

The funding formula will then accommodate any funds to be re-allocated to projects listed on the work schedule.

Funding recipients must spend all Roads to Recovery payments received by 31 December 2014 unless they have the agreement of the Department to do otherwise.

5.5 Interest

The funding conditions (clause 1.6) require LGAs with life of program allocations of over \$1.25m and which earn interest on payments in one financial year of the program, to spend an amount equal to the interest earned on road works in the next financial year.

The interest earned is own sources funding for the purposes of the program's expenditure maintenance requirements.

LGAs are not required to report the amount of interest earned but are required to be able to demonstrate compliance (e.g. to auditors visiting at the request of the Department) in any reasonable way. They may do this in several ways i.e., they may:

- (i) calculate the exact amount of interest earned and show that their own sources of expenditure exceeds this amount;
- (ii) provide an estimate which can be based on the interest rates and the period for which the funds were held and again show that their own sources of expenditure exceed this amount;
or
- (iii) show that they spend more money from their own sources on road works than they receive from Roads to Recovery. In such cases, the interest on Roads to Recovery funds will be less than what is spent on the LGA's own sources roads program.

5.6 Payment schedules

The expenditure reporting site, on the Internet, is only open during the periods detailed below and expenditure information for the previous quarter must be entered during that period. Provided an expenditure report has been submitted as required, payments will be made within two weeks of the end of the lodgement period as follows.

Lodgement Period for expenditure reports	Approximate date of corresponding payment	Context to be covered
1-31 July	15 August	Actual expenditure to 30 June, projected expenditure to 30 October
1-31 October	15 November	Actual expenditure to 30 September, projected expenditure to 31 January
1 January – 15 February	15 March	Actual expenditure to 30 December, projected expenditure to 30 April
1-30 April	15 May	Actual expenditure to 30 March, projected expenditure to 31 July

5.7 Payment calculations

Subject to clause 6.2 of the funding conditions, payments will be calculated via the following formula (capped at the LGA's nominal annual allocation) which is stated in terms of the second payment after 1 July 2009:

$$\begin{array}{rccccccc} & & \text{cumulative} & & \text{projected} & & \\ & & \text{expenditure by} & & \text{expenditure} & & \\ & & \text{LGA on} & & \text{for months} & & \text{total} \\ \text{Payment} & = & \text{projects from} & \text{plus} & \text{of October,} & \text{minus} & \text{payments} \\ \text{Due} & & \text{1 July 2009} & & \text{November,} & & \text{to LGA} \\ & & \text{until} & & \text{December} & & \text{under the} \\ & & \text{31 October} & & \text{2009 and} & & \text{program} \\ & & \text{2009} & & \text{January} & & \\ & & & & \text{2010} & & \end{array}$$

The first two items of this formula, (cumulative expenditure and projected expenditure), are the totals for the columns 'cumulative expenditure to date' and 'forecast expenditure during next quarter' which can be seen at the bottom of your expenditure report.

The figure reported under 'expenditure to date' is the cumulative expenditure since the inception of the program, not just the amount spent during the last quarter. Only the Roads to Recovery component of expenditure on jointly funded projects should be shown (also see section 3.2). All expenditure reported must exclude GST.

Many LGAs spend money on Roads to Recovery projects before they receive funding from the Australian Government for them. This can result in a situation where, at the end of a financial year, the LGA has a negative carry forward. There is no issue with a negative carry forward as this allows flexibility in managing the program.

The stated 'estimated cost' is not part of the payment calculation. Where projects are jointly funded, the estimated cost should be the amount to be funded under the program; the total estimated cost and the shares being provided by the other parties should be shown in the project description.

Please note that, where a calculated payment is less than \$20, this will normally be held over and paid as part of the next payment.

6 ANNUAL REPORTING REQUIREMENTS

6.1 Annual Reports

An LGA is required to submit an Annual Report to the Department covering the previous financial year by no later than 31 October each year. Annual Reports should be prepared on-line from the website. This is preferred as it minimises errors, however the form is also available electronically from the Roads to Recovery Section. Regardless the signed copy of the form must be mailed in hard copy to the Roads to Recovery Section or scanned and emailed. Reports that have not been audited will not be accepted.

