




Australian Government

Department of Infrastructure, Transport,
Cities and Regional Development



Notes on Administration for Land Transport Infrastructure Projects 2019 – 2024

Final – August 2019



© Commonwealth of Australia 2019

August 2019 / INFRASTRUCTURE

Ownership of intellectual property rights in this publication

Unless otherwise noted, copyright (and any other intellectual property rights, if any) in this publication is owned by the Commonwealth of Australia (referred to below as the Commonwealth).

Disclaimer

The material contained in this publication is made available on the understanding that the Commonwealth is not providing professional advice, and that users exercise their own skill and care with respect to its use, and seek independent advice if necessary.

The Commonwealth makes no representations or warranties as to the contents or accuracy of the information contained in this publication. To the extent permitted by law, the Commonwealth disclaims liability to any person or organisation in respect of anything done, or omitted to be done, in reliance upon information contained in this publication.

Creative Commons licence

With the exception of (a) the Coat of Arms; (b) the Department of Infrastructure, Transport, Cities and Regional Development's photos and graphics; and (c) copyright in this publication is licensed under a Creative Commons Attribution 3.0 Australia Licence.

Creative Commons Attribution 3.0 Australia Licence is a standard form licence agreement that allows you to copy, communicate and adapt this publication provided that you attribute the work to the Commonwealth and abide by the other licence terms.

A summary of the licence terms is available from <http://creativecommons.org/licenses/by/3.0/au/deed.en>.

The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.

This publication should be attributed in the following way: ©Commonwealth of Australia 2019

Use of the Coat of Arms

The Department of the Prime Minister and Cabinet sets the terms under which the Coat of Arms is used. Please refer to the Department's Commonwealth Coat of Arms and Government Branding web page <http://www.dpmc.gov.au/pmc/about-pmc/core-priorities/guidelines-and-procedures-other-agencies> and in particular, the Commonwealth Coat of Arms - Information and Guidelines publication.

Contact us

This publication is available in hard copy or PDF format. All other rights are reserved, including in relation to any Departmental logos or trademarks which may exist. For enquiries regarding the licence and any use of this publication, please contact:

Director - Publishing and Communications
Communications Branch
Department of Infrastructure, Transport, Cities Regional Development
GPO Box 594
Canberra ACT 2601
Australia

Email: publishing@infrastructure.gov.au

Website: www.infrastructure.gov.au

Contents

1.	INTRODUCTION	5
1.1	Purpose of the Notes on Administration	5
1.2	Scope of the Notes on Administration	5
1.3	Funding Conditions and Compliance with the NLT Act and the NPA	6
1.4	Revision of the Notes	6
1.5	Definitions and Abbreviations	6
2.	PROJECT APPROVAL.....	9
2.1	Committed Funding by the Australian Government	9
2.2	Project Approval Process	9
2.3	Stage 1: Submission of Project Proposal Report (PPR)	10
2.4	Stage 2: Assessment of Project Proposal Report	10
2.5	Stage 3: Recommendations to the Minister	13
2.6	Stage 4: Notification of Approval	13
3.	PROJECT ADMINISTRATION	14
3.1	Project Governance.....	14
3.2	Financial Governance.....	15
3.3	Risk and Assurance Program.....	18
4.	PROJECT COMPLETION.....	19
4.1	Post Completion	19
4.2	Project Closure	19
4.3	Project Evaluation.....	20
5.	PUBLIC RECOGNITION.....	21
5.1	Rights of the Australian Government	21
5.2	Funding Recipient Obligations.....	21
5.3	Australian Government and State jointly funded projects	22
5.4	Additional requirements for majority Australian Government-funded Projects ..	22
6.	NATIONAL LAND TRANSPORT NETWORK MAINTENANCE.....	23
6.1	Allocation	23
6.2	Approval.....	23
6.3	Maintenance standard	23
6.4	Road maintenance reporting	24
6.5	Road Maintenance formula data	24
6.6	Maintenance performance report	25
6.7	Maintenance milestones.....	26
7.	APPENDICES CONTENTS	27

APPENDIX A FUNDING CONDITIONS.....	28
APPENDIX B PROJECT PROPOSAL REPORT TEMPLATES	44
APPENDIX C PROJECT REPORTING GUIDANCE.....	85
APPENDIX D BLACK SPOT PROJECTS	95
APPENDIX E MAINTENANCE INDICATOR FORMULAS	108

1. Introduction

1.1 Purpose of the Notes on Administration

The purpose of the Notes on Administration for Land Transport Infrastructure Projects (Notes) is to provide administrative detail to support the *National Partnership Agreement on Land Transport Infrastructure Projects* (NPA).

The Notes, combined with the NPA, the *National Land Transport Act 2014* (NLT Act) and the NPA schedules form the suite of documents that enable and support the Australian Government's investment in infrastructure projects (Projects).

1.2 Scope of the Notes on Administration

The Notes apply to all Projects funded, or proposed to be funded under Part 3 (Investment Projects) and Part 7 (Black Spot Projects) of the *National Land Transport Act 2014* (NLT Act).

The Notes set out the administrative requirements in relation to:

- **Project approval** ([Chapter 2](#)): the process for consideration of Projects for Approved Funding, including associated terms and conditions;
- **Project administration** ([Chapter 3](#)): the administrative processes that Funding Recipients must follow relating to Project governance and financial governance.
- **Project completion and closure** ([Chapter 4](#)): the administrative requirements relating to Project completion, closure and evaluation.
- **Public recognition** ([Chapter 5](#)): the requirements and obligations of the Australian and State Governments relating to public recognition, media and signage for Projects.
- **National Land Transport Network maintenance** ([Chapter 6](#)): describe the arrangements and processes associated with maintenance funding for non-tolled roads on the National Land Transport Network.
- **Black Spot Projects** ([Appendix D](#)): describes the arrangements and processes associated with the selection of Projects under Part 7 of the NLT Act.

The focus of the Notes is on the administrative requirements for Projects with an announced Australian Government funding commitment and which have been included in the Schedule to the NPA. The selection of Projects is undertaken in accordance with the NLT Act. The Notes do not describe the arrangements and processes associated with the selection of Projects to be included in the NPA schedule.

The Department of Infrastructure, Transport, Cities and Regional Development (the Department) recognises there may be circumstances relating to individual Projects which cannot be readily addressed by referencing the Notes. Under these circumstances Proponents and the Department will discuss and agree the appropriate approach.

1.3 Funding Conditions and Compliance with the NLT Act and the NPA

Projects are subject to funding conditions set out in:

- The NLT Act;
- The NPA; and
- Other relevant Australian Government and State laws.

Further guidance on funding conditions is outlined in [Appendix A](#).

A breach of funding conditions may result in Project funding being withheld or a refund being sought.

The Notes are to be read in conjunction with the NPA and if any inconsistencies arise between the terms and conditions contained in the NPA and the Notes, the terms and conditions contained in the NPA will prevail.

1.4 Revision of the Notes

The Australian Government maintains the Notes and relevant templates. The Australian Government will seek agreement from the States on changes. The Notes were last revised on 19 July 2019.

1.5 Definitions and Abbreviations

The definitions in Section 4 of the NLT Act and Part 6 of the NPA apply to these Notes. The terms used in these Notes are defined in Table 1.

Table 1: Definitions and Abbreviations

Term	Definition
Approved Funding	The funding approved for a Project by the Minister, under the appropriate legislation.
Approval Instrument	Means the Project Approval Instrument as defined in the <i>National Land Transport Act 2014 (NLT Act)</i> . It is the formal document signed by the Minister to approve a Project under the NLT Act.
Approved Purpose/s	Is defined in the NLT Act as purposes forming part of the Project, other than any purposes that are excluded by the Project approval instrument from being purposes on which funding may be expended: <ul style="list-style-type: none">• a Black Spot Project;• an Investment Project; and• a Transport Development and Innovation Project.
Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme	A scheme established under the <i>Building and Construction Industry (Consequential and Transitional Provisions) Act 2016</i> , which places specific legal obligations on Commonwealth agencies in relation to the building and construction industry (see www.fsc.gov.au for more information).
Australian Government Building our Future Signage Guidelines	This document sets out the guidelines for signage relating to projects funded through the Department of Infrastructure, Transport, Cities and Regional Development.
Australian Industry Participation Plan	A written plan that is required under the <i>Australian Jobs Act 2013</i> (see www.industry.gov.au for more information).
BCR	The Benefit Cost Ratio (BCR) - ratio of the present value of economic benefits to the present value of economic costs of a proposed initiative.

Term	Definition
Black Spot Project/s	Projects funded under Part 7 of the NLT Act concerned with reducing road trauma or the risk of road trauma in specific locations.
Code for the Tendering and Performance of Building Work 2016	<p>The Code is a code of practice which sets out the Australian Government's expected standards of conduct for all building industry participants that seek to be, or are, involved in Australian Government funded building work.</p> <p>The Code came into effect on 2 December 2016 and applies to all Australian Government funded building work for which an 'expression of interest' or tender has been submitted on or after that date.</p> <p>Note: The Building Code 2013 continues to apply in relation to building work to which it applied immediately before 2 December 2016.</p>
Closure (or Closed)	The end of the Australian Government's obligations and liabilities for the Project; and Funding Recipient's responsibility to provide Monthly Progress Reports for the Project.
Committed Funding	The funding available to a Project listed in the NPA Schedule, subject to approval by the Minister.
Complete (or Completion)	The point at which a Project has achieved its primary purpose—for example, a new road is opened to traffic; a rail passing loop becomes operational; an acquired technology begins operation.
Department	Means the Commonwealth Department of Infrastructure, Transport, Cities and Regional Development.
Final Milestone	The point in time which the last payment of Approved Funding is scheduled, following acceptance by the Department of the Post-Completion Report (if applicable), and a statement from the Chief Executive Officer of the Funding Recipient, or their delegate, that amounts expended from funding payments have been, and are wholly expended on Approved Purposes in relation to funded Projects.
Funding Recipient	A Proponent for a Project following funding approval under the NLT Act.
IMS	Infrastructure Management System - The system used to manage Project payments and reporting.
Infrastructure Investment Program	The program of funds allocated to projects for the Commonwealth's investment in land transport infrastructure under the NLT Act.
Local Government Authority	A body established for the purposes of local government by or under a law applying in a State or Territory.
Local Industry Participation Plan	A written plan based on the National Framework which was agreed between the Commonwealth and the States in 2001 to promote, develop and maintain a sustainable Australian industry capability by encouraging competitive Australian industry participation in investment projects (see www.industry.gov.au for more information).
Milestone	A scheduled point in time at which Funding Recipients are expected to have accomplished agreed activities.
Minister	The Commonwealth Minister with Portfolio responsibility for infrastructure.
Monthly Progress Report	The report provided by States each month through IMS.
National Land Transport Network	The National Land Transport Network as in force from time to time that is determined by the Minister under Part 2 of the NLT Act.
NLT Act	<i>National Land Transport Act 2014</i>
NPA	The National Partnership Agreement on Land Transport Infrastructure Projects 2019-20 – 2023-24 between the Australian Government and the States for the delivery of land transport infrastructure Projects.
NPA Schedule	Schedule of Projects with a committed Australian Government funding allocation and financial year allocations agreed between the Australian Government and States that make up the Infrastructure Investment Program.

Term	Definition
Outturn Cost	The sum of the price-escalated costs for each year of a Project's duration. Outturn Cost calculation requires the non-escalated or real project cost to be presented as cash flow and the identification, justification and application of an appropriate escalation index for each Project year to derive the price escalated cost for each year. The Project Cost Breakdown template can be used to calculate outturn costs.
PGPA Act	The <i>Public Governance, Performance and Accountability Act 2013</i>
P50	P50 is the Project cost with sufficient contingency to provide a 50 per cent likelihood that this cost will not be exceeded.
P90	P90 is the Project cost with sufficient contingency to provide a 90 per cent likelihood that this cost will not be exceeded.
PCB	Project Cost Breakdown template for Road and Rail Project costs is an excel spreadsheet developed in consultation with State jurisdictions. The purpose of these templates is to achieve improved consistency and rigour in the cost estimates included in funding submissions.
PPR	Project Proposal Report - A document submitted by the Proponent to the Department containing information on the Project, and prepared in accordance with the guidance at Appendix B .
Program(s)	The sum of Projects within a particular State agreed between Commonwealth and State at any given time, to be managed on a programmatic basis.
Project	A Project approved under the NLT Act..
Proponent	A State; an authority of a State; a Local Government Authority; or any other body corporate that submits a PPR for Australian Government funding under the NLT Act.
State(s)	All, or any, Australian States, the Australian Capital Territory and the Northern Territory.
Unapproved Purposes	Unapproved Purposes include: <ul style="list-style-type: none"> a. costs incurred after the Final Milestone has been paid to the Funding Recipient (the Final Milestone generally aligns with the receipt of the Post Completion Report, with payment adjusted to include the Australian Government's unpaid share of Approved Purposes on the Project to date, and the Australian Government's agreed estimated share of outstanding Approved Purposes that may extend beyond the date of payment of the Final Milestone); b. the oversight and network administration costs of any State agency; or c. stand-alone artworks and aesthetic features that do not form part of a Project's functional component.

2. Project Approval

This chapter sets out the requirements for Projects approved under Part 3 of the NLT Act. The approval processes and administrative requirements set out in this section apply to all Projects listed in the NPA schedules with the exception of maintenance and Black Spot Projects. Separate administrative requirements apply to Black Spot Projects (Refer to [Appendix D](#)) and maintenance payments (Refer to [Chapter 6](#)).

2.1 Committed Funding by the Australian Government

The Australian Government may commit funding to a Project at any time, for any phase based on information it deems appropriate.

Committed funding to a Project will be documented in the NPA Schedules and agreed by both the Australian and respective State Government. Projects may be listed in the NPA Schedules individually or collectively.

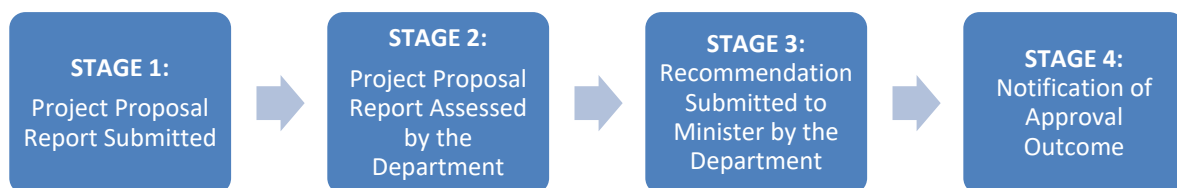
The announcement of Committed funding to a particular Project, and its subsequent inclusion in the NPA Schedules reflects the Australian Government's commitment to the outcomes of the Project but is not a guarantee of funding. Funding must be subsequently approved by the Minister in accordance with the relevant legislation. Any expenditure made by States before Project approval is at the Proponent's own risk, noting the NPA includes specific provisions relating to Project Withdrawals and Cancellations (Clauses 59 – 67).

2.2 Project Approval Process

The Project Approval Process is the process by which Project information is provided to the Department to facilitate the assessment of Projects against the relevant parts of the NLT Act and PGPA Act and make a recommendation to the Minister. The Department and Proponent will work cooperatively to meet the requirements of Project Approval, in accordance to the process set out below.

Project Approval Process

The Project Approval Process consists of four stages as displayed in the diagram below.



More information of the requirements and processes relating to each stages of the Project Approval Process is provided in the following pages.

Infrastructure Australia Business Case Assessments

An assessment of the merits of the proposal by Infrastructure Australia for Projects seeking \$100 million or more in Australian Government funding is required and forms part of the approval process. Proponents are required to provide Business Cases and relevant supporting information and documentation to Infrastructure Australia and to work cooperatively with Infrastructure Australia through its assessment process.

2.3 Stage 1: Submission of Project Proposal Report (PPR)

For Projects seeking approval for delivery funding, Proponents are required to provide the Department with the following documents accompanying the PPR:

- Indigenous Participation Plans consistent with the requirements of the Indigenous Employment and Supplier-Use Framework, for Projects with an Australian Government contribution above \$7.5 million and in some circumstances for Projects below \$7.5 million with strong potential to support Indigenous participation (further advice on information requested at [Appendix A3](#)).
- Local Industry Participation Plans or Australian Government's Australian Industry Participation Plan, which is to be forwarded as soon as completed by the successful tenderer.

2.4 Stage 2: Assessment of Project Proposal Report

The information provided in a PPR is assessed by the Department to guide its recommendations to the Minister on the merits and risks of a Project. The Minister will consider this assessment in determining whether to approve funding for the Project.

The Department considers a range of factors when assessing PPRs, including a Project's eligibility under Part 3, Sections 10 and 11 of the NLT Act.

Information relating the eligibility and appropriateness for approval of Projects can be found at <https://www.legislation.gov.au/Details/C2014C00691>

Identifying Approved Purposes for Funding

All Australian Government funding against a Project must be expended on Approved Purposes. This is the only expenditure that will be counted in the total cost of the Project for Australian Government purposes. Where non-Australian Government contributions are listed against the Project in the NPA Schedule, only expenditure on Approved Purposes will be counted in those contributions.

Approved Purposes include:

- a. Costs of planning, pre-construction and construction, including public consultation, environmental assessment, design, land acquisition, and traffic management. Provided they are within the agreed scope of a Project, the items listed below are part of a non-exhaustive list of cost considered to be eligible:
- project or program management
 - client supplied insurances, fees and levies
 - environmental works
 - public utilities adjustments
 - retaining walls
 - drainage
 - tunnels
 - traffic signage, signals and controls
 - track work
 - design, investigation and trials demonstrations
 - rail systems, including overhead wiring, power supply and distribution, signalling, rail communications and combined services route
 - access roads
 - fencing
 - bridges
 - pavements
 - weigh stations
 - finishing works
 - Intelligent Transport Systems
 - rest areas
 - traffic management and temporary works
 - earthwork
 - property acquisition (including purchase price, transactional costs, business compensation and environmental offsets)
 - rail transport stations, transport interchanges, buildings, stabling and maintenance buildings
- b. Costs of meeting any conditions imposed on the Project under Australian or State law;
- c. Costs of reasonable measures to avoid or mitigate negative impacts of a Project (including temporary measures during construction);
- d. Costs of Project public recognition and publicity, including program signage and ceremonies connected to Project progress;
- e. Costs of signage to recognise significant Indigenous contributions to a project, where appropriate (see section 5.4);
- f. Costs of, or arising from, any legal action relating to a Project that is not due to the Funding Recipient failing to properly administer tender processes and supervise and manage relevant contracts; and
- g. The following items may be considered to be Approved Purposes if the Funding Recipient justifies the costs to the Department:
- (i) Costs of aesthetic features which provides the Project with a reasonable degree of aesthetic value such that it complements the surrounding environment, where such features are integrated into functional components of a Project;
 - (ii) Costs of other non-construction and temporary construction elements of a Project, where these are operational in nature and are minor items of expenditure in the context of the overall Project;

- (iii) Costs associated with sections of road or rail that might be bypassed by a Project and cease to be part of the National Land Transport Network;
- (iv) Other costs which can be demonstrated to align with Approved Purposes set out in points (a) to (e) as defined above.

The Funding Recipient may contact the Department at any time to clarify Approved Purposes.

Unapproved Purposes - see Definitions and Abbreviations

GST Treatment

Funding will not be provided for the Goods and Services Tax (GST) the Funding Recipient pays. All cost estimates and reported expenditure must be GST exclusive.

Treatment of Unapproved Purposes

The Department acknowledges that, for some Projects, there can be synergy in combining Approved and Unapproved Purposes into a single tender and contract (for example, 'design, build and maintain' contracts where maintenance costs are not considered to be Approved Purposes). If Approved Purposes are combined with Unapproved Purposes in a tender, Approved Purposes should be clearly identified to the Department before the tender documentation is finalised. If such a tender proceeds, the Department may seek to review tender bids and may undertake a more detailed review of the cost split.

Reviewing and assessing cost estimates

Cost estimates should be submitted in summary form in the applicable Project Cost Breakdown (PCB) template and in accordance with the principles outlined in the Department's current cost estimation guidance which can be accessed at http://investment.infrastructure.gov.au/about/funding_and_finance/cost_estimation_guidance.aspx

A probabilistic cost estimation process must be used for Projects with a total anticipated Outturn P90 cost (including contingency and escalation) exceeding \$25 million. Projects with a total anticipated Outturn P90 cost under \$25 million may use a deterministic methodology, however the Department recommends using a probabilistic cost estimation method where possible.

The Department will review and assess the cost estimate (including the forecast annual allocations) provided in the PPR before making a recommendation to the Minister. Proponents must cooperate with any review undertaken.

The NPA requires Proponents to provide access to underpinning data for cost estimation purposes. As such, Proponents must maintain an electronic library of all documentation consulted in determining the Project estimate.

Requests for tender exemptions

A Proponent seeking an exemption from the requirement to use a public tender process must seek approval for the exemption in the PPR. The request for approval must detail the:

- Scope of works for which the exemption is being sought;
- Value of these works;
- Intended entity to undertake these works;
- Category under which the exemption is being sought (Section 24(1)(c) i to vi of the NLT Act); and
- Supporting reasons for the exemption.

The Department acknowledges that early planning, options analysis and preliminary designs works will generally be undertaken within state agencies and that tender exemption requirements do not relate to these internal activities.

Agreeing to Milestones

The NPA requires funding to be provided to Funding Recipients based on the achievement of Milestones.

Chapter 3 provides detail on how the Australian Government will pay Funding Recipients against Milestones.

Proponents will be required to propose a Milestone schedule for their Project in the PPR. The Department will review these Milestones and discuss changes with the Proponent.

Milestones will be agreed in writing by the Department and the Proponent.

The Department acknowledges that with major procurement in the Delivery phase, it may not be possible to schedule Milestones for construction activities before a contract is awarded. The Department also acknowledges there may be activities leading up to the completion of the major procurement which may be Approved Purposes. In these circumstances, the Department will accept a Milestone schedule covering the lead up to contract award. Once construction contracts are signed, the Funding Recipient will be required to review and, where necessary, update the Milestone schedule to include construction activities.

Funding Recipients must provide up to date information on all Project procurements, in line with Chapter 3 requirements.

Agreed Milestones will be entered into the Department's Infrastructure Management System (IMS). Milestones may be varied by agreement, in line with Chapter 3 requirements.

2.5 Stage 3: Recommendations to the Minister

For Projects funded under the NLT Act, the recommendation will relate to whether or not the Project should be approved. If the recommendation is to approve the Project, the recommendation will include the amount of funding to be provided, the scope of the Project and any Project specific arrangements. The recommendation will take into account the amount of Committed Funding for the Project, if funding has been provided for a previous phases and the latest cost estimate. The recommendation to the Minister will also take into account the proposed Indigenous Participation Plan for the project, where applicable.

2.6 Stage 4: Notification of Approval

Following a decision by the Minister, the Department will write to the Proponent advising if Project funding has been approved or not. If approved, a copy of the Funding Instrument will also be provided. Any Project- specific arrangements agreed between the Minister and Funding Recipient in the context of Project approval will be set out in the correspondence. Once the Project is approved, the Funding Recipient will be required to abide by all funding conditions.

3. Project Administration

This chapter sets out the administration processes and requirements for approved Projects, including governance and financial governance arrangements.

3.1 Project Governance

The appropriate Project governance arrangements will be considered on a Project by Project basis and agreed between the Australian Government and the relevant State government at the outset of a Project, and may include steering committees, Project Specific Agreements, and joint business case teams.

Steering committees and Project boards

Where Funding Recipients implement governance arrangements such as steering committees or Project boards for a Project with an Australian Government funding contribution, the Australian Government will be given the opportunity to participate in such committees.

The role of Australian Government representation on steering committees and Project boards will be discussed and agreed between the Australian Government and the relevant State on a case by case basis at the commencement of the Project and at agreed intervals throughout the Project lifecycle.

The Australian Government or the Funding Recipient may request that steering committees or Project boards be established.

Project Specific Agreements

Following commitment by the Australian and State Government to the Project either party may request a Project Specific Agreement (PSA), Memoranda of Understanding or similar Project document. Such documents will:

- Apply to select Projects on the NPA schedule and generally appended to the Schedule (for example a PSA may not be attached if it contains commercial in confidence information).
- Be negotiated between the Australian Government and the relevant State on a case by case basis for the relevant Project.
- Apply to high priority Projects that have the potential to deliver broader outcomes, are of high strategic or financial value, and/or are associated with high levels of complexity or risk.
- Specify the additional requirements and outcomes the Project is seeking to deliver consistent with, but in addition to, the NPA. The additional outcomes are likely to extend beyond transport outcomes and may relate to: alternative funding or financing opportunities, housing, population management, urban renewal, economic growth and development.

Project Specific Agreements and Memoranda of Understanding are not intended to be legally enforceable. However, this does not lessen the Parties' commitment to these agreements.

Business Cases

For business cases where the Australian Government has committed funding, the Australian Government expects States to provide it with timely information on business case development and that the States will consult the Australian Government on decisions on key elements, such as scope options, alignments and issues impacting the Project cost. State decision-making should have due regard to the Australian Government's interests, objectives and desired outcomes.

Draft and subsequent final business cases funded by the Australian Government are to be provided to the Australian Government in a timely, transparent and comprehensive manner.

The Australian Government or State government may request the establishment of a joint Project team for Projects that receive Australian Government Business Case funding. The roles and responsibilities of Australian Government representation on Project teams will be discussed and agreed on case by case basis.

3.2 Financial Governance

Early cost estimates

The Australian Government's contribution to the final Project cost will be consistent with its commitment and drawn from the overall program allocation. For projects where a P90 cost estimate is not yet fully developed, or the delivery contract has not yet been awarded the Australian Government's funding contribution will not be capped.

Post Procurement/ Cost Schedule updates

The Department requires up-to-date information on estimated Project costs and proposed Project delivery schedules. When a major component of the work is awarded to a contractor, Funding Recipients must inform the Department of the agreed contract price, including contingency and escalation factors, and provide an updated overall Project cost estimate (including Base Estimate, P50 and P90 Project Estimates and P50 and P90 Outturn Costs). Milestones may be varied to reflect the contractor's delivery schedule.

For Projects with an Australian Government funding commitment of \$100 million or above, the Department may undertake a formal cost estimation review following award of the major construction contract. Where it has been determined that the Project can be delivered for lower than the original estimate based on the contract price, the Australian Government may, in consultation with the State, adjust its allocation to reflect the updated estimated cost. Any savings identified through this review may be reinvested in that State with the agreement of the Australian Government.

Variable and Fixed Scope Project Funding

For projects with a fixed scope (such as the delivery of a bypass, interchange upgrade etc.) the Australian Government will commit funding at the agreed P90 level. For projects receiving an Australian Government contribution of \$25 million or greater, funding will be released at the agreed P50 level up to the Australian Government's agreed proportion of the overall Project P50 Outturn Cost outlined in the PPR. Additional funding, up to the maximum of Committed Funding outlined in the NPA Schedule (generally P90), will only be approved and released on a demonstrated needs basis. For projects receiving less than \$25 million, funding will be released at the P90 level.

Where it is agreed funding up to the P90 level is unlikely to be required to complete the project, the committed funding can be reduced, with savings then available for reallocation within the states program.

However, for projects where there is a fixed commitment, such as a package of works along a corridor, where the objective is to upgrade as much road as possible within the committed funding, the Australian Government will approve funding up to the amount committed and not generally require estimates at P50 / P90 level.

Reporting

Funding Recipients must submit the following reports according to the following timelines:

Report	Guidance	Due date
Monthly Progress Report	Appendix C1	13th of each month
Milestone Projections Report	Section 3:2	Biannually (generally on 28th February and 15th August)
Post Completion Report	Appendix C2	Within 12 months of Project Completion unless otherwise agreed
Annual Financial Statement and Audit Report	Appendix C3	After Project completion and within six months of the next financial year

The Department maintains its discretion over the right to request additional specific information about a Project and the right to change the timing and requirement of certain reports, with the exception of the Annual Financial Statement and Audit Report which is a legislative requirement.

Milestones Projections

Funding Recipients must provide the Department with Milestone projection reports on the 28th of February and the 15th of August each year or biannually as requested. The Funding Recipient is expected to input the information into templates provided by the Department that set out milestone payment profiles for Projects listed in the NPA schedule.

For each Project Funding Recipients are required to identify between 2-4 milestone payments per annum, noting that the number of payments will vary between Projects. In any given year the sum of the milestone payments should endeavour to match Project funding allocations for that year, noting funding requirements will change on some projects due to a range of factors.

Additionally, Funding Recipients are expected to provide milestone payment profiles for the period of the forward estimates based on a total annual funding allocation for the relevant Project.

Any changes to Milestone profiles across financial years will require approval by the Australian Government.

Making Payments

In order for the Australian Government to make a payment against a Project the Funding Recipient must submit a claim through the Monthly Progress Report process. A Monthly Progress Report template will be available for Funding Recipients to generate in IMS from the 1st to the 13th of each month or as requested. The Monthly Progress Report template will show if a Project is eligible to claim payment that month, based on previously agreed Milestones.

If the Department is satisfied that the Funding Recipient has met the Milestone the funding will be paid out in the month after the claim for payment was accepted by the Department.

Non-payment of a scheduled Milestone will trigger a Milestone variation as outlined below.

Variations to Projects

The Department recognises that certain circumstance can lead to changes to the approved Project. In accordance with section 57 and 58 of the NPA, all significant variations to a Project must be agreed in writing between the parties. This includes, but is not limited to, variations to:

- Total Project cost, including the funding contributions of all parties;
- Scope;
- Timelines; or
- Other circumstances subject to a condition.

A formal request for variation must be submitted to the Department with supporting information. Funding Recipients should discuss the potential variation with the Department at the earliest possible instance as the nature of the variation will determine the type and amount of supporting information required.

The Department may seek to review and validate cost estimates used to justify any request for changes to the amount of either approved or committed funding.

Where the proposed Project variation will result in a change to the schedule of Milestones, the Project variation must be agreed first and the Milestones then varied as outlined immediately below.

Variations to Milestones

Variations to the timing or payment of a Milestone for a particular Project may be requested by either the Department or Funding Recipient. Request for variations must involve formal communication and agreement, by letter, email or through IMS for example, between the Department and the Funding Recipient before the update being processed through IMS.

Where the requested changes to Milestones are the result of a Project variation, the Project variation must be agreed in writing before requesting variation of Milestones.

Requests for variations to Milestones can only be submitted in IMS between the 14th and the end of each month, subject to these restrictions:

- A request to vary a Milestone cannot be made in the same month as the Milestone is due (for example, a request for variation to Milestones due in January 2019 cannot be made in January 2019);
- The sum of all Milestone payments within a financial year cannot exceed the amount allocated for that financial year, without consultation with the Department; and
- The sum of all funding paid and all future Milestones payments cannot exceed the Approved Funding for the Project.

Management of Program funding

Funding Recipients may request approval from the Australian Government to reallocate under and over spends within the State's program. In seeking approval to reallocate over and underspends Funding Recipients will provide the following information to the Department:

- The rationale for the under or overspend;
- The quantum of funds to be reallocated and the timing of the movement of funding;
- The implications of the movement of funds for other projects and the State's overall program funding; and
- Any other information the Department may require to consider and seek approval for the proposed change.

The Australian Government will consider the application for the proposed reallocation of funding on a case by case basis and advise the Funding Recipient of the outcome of the application.

Request for reallocation of funding must involve formal communication and agreement, by letter exchange for example, between the Department and the Funding Recipient before the update being processed through IMS.

Interest earned on payments in advance

States are required to estimate the interest earned on payments in advance. The method of calculation is to be agreed between the Department and relevant state on a case by case basis.

In the absence of agreement to an alternative arrangement, the Australian Government weighted average costs of borrowing will be applied as the basis for the estimate. The weighted average cost of borrowing is estimated by the Australian Government biannually for MYEFO and the Australian Government Budget and reported in Statement 7: Debt Statement, Assets and Liabilities. The Department will notify Funding Recipients of the Australian Government weighted average cost of borrowing, which States will apply to estimate the interest earned on payments in advance.

The Department and States will work collaboratively to estimate the interest earned on payments in advance biannually to the Department at the time of the Budget and MYEFO.

Note interest requirements relate specifically to payments made in advance of normal milestone payment arrangements. Funding recipients are not required to account for interest on funding paid under normal milestone payment processes.

3.3 Risk and Assurance Program

Projects listed in the NPA Schedules are subject to assessment through the Department's Risk and Assurance Program.

The purpose of the Risk and Assurance Program is to provide assurance that the Australian Government's significant investment in infrastructure is being delivered in accordance with legislative and other requirements.

Each financial year a selection of projects will be identified by the Department for assessment under the Risk and Assurance Program.

The Funding Recipient and any subcontractor must bear their own costs of complying with the requirements of the Risk and Assurance Program.

4. Project Completion

This chapter outlines the activities that must occur after a Project is complete in order for the Project to be officially closed.

4.1 Post Completion

Once a Project has reached physical completion it enters the Post-Completion Phase. The Post-Completion Phase lasts for up to 12 months unless a request demonstrating why an extension is required is submitted to and approved by the Department. During the Post-Completion Phase the Funding Recipient must prepare and submit to the Department:

- A Post-Completion Report ([Appendix C2](#));
- A statement from the Chief Executive Officer of the Funding Recipient, or their delegate, that amounts expended from funding payments have been, or will be, wholly expended on Approved Purposes in relation to funded Projects; and
- A payment request for the Final Milestone.

During the Post-Completion Phase the Department will:

- Undertake an initial evaluation of Project outcomes, reviewing costs and outstanding expenditure items, and the performance of the asset against its objectives, with reference to agreed performance indicators;
- Ensure Indigenous participation requirements have been met, including that the Funding Recipient has provided all necessary documentation and publicly reported on performance against any agreed Indigenous targets;
- Ensure the state has provided a copy of its Local Industry Participation Plan or an Australian Industry Participation Plan for projects receiving more than \$20 million in Australian Government funding; and
- Match the Committed Funding to the Approved Funding for the Project.

In particular, the Final Milestone will be adjusted to include the Australian Government's unpaid share of Approved Purposes on the Project to date, and the Australian Government's agreed estimated share of outstanding Approved Purposes that may extend beyond the date of payment of the Final Milestone (e.g. noise monitoring contracts, final landscaping contracts, land acquisition settlements).

Note: The cost estimate for the whole Project at the conclusion of the Post Completion phase includes the actual costs from the Scoping, Development and Delivery phases, noting that some residual property- related costs may have to be handled separately.

4.2 Project Closure

Upon payment of the Final Milestone, a Project is deemed to be closed. Funding Recipients must report this payment in their next Annual Financial Statement and Audit Report ([Appendix C3](#)).

Once closed, Funding Recipients can no longer claim funding from the Australian Government for the Project and no longer have to provide Project Monthly Progress Reports.

Funding Recipients are still required to abide by the Project Evaluation requirements, and must notify the Australian Government by way of the Annual Financial Statement and Audit

Report if it sells or disposes of an interest in land that was acquired using all or part of a funding payment.

4.3 Project Evaluation

The Funding Recipient agrees to cooperate in the evaluation of projects to facilitate Project performance reviews and continuous improvement of investment decision making.

The Department may conduct an evaluation, to determine the extent to which Project transport outcomes have been achieved and review the accuracy of demand forecasts and cost estimates used to assess the Project.

Funding Recipients may be required to provide information to assist in this evaluation for a period of time, as agreed.

If a Funding Recipient conducts a Project evaluation without involving the Department, they must provide a copy of the evaluation report to the Department.

5. Public Recognition

This chapter outlines the Australian Government's requirements for the development and use of promotional material on projects funded under the NPA.

5.1 Rights of the Australian Government

The Australian Government reserves the right to publicise and report on the funding it commits or approves to a Funding Recipient. This can include publicising the Funding Recipient's name, the amount of the funds given to the Funding Recipient, the name of the Project, a description of the Project, maps of the Project's location, or any other information the Australian Government deems appropriate.

The Government may do this by:

- Including information about the funding in traditional and social media
- In general announcements and speeches
- In annual reports and Budget documents
- On the Department's website or websites belonging to any Australian Government Minister
- By any other method.

5.2 Funding Recipient Obligations

A Funding Recipient must acknowledge the financial support they have received from the Australian Government, and must consult with the Australian Government prior to releasing any promotional and advertising materials, public announcements and media activities in relation to a Project.

Where public recognition of a Funding Recipient's Budget or forward program for land transport infrastructure funding includes funding provided by the Australian Government, a full acknowledgement of the Australian Government's funding contribution in total and in respect of individual Projects must be made.

The Australian Government expects equal access to products States obtain in the development of promotional material including but not limited to Project data and benefits, and all raw project footage and images.

5.3 Australian Government and State jointly funded projects

Where a Project is funded jointly, with approximately equal funding contributions, all public recognition for that Project is required to be jointly agreed with both parties receiving equal prominence. Public recognition for a Project stating, requiring or implying a funding commitment by the Australian Government must not be finalised without first agreeing with the Department.

Where any public recognition is proposed, the Funding Recipient must provide reasonable opportunity for the Australian Government to contribute to all communication strategies and announcements, have equal representation at events, and work cooperatively with the Department to provide:

- Adequate notice of the proposed public recognition (particularly with ceremonies), of dates, of plaques to be made and of any attendance by Members of Parliament that has to be arranged;
- Appropriate opportunity to ensure that the proposed public recognition meets Australian Government expectations; and
- Access to all products obtained for use in the development of promotional material including but not limited to Project data and benefits, and all raw project footage and images.

When installing Project signage, including Commemorative Plaques, Funding Recipients must also comply with the Australian Government's Signage Guidelines, available from the Department's website

http://investment.infrastructure.gov.au/about/resources/signage_guidelines.aspx.

Operational announcements related to the Project, such as Notices relating to night works do not require Departmental approval.

5.4 Additional requirements for majority Australian Government-funded Projects

In addition to the above requirements, where the Australian Government is a majority funder of a Project, promotional material and public recognition must provide major prominence to the Australian Government's contribution, set out in the Australian Government Signage Guidelines. This applies to all promotional material, announcements, launches and events in connection with a Project.

Recognising the contribution of local Indigenous Communities on projects

Where a local Indigenous community, particularly in Remote Australia, has made a significant contribution to delivery of a project funded under the NPA, the Funding Recipient, in consultation with relevant Indigenous stakeholders and the Department, may consider highlighting their contribution on project signage, where appropriate. This signage is considered an approved purpose under section 2.4 above (*Identifying Approved Purposes for Funding*).

6. National Land Transport Network Maintenance

This chapter sets out the requirements relating to maintenance payments for the National Land Transport Network.

6.1 Allocation

The Australian Government contribution towards maintenance of the road component of the National Land Transport Network will be provided as an annual allocation to each State. The Minister approves maintenance allocations annually under Section 9(1) and 17(1) of the NLT Act. The annual allocation to each State will be determined by a formula. The formula is based on three components of non-tolled National Land Transport Network roads in each State, which are given equal weighting for:

- Lane length;
- Total average daily vehicle distance travelled; and
- Total average daily heavy vehicle distance travelled (using equivalent standard axles as the measure).

Each State's allocation from the Australian Government's maintenance budget will be determined by its proportion of each component relative to the total for all non-tolled roads in the National Land Transport Network. Each State is to provide, by 31 December each year, the data necessary to enable the Australian Government to allocate this funding according to the formula. Section 6.5 details the data required.

Annual road maintenance funding is only to be spent on non-tolled roads on the National Land Transport Network.

6.2 Approval

Each State's maintenance allocation is approved by the Minister as a Project eligible under Section 10(b) and appropriated under Section 11(b) of the NLT Act.

As a Project approved under Part 3 of the NLT Act, the conditions in Part 3, Division 3, of the NLT Act apply where appropriate.

6.3 Maintenance standard

Australian Government road maintenance funding is provided as part of a partnership with States to assist maintain the National Land Transport Network to a standard consistent with each State's maintenance policies and practices and in consideration of the appropriate level of service for each road based on its classification by the respective State.

The appropriate level of service may need to be revised to take into account relevant service level standards agreed as part of the Council of Australian Governments (COAG) Land Transport Market Reform.

6.4 Road maintenance reporting

Each year, these road maintenance reports are required:

Report	Guidance	Due date
Road Maintenance Formula Data Report	Section 6.5	31 December
Annual Financial Statement and Audit Report	Appendix C3	31 December
Maintenance Performance Report	Section 6.6	30 September

6.5 Road Maintenance formula data

This table shows the data required for the road maintenance allocation formula:

Corridor Name						
Link	Link Length (km)	Lane Length (km)	AADT (average over link)	*ESA show % by each Austroads class and ESA per class	Veh.kmt	ESA.kmt
Total						

*A traffic section based value of Equivalent Standard Axle (ESA) per vehicle class is to be used in accordance with Austroads recommendations.

6.6 Maintenance performance report

These are the Australian Government's requirements for the annual Maintenance Performance Report:

A. Provision of data

- a. Data is to be provided electronically with geo-referencing; and
- b. On dual carriageways, condition data is required for both carriageways, with each carriageway individually referenced.

B. Road characteristics data

The following road characteristics data is required:

- a. Roughness – International Roughness Index (IRI) for the latest year available;
- b. Surfacing age, or if not applicable – with reason supplied (for example, concrete pavements);
- c. Target surfacing age or n/a if not applicable;
- d. Seal width; and
- e. Speed limit.

Road characteristics data should be provided for short, convenient road lengths of about one kilometre.

C. Road use data

The following road use data is required:

- a. Annual Average Daily Traffic (AADT) with year recorded or derived; and
- b. Percentage of heavy vehicles.

Road use data should be provided at the most detailed level held by the State agency.

D. Maintenance expenditure

The following maintenance cost data is required:

- a. Total annual maintenance expenditure, indicating Australian Government and State contributions (including rehabilitation and/or reconstruction) for each road link for the previous financial year, showing pavement and off-pavement expenditure
- b. Planned pavement maintenance budget (including rehabilitation and/or reconstruction) in the current financial year for each link to achieve proposed condition outcomes, together with the estimated cost of off-pavement maintenance (that is, the estimated total maintenance expenditure).