The report covers:

Part 1 - the financial statement;

Part 2 - a statement of accountability;

Part 3 - a statement of expenditure maintenance;

Part 4 - a statement of outcomes; and

Part 5 – election of reference period (2009/10 report only).

The financial statement (Part 1 of the annual report) must be signed by an external auditor.

Please note that the figures provided must be shown on a cash basis. Unlike expenditure reports which can be prepared on either a cash or an accrual basis, annual reports must be prepared on a cash basis. All expenditure reported must exclude GST.

The format required is set out in **Appendix A**.

7 EXPENDITURE MAINTENANCE REQUIREMENTS

7.1 Basic requirements

The program's expenditure maintenance requirements are designed to ensure that LGAs do not substitute Roads to Recovery funds for their own funding. Roads to Recovery funding is intended to enable LGAs to undertake road work additional to what they could using their own funds.

The requirement states that, for each financial year in which an LGA receives a Roads to Recovery payment, it must spend, on the construction or maintenance of roads, funds from its own source funds equal to or greater than the reference amount applicable to the LGA.

As the name implies, 'own sources funding' is funding from an LGA's own sources. It therefore excludes all State and Commonwealth funds, whether tied or untied. Project specific private sector contributions are also excluded.

On the definition of 'roads expenditure', the Department will accept two definitions:

- (a) the definition used in the general LGA accounts; or
- (b) the definition of roads used under the Roads to Recovery program.

7.2 Treatment of Financial Assistance Grants

FAGS are not own source funding under the definition above. The preferred approach is to trace the funds to the uses to which they have been put and report accordingly. However, where a LGA places its FAGS funds in a general account and cannot trace their use to specific projects, the following convention should be adopted:

- the general component of FAGS should be deemed to be used for non roads purposes; and
- the roads component of FAGS should be deemed to have been used on roads.

7.3 Project specific private sector contributions

Developer contributions linked to specific projects is not own source funding. Similarly, where a LGA receives funding from landowners for work on roads serving their property, these contributions are not own source funding.

7.4 Interest on R2R funds

The interest earned on R2R payments is own sources funding for the purposes of the Program's expenditure maintenance requirements.

7.5 Part 5 of the annual report

In this Part, LGAs must calculate their reference amount. This is only done once, as part of the 2009-10 annual report. The process is straightforward. There are three options. The reference amount can be either:

- . the average of the LGA's own source expenditure in each year of the reference period; or
- . the average of three of those five years excluding the highest and lowest; or
- . the reference amount for the 2005-09 program plus 11.5% (the Australian Bureau of Statistics producer price index relating to construction is 11.5% for the period 2004-05 to 2008-09).

The lesser of these amounts is the reference amount.

7.6 Part 3 of the annual report

Part 3 must be completed each year of the program. It enables LGAs to demonstrate that they have complied with the expenditure maintenance requirements in each year of the program.

As with Part 5, the figures provided must be cash based.

The own sources expenditure for the year on which the LGA is reporting should be listed at step 1(a).

The reference amount as stated in Part 5 is then entered at point 1(b).

If the amount at 1(a) exceeds the amount at 1(b), then the own sources expenditure in that year exceeds the reference amount and the LGA is complying and Part 3 is complete for that year.

However, if 1(b) is greater than 1(a), there is a further option. The LGA should fill in section 2. At 2(a), list the own sources expenditure for the year previous to the report year and at 2(b), the average of those two years (i.e. the average of 1(a) and 2(a)). If 2(b) exceeds 1(b) i.e. if the average of the LGA's own sources expenditure in the report year and the previous year exceeds the reference amount, the LGA is complying and Part 3 is complete for that year.

If, however, 1(b) is greater than 2(b), there is a further option. This time, list at 3(a) the LGA's own sources expenditure for the year two before the report year. Then, at 3(b), enter the average of the figures at 1(a), 2(a) and 3(a). Part 3 is now complete. If 3(b) exceeds 1(b), the LGA is complying. If not, it is non complying.

If, however, 1(b) is greater than 3(b), the final option allows an adjustment to take into account any decline in the council's own sources revenue for the year. Councils will be complying if they can show that their own source expenditure on roads has not fallen proportionally more than any decline in their own source revenue. This section has not yet been built into IMS. The section will be amended when it has.