E. Maintenance indicators

The Australian Government uses two indicators—the Preventative Maintenance Indicator (PMI) and the Riding Quality Indicator (RQI)—to monitor road conditions under the NPA.

The Australian Government uses the data provided in the Maintenance Performance Report to calculate the Preventative Maintenance Indicator and the Riding Quality Indicator and assess the overall condition of each link. Refer to [Appendix E](#).

6.7 Maintenance milestones

The maintenance allocation will be paid on Milestones. There will be two maintenance Milestones a financial year.

Milestone	Activity	Payment
Milestone 1*	Acceptance by the Department of the Road Maintenance Formula Data Report from all States	25% of the allocation
Milestone 2	Acceptance by the Department of the Maintenance Performance Report	75% of the allocation

*It is intended that Milestone 1 will be raised in IMS for August.

Milestone variations

Maintenance Milestone variations will follow the process in Section 3.2.

Unclaimed Milestones

Maintenance Milestones unclaimed within a financial year will not be carried over into the next financial year.

7. Appendices Contents

APPENDIX A FUNDING CONDITIONS	28
Appendix A1 Funding conditions under the <i>National Land Transport Act 2014</i>	28
Appendix A2 Compliance with other laws	31
Appendix A3 Indigenous Infrastructure Framework.....	33
APPENDIX B PROJECT PROPOSAL REPORT TEMPLATES	44
Appendix B1 Road Project Proposal Report Template	45
Appendix B2 Rail Project Proposal Report Template.....	63
Appendix B3 Indigenous Participation Plan Template.....	81
APPENDIX C PROJECT REPORTING GUIDANCE.....	85
Appendix C1 Monthly Progress Report	85
Appendix C2 Post-Completion Report.....	87
Appendix C3 Annual Financial Statement and Audit Report.....	92
APPENDIX D BLACK SPOT PROJECTS	95
Appendix D1 General Requirements for Black Spot Projects	95
Appendix D2 Black Spot Projects criteria.....	97
Appendix D3 Nomination and Assessment of Project Proposals.....	99
Appendix D4 Approving a Project Proposal	100
Appendix D5 Dealing with Project variations	101
Appendix D6 Claiming Payments	102
Appendix D7 Public recognition and evaluation.....	103
Appendix D8 Treatment/Crash Reduction Matrix	103
APPENDIX E MAINTENANCE INDICATOR FORMULAS	108

APPENDIX A FUNDING CONDITIONS

Projects are subject to funding conditions set out in the NPA and from these sources:

- A1: The NLT Act (see <https://www.legislation.gov.au/Details/C2018C00226>)
- A2: Compliance with other laws; and
- A3: Indigenous Employment and Supplier- Use Infrastructure Framework.

Appendix A1 Funding conditions under the National Land Transport Act 2014

The following mandatory conditions apply to funding payments for Projects and are set out in the NLT Act (Subdivision B – The Mandatory Conditions). Not all Projects are required to abide by all conditions. This table summarises the conditions each type of Project must abide by:

PROJECT TYPE	NLT Act mandatory conditions (as described below)							
	A1.1	A1.2	A1.3	A1.4	A1.5	A1.6	A1.7	A1.8
Projects contained in the NPA Schedules	✓	✓	✓	✓	✓	✓	✗	✓
Maintenance Projects	✓	✓	✓	✓	✗	✗	✗	✓
Black Spot Projects	✓	✓	✓	✓	✗	✗	✓	✓

A1.1 Funding payment must be expended on the funded Project

The funding payment must be wholly expended on Approved Purposes in relation to the funded Project.

A1.2 Funding Recipient must give Minister audited financial statements

The NLT Act requires Funding Recipients to submit audited financial statements to the Minister. In particular, an Annual Financial Statement and Audit Report must be submitted (template at [Appendix C3](#)).

A1.3 Funding Recipient must allow inspections by authorised persons

The Funding Recipient must, at all reasonable times, permit a person authorised by the Minister to inspect any work involved in carrying out a funded Project and to inspect and make copies of documents relating to the Project.

A1.4 Funding Recipient must provide information on request

The Funding Recipient must, as and when requested by the Minister, provide information relevant to the progress of the funded Project or the operation or condition of the National Land Transport Network.

This could include information about the progress of an approved Project, which may be sought by way of the reports identified in Section 3.2 and Section 6.4 of the Notes.

A1.5 State Funding Recipient must call for public tenders for certain work

States and authorities of a State should, as a matter of policy, use public tender processes for Projects. This obligation can be satisfied in some cases by selecting contractors under a pre-existing panel arrangement, where it can be demonstrated that the pre-existing panel arrangement was the result of a public tender process.

If the Funding Recipient is a State or an authority of a State, the Funding Recipient must call for public tenders for all work on funded Projects, other than on work that:

- a. is maintenance of a road or railway; or
- b. is carried out by a public utility; or
- c. the Minister has, by written exemption relating to the Project, exempted from this condition because, in the Minister's opinion the work:
 - (i) is urgently required because of an emergency; or
 - (ii) is of such a minor nature that the invitation to tenders for the work would involve undue additional cost; or
 - (iii) is of a kind for which it is not practicable to prepare adequate tender specifications; or
 - (iv) is of a kind for which competitive tenders are unlikely to be received; or
 - (v) will contribute to employment in a region; or
 - (vi) costs less than an amount determined by the Minister by legislative instrument.

The Department acknowledges that early planning, options analysis and preliminary designs works will generally be undertaken within state agencies and that tender exemption requirements do not relate to these internal activities.

A1.6 Obligations following the sale or disposal of interests in land

If a State sells or disposes of an interest in land acquired using all or part of the funding payment, the State must pay the Australian Government an amount proportionate to the Commonwealth contribution to the land acquisition using this formula set out under Section 25(1) of the NLT Act:

$$\text{Amount due} = \text{Value} \times (\text{Commonwealth contribution} / \text{Acquisition cost})$$

The Act defines Commonwealth contribution as: 'so much of the funding payment as was used to meet the acquisition cost'.

States must calculate the Commonwealth contribution using this formula:

$$\text{Commonwealth contribution} = \text{Acquisition cost} \times (\text{Commonwealth total contribution to the Project} / \text{Total Project cost})$$

Alternatively, the State may, with the written approval of the Minister, spend an amount equal to the amount determined by the formula on Approved Purposes for another Project. Submissions should be made in writing to the relevant Department contact and are subject to approval by the Minister.

Section 25(1A) of the NLT Act states that a State must, as soon as practical after selling or disposing of an interest in land acquired using all or part of the funding payment, notify the Minister of the sale or disposal.

Funding Recipients must report the sale or disposal of an interest in land acquired using Australian Government funding in the Annual Financial Statement and Audit Report ([Appendix C3](#)).

A1.7 Funding Recipient must maintain records relating to motor vehicle crashes

The Funding Recipient must maintain, and make available as required, records relating to the nature and frequency of motor vehicle crashes involving death or personal injury occurring at the site of the funded Project.

A1.8 Other funding conditions determined by the Minister

The NLT Act allows for the Minister to create, vary or revoke other conditions to be applied to Australian Government funding where there is no funding agreement in place.

Appendix A2 Compliance with other laws

Funding Recipients are required to comply with other laws, as applicable, as a condition of Australian Government funding.

A2.1 Funding Recipients must ensure the use of WHS accredited builders where applicable

Where applicable and as a condition of Australian Government funding, Funding Recipients may only contract builders accredited under the Australian Government Building and Construction WHS Accreditation Scheme. This condition may be satisfied by providing written assurance to the Department.

The WHS Accreditation Scheme applies to construction Projects directly funded by the Australian Government with a value of \$4 million or more.

The WHS Accreditation Scheme also applies to construction Projects indirectly funded by the Australian Government where the:

- Value of the Australian Government contribution to the Project is at least \$6 million and represents at least 50 per cent of the total construction Project value; or
- Australian Government contribution to a Project is \$10 million or more, irrespective of the proportion of Australian Government funding; and
- Head contract(s) which include building work is/are valued at \$4 million or more.

For further information on the Australian Government Building and Construction WHS Accreditation Scheme refer to <https://ablis.business.gov.au/service/ag/australian-government-building-and-construction-workplace-health-and-safety-accreditation-scheme/301>.

A2.2 Funding Recipients must ensure compliance with the Building Code 2016

Where applicable, Funding Recipients must ensure that compliance with the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) is made a condition of tender for all contractors and subcontractors who tender for the work. This condition may be satisfied by providing written assurance to the Department.

The Code applies to building work that is being undertaken by or on behalf of the Funding Recipient irrespective of the value of the Project. The Code also applies to construction contracts for Projects indirectly funded by the Australian Government where its contribution is:

- At least \$5 million and represents at least 50 per cent of the total construction value; or
- \$10 million or more irrespective of the proportion of total Project funding.

A2.3 Funding Recipients 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* and its subsidiary regulations and agreements. Funding Recipients should refer to the relevant bilateral environmental assessments and approvals agreement for their State for guidance on processes required to satisfy this condition. These bilateral agreements are accessible at <http://www.environment.gov.au/topics/environment-protection/environment-assessments/bilateral-agreements>.

Funding Recipients must advise how they are addressing Australian Government environment and heritage requirements. Construction cannot proceed until Funding Recipients have demonstrated that these obligations have been met. This may include collecting compliance evidence, such as environmental impact assessments and reports.

The Department strongly recommends that, before starting an environmental study for a Project, Proponents contact the Commonwealth Department of the Environment and Energy <http://www.environment.gov.au/epbc/index.html>. This Department provides advice about Australian Government requirements and ensures that the study properly addresses the Government's legislative requirements. This will reduce the likelihood of additional cost and time delays obtaining environmental approval.

A2.4 Funding Recipients must use a Local Industry Participation Plan or equivalent

Where applicable, Funding Recipients must develop a Local Industry Participation Plan (LIPP), consistent with Australia's international trade commitments, for any Projects that has an Australian Government funding contribution of \$20 million or more. If States do not have a Local Industry Participation policy in place, the Australian Government's Australian Industry Participation Policy should be used.

LIPPs should be provided to the Department as part of the PPR process or upon receipt from the successful tenderer. More information on what should be included in a LIPP and the Australian Industry Participation Plan's template can be found at: www.industry.gov.au/aip.

The Department requires Funding Recipients to provide a copy of a Projects LIPP as part of the Project's governance process and for onward forwarding to the Commonwealth Department of Industry, Innovation and Science and the Department of Foreign Affairs and Trade who will review and provide feedback as appropriate.

A2.5 Funding Recipients must meet other statutory requirements

In addition to Australian Government environmental and heritage legislation, Funding Recipients must also meet other statutory requirements where relevant. These may include, but are not limited to:

- Native Title legislation
- State government legislation — such as environment and heritage requirements
- Local government planning approvals.

The Department requires written confirmation that relevant requirements have been met. This may include evidence of compliance, including reports, where appropriate.

Appendix A3 Indigenous Employment and Supplier-Use Infrastructure Framework (Framework)

Important

The purpose of Appendix A3 of the Notes on Administration is to set out the Framework's implementation and administrative requirements for Funding Recipients. If any inconsistencies arise between the originally drafted Framework, and any part of the Notes on Administration with regard to Indigenous participation requirements, the requirements contained in A3 will prevail. The full version of the Framework, which sets out the Commonwealth's policy intent and strategic context can be accessed on investment.infrastructure.gov.au.

The Framework applies to construction projects receiving \$7.5 million or more in Australian Government contributions and in some circumstances for projects below \$7.5 million with strong potential to support Indigenous participation. For more detail on Project Thresholds and Exemptions see [A3.8](#).

Summary of requirements

Funding Recipients must submit an Indigenous Participation Plan or similar for each applicable project. It must include the following key elements:

- A participation target comprising either, or both an employment component and supplier-use component
- An engagement plan outlining engagement with relevant Indigenous stakeholders, and supply-side support providers, and
- A plan for public reporting on performance to promote transparency and accountability.

Where State governments have existing Indigenous participation policies or plans that meet or exceed the Australian Government's requirements, the Australian Government will consider accepting the State's plan, on a project-by-project basis. More information on Alternatives to developing an Indigenous Participation Plan is at [A3.2](#).

A3.1 Indigenous Participation Plans

Funding Recipients are required to develop Indigenous Participation Plans for transport infrastructure projects receiving \$7.5 million or more in Australian Government contributions through the major road and rail investment program under the NPA. The requirements apply to projects where construction stage funding is formally approved under the *National Land Transport Act 2014* and that are publicly tendered from 1 July 2019 (requirements will not be applied retrospectively to projects where construction stage funding was approved and works were publicly tendered prior to 1 July 2019).

The Plans should set out the anticipated opportunities for Indigenous participation, including specific targets for Indigenous employment and supplier-use in the delivery of projects (see *Calculation of targets* below). The Plan should address how targets will be met, how opportunities will be communicated to the community, and how the longer-term participation

of Indigenous employees and suppliers will be facilitated (for example through capability development).

It is expected that Funding Recipients will address these requirements through their procurement processes and the approach to Indigenous participation will be negotiated with the successful contractor. Funding Recipients should look favourably on proposals that promote long-term and sustainable Indigenous participation.

The Funding Recipient is required to submit the Indigenous Participation Plan at the time of providing their Project Proposal Report to the Department of Infrastructure, Transport, Cities and Regional Development (the Department), which occurs before formal approval of Australian Government funding and States going out to tender. The Department will assess the Plan's approach and rationale supporting proposed targets, and may request further information from States or request changes to the Plan.

Funding Recipients will need to set out the Indigenous participation requirements in tender documents to ensure industry has visibility prior to bidding for work. Should there be significant variation to the Plan (i.e. contractors are unable to satisfactorily address the proposed requirements set out in the agreed Plan), the Funding Recipient should consult with the most appropriate Indigenous representative body (for example a Land Council), and come back to the Department for further discussions before awarding the contract.

Funding Recipients should engage early with the National Indigenous Australians Agency which is part of Department of the Prime Minister and Cabinet portfolio and/or the Commonwealth Department of Employment, Skills, Small and Family Business State Office Network on the development of their Plans. In terms of geographic reach, on-the-ground presence and knowledge of local Indigenous communities, the regional offices are well-placed to connect up appropriate supports with the specific needs of individual projects and communities. This will also allow for early and ongoing identification of any gaps in supply-side supports.

Agreement from the Australian Government minister with responsibility for transport infrastructure to the proposed Plan is required prior to the construction contract being awarded. The Department may seek advice from other relevant agencies in developing advice to the Minister.

A3.2 Alternatives to developing an Indigenous Participation Plan

Where a State has developed a detailed Indigenous participation plan for a specific project, the Department may agree to accept the State's plan in lieu of completing an Indigenous Participation Plan. This will be considered on a case-by-case basis.

This option would only apply where the State's plan has been developed for a specific project and provides sufficient detail for the Department to assess whether it addresses all of the Framework's requirements, including with regard to setting targets, appropriate engagement with supply-side support providers and Indigenous bodies, and public reporting on performance.

This approach is intended to recognise proactive efforts by States to develop ambitious and high-quality Indigenous participation plans for transport projects and avoids duplication of effort.

States would need to seek prior agreement in writing from the Department to their proposed plan. In line with the process for agreeing Indigenous Participation Plans, the agreement of Australian Government minister with responsibility for transport infrastructure will also be required.

A3.3 Calculation of targets

Indigenous participation targets are to be set to reflect the local Indigenous working age population, with Funding Recipients able to put forward adjustments to targets (up or down), supported by appropriate States, taking into consideration:

- the local employment market, including in terms of the number of Indigenous businesses, workers and job seekers, and their relevant skills, capabilities, qualifications and training; and
- the scale, value and location of the project, and skills and capabilities required to deliver the project; and
- the availability of supply-side services to support the meeting of any targets and assist build the capacity of Indigenous businesses and job-seekers to take up opportunities; and
- existing State policies and/or targets.

Information on the local Indigenous working age population can be sourced from the Australian Bureau of Statistics or from an equivalent State agency. Any queries about setting the target can be referred to the Department in the first instance.

Targets can be met through any combination of employment or supplier-use across the supply chain (see below).

- Employment is to be measured in terms of number of full time equivalent (FTE) employees (not head count).
- Supplier-use is to be measured by percentage of contract spend, calculated at the project level.

Funding Recipients need to specify the proportion of both employment and contract spend and how each component contributes to the overall target.

Where a Funding Recipient proposes to use alternative metrics to calculate targets, including in accordance with their own State policy, this should be explained in the Indigenous Participation Plan.

Indigenous participation targets can be met over the life of a project, allowing varying levels of labour requirements and supplier engagement during the project phases. Once targets are agreed, any variation to targets, for example where there is a change to the scope or size of

the project which impacted on Indigenous participation, requires agreement from the Australian Government.

As the capability of the Indigenous workforce and business sector increases, and additional supply-side supports are implemented, and readiness of employers/contractors to take on increased numbers of Indigenous workers and contracted suppliers increases, it is expected that there will be less need for flexibility in setting targets.

Weighting of Indigenous participation requirements

State governments have primary responsibility for the procurement, construction and maintenance of infrastructure projects, and the majority also have their own Indigenous employment and procurement policies. The Framework is intended to provide States with flexibility to procure and manage projects effectively and efficiently, while still meeting the Australian Government's Indigenous participation requirements.

On this basis, the Framework does not specify a weighting for Indigenous participation requirements in the award of contracts. Instead, the procuring agency has discretion to consider the strength of the Indigenous participation component in the context of the proposal as a whole.

This will ensure that contractors' capability to deliver the required works on a value for money basis remains the prevailing consideration in the award of contracts by State governments.

A3.4 Verifying Indigeneity

To ensure that Indigenous Australians are the genuine beneficiaries of the Framework, it is important to apply a consistent approach to verifying Indigeneity of businesses and individuals.

It is noted, however, that seeking to verify Indigeneity, particularly of individuals, poses both cultural and administrative complexities. Some job-seekers and businesses may be unwilling to identify as Aboriginal or Torres Strait Islander due to fear of discrimination. There are also cultural sensitivities associated with governments or businesses asking Indigenous Australians to "prove" their cultural heritage, which may cause offence and in some cases documentation may not be readily available.

In addition, it is important to be mindful of the administrative burden for contractors associated with additional pre-employment checks.

To the extent possible, the proposed approach to verifying Indigeneity aligns with established and accepted practices for other Indigenous policies and programs, such as the Australian Government's Indigenous Procurement Policy (IPP).

For the purposes of verifying that a business meets the definition of an **Indigenous business**:

- Businesses listed on Supply Nation's register are accepted as an Indigenous business.
- If a business says it is Indigenous owned and is not listed with Supply Nation, the procuring officer must take steps to assure themselves that the business is 50 per cent or more Indigenous owned. This may include:
 - confirming registration with an Indigenous Chamber of Commerce,
 - seeking a statutory declaration or a letter of Indigeneity from organisations such as Land Councils.
- Indigenous corporations registered with Office of the Registrar of Indigenous Corporations ORIC (www.oric.gov.au) are accepted as an Indigenous business.

The definition recognises that in some family businesses just one member of a couple is Indigenous and that private sector investment is critical to support growth of the Indigenous business sector.

For the purposes of verifying that a business meets the IPP definition of an **Incorporated Indigenous joint venture**:

- They must be registered with Supply Nation; and
- Be at least 50% Indigenous owned and demonstrate 50% Indigenous involvement in the management and control of the joint venture; and
- Additionally, as part of this registration they must have in place:
 - A strategy to build the capability of the Indigenous business partner.
 - An Indigenous workforce strategy.

Individuals would be required to sign and provide a statutory declaration or a confirmation of Indigeneity to the employer stating they:

- are of Aboriginal descent and/or Torres Strait Islander descent
- identify as an Australian Aboriginal and/or Torres Strait Islander
- are accepted as an Australian Aboriginal and/or Torres Strait Islander in the community in which they live or have lived
- are aware that under the Criminal Code Act 1995 (Cth) section 137.1 giving false or misleading information is a serious offence
- have documentary evidence to support information contained in the declaration.

Funding Recipients should communicate these requirements to contractors as part of the tender process.

Where a Funding Recipient determines that this approach would not be suitable for their specific circumstances, they may apply a different approach to verifying Indigeneity, provided they can satisfy themselves as to the level of genuine Indigenous participation in projects.

A3.5 Sectors in the supply-chain

Indigenous participation requirements apply to roles and industry sectors that primarily relate to infrastructure construction, in line with the Approved Purposes or eligible project costs stipulated in the *National Land Transport Act 2014* and in the *Notes on Administration*. These

include roles spanning across the infrastructure construction supply chain, for example but not limited to: project management; engineering design; financial services; environmental management; traffic management; supply-chain logistics; construction of roads; rail; bridges; tunnels and retaining walls.

However, where a Funding Recipient or contractor identifies an opportunity for Indigenous participation in an aspect of project delivery not specifically identified in the Notes on Administration, this may be considered in consultation between the Australian Government and the relevant State governments. This provides additional flexibility to meet any Indigenous participation requirements.

A3.6 'Local first' principle

The Framework is intended to result in tangible economic and social benefits for local Indigenous people living in surrounding communities. To this end, ideally employees and contractors required for a project should be first sourced from within the local area, then from the wider region and beyond, where local capacity is unable to meet the participation requirements.

There may be circumstances where this approach is neither practical nor cost-effective. Where necessary and culturally appropriate, contractors may need to rely on Indigenous employees or contracted businesses from outside of the local area. As such, 'local first' should be regarded as a principle, rather than a requirement of the Framework.

Stakeholders have indicated that there are a range of definitions for 'local' being used in the different States and that definitions are dependent on the context of specific projects. On this basis, local should be defined in terms of what makes sense for a specific project, based on but not limited to:

- the needs and values of the local community, including Indigenous connections to land and country
- formal definitions such as local government area
- proximity to the project.

A rationale for this definition and the approach forward should be clearly outlined in the Indigenous Participation Plan.

A3.7 Supply-side supports

The success of the Framework will rely on the availability and whole-of-government coordination of appropriate supply-side supports to ensure an increase in the demand for Indigenous labour and business services is able to be met by a suitably skilled and qualified workforce.

This includes support for Indigenous job seekers and businesses for the training required to develop skills and obtain necessary qualifications; support for contractors to identify suitably skilled Indigenous job-seekers and businesses; and better visibility of project opportunities to enable time for upskilling. This is likely to involve a range of agencies across levels of government.

Support for job-seekers

Employment service providers deliver support to Indigenous job seekers and work with employers to support better opportunities for job seekers. Given adequate notice of industry projects, they can be leveraged to encourage Indigenous job seekers to upskill and seek relevant employment or apprenticeship opportunities.

Complementing Indigenous specific supply-side measures are a range of mainstream employment services in metropolitan and regional areas managed by the Commonwealth Department of Employment, Skills, Small and Family Business. These mainstream employment services include:

- Jobactive – the Australian Government’s mainstream employment program
- Transition to Work – which provides intensive pre-employment assistance to young people aged 15-21 who have disengaged from the labour market
- ParentsNext – which is an early intervention program for recipients of Parenting Payment who have young children
- New Enterprise Incentive Scheme – which provide individualised support to help job seekers to start their own business.

Indigenous specific services such as the Community Development Programme (CDP), Vocational Training and Employment Centres (VTECs) will work with contractors to prepare job-seekers for specific roles. Flexible employment grants such as Tailored Assistance Employment Grants (TAEG) are also available to directly support hiring action by employers.

Support for businesses

Existing and emerging Indigenous businesses will be supported by the Australian Government’s:

- Indigenous Entrepreneurs Fund which includes regionally-based business advisers and grants for capacity-enhancing plant and equipment for start-ups and growing remote and regional Indigenous businesses.
- Indigenous Business Sector Strategy which is rolling out Indigenous Business Hubs, an Indigenous Entrepreneurs Capital Scheme and a doubling of the footprint of microfinance services.

The Australian Government will consider partnering with relevant agencies in the States to establish employment/business project hubs in strategic locations, where there is a business case for this, in order to help with the coordination of support services.

Staff in the PM&C regional offices will also play a role in tailoring supply-side strategies for projects as necessary.

This investment will be maximised if the Australian Government and the States work to coordinate and tailor existing programs and services. Indigenous participation will be increased with sufficient lead-time for effective planning and implementation of supply-side strategies.

A3.8 Project Thresholds and Exemptions

Thresholds

The Framework applies to projects receiving \$7.5 million or more in Australian Government contributions.

For projects below the \$7.5 million threshold, the State's own Indigenous policy would apply. In some circumstances, the Australian Government or the relevant State government may identify a project with strong potential to support Indigenous participation but where the Australian Government contribution is below \$7.5 million, such as locations where there is a high proportion of Indigenous people within the population. These projects may also require an Indigenous Participation Plan.

The Framework will apply to all projects funded under the Australian Government's Roads of Strategic Importance in Northern Australia regardless of the level of Commonwealth contribution.

Exemptions

States may seek an exemption to Indigenous participation requirements for a specific project, where there is strong justification. This will be considered by exception only and requires agreement from relevant Australian Government ministers.

In addition, the IIP sub-programs are not covered by the Framework. Where relevant, the State's own Indigenous participation policy will apply. The sub-programs not covered by the Framework include:

- Black Spots;
- Bridges Renewal Program;
- Heavy Vehicles Safety and Productivity Program; and
- Roads to Recovery.

States, through both their relationships with local governments and their State procurement policies, are also well-placed to play a role in encouraging and supporting greater Indigenous participation in the delivery of smaller, local projects, including those funded under the Roads to Recovery and Black Spots sub-programs.

Projects funded under the Northern Australia Roads programs are covered by a separate Indigenous participation framework created in response to the Government's White Paper on Developing Northern Australia.

A3.9 Accountability

The Australian Government recognises that the Framework's success will depend on an effective partnership between governments and industry.

The Framework seeks to leverage the goodwill and effort demonstrated by State governments and industry.

That said, it is important that governments and industry are accountable for Indigenous participation commitments – this has been particularly emphasised by Indigenous stakeholders.

States will be required to keep effective records on the performance of contractors against their Indigenous participation requirements. States should review contractors' performance (such as if they have met the target or not, and whether appropriate justification was provided where targets were not met) at the completion of each project and this would be a factor in consideration for the award of future contracts. This creates a clear incentive for contractors to meet Indigenous performance requirements in order to win future contracts.

A3.10 Reporting

Business-as-Usual Reporting Requirements

For individual projects, States will be required to report on progress against Indigenous Participation Plans or the State's own Indigenous participation plan accepted by the Department (as outlined in [A3.2](#)) as part of the standard monthly reporting process in place for the Infrastructure Investment Program. Where practical, reporting should cover:

- the target (per the agreed Indigenous Participation Plan)
- progress against the target, including (where available):
 - number of FTE Indigenous employees
 - value of contracts awarded to Indigenous businesses, as a proportion of the total project cost
 - qualitative information, including the type of roles in the supply chain filled by Indigenous persons and certifications obtained on the job.

Where actual participation rates vary from targets proposed in the Indigenous Participation Plan, States should provide advice on the circumstances influencing the outcomes and should seek to address any issues in consultation with the Australian Government.

Transparent reporting from the States throughout the project life cycle will also assist the Australian Government to provide the necessary supply-side supports that are required to achieve the best Indigenous participation outcomes over the long-term.

At the conclusion of a project, States will be required to provide information on Indigenous participation, including performance against targets, as part of the Post Completion Report.

Public Reporting Requirements

COAG agreed at its February 2018 meeting to report publicly on Indigenous employment and business outcomes annually. As part of this commitment, COAG has established online performance reporting for priority policies of the Closing the Gap Refresh, at the national and State government level.

Under the Framework, States will be required to report publicly on Indigenous participation on a project-by-project basis, including performance against targets for all projects.

At a minimum, performance against targets must be reported publicly upon completion of a project, however, States may report more frequently at their discretion and in line with their own policies.

As a guide, public reporting on projects underway should include the participation target pursued for the project, and indicate the progress to date (on-track, not on-track, or met, not met):

- For projects that have met or exceeded participation targets, include key achievements, the factors that contributed to meeting targets, and where appropriate share lessons learnt.
- For projects where target are not on track or not met, a brief explanation of the reason(s) for targets not being met should be included.

This is intended to promote accountability and transparency, as well as consistency in reporting across all States so that progress can be measured effectively. It is up to States to decide the most appropriate channel to publicly report this information, for example on the relevant government agency website or through their respective COAG channels, noting States may already have reporting requirements in place under their own policies.

Prior to public reporting, States should undertake appropriate consultation with relevant Indigenous stakeholders and contractors, and observe the principles of respect and appropriateness, and protect the privacy of individuals.

As part of the Post Completion Report, Funding Recipients will be required to confirm that public reporting requirements have been met.

A3.11 Review

An interim review of the Framework will be undertaken two years after the Framework's implementation (expected around mid 2021) and a substantive review at around the three-four year mark (expected to commence late 2022), to feed into the development of the next NPA.

A review of the Framework will seek to test:

- its effectiveness in delivering increased Indigenous employment and supplier-use, including whether targets are becoming higher or more ambitious over time
- lessons learned and how these could be incorporated into future design of the Framework
- any implications in terms of project delivery including value for money
- adequacy and efficiency of monitoring, reporting and accountability arrangements
- adequacy of supply-side supports in place to enable governments and industry to meet targets.

The outcomes of the review should inform the need for any changes to the design and implementation of the Framework, and the need for any additional or different supply-side supports. The review provides an opportunity for evidence-based analysis of the Framework's impacts in terms of benefits and any costs, drawing on actual project data.

The review would be led by the Australian Government, in consultation with State governments, industry and Indigenous representative bodies, such as the Prime Minister's Indigenous Advisory Council, peak land councils and Indigenous businesses and associations.

APPENDIX B PROJECT PROPOSAL REPORT TEMPLATES

APPENDIX B1 Road Project Proposal Report Template.....	45
APPENDIX B2 Rail Project Proposal Report Template.....	63
APPENDIX B3 Indigenous Participation Plan Template.....	81

Road Project Proposal Report Template

<i>Project Name</i>	
<i>Version Number</i>	
<i>Date submitted to the Department</i>	

GUIDANCE NOTES

The purpose of the Road Project Proposal Report (PPR) template is to set out the information required by the Department of Infrastructure, Transport, Cities and Regional Development (the Department) to support funding processes for proposed infrastructure investments.

Project proponents are to complete each section of the PPR to the extent possible and where possible the PPR template is to be completed in full. Noting that PPRs can be received at different stages of a project's development the minimum information requirements for projects based on Phase of development is set out below.

Scoping Phase	<ul style="list-style-type: none">• The investigation of options available (including the option to do nothing) to address an identified transport problem/opportunity, such as route selection for a bypass.• This Phase produces a preferred option and an estimated total Project cost.• For Scoping Phase PPRs the following questions are not mandatory: D2-D5; E4; G3; H2-H5.
Development Phase	<ul style="list-style-type: none">• The refinement and further development of a specific Project including detailed planning, environmental approvals and community consultation, in order to bring a project to 'construction ready'.• This stage can include pre construction works such as land acquisition and ground clearing.
Delivery Phase	<ul style="list-style-type: none">• The construction and delivery of a complete project.

A. PROJECT OVERVIEW

This section provides a snapshot of the Funding Recipient and the Project to be assessed.

Proponent Details

A1 Entity Name

A2 Primary Project Contact

Name:

Phone:

Position:

Email:

Postal Address:

A3 Project Partners

Identify Federal, State or Local Government and/or private organisations making a financial or in-kind contribution to the project. .

Project Details

A4 Project Name

Project name must be used consistently across future stages of PPRs.

A5 Project Identification (ID)

Project ID is assigned by the Department. Project ID must be used consistently across future stages of PPRs.

A6 Project Summary

A project summary should be prepared with potential publication on the Department's website in mind. The summary should be a maximum of 500 words in length and should cover the Project's:

- *Rationale/ objectives*
- *Location*
- *Key benefits*
- *Progress to date*

A7 Geographical Coordinates in Shapefile format if available (.shp, .shx, .dbf)

Provide geographical coordinates of the project location or area under investigation.

A8 Corridor and section of the National Land Transport Network (if applicable)

Provide details of the National Land Transport Network's coverage of the Project location.

The National Land Transport Network is defined by the National Land Transport Network Determination 2014 (No.1) available at: <http://www.comlaw.gov.au/Details/F2015C00261>.

If not applicable mark n/a.

A9 Related Projects

Provide details of other works, projects or studies related to the proposed Project (please provide web links to studies where applicable).

This may include works related to the Project that are not considered 'Approved Purposes' under Section 2.1.3.2 of the NLT Act.

B. PROJECT SCOPE

This section details how the problem or opportunity was determined, why it is eligible for Australian Government funding and the options the Funding Recipient explored before settling on the final Scope.

B1 Problem/ Opportunity Statement

Please describe the problem/ opportunity as a succinct statement that clearly identifies the cause and effect of the problem/ opportunity. Please include evidence and data to demonstrate the scale of the problem/opportunity and the need for Australian Government funding to address the problem and/or make the most of the opportunity.

B2 Options Evaluation

What options are being considered/ were considered? These could include:

- *Mode;*
- *Alignment; and*
- *Capital intensive vs non-capital intensive options.*

Please also explain:

- *The process for evaluating the options and determining the preferred option*
- *How public participation helped inform the preferred option?*
- *Assumptions made in comparing options; and*
- *If the project with the highest Net Present Value was not selected, explain why.*

Note: If the Project is Scoping Phase and seeking funding for studies such as Options Analysis and/or Business Case development that will include an investigation of the options this should be noted here with further detail provided in B3.

B3 Scope of Project Phase

Please outline, in as much detail as possible, and in conjunction with the advice on phases, outlined below, the Scope of the project, Scope could include:

- *Type of work being undertaken (duplication, widening, sealing, intersection upgrades etc.);*
- *Kilometres of road being upgraded/constructed;*
- *Flood immunity standard for Project;*
- *Type of report that will be produced – Study, Business Case, Options Analysis; and*
- *How safe system principles will be built into the Project.*

Note: Funding will only be approved for the scope related to the current Phase.

Description and specific information required for each specific phase:

Scoping Phase

Scoping Phase should outline at a high level the proposed Project that will be developed further as part of this Phase.

Scoping Phase may outline in detail how a Business Case or Options Analysis will be undertaken, including a high level explanation of the multiple options being considered (including a 'do nothing' option) to best address an identified problem/ opportunity.

Scoping Phase may also include requests for funding for land acquisition if the land acquired is common to all options being considered as part of the analysis.

Development Phase

Development Phase should include detailed Project design works, including whether the Project is an upgrade or new, type of work being undertaken, kilometre length and axillary works to support the Project (such as environmental measures). Development phase may also outline steps still needed in order to get the Project 'delivery ready'. This could include Environmental Impact Assessments, early

earth works, service relocations, geo-technical investigations or design refinement.

Delivery Phase

The Delivery Phase should build on the work undertaken in the Development Phase and outline a detailed delivery plan for the construction of the Project.

Note: if the Project has a fixed cost but a variable scope (such as package of road sealing works along a corridor) please outline the works is expected to be completed within the available funding envelope as well as staged scope increases that could be done if savings are identified.

B4 Eligibility under the National Land Transport Act 2014

Please indicate which part(s) of the Act are relevant to Project approval.

National Land Transport Act 2014, Part 3, Section 10:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- (a) the construction of an existing or proposed road that is in a State or Indian Ocean Territory;*
- (b) the maintenance of an existing or proposed road that is included in the National Land Transport Network;*
- (c) the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;*
- (d) the maintenance of an existing or proposed railway that is included in the National Land Transport Network;*
- (e) the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;*
- (f) the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.*

Note: The definition of 'construction' in Section 4 of the NLT Act covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

C. PROJECT COSTS

This section considers project cost information and includes a summary of the data required in the Project Cost Breakdown Template. This section is to be completed in as much detail as possible based on current Project Phase.

- C1 Complete the jurisdiction-specific Project Cost Breakdown Template provided by the Department

A probabilistic Cost Estimation process must be used for Projects with a total anticipated Outturn cost (including contingency) exceeding \$25 million unless otherwise approved by the Commonwealth. Projects with a total anticipated Outturn cost (including contingency) under \$25 million may use a deterministic methodology, however the Department recommends using a probabilistic cost estimation method where possible.

The Department provides detailed guidance on cost estimation on its webpage

http://investment.infrastructure.gov.au/about/funding_and_finance/cost_estimation_guidance.aspx.

- C2 Provide details of the Total Outturn Cost breakdown in the summary table.

Overall Project Cost Summary Table

	P50 (\$m AUD)	P90 (\$m AUD)
Base Cost Estimate	0	0
Contingency	0	0
Total Project Cost Estimate	0	0
Escalation	0	0
Total Outturn Cost Estimate	0	0

- C3 Provide a budget profile for the Project in the table below

The budget profile should outline the Australian Government and State Government funding contributions for the overall Project per financial year at P50 Outturn Costs for projects that have an Australian Government contribution of \$25 million or more. For projects that have an Australian Government contribution of under \$25 million, P90 Outturn Costs should be used.

If the Project has a fixed committed amount but a variable scope (such as a package of road sealing works along a corridor) please provide a budget profile for the Project outlining the Australian and State funding contributions for the overall Project per financial year at the total committed amount. The totals and cash flows must be consistent with the populated Project Cost Breakdown template and the NPA schedule.

Financial Year Forecast Milestone Requirement *

P50/P90 Outturn (or Actual as appropriate)		FY (\$m)	FY (\$m)	FY (\$m)	FY (\$m)	FY (\$m)	Balance of Commitment** (\$m)
	Australian Government contribution	0	0	0	0	0	0
	State Government contribution	0	0	0	0	0	0
	Other contribution (provide detail)	0	0	0	0	0	0
	Total						

*Payment of Australian Government funding will be subject to the achievement of Project milestones determined in consultation between Commonwealth and state officials.

**To be made available on demonstrated need.

- C4 What is the status of the State Government funding outlined above? Please state if the funding is committed in budget forward estimates, announced but not yet committed in the budget or yet to be confirmed.

D. BENEFITS

This section provides the Department with qualitative and quantitative data that will be used to highlight the benefits of the Project.

- D1 Provide a summary of the expected positive outcomes and benefits to be delivered by the Project:

This section should include a description of the benefits to be delivered by the Project. Examples may include (but not limited to):

- the number of traffic lights avoided
- active transport measures
- additional kilometres of public space available for community amenity
- greater access for high productivity freight vehicles
- increased flood immunity
- enhanced regional connectivity
- social impacts, such as visual amenity/ liveability
- cultural impacts
- biodiversity and environmental measures

- D2 Provide a summary of the BCR in the tables below:

The proponent should estimate Project benefits in line with their own standard practice and aligned with guidance provided by Infrastructure Australia and the Australian Transport Assessment and Planning (ATAP) Guidelines. Standard definitions for Benefit Areas and examples of best practices for the collection and collation of benefits data are available on the following websites:

- Infrastructure Australia: <https://www.infrastructureaustralia.gov.au/submission-guidelines> (refer to the Assessment Framework-Section D- Technical Guidance)
- ATAP Guidelines: <https://atap.gov.au/>

Where practicable, provide details of the Benefit Cost Ratio (BCR) using a discount rate of 4 per cent and 7 per cent for both the P90 and P50 cost of the Project. If not practicable to do so, please outline reasons why.

Definitions of the benefit categories:

- Standard benefits: core transport economic benefits are per the ATAP guidelines and set out in the table at D4.
- Wider Economic Benefits (WEBS): includes agglomeration benefits as specified in ATAP guidelines
- Other benefit categories: transport economics is evolving to include new benefit areas that may not yet be formally recognised in transport guidelines such as city shaping benefits. Where analysis on broader benefit categories has been undertaken please include it as a separate line item in the table below.

Summary Measures (P50)

		4% Discount rate	7% Discount rate
Present Value Cost			
Present Value Benefits	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		
Benefit Cost Ratio	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		

Summary Measures (P90)

		4% Discount rate	7% Discount rate
Present Value Cost			
Present Value Benefits	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		
Benefit Cost Ratio	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		

D3 Please complete the Benefit Indicators table below.

The Department will undertake a detailed review of the benefits used to calculate the Project BCR. All costs and benefits contained within the benefits indicator table sheet should be in the metrics listed below. Unless otherwise specified indicators are to be annual averages over the appraisal period. Fill in as many data fields as possible.

Benefits indicator table

Benefit Area	Benefit indicator and units	Value
Reliability/ amenity	Public Transport reliability (standard deviation hours per annum)	
	Journey time reliability (standard deviation hours per annum)	
Safety	Number of avoided accidents (average annual)	
	Number of avoided serious injuries (average annual)	
	Number of avoided fatalities (average annual)	
Active transport benefits	Additional kilometres of walk and cycle paths (kilometres)	
	Increased walking and cycling activity (number of trips by mode and average kilometres per annum)	
Commuter time savings (daily commute to work)	Minutes saved by commuters on their daily commute to work based on a sample of commutes along the relevant corridor (average annual)	
	Average number of commuter trip (annual)	
Leisure time savings	Average time savings for people on trips for leisure activities (minutes)	
	Average number of leisure trips (annual)	
Freight / business time savings	Average time savings for business trips, including freight (minutes)	
	Average number of business and freight trips (annual)	
Vehicle Operating Costs	Average change in vehicle operating costs for freight and business operators (annual)	
	Average change in vehicle operating costs for passengers (annual)	
Freight and Business Productivity	Average annual value of the sum of reduced vehicle operating costs, time savings and travel time reliability for freight and business users	
Construction Jobs	Number of jobs supported by the Project during the construction phase of the Project (average per annum FTE)	
Operations Jobs	Number of jobs supported by the Project during the operational phase of the Project (average per annum FTE)	

D4 Please complete the Benefit Net Present Value (NPV) table below.