7.7 Non compliance with the expenditure maintenance conditions

If, in any particular financial year, an LGA does not satisfy the expenditure maintenance requirements as set out above, an explanation will be requested by the Department. If:

- (a) the explanation is acceptable; and
- (b) you give a commitment to make up the shortfall

the requirement will normally be waived for that financial year and the LGA will receive funding in the standard manner.

8 NATIONAL CODE OF PRACTICE FOR THE CONSTRUCTION INDUSTRY

The *National Code of Practice for the Construction Industry* (the Construction Code) is the standard of practice for building and construction work, setting out the responsibilities of all parties on construction projects funded by the Australian Government. The *Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry* (the Implementation Guidelines) outline the process for complying with the Construction Code.

The Construction Code and the Implementation Guidelines apply to all construction projects indirectly funded by the Australian Government through grant or other programs where:

- the Australian Government funding contribution is at least \$5 million and represents at least 50 per cent of the total construction value
- the Australian Government contribution to the project is \$10 million or more irrespective of the proportion of Australian Government funding.

For further information, and copies of the Construction Code and Implementation Guidelines, refer to the Australian Workplace portal at <http://www.workplace.gov.au/> or contact the National Code Hotline on 1300 731 293.

9 ENVIRONMENTAL ISSUES

Projects must adhere to Australian Government environment and heritage legislation. For most projects, the relevant legislation will be the Environment Protection and Biodiversity Conservation Act 1999.

The Department recommends that, before starting an environmental study for a project, proponents contact the Australian Government Department of Environment, Water, Heritage and the Arts <http://www.environment.gov.au/epbc/index.html>. They can provide advice about Australian Government requirements and ensure that the Australian Government's legislative requirements are properly addressed by the study. This will reduce the likelihood of cost and time delays before construction can commence.

10 INFORMATION AND RECOGNITION

Formal statements, media releases, displays or publications (including brochures) and newspaper advertising of any work funded by the Program must acknowledge the Australian Government's contribution.

LGAs must advise the Department of opening or completion ceremonies well in advance, generally a month before the event, and should organise joint ceremonies when requested. Local Federal Members and/or Senators should be invited to these ceremonies, plus others requested by the Minister. Details of the proposed arrangements, including invitations and order of proceedings, must be sent to the Department well before the event.

If requested by the Minister's office or the Department, a funding recipient must arrange for an Australian Government representative to attend any planned opening ceremony.

Signs, in the form specified at Appendix B, must be erected when physical work on a project begins, in plain view of passing motorists and be maintained for a year after the project is finished.

- (a) normally, one sign must be erected at the place where the funded project starts, and one sign must be erected at the place where the funded project ends;
- (b) however, where the project is on a cul-de-sac or on a one way road, only one sign is required. The sign must be erected at the entrance to the cul-de-sac and on one way roads, where the project begins;
- (c) signs must be erected in a prominent but safe position facing oncoming traffic and be plainly visible to passing motorists;
- (d) except where the Australian Government contribution is less than 50%, signs must have greater prominence, in size and visibility, than other signs which relate to the project in the immediate vicinity of the project;
- (e) where the usual speed limit is 80km per hour or less, the linear dimensions of the required signs may be up to 20% smaller than specified in Appendix C.

Small funded projects (see section 4.2) need not have individual signs.

11 PROGRAM MONITORING AND EVALUATION

The Department and LGAs are accountable for results in terms of outcomes for the program. The Department may undertake a program of random checks of LGA activities to ensure compliance with the funding conditions.

Two types of checks are undertaken:

- ‘in person visits’ where Departmental officers visit the LGA to view projects and ensure that they match the scope as described in the work schedule; and
- ‘financial audits’ undertaken by auditing firms on behalf of the Department which will include the detailed examination of LGA program administration including accounting practices and reporting. LGAs must co-operate with these audits.

APPENDIX A – ANNUAL REPORTING

ROADS TO RECOVERY PROGRAM ANNUAL REPORT PROFORMA

NATION BUILDING PROGRAM (NATIONAL LAND TRANSPORT) ACT 2009, PART 8

PART 1 - CHIEF EXECUTIVE OFFICER’S FINANCIAL STATEMENT AND AUDITOR’S REPORT

Chief Executive Officer’s financial statement
(see subclause 6.2(a) of the funding conditions)

The following financial statement is a true statement of the receipts and expenditure of the Roads to Recovery payments received by ...(name of funding recipient) ... under Part 8 of the *Nation Building Program (National Land Transport) Act 2009* in the financial year 200x-0x.

[1]	[2]	[3]	[4]	[5]
Amount brought forward from previous financial year \$	Amount received in report year \$	Total amount available for expenditure in report year \$	Amount expended in report year \$	Amount carried forward to next financial year \$
		[1]+[2]		[3]-[4]

.....(signature of Chief Executive Officer/General Manager)

.../.../20xy

.....(name of Chief Executive Officer/General Manager)

Auditor’s report

(Conditions cl.6.2(b))

In my opinion:

- (i) the financial statement above is based on proper accounts and records; and
- (ii) the financial statement above is in agreement with proper accounts and records;
and
- (iii) the amount reported as expended during the year was used solely for expenditure on the maintenance or construction of roads.

I am an “appropriate auditor” as defined in section 4 of the *Nation Building Program (National Land Transport) Act 2009*.

.....(signature of auditor)

...../...../20xy

.....(name of auditor)

.....(name of auditor’s company)

Note: Under s.4 of the Act, “appropriate auditor” means:

- (a) in relation to a funding recipient whose accounts are required by law to be audited by the Auditor-General of a State — the Auditor-General of the State; or
- (b) in relation to a person or body whose accounts are required by law to be audited by the Auditor-General of the Commonwealth — the Auditor-General of the Commonwealth; or
- (c) in relation to any other funding recipient — a person (other than an officer or employee of the person or body) who is:
 - (i) registered as a company auditor or a public accountant under a law in force in a State; or
 - (ii) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Accountants.

ROADS TO RECOVERY PROGRAM ANNUAL REPORT PROFORMA

PART 2 - STATEMENT OF ACCOUNTABILITY BY CHIEF EXECUTIVE OFFICER

(see subclauses 6.3(a), (c) and (d) of the funding conditions)

I,(name)....., Chief Executive Officer or General Manager, of(name of funding recipient), hereby certify, in accordance with the funding conditions determined under section 90 of the *Nation Building Program (National Land Transport) Act 2009* (the Act), that:

- (a) Roads to Recovery funds received by [name of funding recipient] during the year [insert financial year] which have been spent, have been spent on the construction or maintenance of roads;
- (b) [Name of funding recipient] complied with the signage and other public information requirements as set out in Part 3 of the funding conditions; and
- (c) during the financial year [name of funding recipient] complied with other conditions of the grant as set out in clause 6.3(d) of the funding conditions.

.....(signature of Chief Executive Officer/General Manager)

.../.../20xy

ROADS TO RECOVERY PROGRAM ANNUAL REPORT PROFORMA

PART 3 – STATEMENT ON EXPENDITURE MAINTENANCE BY CHIEF EXECUTIVE OFFICER

(see subclause 6.3(b) of the funding conditions)

I,(name)....., Chief Executive Officer/General Manager of ...(name of funding recipient)....., state that, in accordance with the funding conditions determined under section 90 of the *Nation Building Program (National Land Transport) Act 2009*:

- 1(a) expenditure on the construction or maintenance of roads by [insert name of funding recipient] using its own sources funds in the year to which this report refers was \$.....(fill in amount).
- 1(b) the reference amount for [insert name of funding recipient] is \$..... (fill in amount).

Note: the figure at 1(b) should be taken from Part 5 of the report.

The following information need only be provided if the expenditure shown in 1(a) is less than the reference amount as shown in 1(b) above:

- 2(a) expenditure on the construction or maintenance of roads by [insert name of funding recipient] using its own sources funds for the year prior to the year to which this report refers was \$..... (fill in amount).
- 2(b) the average of expenditure on the construction or maintenance of roads by [insert name of funding recipient] using its own source funds for the year to which this report refers and the previous year was \$..... (fill in amount).

The following information need only be provided if the expenditure shown in 2(b) is less than the reference amount as shown in 1(b) above:

- 3(a) expenditure on the construction or maintenance of roads by [insert name of funding recipient] using its own sources funds in the year two years before the year to which this report refers was \$..... (fill in amount).
- 3(b) the average of expenditure on the construction and maintenance of roads by [insert name of this funding recipient] using its own source funds for the year to which this report refers and the previous two years was \$..... (fill in amount).