Descriptions of benefit component table columns:

•

Present value of all benefits: Represents the present value of the Project (in millions of dollars). Enter figures only into the cells shaded blue.

•

Year 10 benefits in \$m: Represents the benefits of the Project forecasted to be achieved during Year 10 (in millions of dollars). If no Year 10 forecast is available, replace with projections from a different year that reflects the projects "steady state". Enter figures only into the cells shaded purple.

•

Year 10 benefits as percentage of total benefits: Represents the forecasted Year 10 benefit for a specific line item as a percentage of the total Year 10 benefit.

Please refer to D2 for guidance on the standard benefits, WEBS and other benefits. Where other benefits are greater than 5% please specify in the benefits area and provide an overview of the approach used to estimate the benefit area.

Benefit Component		Present Value of all Benefits (\$m)	Year 10 Only:	
			Year 10 Benefits in \$m (10 years after construction complete)	Year 10 Benefits as a percentage of total benefits
Travel Time Savings	Passenger (existing/ new users)			
	Business (existing/ new users)			
	Freight (existing/ new users)			
	Total Travel Time Savings			
Reduced Vehicle Operating Costs (resource costs)	Passenger (existing/ new users)			
	Business (existing/ new users)			
	Freight (existing/ new users)			
	Total Reduced Operating Costs			
Accident Reduction	Passenger (existing/ new users)			
	Business (existing/ new users)			
	Freight (existing/ new users)			
	Total Accident Reduction			
Environmental Benefits	Reduced Greenhouse Emissions			
	Reduced Local Pollution			
	Reduced Noise			
	Other (i.e. Biodiversity)			
	Total Environmental Benefits			
Reduced Maintenance Costs	Routine (Annual)			
	Periodic			
	Rehabilitation			
	Total Reduced Maintenance Costs			
Other standard benefits (reliability, crowding, tolls/fare box)				
TOTAL STANDARD BENEFITS*				
Wider Economic Benefits	Agglomeration Benefits			
	Other Wider Economic Benefits			
	Total Wider Economic Benefits			
Other Benefits (i.e. City shaping)	(add category as required: such as heavy vehicle productivity)			
	(add category as required)			
	Total Other Benefits			

*Total Standard Benefits should equal sum of total benefits.

- D5 Please complete the traffic and use assumptions table below. For public transport projects please complete the table by mode (new public transport investment and mode of transport from which traffic will be induced from).

Transport model data to be provided to the extent possible in accordance with the table below. If peak travel time data is available please provide. Data is to be provided for passenger trip numbers and Vehicle Kilometres Travelled (VKT).

Description of Traffic and use assumptions rows

- Users of existing infrastructure in Base Case: refers to use of the infrastructure in the future under a “no project” scenario – that is, if the Project did not go ahead.
- User of new upgraded infrastructure in Project Case: refers to the use of the new or upgraded infrastructure under the Project scenario – that is if the Project goes ahead.
- Users diverted from the rest of the road network: refers to the users of the new/upgraded infrastructure that otherwise would have used alternative roads
- Users diverted from other transport modes: refers to the users of the new/upgraded infrastructure that otherwise would have used alternative modes of transport
- Generated trips: refers to induced demand – i.e. trips that were non-existent anywhere on the network without the project. Include only those generated trips that will utilise the project.

		First year after Project completion	10 years following Project completion	30 years following Project completion
Users of existing infrastructure in Base Case	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
User of new/ upgraded infrastructure in Project Case	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
Users diverted from the rest of the highway network	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
Users diverted from other transport modes (where possible).	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
Generated trips	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			

E. FINANCING AND PROCUREMENT

This section is to provide the Department with a narrative as to why a particular financing and/or procurement method was chosen and details on how that procurement method will be managed.

- E1 If the total estimated project cost greater than \$50 million, please outline the process for considering alternative funding and/or financing opportunities and the outcome of the considerations.

If NO – go to E2

Proponents must provide details of how this exploration was carried out and whether there is scope for private sector financing or alternative funding. Consideration should be given to the following:

- *What will be covered? Core versus non-core services;*
- *The capacity and appetite of the market to be able to deliver this kind of Project;*
- *Public interest;*
- *Long term sustainability;*
- *Value for money;*
- *Value capture opportunities; and*
- *Opportunities for private sector contributions*

Please attach a copy of the formal assessment.

- E2 If the estimated Project cost is less than \$50 million was private funding or financing investigated proportional to the size of the project. If so, please provide a summary of how it has been considered and the outcome of the considerations?

Noting that the Project is less than \$50 million are there are Project characteristics that warrant consideration of private sector funding or financings. For example, does the Project significantly benefit specific private sector operators?

- E3 What is the preferred procurement method for the Project? Please outline the specific details of the contracting method (design and construct for example) and why it was chosen. If over \$50 million, how was a Public Private Partnership considered in line with the National Public Private Partnership Guidelines?

Funding recipients should consider the different procurement methods available to deliver the Project including, traditional contracting, alliance contracting and Public Private Partnerships. For major projects, this should take the form of robust, careful procurement options analysis. The Australian Transport Assessment Planning Guidelines provide a comprehensive framework to support decision making for transport infrastructure and serves as a national standard. It can be found on the Department's website at <https://atap.gov.au/>.

If a Public-Private Partnership is proposed, provide details of the structure and funding method (user charges, availability payments) proposed. The Department provides guidelines on and instruction on Public Private Partnerships in its National PPP Guidelines which can be found at <https://infrastructure.gov.au/infrastructure/ngpd/files/National-PPP-Policy-Framework-Oct-2015.pdf>.

Note: The preferred procurement method may only be a prospective preference at this stage.

E4 Is a tender exemption being sought?

A tender exemption excuses the funding recipient from having to take the Project to market for delivery. For a project to be eligible for a tender exemption it must meet at least one of the requirements under Section 24(1) (c)i to vi of the NLT Act.

If eligible a tender request must include the following detail:

- *Category under which the exemption is being sought – Section 24(1) (c)i to vi of the NLT Act;*
- *How the proposed procurement strategy will ensure value for money;*
- *Scope of work for which the exemption is being sought;*
- *Value of the works;*
- *Intended entity to undertake the work;*
- *Supporting reasons for the exemption.*

E5 Project Timeline

Include the expected timing of high-level Project activities, including those on the critical path, and estimated completion date of the Project (i.e. the complete Project for an investigative study would typically be the study itself).

Please list and describe the assumptions underpinning the schedule set out above, including if the Project is dependent on the delivery of other projects, planning approvals or environmental studies by other bodies or agencies.

Activity	Timeline

F. RISK AND SUSTAINABILITY

This section outlines major risks associated with the Project, where the responsibility for managing these risks lies, and how sustainability can be built into the Project to increase its overall benefit.

- F1 Identify the major risks, and proposed mitigation strategies to successfully deliver this Project.

Proponents should explain the risk identification process, including the use of risk workshops, to be undertaken as part of the Project. Please also list the most significant risks to successful delivery and provide details of the mitigation strategies proposed, including requesting increased Australian Government involvement where appropriate.

This information may be supported by an attached summarised risk register table.

- F2 Identify the major dis-benefits of the projects and how the Project may impact the community and environment.

Proponents should explain major dis-benefits and negative externalities associated with the Project including social, cultural and environmental impacts. This should include information such as the number and type of property resumptions, any increase to noise or pollution levels, a-flux issues and/or environmental considerations such as clearing and habitat removal should be included.

- F3 Detail any sustainability strategies that will be adopted

Environmentally sustainable strategies could include the reuse of dug out dirt as prefill, innovative tarmac solutions, solar panelling for ITS equipment etc.

Animal protection policies could include animal underpasses, overhead 'bridges' and the redevelopment of animal habitat in the area.

G. STAKEHOLDER ENGAGEMENT

This section outlines the steps the Funding Recipient will take to ensure that the public and other relevant stakeholders are engaged and actively managed throughout the Project.

- G1 Provide details on how public and stakeholder participation will be facilitated during this phase, and the Project overall.

Factors that should be considered when determining the appropriate level of public and stakeholder participation may include:

- *Potential for conflict over the Project;*
- *Potential for major social, environmental or economic impacts; and*
- *Relevant legislative requirements.*

- G2 Please complete the stakeholder consultation table below.

Provide information on completed or planned consultations including the type of consultation the relevant stakeholders involved as well as a brief description of the issues raised and a plan to manage those issues.

Date	Type of Consultation (stakeholders invited i.e. industry, community)	Issues raised	Management plan

- G3 Provide a comprehensive public recognition signage plan

The plan should set out the proposed signage for the Project in line with the Signage Guidelines available from the Department's website at

https://investment.infrastructure.gov.au/about/resources/signage_guidelines.aspx.

H. COMPLIANCE

This section provides the Department assurance that the Funding Recipient understands their responsibilities with regard to both State and Commonwealth legislation and regulation and has taken steps to actively comply.

H1 List Commonwealth or State legislation triggered by the Project.

As an example, legislation that may be triggered by the Project could include the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999 or the Queensland Government's Aboriginal Cultural Heritage Act 2003 and the Torres Strait Islander Cultural Heritage Act 2003.

For the Scoping Phase, it is necessary only to highlight foreseen legislation issues.

H2 Does the Building Code 2016 apply to this Project? If so, please confirm compliance. YES/ NO

YES – please confirm compliance.

NO – please explain why.

See Appendix A2 for more information.

H3 Does the Australian Government Building and Construction WHS Accreditation Scheme apply to this Project? If so, please confirm compliance.

YES/ NO

YES – please confirm compliance.

NO – please explain why.

See Appendix A2 for more information.

H4 If the Project has an Australian Government funding contribution of equal to or greater than \$7.5 million, has an Indigenous Participation Plan been attached?

YES/ NO

YES – plans will assessed by the Department for compliance.

NO – please explain why.

See Appendix A3 for more information.

See Appendix B3 for the Indigenous Participation Plan Template

H5 If the Project is more than \$20 million, a Local Industry Participation Plan or an Australian Industry Participation Plan must be provided to the Department.

YES/NO

YES – please send, once complete, for forwarding to the Commonwealth Department of Industry, Innovation and Science (aip@industry.gov.au) for compliance.

Note: final milestones will not be paid out for a Project until a LIPP is provided.

See Section 2.3 of the Notes on Administration for more information.

H6 Is the proposed Australian Government contribution \$100 million or greater. If yes, has the Business Case been submitted to Infrastructure Australia for review?

YES/NO

YES – provide date and status of IA assessment (if known).

NO – please provide advice on expected timing of submission to IA.

See Section 2.2 of the Notes on Administration for more information.

I. SIGN OFF

The Project should be signed and dated by the appropriate officer, as per each jurisdiction's in-house approval process.

X

/ /20

J. ATTACHMENTS

This section is where information that was used to help complete the PPR will be attached as Appendices.

If a Business Case (including strategic or preliminary Business Cases) or Options Analysis was undertaken on the Project the Department requires a copy be attached to the PPR.

J1 Supporting Information

Supporting information should only include documents that have been referred to in the body of the PPR, for example:

- *GIS data / shape files;*
- *Photographs;*
- *Locality and/or topographical plans and maps;*
- *Demand forecasts;*
- *Safety audits;*
- *Historical crash statistics;*
- *Engineering plans;*
- *Environmental, cultural and social studies;*
- *Risk assessment reports;*
- *Other descriptive information.*

Documents in relation to cost estimates that must be provided include:

- *Completed Project Cost Breakdown spreadsheet;*
- *Cost Estimate Report explaining how the cost estimate was developed, which must include:*
 - *background and context for the Project;*
 - *outline scope for the Project;*
 - *details of the risk workshop/s undertaken, and subject matter experts consulted;*
 - *copy of the Risk Register underpinning the contingency included in the Project costings (where a probabilistic cost estimation process has been used this will be the source of much of the Cost Estimation Tool risk input data);*
 - *details of the person/firm preparing the cost estimate; and*
 - *evidence that Project costs have been comprehensively reviewed and authorised in accordance with the Proponent's published guidelines.*

For projects equal to or over \$25 million in total Outturn Cost or where a probabilistic cost estimation process has been used, the following information must be provided:

- *Cost Estimation Tool (for example, @RISK and Crystal Ball) Output Report files, which must at a minimum include charts showing the non-Outturned Project Cost probability distribution and associated cumulative probability distribution ('S' Curve), Simulation Summary Details (that is, sampling type, number of iterations, Random Number Generator a Tornado diagram and accompanying Regression and Rank Information Table, and Summary Statistics for the Project Cost, including the Project cost estimate (unescalated) at 5 per cent intervals from 5 per cent to 95 per cent confidence).*
- *Cost Estimation Tool input data files in spreadsheet format that includes sufficient information to permit the Department or its contractors to re-run the probabilistic cost estimation simulation.*
- *Bibliography of all documents consulted by the cost estimator in preparing the cost estimate (including version number/date, proper title, document format and author). Note: It is a requirement that the Proponent maintains a digital library of all documents consulted in preparing the cost estimate.*

Projects with cost estimates prepared using a deterministic estimation process must provide, when requested:

- *Underpinning documentation explaining the derivation of the Base Estimate and the approximate P50 and P90 values (both Non-Outturned and Outturned).*

Rail Project Proposal Report Template

<i>Project Name</i>	
<i>Version Number</i>	
<i>Date submitted to the Department</i>	

GUIDANCE NOTES

The purpose of the Rail Project Proposal Report (PPR) template is to set out the information required by the Department of Infrastructure, Transport, Cities and Regional Development (the Department) to support funding processes for proposed infrastructure investments.

Project proponents are to complete each section of the PPR to the extent possible and where possible the PPR template is to be completed in full. Noting that PPRs can be received at different stages of a project's development the minimum information requirements for projects based on Phase of development is set out below.

Scoping Phase	<ul style="list-style-type: none">• The investigation of options available (including the option to do nothing) to address an identified transport problem/ opportunity, such as route selection for a bypass.• This Phase produces a preferred option and an estimated total Project cost.• For Scoping Phase PPRs the following questions are not mandatory: D2-D5; E4; G3; H2-H5.
Development Phase	<ul style="list-style-type: none">• The refinement and further development of a specific Project including detailed planning, environmental approvals and community consultation, in order to bring a project to 'construction ready'.• This stage can include pre construction works such as land acquisition and ground clearing.
Delivery Phase	<ul style="list-style-type: none">• The construction and delivery of a complete project.

A. PROJECT OVERVIEW

This section provides a snapshot of the Funding Recipient and the Project to be assessed.

Proponent Details

A1 Entity Name

A2 Primary Project Contact

Name:

Position:

Phone:

Email:

Postal Address:

A3 Project Partners

Identify Federal, State or Local Government and/or private organisations making a financial or in-kind contribution.

Project Details

A4 Project Name

Project name must be used consistently across future stages of PPRs.

A5 Project Identification (ID)

Project ID is assigned by the Department. Project ID must be used consistently across future stages of PPRs.

A6 Project Summary

A project summary should be prepared with potential publication on the Department's website in mind. The summary should be a maximum of 500 words in length and should cover the Project's:

- *Rationale/ objectives*
- *Location*
- *Key benefits*
- *Progress to date*

A7 Geographical Coordinates in Shapefile format if available (.shp, .shx, .dbf)

Provide geographical coordinates of the project location or area under investigation.

A8 Corridor and section of the National Land Transport Network (if applicable)

Provide details of the National Land Transport Network's coverage of the Project location.

The National Land Transport Network is defined by the National Land Transport Network Determination 2014 (No.1) available at: <http://www.comlaw.gov.au/Details/F2015C00261>.

If not applicable mark n/a.

A9 Related Projects

Provide details of other works, Projects or studies related to the proposed Project (please provide web links to studies where applicable).

This may include works related to the Project that are not considered 'Approved Purposes' under Section 2.1.3.2 of the NLT Act.

B. PROJECT SCOPE

This section details how the problem or opportunity was determined, why it is eligible for Australian Government funding and the options the Funding Recipient explored before settling on the final Scope.

B1 Problem/ Opportunity Statement

Please describe the problem/ opportunity as a succinct statement that clearly identifies the cause and effect of the problem/ opportunity. Please include evidence and data to demonstrate the scale of the problem/opportunity and the need for Australian Government funding to address the problem and/or make the most of the opportunity.

B2 Options Evaluation

What options are being considered/ were considered? These could include:

- *Mode;*
- *Alignment; and*
- *Capital intensive vs non-capital intensive options.*

Please also explain:

- *The process for evaluating the options and determining the preferred option*
- *How public participation helped inform the preferred option?*
- *Assumptions made in comparing options; and*
- *If the project with the highest Net Present Value was not selected, explain why.*

Note: If the Project is Scoping Phase and seeking funding for studies such as Options Analysis and/or Business Case development that will include an investigation of the options this should be noted here with further detail provided in B3.

B3 Scope of Project Phase

Please outline, in as much detail as possible, and in conjunction with the advice on phases, outlined below, the Scope of the project, Scope could include:

- *Type of work being undertaken (extensions, level crossing removals, station upgrades etc.);*
- *Kilometres of rail being upgraded/constructed;*
- *Flood immunity standard for Project;*
- *Type of report that will be produced – Study, Business Case, Options Analysis; and*

Note: Funding will only be approved for the scope related to the current Phase.

Description and specific information required for each specific phase:

Scoping Phase

Scoping Phase should outline at a high level the proposed Project that will be developed further as part of this Phase.

Scoping Phase may outline in detail how a Business Case or Options Analysis will be undertaken, including a high level explanation of the multiple options being considered (including a 'do nothing' option) to best address an identified problem/ opportunity.

Scoping Phase may also include requests for funding for land acquisition if the land acquired is common to all options being considered as part of the analysis.

Development Phase

Development Phase should include detailed Project design works, including whether the Project is an upgrade or new, type of work being undertaken, kilometre length and axillary works to support the Project (such as environmental measures). Development phase may also outline steps still needed in order to get the Project 'delivery ready'. This could include Environmental Impact Assessments, early earth works, service relocations, geo-technical investigations or design refinement.

Delivery Phase

The Delivery Phase should build on the work undertaken in the Development Phase and outline a detailed delivery plan for the construction of the Project.

Note: if the Project has a fixed cost but a variable scope (such as package of level crossing removals) please outline the works is expected to be completed within the available funding envelope as well as staged scope increases that could be done if savings are identified.

B4 Eligibility under the *National Land Transport Act 2014*

Please indicate which part(s) of the Act are relevant to Project approval.

National Land Transport Act 2014, Part 3, Section 10:

A project is eligible for approval as an Investment Project if the project is for one or more of the following:

- (a) the construction of an existing or proposed road that is in a State or Indian Ocean Territory;*
- (b) the maintenance of an existing or proposed road that is included in the National Land Transport Network;*
- (c) the construction of an existing or proposed railway that is in a State or Indian Ocean Territory;*
- (d) the maintenance of an existing or proposed railway that is included in the National Land Transport Network;*
- (e) the construction of an inter-modal transfer facility in a State or Indian Ocean Territory;*
- (f) the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.*

Note: The definition of construction in Section 4 of the NLT Act covers some kinds of work on an existing road, railway or inter-modal transfer facility (hence the references above to the construction of an existing road, railway or inter-modal transfer facility).

B5 Supply chain analysis (freight rail only)

Provide a summary of the potential supply chain impacts, including consideration of how the Project may impact:

- *the volume and value of current and future freight demand by commodity type;*
- *community and industry opportunities and any anticipated structural changes;*
- *industry competitiveness; and*
- *links to intermodal hubs and ports; and*
- *alignment with national key freight routes.*

C. PROJECT COSTS

This section considers project cost information and includes a summary of the data required in the Project Cost Breakdown Template. This section should be completed in as much detail as possible based on current Project Phase.

- C1 Complete the jurisdiction-specific Project Cost Breakdown Template provided by the Department

A probabilistic Cost Estimation process must be used for Projects with a total anticipated Outturn cost (including contingency) exceeding \$25 million unless otherwise approved by the Commonwealth. Projects with a total anticipated Outturn cost (including contingency) under \$25 million may use a deterministic methodology, however the Department recommends using a probabilistic cost estimation method where possible.

The Department provides detailed guidance on cost estimation on its webpage

http://investment.infrastructure.gov.au/about/funding_and_finance/cost_estimation_guidance.aspx.

- C2 Provide details of the Total Outturn Cost breakdown in the summary table.

Overall Project Cost Summary Table

	P50 (\$m AUD)	P90 (\$m AUD)
Base Cost Estimate	0	0
Contingency	0	0
Total Project Cost Estimate	0	0
Escalation	0	0
Total Outturn Cost Estimate	0	0

- C3 Provide a budget profile for the Project in the table below.

The budget profile should outline the Australian Government and State Government funding contributions for the overall Project per financial year at P50 Outturn Costs for projects that have an Australian Government contribution of \$25 million or more. For projects that have an Australian Government contribution of under \$25 million, P90 Outturn Costs should be used.

The totals and cash flows should be consistent with the populated Project Cost Breakdown template and the NPA schedule.

Financial Forecast Milestone Requirement*

P50/P90 Outturn (or Actual as appropriate)		FY (\$m)	FY (\$m)	FY (\$m)	FY (\$m)	FY (\$m)	Balance of Commitment** (\$m)
	Australian Government contribution	0	0	0	0	0	0
	State Government contribution	0	0	0	0	0	0
	Other contribution (provide detail)	0	0	0	0	0	0
	Total						

*Payment of Australian Government funding will be subject to the achievement of project milestones determined in consultation between Commonwealth and state / territory officials.

**To be made available on demonstrated need.

- C4 What is the status of the State Government funding outlined above? Please state if the funding is committed in budget forward estimates, announced but not yet committed in the budget or yet to be confirmed.

- C5 Provide details of the escalation rate(s) used in the table below:

Please provide details of the escalation rate(s) used and the source and justification for those rates.

	FY	FY	FY	FY	FY
Escalation Rate (%)					

D. BENEFITS

This section provides the Department with qualitative and quantitative data that will be used to highlight the benefits of the Project.

D1 Provide a summary of the expected positive outcomes and benefits to be delivered by the Project:

This section should include a description of the benefits to be delivered by the Project. Examples may include (but not limited to):

- improved on time running
- reductions to over-crowding
- enhanced regional connectivity
- social impacts, such as visual amenity/ liveability
- increased flood immunity
- cultural impacts
- Biodiversity and environmental measures

D2 Provide a summary of the BCR in the tables below:

The Proponent should estimate Project benefits in line with their own standard practice and aligned with guidance provided by Infrastructure Australia and the Australian Transport Assessment and Planning (ATAP) Guidelines. Standard definitions for Benefit Areas and examples of best practices for the collection and collation of benefits data are available on the following websites:

- Infrastructure Australia: <https://www.infrastructureaustralia.gov.au/submission-guidelines> (refer to the Assessment Framework-Section D- Technical Guidance)
- ATAP Guidelines: <https://atap.gov.au/>

Where practicable, provide details of the Benefit Cost Ratio (BCR) using a discount rate of 4per cent and 7 per cent for both the P90 and P50 cost of the Project. If not practicable to do so, please outline reasons why.

Definitions of the benefit categories:

- Standard benefits: core transport economic benefits are per the ATAP guidelines and set out in the table at D4.
- Wider Economic Benefits (WEBS): includes agglomeration benefits as specified in ATAP guidelines
- Other benefit categories: transport economics is evolving to include new benefit areas that may not yet be formally recognised in transport guidelines such as city shaping benefits. Where analysis on broader benefit categories has been undertaken please include it as a separate line item in the table below.

Summary Measures (P50)

		4% Discount rate	7% Discount rate
Present Value Cost			
Present Value Benefits	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		
Benefit Cost Ratio	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		

Summary Measures (P90)

		4% Discount rate	7% Discount rate
Present Value Cost			
Present Value Benefits	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		
Benefit Cost Ratio	Standard benefits		
	Standard benefits with WEBS		
	Standard benefits with WEBS and other benefit categories		

D3 Please complete the Benefit Indicators table below.

The Department will undertake a detailed review of the benefits used to calculate the Project BCR. All costs and benefits contained within the benefits indicator table sheet should be in the metrics listed below. Unless otherwise specified indicators are to be annual averages over the appraisal period. Fill in as many data fields as possible.

Benefits indicator table

Benefit Area	Benefit indicator and units	Value
Reliability / amenity	Crowding penalty (average hours per annum)	
	Public Transport reliability (standard deviation hours per annum)	
	Journey time reliability (standard deviation hours per annum)	
Mode shift	Reduced car use (annual average trips and VKT)	
Safety on roads due to mode shift	Number of avoided accidents (average annual)	
	Number of avoided serious injuries (average annual)	
	Number of avoided fatalities (average annual)	
Active transport benefits	Additional kilometres of walk and cycle paths (kilometres)	
	Increased walking and cycling activity (number of trips by mode and average kilometres per annum)	
Commuter time savings (daily commute to work)	Minutes saved by commuters on their daily commute to work based on a sample of commutes along the relevant corridor (average annual)	
	Average number of commuter trips (annual)	
Freight time savings	Average time savings freight (minutes)	
Freight and Business Productivity	Average annual value of the sum of reduced vehicle operating costs, time savings and travel time reliability for freight and business users	
Frequency of service	Peak and off-peak service frequency	
Public Transport Access	Number of additional dwellings within 400 metres of public transport stations/stops	
Construction Jobs	Number of jobs supported by the Project during the construction phase of the Project (average per annum FTE)	
Operations Jobs	Number of jobs supported by the Project during the operational phase of the Project (average per annum FTE)	

D4 Please complete the Benefit Net Present Value (NPV) table below.

Descriptions of benefit component table columns:

- Present value of all benefits: Represents the present value of the Project (in millions of dollars). Enter figures only into the cells shaded blue.
- Year 10 benefits in \$m: Represents the benefits of the Project forecasted to be achieved during Year 10 (in millions of dollars). If no Year 10 forecast is available, replace with projections from a different year that reflects the projects "steady state". Enter figures only into the cells shaded light purple.
- Year 10 benefits as percentage of total benefits: Represents the forecasted Year 10 benefit for a specific line item as a percentage of the total Year 10 benefit.

Please refer to D2 for guidance on the standard benefits, WEBS and other benefits. Where other benefits are greater than 5% please specify in the benefits area and provide an overview of the approach used to estimate the benefit area.

Benefit Component		Present Value of all Benefits (\$m)	Year 10 Only:	
			Year 10 Benefits in \$m (10 years after construction complete)	Year 10 Benefits as a percentage of total benefits
Journey Time Savings	Commuter/ Leisure (existing/ new users)			
	Business (existing/ new users)			
	Freight (existing/ new users)			
	Total Travel Time Savings			
Reduced Vehicle Operating Costs (resource costs)	Commuter/ Leisure (existing/ new users)			
	Business (existing/ new users)			
	Freight (existing/ new users)			
	Total Reduced Operating Costs			
Accident Reduction	Commuter/ Leisure (existing/ new users)			
	Business (existing/ new users)			
	Freight (existing/ new users)			
	Total Accident Reduction			
Environmental Benefits	Reduced Greenhouse Emissions			
	Reduced Local Pollution			
	Reduced Noise			
	Other (i.e. Biodiversity)			
	Total Environmental Benefits			
Reduced Maintenance Costs	Routine (Annual)			
	Periodic			
	Rehabilitation			
	Total Reduced Maintenance Costs			
Tolls/ Fare Box Revenue	Total Tolls/ Fare Box Revenue			
Other standard benefits (reliability, crowding etc.)				
TOTAL STANDARD BENEFITS*				
Wider Economic Benefits	Agglomeration Benefits			
	Other Wider Economic Benefits			
	Total Wider Economic Benefits			
Other Benefits (i.e. City shaping)	(add category as required)			
	Total Other Benefits			

*Total Standard Benefits should equal sum of total benefits.

- D5 Please complete the traffic and use assumptions table below. For public transport projects please complete the table by mode (new public transport investment and mode of transport from which traffic will be induced from).

Transport model data to be provided to the extent possible in accordance with the table below. If peak travel time data is available please provide. Data is to be provided for passenger trip numbers and Vehicle Kilometres Travelled (VKT).

Description of Traffic and use assumptions rows

- Users of existing infrastructure in Base Case: refers to use of the infrastructure in the future under a “no project” scenario – that is, if the Project did not go ahead.
- User of new upgraded infrastructure in Project Case: refers to the use of the new or upgraded infrastructure under the Project scenario – that is if the Project goes ahead.
- Users diverted from the road network: refers to the users of the new/upgraded infrastructure that otherwise would have used alternative roads
- Users diverted from other transport modes: refers to the users of the new/upgraded infrastructure that otherwise would have used alternative modes of transport
- Generated trips: refers to induced demand – i.e. trips that were non-existent anywhere on the network without the project. Include only those generated trips that will utilise the project.

		First year after Project completion	10 years following Project completion	30 years following Project completion
Users of existing infrastructure in Base Case	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
User of new/ upgraded infrastructure in Project Case	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
Users diverted from the rest of the highway network	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
Users diverted from other transport modes (where possible).	Passenger (trips / VKT)			
	Business (trips / VKT)			
	Freight and business (trips / VKT)			
Generated trips	Passenger (trips / VKT)			
	Business (trips / VKT)			

E. FINANCING AND PROCUREMENT

This section is to provide the Department with a narrative as to why a particular financing and/or procurement method was chosen and details on how that procurement method will be managed.

- E1 If the total estimated project cost greater than \$50 million, please outline the process for considering alternative funding and / or financing opportunities and the outcome of the considerations.

If NO – go to E2

Proponents must provide details of how this exploration was carried out and whether there is scope for private sector financing or alternative funding. Consideration should be given to the following:

- *What will be covered? Core versus non-core services;*
- *The capacity and appetite of the market to be able to deliver this kind of Project;*
- *Public interest;*
- *Long term sustainability;*
- *Value for money;*
- *Value capture opportunities; and*
- *Opportunities for private sector contributions*

Please attach a copy of the formal assessment.

- E2 If the estimated Project cost is less than \$50 million was private funding or financing investigated proportional to the size of the project. If so, please provide a summary of how it has been considered and the outcome of the considerations?

Noting that the Project is less than \$50 million are there are Project characteristics that warrant consideration of private sector funding or financings. For example, does the Project significantly benefit specific private sector operators?

- E3 What is the preferred procurement method for the Project? Please outline the specific details of the contracting method (design and construct for example) and why it was chosen. If over \$50 million, how was a Public Private Partnership considered in line with the National Public Private Partnership Guidelines?

Funding recipients should consider the different procurement methods available to deliver the Project including, traditional contracting, alliance contracting and Public Private Partnerships. For major projects, this should take the form of robust, careful procurement options analysis. The Australian Transport Assessment Planning Guidelines provide a comprehensive framework to support decision making for transport infrastructure and serves as a national standard. It can be found on the Department's website at <https://atap.gov.au/>.

If a Public-Private Partnership is proposed, provide details of the structure and funding method (user charges, availability payments) proposed. The Department provides guidelines on and instruction on Public Private Partnerships in its National PPP Guidelines which can be found at <https://infrastructure.gov.au/infrastructure/ngpd/files/National-PPP-Policy-Framework-Oct-2015.pdf>.

Note: The preferred procurement method may only be a prospective preference at this stage.

E4 Is a tender exemption being sought?

A tender exemption excuses the funding recipient from having to take the Project to market for delivery. For a project to be eligible for a tender exemption it must meet at least one of the requirements under Section 24(1) (c)i to vi of the NLT Act.

If eligible a tender request must include the following detail:

- *Category under which the exemption is being sought – Section 24(1) (c)i to vi of the NLT Act;*
- *How the proposed procurement strategy will ensure value for money;*
- *Scope of work for which the exemption is being sought;*
- *Value of the works;*
- *Intended entity to undertake the work;*
- *Supporting reasons for the exemption.*

E5 Project Timeline

Include the expected timing of high-level Project activities, including those on the critical path, and estimated completion date of the Project (i.e. the complete Project for an investigative study would typically be the study itself).

Please list and describe the assumptions underpinning the schedule set out above, including if the Project is dependent on the delivery of other projects, planning approvals or environmental studies by other bodies or agencies.

Activity	Timeline

F. RISK AND SUSTAINABILITY

This section outlines major risks associated with the Project, where the responsibility for managing these risks lies, and how sustainability can be built into the Project to increase its overall benefit.

- F1 Identify the major risks, and proposed mitigation strategies to successfully deliver this Project.

Proponents should explain the risk identification process, including the use of risk workshops, to be undertaken as part of the Project. Please also list the most significant risks to successful delivery and provide details of the mitigation strategies proposed, including requesting increased Australian Government involvement where appropriate.

This information may be supported by an attached summarised risk register table.

- F2 Identify the major dis-benefits of the projects and how the Project may impact the community and environment.

Proponents should explain major dis-benefits and negative externalities associated with the Project including social, cultural and environmental impacts. This should include information such as property resumptions, any increase to noise or pollution levels, a-flux issues resulting from flood immunity and/or environmental considerations such as clearing and habitat removal should be included.

- F3 Detail any sustainability strategies that will be adopted

Environmentally sustainable strategies could include the reuse of dug out dirt as prefill, innovative tarmac solutions, solar panelling for ITS equipment etc.

Animal protection policies could include animal underpasses, overhead 'bridges' and the redevelopment of animal habitat in the area.

G. STAKEHOLDER ENGAGEMENT

This section outlines the steps the Funding Recipient will take to ensure that the public and other relevant stakeholders are engaged and actively managed throughout the Project.

- G1 Provide details on how public and stakeholder participation will be facilitated during this phase, and the Project overall.

Factors that should be considered when determining the appropriate level of public and stakeholder participation may include:

- *Potential for conflict over the Project;*
- *Potential for major social, environmental or economic impacts; and*
- *Relevant legislative requirements.*

- G2 Please complete the stakeholder consultation table below.

Provide information on completed or planned consultations including the type of consultation the relevant stakeholders involved as well as a brief description of the issues raised and a plan to manage those issues.

Date	Type of Consultation (stakeholders invited i.e. industry, community)	Issues raised	Management plan

- G3 Provide a comprehensive public recognition signage plan

The plan should set out the proposed signage for the Project in line with the Signage Guidelines available from the Department's website at

https://investment.infrastructure.gov.au/about/resources/signage_guidelines.aspx.

H. COMPLIANCE

This section provides the Department assurance that the Funding Recipient understands their responsibilities with regard to both State and Commonwealth legislation and regulation and has taken steps to actively comply.

H1 List Commonwealth or State legislation triggered by the Project.

As an example, legislation that may be triggered by the Project could include the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999 or the Queensland Government's Aboriginal Cultural Heritage Act 2003 and the Torres Strait Islander Cultural Heritage Act 2003.

For the Identification Phase, it is necessary only to highlight foreseen legislation issues.

H2 Does the Building Code 2016 apply to this Project? If so, please confirm compliance.

YES/ NO

YES – please confirm compliance.

NO – please explain why.

See Appendix A2 for more information.

H3 Does the Australian Government Building and Construction WHS Accreditation Scheme apply to this Project? If so, please confirm compliance.

YES/ NO

YES – please confirm compliance.

NO – please explain why.

See Appendix A2 for more information.

H4 If the Project has an Australian Government funding contribution of equal to or greater than \$7.5 million, has an Indigenous Participation Plan been attached?

YES/ NO

YES – plans will assessed by the Department for compliance.

NO – please explain why.

See Appendix A3 for more information.

See Appendix B3 for the Indigenous Participation Plan Template.

H5 If the Project is more than \$20 million, a Local Industry Participation Plan or an Australian Industry Participation Plan must be provided to the Department.

YES/NO

YES – please send, once complete, for forwarding to the Commonwealth Department of Industry, Innovation and Science (aip@industry.gov.au) for compliance.

Note: final milestones will not be paid out for a Project until a LIPP is provided.

See Section 2.3 of the Notes on Administration for more information.

H6 Is the proposed Australian Government contribution \$100 million or greater. If yes, has the Business Case been submitted to Infrastructure Australia for review?

YES/NO

YES – provide date and status of IA assessment (if known).

NO – please provide advice on expected timing of submission to IA.

See Section 2.2 of the Notes on Administration for more information.

I. SIGN OFF

The Project should be signed and dated by the appropriate officer, as per each jurisdiction's in-house approval process.

X

/ /20

J. ATTACHMENTS

This section is where information that was used to help complete the PPR will be attached as Appendices.

If a Business Case (including strategic or preliminary Business Cases) or Options Analysis was undertaken on the Project the Department requires a copy be attached to the PPR.

J1 Supporting Information

Supporting information should only include documents that have been referred to in the body of the PPR, for example:

- *GIS data;*
- *Photographs;*
- *Locality and/or topographical plans and maps;*
- *Demand forecasts;*
- *Safety audits;*
- *Historical crash statistics;*
- *Engineering plans;*
- *Environmental, cultural and social studies;*
- *Risk assessment reports;*
- *Other descriptive information.*

Documents in relation to cost estimates that must be provided include:

- *Completed Project Cost Breakdown spreadsheet;*
- *Cost Estimate Report explaining how the cost estimate was developed, which must include:*
 - *background and context for the Project;*
 - *outline scope for the Project;*
 - *details of the risk workshop/s undertaken, and subject matter experts consulted;*
 - *copy of the Risk Register underpinning the contingency included in the Project costings (where a probabilistic cost estimation process has been used this will be the source of much of the Cost Estimation Tool risk input data);*
 - *details of the person/firm preparing the cost estimate; and*
 - *evidence that Project costs have been comprehensively reviewed and authorised in accordance with the Proponent's published guidelines.*

For projects equal to or over \$25 million in total Outturn Cost or where a probabilistic cost estimation process has been used, the following information must be provided:

- *Cost Estimation Tool (for example, @RISK and Crystal Ball) Output Report files, which must at a minimum include charts showing the non-Outturned Project Cost probability distribution and associated cumulative probability distribution ('S' Curve), Simulation Summary Details (that is, sampling type, number of iterations, Random Number Generator a Tornado diagram and accompanying Regression and Rank Information Table, and Summary Statistics for the Project Cost, including the Project cost estimate (unescalated) at 5 per cent intervals from 5 per cent to 95 per cent confidence).*
- *Cost Estimation Tool input data files in spreadsheet format that includes sufficient information to permit the Department or its contractors to re-run the probabilistic cost estimation simulation.*
- *Bibliography of all documents consulted by the cost estimator in preparing the cost estimate (including version number/date, proper title, document format and author). Note: It is a requirement that the Proponent maintains a digital library of all documents consulted in preparing the cost estimate.*

Projects with cost estimates prepared using a deterministic estimation process must provide, when requested:

- *Underpinning documentation explaining the derivation of the Base Estimate and the approximate P50 and P90 values (both Non-Outturned and Outturned).*

Indigenous Participation Plan

PROJECT NAME:

PROJECT NUMBER:

FUNDING RECIPIENT:

This Plan will be submitted to the Australian Government prior to commencing the formal tender process.

Before you begin:
This Plan should be developed in conjunction with the requirements under the **Indigenous Employment and Supplier-Use Infrastructure Framework** (the Framework) at Appendix A3.

Scope for Indigenous participation (mandatory)

The Australian Government requires Funding Recipients to identify a range of potential opportunities to Indigenous job-seekers and businesses across the infrastructure construction supply chain.

1. Provide an overview of the project phases and project delivery roles (i.e. primary roles, skills and capabilities) targeting Indigenous Participation in the delivery of this project.

[E.g. Indigenous participation will target the delivery of earthworks to prepare the project site for the development of an intersection between the Bruce Highway and the Bajool Port Alma Road. The primary roles targeting Indigenous participation to deliver this phase include the servicing and operation of heavy machinery and entry-level traffic management positions to divert traffic flows from the project site. These roles require on the job work experience and license to operate and/or service heavy machinery and equipment.]

'Local first principle':
Funding Recipients are encouraged to offer employment and business opportunities to the Indigenous Australians local to the area.

In determining 'local' and 'locality' Funding Recipients may consider Indigenous communities' connection to land and country, formal local

Setting an Indigenous participation target (mandatory)

In order to have funding formally approved and released, the Australian Government requires that an Indigenous participation target is set with reference to the local Indigenous working age population figure for the relevant region/project locality, and consistent with the 'local first principle' of the Framework.

2. What is the definition of 'local' for this project phase?

government definitions and proximity to the project.

Determining the 'Local Indigenous working age population'

Once 'local' has been defined for the project, the local Indigenous working age population is the number of Indigenous peoples aged between 15-64 years of age as found by the Australian Bureau of Statistics (ABS) most recent Census data available – look for Indigenous and Torres Strait Islander Peoples' community profiles.

- Using the ABS Census data (or equivalent), determine the local Indigenous working age population figure for the project, and set the Project's Indigenous participation target (*double click on the excel table to open, click anywhere on document to exit*)

What is the local Indigenous working age population figure in the locality?	0
What is the total working age population (non-Indigenous and Indigneous) figure in the locality?	0
The Participation Target the Project will aspire to achieve is: #DIV/0!	

Equation 1 : “Defined Local Indigenous Working Age Population figure” is divided by the “Defined Total Local Working Age Population figure” and is then multiplied by 100 to express it as a percentage.

Adjusting Participation Targets (required if not adopting the target calculated at Question 3, otherwise go to Question 6).

Targets can be adjusted up or down depending on a range of factors, for consideration by the Department of Infrastructure, Transport, Cities and Regional Development. Where the proposed target is significantly lower than the local Indigenous working age population, Funding Recipients must complete this section, and demonstrate through market sounding, research and consultation with relevant government agencies, including written advice from the Regional Network of the National Indigenous Australians Agency, that a lower target is required.

- What is the proposed adjusted participation target?
- Explain the rationale for the adjustment and variations on the Indigenous participation target (calculated at Question 3) with reference to at least one of the factors listed below (as applicable):
 - the local employment market, including in terms of the number of Indigenous businesses, workers and job seekers,

and their relevant skills, capabilities, qualifications and training;

- the scale, value and location of the project, and skills and capabilities required to deliver the project;
- the availability of supply-side services to support the meeting of any targets and assist in building the capacity of Indigenous businesses and job-seekers to take up opportunities; or
- existing state and territory policies and/or targets.