The following information need only be provided if the expenditure shown at 3(b) is less than the reference amount as shown in 1(b) above:

- 4(a) the funding recipient's average own source revenue (See Notes below) during the reference period was \$.....(fill in amount).
- 4(b) the funding recipient's own source revenue during the year to which this report refers was \$.....(fill in amount).
- 4(c) please express the amount at 4(b) as a percentage of 4(a)% (fill in amount).
- 4(d) please calculate the adjusted reference amount by multiplying the reference amount (from 1(b)) by the percentage at 4(c)% (fill in amount).

If the actual own sources expenditure at 1(a) exceeds the adjusted reference amount at 4(d), the funding recipient is complying.

Note 1: The average own source revenue for the reference period is either the average of the own source revenue for each of the years during the reference period (see clause 3.1(c)) or the average of three of those five years except for the years where the revenue was highest and lowest.

Note 2: The definition of 'own source revenue' corresponds to the definition of 'own source funds' in clause 3.1(b).

.....(signature of Chief Executive Officer/General Manager)

..../..../20xy

ROADS TO RECOVERY PROGRAM ANNUAL REPORT PROFORMA

PART 5 - REFERENCE AMOUNT

(see clause 6.3(f) of the funding conditions)

I,(name)....., Chief Executive Officer/General Manager of(name of funding recipient), hereby state that, for the purposes of the funding conditions determined under section 90 of the *Nation Building Program (National Land Transport) Act 2009*, expenditure on the construction and maintenance of roads by [insert name of funding recipient] using its own sources funds were

for 2004/05: \$(fill in amount)

for 2005/06: \$(fill in amount)

for 2006/07: \$(fill in amount)

for 2007/08: \$(fill in amount)

for 2008/09: \$(fill in amount)

The average of these amounts is: \$ (fill in amount) – this is Amount A

The average of these amounts excluding the highest and lowest amounts is: \$ (fill in amount) – this is Amount B

The reference amount for the funding recipient as at 30 June 2009 was \$.....(fill in amount). This amount plus 11.5% is \$..... (fill in amount) – this is Amount C

The lesser of Amounts A, B and C is \$..... (fill in amount) – this is the reference amount for the funding recipient for the period 1 July 2009 to 30 June 2014.

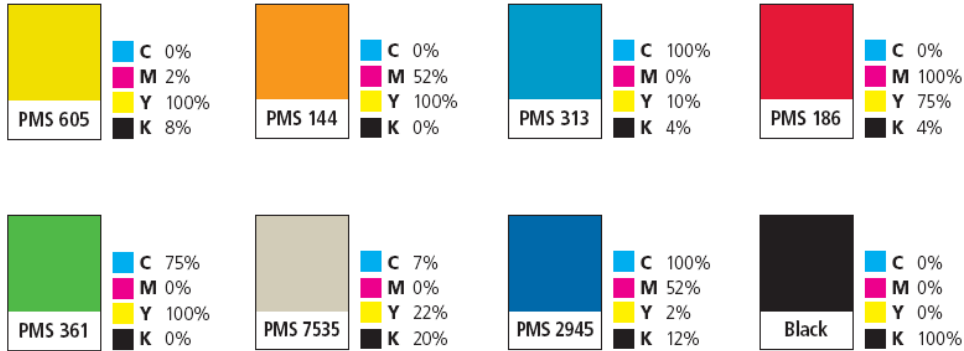
.....(signature of Chief Executive Officer/General Manager)

.../.../200x

APPENDIX B – SIGNAGE REQUIREMENTS

Colour

Colour for all reproduction methods must be matched as closely as possible to the pantone standards. Allowances should be made for variations between materials.



FONTS

Arial Black

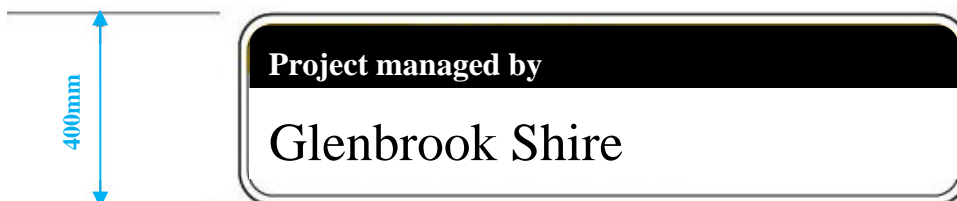
Arial Bold

Arial

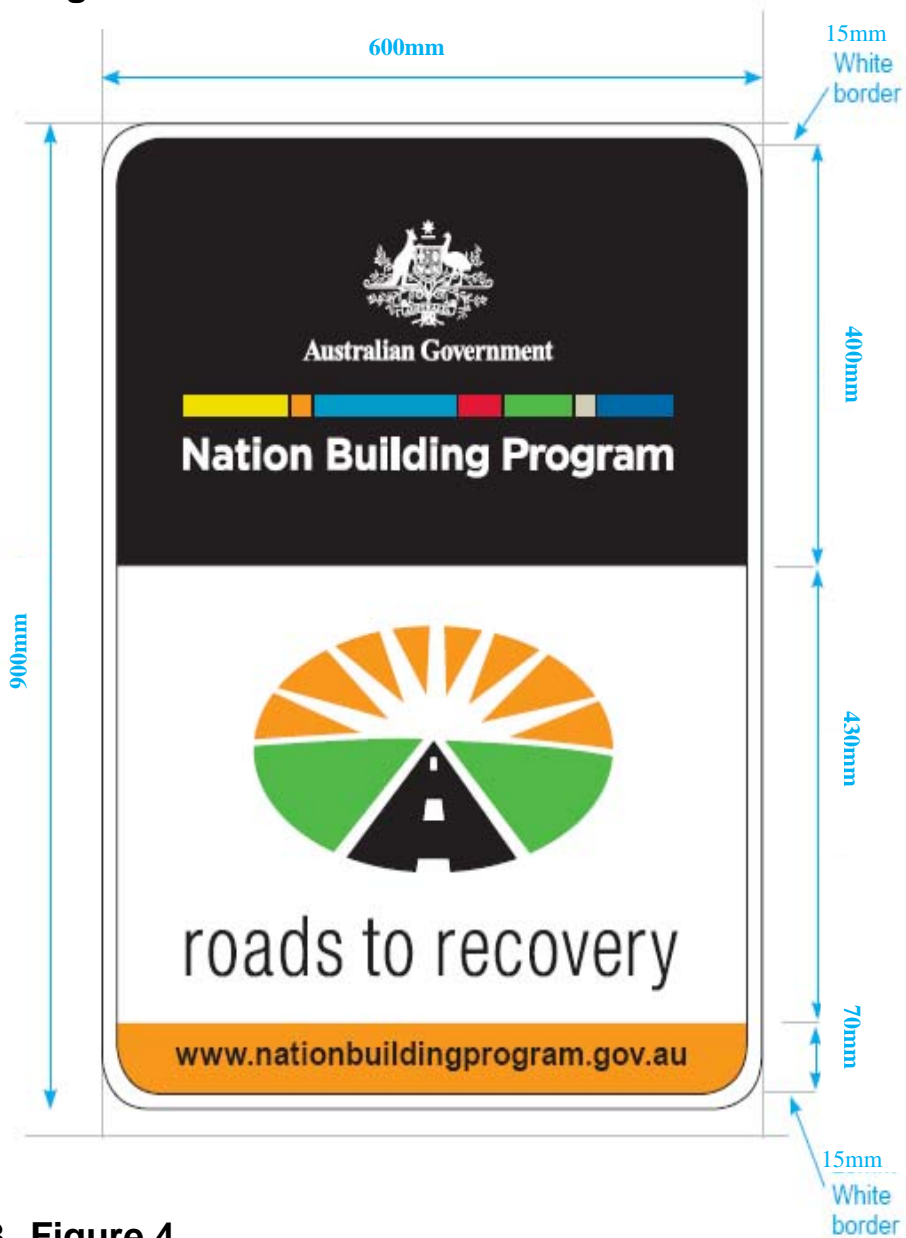
1.1 Figure 1



1.2 Figure 2



1.4 Figure 3



1.3 Figure 4