[E.g. the Indigenous working age population in the defined local area is 12 per cent. The proposed project is situated in a semi-remote area and the majority of work requires complex and diverse skillsets and tertiary project management qualifications. The skills are not widely available in the local area and supply-side supports are limited. It is estimated that an Indigenous participation target of 7 per cent, consisting of 3 per cent FTE positions and 4 per cent contract value for Indigenous businesses would be achievable in this delivery context.]

6. Provide the Indigenous participation target for the life of the project¹ and include a breakdown of the employment² and supplier-use³ component towards the target⁴.

[E.g. a participation target of 10 per cent comprises 3 per cent FTE positions and 7 per cent of total contract value for Indigenous businesses].

7. Explain how the community will be made aware of opportunities under this project, and outline prospects for long-term capability development.

[E.g. the Funding Recipient will advertise opportunities in the local media and look at opportunities for the Indigenous workforce/businesses to undertake commercial scaffolding, painting and finishing].

¹ The 'life of the project' timeframe should correspond with the project phases identified at Question 1.

² The number of full-time employee (FTE) positions or equivalent hours undertaken by Indigenous employees.

³ Supplier-use is the percentage of the total contract value to be awarded to Indigenous businesses.

⁴ The target can be met through an employment component, a supplier-use component or a combination of both. There is no specified minimum for either of these components.

Developing a 'supply-side' strategy
The success of Indigenous Participation Plans may rely on the availability and whole-of-government coordination of appropriate supply-side supports to ensure an increase in the demand for Indigenous labour and business services is able to be met by a suitably skilled and qualified workforce.

The Australian Government will consider partnering with relevant agencies in the jurisdictions to establish employment/business project hubs in strategic locations, where there is a business case for this, in order to help with the coordination of support services.

Contact the **National Indigenous Australians Agency** on **1800 079 098** for help with tailoring a supply-side strategy for the project.

Supply side supports and engagement with Indigenous Stakeholders (mandatory)

Achievement against Indigenous participation targets may rely on the availability of appropriate supply-side supports. Funding Recipients should identify the supply-side supports required to meet the project's Indigenous participation requirements and engage early with government agencies.

Funding Recipients should consult a representative Indigenous body, for example, an Indigenous land council or an Indigenous advisory council to address any identified barriers to supply-side supports.

8. Outline the supply-side supports required to engage Indigenous job-seekers and businesses in the project locality.

[E.g. Indigenous Business Australia and Supply Nation portals were used to identify Indigenous businesses that could undertake earthworks to prepare the site for construction. The local job service provider (include name) was contacted to identify Indigenous job-seekers willing to apply for entry-level traffic management roles].

9. Detail any engagement to date (or expected in future) with the National Indigenous Australians Agency, including its Regional Network Offices,⁵ and the Commonwealth Department of Employment, Skills, Small and Family Business.⁶
10. Detail any engagement to date (or expected in future) with other government (e.g. state/territory agencies/service providers) or non-government services (e.g. employment or training providers, and representative Indigenous bodies, including local land councils).

Risks and mitigation strategies (optional)

11. List the key risks and mitigation strategies that may affect the achievement of the Indigenous participation target.

Risk 1	Mitigation or treatment
Risk 2	Mitigation or treatment
Risk 3	Mitigation or treatment

⁵ The National Indigenous Australians Agency regional networks and contact details are available at: <https://www.niaa.gov.au/who-we-are/contact-us>

⁶ The Commonwealth Department of Employment, Skills, Small and Family Business have a range of employment programs to assist job-seekers and businesses: <https://www.employment.gov.au/>

APPENDIX C PROJECT REPORTING GUIDANCE

Appendix C1 Monthly Progress Report

The Monthly Progress Report is the key reporting mechanism for the progress of funded Projects. It is also the mechanism for submitting Claims for Payment of Milestones.

The Funding Recipient should use the Department's template when generating the Monthly Progress Report. The template will be available to be generated between the 1st and 13th of each month, and must be completed and submitted into IMS by the 13th of each month, or when requested by the Department.

The Monthly Progress Report requires the following information to be entered into IMS:

- Financial Status;
- Project progress;
- Progress against Indigenous targets; and
- Claims for payment.

Financial Status

Funding Recipients must provide financial status information on the Project including:

- Total expenditure to date
- Year-to-date expenditure
- Estimated expenditure for the current month
- Estimated expenditure for the upcoming month.

Funding Recipients must also report on the expenditure by each Project contributor.

Project Progress

When no Milestone is scheduled for Claim

Funding Recipients must provide a single, free-text Project status, detailing information on Project progress for the monthly reporting period. This must include, as appropriate:

- Known risks to Project completion and strategies adopted to mitigate these risks
 - Where a Project is to be delivered using a collaborative contracting method (for example, alliance or early contractor involvement), the risks associated with this contracting method should be reported.
- Progress against agreed Milestones
 - Where Projects are combined into a single approved Project, progress against each sub Project should be reported.
- Key events to take place in the next two months (for example, request for an expression of interest, a tender, contract award, an opening, commencement of completion of a key Project stage)
- Details of Building Code breaches.

When a Milestone is scheduled for Claim

Funding Recipients will be required to provide the following Project status information in a series of free text fields in IMS.

- The Project status in each of these four areas:
 - Financial status. Example: Is the Project on budget? Is there an overspend? Is there an underspend?
 - Scope status. Example: Is the Project proceeding according to the approved scope or does the Project team anticipate that scope changes are required?
 - Schedule status. Example: Have events occurred that are likely to delay the Project? Is there potential for acceleration of the schedule?
 - Stakeholder status. Example: What impact do stakeholders have on the progress of the Project?
- Strategies adopted to address issues or risks for each of the four areas noted above.
 - Where a Project is to be delivered using a collaborative contracting method (for example, alliance or early contractor involvement), the risks associated with this contracting method should be reported.
 - Where Projects are combined into a single approved Project, progress should be reported against each sub Project.
- Overall Project progress, including:
 - Key events to take place in the next two months (for example, request for an expression of interest, a tender, awarding of a contract, an opening, commencement or completion of a key Project stage).
 - Details of Building Code breaches.
 - Whether the Project is Complete.

Claims for Payment

Where a Milestone is scheduled for payment in a given month, Funding Recipients may submit Claim for Payment in the Monthly Progress Report. The claim must verify that the Milestone is complete. The Department may request additional information to support verification.

If the Department accepts the Claim for Payment, the Funding Recipient will be paid the agreed amount of funding. If the Department does not accept a Claim for Payment, a Milestone variation will be triggered.

Indigenous Reporting

Funding Recipients are required to use the Monthly Reporting process to provide reports to the Department demonstrating evidence of progress against the participation targets set out in the relevant Indigenous Participation Plan. While the Indigenous reporting requirements have been incorporated into Monthly Reporting to streamline the process, Funding Recipients need only update the Indigenous component when there is progress to report on. That said, Funding Recipients must advise at the earliest opportunity where targets are not on track to be met, to enable appropriate support to be provided, as needed, in an effort to meet agreed targets.

Appendix C2 Post-Completion Report

The Post-Completion Report must be submitted with the Claim for Payment of the Final Milestone. The Final Milestone will not be paid until the Department accepts the Post-Completion Report. If required, the Department may ask the Funding Recipient to revise the submitted report before accepting it.

PROJECT:

PROJECT NUMBER:

FUNDING RECIPIENT:

Scope

Provide details of all material changes to the scope following Project approval⁷. For comparison purposes, including descriptions of the:

1. original Project scope approved
2. scope change
3. rationale for the change.

Original scope	Scope change	Rationale for change

Schedule

Project Period as agreed on approval of the Delivery Phase		Actual Project Period	
Construction start date	Physical completion date	Construction start date	Physical completion date

Provide details of the rationale for changes to the construction start or physical completion dates and how the impact of these changes was managed

Cost

Provide a populated Project Cost Breakdown template detailing the actual Project costs. The template is available from the Department.

⁷ Unapproved changes to scope and quality will require further investigation by the Department and the Final Milestone will not be paid until this has been achieved

Performance

Provide information on the progress of the Project in meeting agreed Transport Performance Indicators. Include a table of figures if appropriate.

Innovation

Provide innovative Project delivery techniques that have resulted in positive economic, safety, social, environmental, integration or transparency outcomes (for example, use of recycled material, techniques to reduce water and energy consumption, Project delivery methods that deliver Project savings, or private funding or financing models.)

Indigenous employment and business participation targets

Provide:

1. Results against Indigenous participation target
2. Variations
3. Results for Indigenous job seekers
4. Results for Indigenous businesses
5. Supply-side supports
6. Risk mitigation
7. Unanticipated project costs

a. Results against Indigenous participation targets (to be made public)

- **Provide the Indigenous participation target outlined in the Indigenous Participation Plan for this project.**
 - Include a breakdown of the employment and supplier-use component of the target.
- **Was the Indigenous participation target met? YES/NO**
- **What is the rationale / justification for progress made against targets?**
- **Has the above information been made public through the States' project reporting processes?**

b. Variations

- **If the Indigenous participation target was not met for this project, explain the variation from the target outlined in the Indigenous Participation Plan.**
 - Include the planned vs actual results against the target.
 - Provide information about the issues faced by the contractor to fulfil the Indigenous employment and supplier-use requirements.
- **If the Indigenous target was exceeded, explain the factors that encouraged or allowed the contractor to achieve this.**
 - E.g. a result of supply side support and early engagement with the local community regarding opportunities.
 - E.g. a strong Indigenous labour force within the project locality.

c. Results for Indigenous employees

Mandatory: What was the number of Full Time Equivalent (FTE) Indigenous positions created for the duration of the project?

*If available, include details about:*⁸

- **The number of Indigenous applicants for available positions.**
- **The aggregate income of total FTE Indigenous positions created in a local area.**
 - Include a definition of the 'local area' (e.g. township, Indigenous nation, local government area, ABS data region).
- **Indigenous employees' primary role (i.e. key job responsibilities), gender, age group, cultural group and disability (if relevant to employment).**

⁸ The Australian Government is collecting this information to assess the impact of the Framework on Indigenous economic participation for Commonwealth funded or co-funded investment projects.

[Note: the Australian Government recommends obtaining this information in a standard spreadsheet from the principal contractor. The information should de-identify individuals, and any corresponding personal information should not be traceable to an individual].

1. Results for Indigenous businesses

Mandatory: What was the total contract spend on Indigenous businesses in a local area?

*If available, include details about:*⁹

- Number of certified Indigenous businesses awarded a contract in a local area.
 - Include a definition of the 'local area'.
- Locality of the Indigenous businesses (e.g. office location, where they were sourced from).
- Size of Indigenous businesses contracted in this project (e.g. annual turnover, net income).
- If any new Indigenous businesses were established in response to market demand created by the project.

2. Supply side supports

- Type of employment and business support service accessed by Indigenous individuals, and Indigenous and non-Indigenous businesses.
- Type of resource/qualification obtained from the service provider (e.g. finance, capital investment, wage subsidy, cultural awareness training, and certifications).
- Date and duration of service access.
- Identify any gaps in services or any issues relating to accessing supply-side supports.

[Note: this feedback will be provided to relevant Australian Government agencies]

3. Risk mitigation

- Identify any project risks that eventuated as a result of the Indigenous participation requirements for this project and explain how they were managed.

⁹ The Australian Government is collecting this information to assess the impact of the Framework on Indigenous economic participation for Commonwealth funded or co-funded investment projects.

- Were the risk mitigation strategies (including those outlined in the Indigenous Participation Plan) effective in treating these risks?

4. Unanticipated project costs

- Provide details of any additional unanticipated project costs resulting from the Australian Government's requirement for Indigenous economic participation, for this project, and how these costs were managed.

5. Public reporting requirements

- Please advise location of public reporting on performance against Indigenous participation requirements including targets.

[Name]

Date

Position and organisation

Appendix C3 Annual Financial Statement and Audit Report

The Chief Executive Officer, or their delegate, is required to submit the Annual Financial Statement and Audit Report to the Department no later than 31 December after the end of the financial year. In accordance with Section 21 or Section 82 of the NLT Act, please note that the information in this report is to be submitted at Project level.

The Report comprises four components a:

1. Financial statement;
2. Statement of disposals of interests in land;
3. Signed written statement by the appropriate auditor; and
4. Signed statement from the Chief Executive Officer.

1. Financial statement

The Financial statement should be in the format described below:

Project ¹⁰	Amount ¹¹ brought forward from previous financial year	Amount received year ended 30 June xxxx	Total Amount available for expenditure year ended 30 June xxxx (Total of previous two columns)	Amount expended year ended 30 June xxxx	Amount carried forward

¹⁰ For Black Spots the Financial Statement should be at the programme level and provide information for Columns 2-6

¹¹ Amount' refers to the amount of Australian Government funding.

8. *Statement of disposals of interests in land acquired with Australian Government funds*¹²

The statement should detail the sale or disposal of interests in land acquired with the use of Australian Government funds in accordance with Section 25 of the NLT Act.

Project	Australian Government Land Interest Contribution Proportion %	Australian Government Land Interest Contribution Amount \$	Land Interest Sale Value \$	Amount Owed to Australian Government \$
	%	\$	\$	\$
	%	\$	\$	\$
	%	\$	\$	\$
TOTAL		n/a		

Provide details of disposed land (such as title reference numbers and subdivisions) as an attachment.

3. *Signed written statement by the appropriate auditor*

The signed written statement by the appropriate auditor should certify that the:

- Financial statement is based on proper accounts and records; and
- Financial statement is in agreement with the accounts and records; and
- Amount expended by the Funding Recipient during the year, as shown in the financial statement above, has been spent on the funded Project(s).

According to Section 4 of the NLT Act, an appropriate auditor is:

- d. in relation to a person or body whose accounts are required by law to be audited by the Auditor-General of a State—the Auditor-General of the State; or
- e. 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
- f. in relation to any other person or body—a person (other than a director, 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.

¹² A statement of disposals of interests in land is not required for the Black Spot Programme report.

4. Signed statement from the Chief Executive Officer

The Chief Executive Officer signs a statement certifying that:

- Amounts expended from funding payments have been wholly expended on Approved Purposes in relation to funded Projects;
- All tenders invited and contracts awarded for Australian Government funded Projects for which there is a tendering requirement have been dealt with in accordance with the NLT Act and Section 2.4 of these Notes
- Signs have been erected in accordance with the agreed signage plan (Section 5.3)
- The Funding Recipient has met the compliance requirements of the Building Code 2016
- Funding Recipients have met the requirements of the Australian Government Building and Construction WHS Accreditation Scheme
- Conditions outlined in the NPA, or any funding agreement with the Australian Government, have been met.

APPENDIX D BLACK SPOT PROJECTS

Appendix D1 General Requirements for Black Spot Projects

D1.1 Objective

The objective of Black Spot Projects is to reduce the social and economic costs of road trauma by:

- Identifying and applying cost-effective treatment of locations with a record of casualty crashes;
- Placing significant focus on the need to reduce rural road trauma, in accordance with national road safety policy objectives; and
- Using a proportion of funds to treat sites identified as potential crash locations, and to implement other road safety measures.

Australian Government funding for Black Spot Projects makes an important contribution to reducing the national road toll under its National Road Safety Strategy.

Financial assistance is provided to improve the physical condition or management of sites noted for a high incidence of crashes involving death and injury, termed Black Spots. Black Spot Projects also aim to encourage the implementation of safety-related traffic management techniques and other road safety measures that have proven road safety value. This includes traffic signs, traffic control equipment and street lighting.

D1.2 Eligibility

Consistent with Section 71 of the NLT Act, a Project is eligible if:

- a. It is for the improvement of road safety of a site (being all or part of any road); and
- b. the site is in a State; and
- c. the nature of the site has contributed to, or is likely to contribute to, serious motor vehicle crashes involving death or personal injury.

In general, sites that do not meet crash history criterion, but are eligible on the basis that the site is likely to contribute to serious motor vehicle crashes involving death or personal injury, will have been the subject of an official road safety audit report or relevant assessment methodology.

Black Spot Projects focus on locations where the highest benefits can be achieved. Works eligible for funding may include safety-related construction, alteration or remedial treatment.

Funding Recipients are not to propose Projects for Black Spots funding where the Project duplicates a Project included in the NPA Schedules.

D1.3 Approved Purposes

Black Spot Projects funding is available to treat road safety problems at identified sites. Funding may be sought for all or part of the costs directly associated with an approved Black Spot Project, except for parts listed as an Unapproved Purpose (see list below). The Australian Government's funding contribution for each Project will not exceed \$2 million. However, to achieve maximum effect from available funding, emphasis will be on low-cost, high-return Projects.

Direct administrative costs should be a component of the total Project cost submitted for consideration by the consultative panel.

Unapproved Purposes for Black Spot Projects include:

- Purchase of road-building plant or equipment;
- Costs involved in preparing Road Safety Audits or assessments used to support a nomination for Black Spot Projects funding under [D2.2](#) (Proactive Proposals - noting the exception to this in the paragraph below);
- Maintenance costs;
- Speed/red light cameras; and
- Costs incurred after installation.

A design stage road safety audit is not mandatory but may be a requirement in some States. Where a Project Proponent considers that a design stage Road Safety Audit is appropriate, or required by the relevant State road authority, the cost of the audit undertaken as part of a Black Spot Project and approved on the basis of a site's crash history is an Approved Purpose.

D1.4 Rural and urban Black Spot

The National Road Safety Strategy 2011–2020 specifically targets inhabitants of rural and remote areas in its strategic objective to improve equity among road users.

In recognition of this, funding will be allocated approximately 50:50 between rural and urban areas in each year where applications allow.

For the purposes of this provision, urban areas are defined, on the basis of Australian Bureau of Statistics statistical divisions, as cities and towns with a population in excess of 100,000. With the agreement of their Black Spot Consultative Panel, States may use boundaries in use for state programs, for example regional office boundaries, to define urban areas.

The urban-rural criterion does not apply to the Australian Capital Territory, Northern Territory or Tasmania.

D1.5 Administration

The Department administers Black Spot Projects funding on behalf of the Australian Government. State road and transport agencies manage approved Projects within each State.

Funding Recipients must observe the funding conditions provided in Part 7 of the NLT Act. Appendix A1 summarise these conditions. However, Black Spot Projects are not required to:

- Call for public tenders (Condition A1.5); or
- Declare sales or disposals of interests in land acquired with Australian Government funding (Condition A1.6).

A consultative panel has been established in each State comprising, as appropriate, representatives of the relevant State road and transport agency, local government, and community and road user groups. The panel's purpose is to consider and comment on all nominations for Black Spot treatment within a State. The Minister has appointed a Chair for each panel. The Minister or the Chair may, from time to time, amend panel composition except that it must always include a representative of the relevant State road and transport agency.

Each panel has a Secretariat. These services are provided by the State road and transport agencies. Agencies provide expert input to the consultative panels, particularly with collating and assessing site nominations.

D1.6 Black Spot Projects undertaken as part of larger works

Discrete sites or lengths to be treated as part of a larger Project and/or program of works may be nominated for Black Spot Projects funding. Any site or length must meet the eligibility criteria for Black Spot Projects funding and be accompanied by evidence that the crash statistics supporting the nomination relate to the discrete site or length for which funding is sought.

Where possible, Projects to be undertaken as a part of larger works should be identified before approval.

Eligible Project costs, such as design, construction and direct administration, are to be apportioned appropriately where Black Spot Projects-funded works are undertaken as part of a larger Project. For example, where the Black Spot Projects-funded works comprise 10 per cent of the road length treated, then 10 per cent of all eligible Project costs must be apportioned to the Black Spot Project.

D1.7 Timeframe for Approved Projects

In general, a Black Spot Project is approved for delivery in a specified financial year and Funding Recipients are encouraged to ensure approved Projects are Complete or are sufficiently advanced to enable payment of approved Australian Government funding.

Where a Project will not be complete within the financial year for which it was approved, Funding Recipients should discuss the circumstances of the delay with their State road authority.

Funding Recipients may nominate a multi-year Project for Black Spot Projects funding. Multi-year Project nominations should be clearly presented as such to the consultative panel and the Minister to enable full consideration of whether the commitment of forward funding is warranted. Multi-year Projects do not include Projects where the final seal or related works cannot be completed within the approved financial year.

Appendix D2 Black Spot Projects criteria

D2.1 Proposals based on crash history

Funding is mainly available for the treatment of Black Spot sites with a proven history of crashes. Project proposals of this sort should be able to demonstrate a benefit to cost ratio (BCR) of at least 2.

A discount rate based on current Austroads Guidance should be applied in calculating BCRs, however other rates are allowed. An example of this is where a State uses an alternative discount rate when assessing proposals for State government funding. The discount rate used by the State must be applied when assessing all candidate Projects.

For discrete sites (for example, an intersection, mid-block or short road section) the minimum eligibility criterion will be a history of at least three casualty crashes over five-years.

For road lengths the minimum eligibility criterion is:

- an average of 0.2 casualty crashes per kilometre per annum over the length in question measured over five years; or
- A length that is among the top 10 per cent of locations identified in each State with an identified higher crash rate than other roads.

Notes: Measures of casualty crashes should be provided from the most recently available five-year period.

The road length criterion may only be applied to proposals for the treatment of road lengths of three kilometres or more. This is to ensure that the road length has a crash history similar to that required for a discrete site.

When a site receives project funding under the Black Spot Program it is for the treatment of the crashes that have occurred at the site. This means that, once a site has been nominated and successfully receives funding, that funding is considered to be for the treatment of the crashes that have occurred over the five-year period. Should a site be nominated again, the crash history used for the previous nomination cannot be used again, as those crashes are considered to have been treated by the previous project.

The table of crash reduction potentials for typical treatments, at [D8](#), will assist crash analysts and traffic management engineers. The table is not intended to replace more detailed information and professional judgement available at local level.

More information and guidance on crash location identification and treatment are included in the Austroads Guidelines.

D2.2 Proactive proposals

In addition to [D2.1](#), up to 30 per cent of Black Spot Projects funds may be used to treat sites that may not meet the above crash history criteria, but that have been recommended for treatment in an official Road Safety Audit or relevant assessment methodology report provided by the Project Proponent.

The Minister may consider proactive Projects above this amount if, in any given year, a Black Spot consultative panel recommends proactive proposals in excess of 30 per cent of available funding.

Austroads publishes a guide outlining a suitable standard for completing a road safety audit. AusRAP or ANRAM assessments of local government roads, or similar assessments as agreed with the Department, may also be used to identify proactive nominations.

Road Safety Audits or equivalent assessments should normally recommend the treatment proposed in the application for Black Spot Projects funding. Where this is not the case, the State road authority should advise the Department that it has assessed the proposed treatment and considers it appropriate.

Appendix D3 Nomination and Assessment of Project Proposals

D3.1 Nominations

Nominations of sites are invited from State and local governments, community groups, clubs and associations, road user groups, industry and individuals.

Community nomination and joint funding of Projects is encouraged. Applications that indicate a commitment of funds, labour or materials from other government or community/industry sources for associated works will receive favourable consideration.

All nominations are to be referred to:

The Black Spot Consultative Panel

c/o State road and transport agency in your State.

(A list of addresses for the State road and transport agency in each State is on the back of the nomination form. This is available for download from the Department's website or by contacting the Department.)

On receipt of a site nomination, the State will assess the eligibility of the nomination against the criteria and undertake a benefit-cost assessment of a treatment proposal. In assessing nominations, States can use the table at [D8](#) or use their own assessment methodology. However, States must ensure that all nominations for a particular year are assessed using the same methodology and the same inputs (such as crash reduction percentages and Project-life assumptions). States may need to provide advice to the Department on their Project assessment procedures and methodology and give an undertaking that all Project assessments are consistent with these procedures.

All nominations will be referred to the consultative panel. However, nominees should be aware that nominations for sites that fail to conform to the criteria will not be considered for approval.

Nominees should note that Australian Government funding for Black Spot Projects will be paid directly to the States. States are responsible for distributing Project funds against each approved Project as appropriate.

D3.2 Costs used in Project assessments

For nominations based on crash history, the Department recommends that States use the full cost of the Project, including proposed contributions from external sources, when calculating the BCR for the Project.

Funding contributions from other sources may be taken into account by the State consultative panel when recommending nominated Projects for consideration by the Minister. The Minister may consider the extent to which persons other than the Australian Government propose to contribute funding when deciding whether to approve a Black Spot Project.

D3.3 Consideration by State consultative panel

Each nomination must be submitted to the relevant State consultative panel for consideration against Black Spot Projects criteria. In general, nominations will be ranked by priority, based on the assessment undertaken by the State. The State may include relevant comments arising from the assessment, to assist the panel's consideration of the nomination. Ranking of proposals assessed on crash history should consider the proposal's BCR, but States are also able to priorities eligible proposals using alternative measures such as a calculated

Fatal and Serious Injury (FSI) Reduction score. For proactive nominations, the Department supports ranking proposals on the basis of a systematic risk assessment methodology.

Consultative panels will recommend nominated Projects for consideration by the Minister, and comment, where appropriate, on proposals.

D3.4 State submission of Projects recommended by the consultative panel

State agencies, on behalf of the consultative panel, are invited to forward submissions to the Department for Projects recommended by the consultative panel for consideration by the Minister. State agencies should endeavour to forward submissions within six weeks of the consultative panel meeting.

Preferably, submissions comprising recommended Projects should be provided in electronic format using the template available for downloading from IMS.

D3.5 Minister may nominate Australian Government priorities

The Minister may consider Black Spot Projects recommended by a State consultative panel. Under Section 73(3) of the NLT Act, the Minister may nominate Australian Government Project priorities at any time and may consider other Projects that meet the eligibility criteria for a Black Spot Project set out in the NLT Act.

Appendix D4 Approving a Project Proposal

D4.1 Consideration by the Minister

Upon receipt of the Proponent's submission, the Department will prepare the necessary documentation for the Minister's consideration.

Eligible Project proposals will be considered for approval against a range of factors intended to maximise the safety benefits of Black Spot Projects. In assessing which Projects will be approved for funding, the Minister can consider, but is not limited to considering, these factors:

- Relative safety and economic merits of proposals;
- Relative merits of competing Projects for which an official road safety audit report or relevant assessment methodology has been undertaken;
- Australian Government's policy on the mix of Projects between urban and rural areas;
- Recommendations made by the State consultative panel;
- Available funding levels;
- Contributions to the Project from sources other than the Australian Government;
- Whether the Australian Government's funding contribution for each Project exceeds \$2,000,000 with an emphasis on low-cost, high-return Projects; and
- Anticipated completion times of proposals.

D4.2 Minister will issue a Project approval instrument for approved Projects

The Minister will issue a Project approval instrument for a Black Spot Project or Projects for each State. Section 74(1) of the NLT Act states that the Project approval instrument for Black Spot Projects must:

- a. identify the Project; and
- b. specify the maximum funding amount the Australian Government may contribute to the Project; and

- c. identify the eligible Funding Recipient, being a State or authority of a State, to which funding may be paid; and
- d. if the approval is conditional on a funding agreement being entered into with the eligible Funding Recipient, contain a statement to that effect.

D4.3 Announcement of approval by the Australian Government Minister

State Ministers will be advised in writing of the outcome of the Minister's decision. The Minister may announce publicly the approval of Projects within a State at the same time as notifying the State.

No public announcement concerning a Black Spot Project or Projects is to be made by a State agency or State Minister before the Minister's announcement.

Appendix D5 Dealing with Project variations

D5.1 Minister may vary or revoke a Project approval

The Minister may use Section 76 of the NLT Act to vary or revoke the Project approval instrument for a Black Spot Project.

D5.2 Variation of cost

Australian Government payment for each Project is limited to the maximum funding amount specified in the approval instrument for that Project. Formal variation of an approved Project must be sought by the Funding Recipient and approved by the Minister.

Formal variation of approvals must be sought before construction starts, where it is known that the cost of an individual Project is subject to an increase of 20 per cent or \$30,000, whichever is the lesser. This is:

- When a Project is subject to an increase of less than 20 per cent but that percentage is greater than \$30,000; or
- Where a Project is subject to an increase of less than \$30,000 but that increase is greater than 20 per cent of the maximum funding amount.

Any request to vary the cost of a Project under this provision must be accompanied by sufficient details explaining the reasons so the Minister can consider the merits of each variation request.

Formal variation of all minor increases in the cost of approved Projects (less than 20 per cent or \$30,000) must be sought as soon as practicable. Such minor variations are expected to be of a routine nature and need not be sought in advance of construction. Funding Recipients are reminded that a payment to cover a minor increase in cost to an approved Project cannot be made until the Minister formally varies the Project's maximum funding amount.

An annual reconciliation of the maximum funding amount with the final cost of completed Projects is expected to be undertaken towards the end of each financial year. However, Funding Recipients may request a variation to reconcile a completed Project or group of completed Projects at any time during the financial year.

D5.3 Variation of scope

Formal approval for significant changes to the scope of approved Projects must be sought from the Minister before construction begins. A significant change includes additional treatments, omission of approved treatments and changes to the original proposal. Any

request to vary the approved scope must be accompanied by sufficient explanation on the reasons for the requested variation.

The Minister's power to vary any Project approval instrument is discretionary.

Appendix D6 Claiming Payments

D6.1 Mandatory conditions apply to Australian Government funding

The Mandatory conditions attached to Black Spot Projects funding are outlined in Appendix A1.

D6.2 Reporting requirements of Funding Recipients

Funding Recipients will provide reports notifying the Department of the financial status of approved Projects and annual performance measures. The NLT Act requires Funding Recipients to provide annual audited financial statements.

Status Reports

Status Reports must be provided to the Department in electronic format using the template available for downloading and uploading through IMS. Status reports must be provided quarterly and include the project's start and end dates. The report's purpose is to update the Australian Government on the Project progress and enable payments to the State.

It is expected that Status Reports will also be used, in consultation with the States, to reconcile the maximum funding amount with the final cost of completed Projects. This ensures maximum funds are available for new Projects.

Annual Statement of Expenditure

Each State is required to submit to the Minister, as soon as practicable after 30 June each year, financial statements giving details of expenditure from amounts paid under the NLT Act.

Guidance on this Annual Financial Statement and Audit report is provided in Appendix D4.

D6.3 Payment of funding

Payment of funding is on the basis of submission of the Status Reports as outlined in the Table directly below.

Activity	Date due
Submission of the first quarterly Status Report	August
Submission of the second quarterly Status Report	November
Submission of the third quarterly Status Report	February
Submission of the fourth quarterly Status Report	May

The amount of each payment will be determined when the status report is submitted and will be based on the following formula:

Payment due	=	Actual expenditure to date	+	Estimated expenditure for the next two months	-	Payments made previously	-	Any amount above the maximum funding amount
-------------	---	----------------------------	---	-----------------------------------------------	---	--------------------------	---	---------------------------------------------

Under Section 78(3) of the NLT Act, the total amount of funding provided for a Project must not exceed the maximum funding amount specified in the Project approval instrument.

States are reminded that forecast expenditures must be broken down by Project or all forecast expenditure will be excluded from a payment. This level of reporting enables the Department to meet NLT Act requirements.

Appendix D7 Public recognition and evaluation

Chapter 5 of the Notes cover the Public Recognition and Evaluation requirements which Black Spot Projects must comply with. This Section covers specific requirements or exceptions of Black Spot Projects.

D7.1 Signposting

Black Spot Projects worth less than \$100,000 are not required to erect permanent signage, but must erect temporary signage while work is underway.

Black Spot Project Signage Guidance is available from the Department.

D7.2 Evaluation

It is of fundamental importance that Black Spot Projects be accountable for outcome results. To determine actual effect on crashes, a formal evaluation of Black Spot Projects may be conducted from time-to-time.

As set out at 3.2, Funding Recipients must maintain, and make available as required, records relating to the nature and frequency of motor vehicle crashes involving death or personal injury occurring at the site of funded Projects.

Appendix D8 Treatment/Crash Reduction Matrix

APPLICATION OF THE TREATMENT/CRASH REDUCTION MATRIX¹³

Traffic crashes arise through a combination of factors. Remedies can be sought through a variety of approaches. This matrix focuses on traffic engineering remedies. It provides broad guidance only and does not replace local experience or judgement.

Assuming that sites have been identified for treatment on the basis of a history of crashes or other systematic techniques, then crashes should be analysed for the pattern of accident-types [Definitions for Coding Accidents or DCA code] and consistency of other factors. If road-related factors are relevant to ameliorating crashes at a site, this matrix can be used for guidance as to the influence of particular treatments.

The matrix provides ball-park guidance on the estimated extent of changes in crashes of particular types that might generally be expected from typical treatments. The reductions for treatments are averaged values. The results [percent reduction] that will therefore be

¹³ This matrix was prepared by Dr David Andreassen of Data Capture Analysis

observed when a treatment is installed may be greater or less than the value in Table 1 below.

The selection of a treatment depends on factors such as the characteristics of crashes, the expected potential of reducing those crashes, the cost of alternative treatments, and possible wider road network considerations. The Australian Manual of Uniform Traffic Control Devices sets out minimum warrants for a number of treatments.

The treatment/crash reduction matrix is divided into two tables:

- [Table 1](#): Relates to intersections (and intersection-related crashes).
- Table 2: Relates to road sections (and non-intersection-related crashes). This table is spread over two pages [2\(a\)](#) and [2\(b\)](#) for the ease of reading the information.

At some locations more than one road feature may be present. On the one hand, for example, with a tee intersection on a curved section of road, crashes of accident-type DCA codes 801 to 804 (run off road types) would generally not relate to the intersection. On the other hand, crashes of DCA codes 101 to 109 would relate to traffic movements at the intersection.

The matrix tables emphasise the importance of the road user movements leading up to the crash when determining appropriate treatments. The average costs per casualty crash have been derived for Australia-wide use and are split by rural and metro' environments. They are based on there being good coding compatibility between the crash data being used and the DCA codes.

The crashes described by the DCA codes and the costs per crash for DCA codes relate to one vehicle and two-vehicle crashes. The vehicles included are all road vehicles (for example, cars, trucks, motor bikes and bicycles). A treatment may be installed to provide for a particular vehicle type (for example, traffic signals for bicycles where a bicycle track crosses an arterial road, or the improvement of lighting at an intersection where there are many bicycles at night and, say, a history of crashes of DCA codes 301 to 304).

Table 1 Intersection Matrix - Intersection related crashes.

Treatment type		Description and DCA code								
		Adjacent approach	Head-on	Opposing turns	Rear end 301-304	Lane change	Parallel lanes-turning	Vehicle hits ped	Loss of control, L or R turns	Hit parked/ parking vehicle
		101–109	201	202–206		305–307	308, 309	001–003	706, 707	601, 401, 402
Roundabout		0.3			1.2			0.4		
New traffic signals (no turn arrows)		0.3		1.9				0.7		
New traffic signals (with turn arrows)		0.3		0.55				0.7		
Remodel signals		0.7		0.6				0.7		
Grade separation		0.0		0.5			0.8	0.3	0.5	
Improve sight lines		0.7		0.7				0.7	0.8	
Street closure (one leg of cross-intersection)		0.5		0.5				0.5	0.9	
Street closure (close stem of T)		0.0		0.0				0.5	0.0	
High skid resistance surfacing					0.6				0.9	
Stagger cross-intersection (right-left)		0.5		0.5	1.3	1.1				
Improve/reinforce priority (e.g. add a control sign)		0.7								
Prohibit right turns				0.5			0.5		0.5	
Ban left or U-turns				Note 1	0.5		0.5		0.5	
Improve lighting								0.7		
Traffic islands on approaches			0.8	0.8	0.8				0.9	0.9
Indented right turn island				0.7	0.6				0.8	0.8
Painted turn lane				0.8	0.8					0.8
Ban parking adjacent to intersection		0.9			0.8	0.8		0.7		0.5
Extend median through intersection		0.0	0.0	0.0				0.5		
Reduce radius on left turn slip lane					0.5					
Protected left turn lane in crossing street					0.9					
Cost per casualty crash (\$'000)	Metro	173	373	180	89	135	119	234	140	174
	Rural	367	660	303	208	339	267	410	293	297
Costs are in 2014 dollars, and are based on research conducted by Dr David Andreassen for the Australian Transport Safety Bureau in 1996. Costs have been adjusted based on CPI.										
Note 1: The treatment 'banning U turns' is a relevant treatment for crash type 207, with an estimated 50% reduction [costs for 207: \$142K (metro) and \$257K (Rural)]. Banning left turns is a relevant treatment for crash types 203, 205 and 206 with a 50% reduction.										

Table 2 (a) Road Sections Matrix - Non-intersection related crashes

Treatment type		Description and DCA code					
		Head-on 201	Opposing turns 202–206	Rear end 301–304	Lane change 305–307	Vehicle hits pedestrian 001–003	Hit parked/ parking vehicle 601, 401, 402
Median on existing carriageway		0.1				0.5	
Pedestrian refuge						0.55	
Pedestrian (zebra) crossing						0.6	
Kerb blisters		0.9				0.9	0.5
Pedestrian overpass						0.15	
Pedestrian signals						0.3	
Pedestrian crossing lighting						0.4	
Improved route lighting						0.7	
Clearway, parking bans				0.8		0.7	0.5
Indented right turn island			0.7	0.6			
Painted turn lanes			0.8	0.8			
Roadside hazards – remove		Note 1					
Roadside hazards – guard fence							
Wire rope safety barrier – roadside							
Wire rope safety barrier – median		0.05					
High skid resistance surfacing				0.6			
Seal shoulders		0.6					
Advisory speed signs on curves		0.7					
Delineation							
Edgelines							
Audio-tactile edgelines							
Reconstruct superelevation on curve		0.5					
Climbing/overtaking lanes		0.7 Note 2			1.1		
Signs (railway level crossing)							
Flashing lights (railway level crossing)							
Barriers or gates (railway level crossing)							
Bridge or overpass (railway level)							
Frangible posts, poles							
Cost per casualty crash (\$'000)	Metro	373	180	89	135	234	174
	Rural	660	303	208	339	410	297
<p>Note 1: For this treatment removing the objects which were hit after the vehicle left the carriageway is to reduce crashes that relate to hitting objects (i.e. crash types 703–704, 803–804) but the reduction in these crashes will be matched by an increase in crash types 701–702 and 801–802, as vehicles will continue to leave the carriageway but now will not be hitting objects (all else being equal). The net benefit will be a reduction in crash severity.</p> <p>Note 2: For this treatment crash type 501 (head-on, overtaking) is also relevant (use DCA 201 cost).</p>							

Table 2 (b) Road Sections Matrix - Non-intersection related crashes

Treatment type		Description and DCA code						
		On straight			On curve			Hit train 903
		Off road 701–702	Off road, hit object 703, 704	Loss of control, on road 705	Off road 801, 802	Off road, hit object 803, 804	Loss of control on road 805	
Median on existing carriageway								
Pedestrian refuge								
Pedestrian (zebra) crossing								
Kerb blisters								
Pedestrian overpass								
Pedestrian signals								
Pedestrian crossing lighting								
Improved route lighting								
Clearway, parking bans								
Indented right turn island								
Painted turn lanes								
Roadside hazards- remove		1.8	0.2		1.8	0.2		
Roadside hazards – guard fence		0.7	0.7	1.3	0.7	0.7	1.3	
Wire rope safety barrier – roadside		0.15	0.1		0.15	0.1		
Wire rope safety barrier – median								
High skid resistance surfacing		0.9	0.9	0.9	0.9	0.0	0.9	
Seal shoulders		0.6	0.6	0.6	0.6	0.6	0.6	
Advisory speed signs on curves					0.7	0.7	0.7	
Delineation		0.85	0.85	0.85	0.85	0.85	0.85	
Edgelines		0.7	0.7		0.7	0.7		
Audio-tactile edgelines								
Reconstruct superelevation on curve					0.5	0.5	0.5	
Climbing/overtaking lanes								
Signs (railway level crossing)								0.85
Flashing lights (railway level crossing)								0.5
Barriers or gates (railway level crossing)								0.2
Bridge or overpass (railway level crossing)								0.0
Frangible posts, poles			Note 3			Note 3		
Cost per casualty crash (\$'000)	Metro	133	272	140	210	323	149	628
	Rural	261	452	293	404	503	268	928
Note 3: For this treatment, the number of off-road-hit-object crashes is not expected to change. However, the severity outcome of these crashes will be reduced.								

APPENDIX E MAINTENANCE INDICATOR FORMULAS

The Australian Government uses two indicators—the Preventative Maintenance Indicator (PMI) and the Riding Quality Indicator (RQI)—to monitor road conditions under the NPAs.

Preventative Maintenance Indicator (PMI)

Definition

The age of the pavement's surface compared to the target optimum surfacing age for the section of road as determined by road agency specialists.

Purpose

To indicate the extent that preventative or proactive maintenance of road pavements is being adequately undertaken.

Reporting method

Target Age (TA) is the optimum surfacing age as determined by road agency specialists, generally the time when the road should be resealed to minimise whole-of-life costs. The PMI is categorised as being:

Good: actual age < TA;
Mediocre: $TA \leq \text{actual} < 1.3 \times TA$;
Poor: $1.3 \times TA \leq \text{actual} < 1.6 \times TA$; and Very poor: $\text{actual} \geq 1.6 \times TA$
Or N/A (for example, if concrete pavement).

The report should show the length in each category for each link. To facilitate comparisons, PMI will also be reported as a single percentage, known as PMhealth— between 0% (for a very poor seal $\geq 1.6 \times TA$) and 100% (for a new seal).

$$\text{PMhealth} = 100 * [1 - (\text{actual age} / (1.6 \times TA))]$$

Riding Quality Indicator (RQI)

Definition

The riding quality of the road, considering its traffic volume, percentage of heavy vehicles and speed environment.

Purpose

To indicate the adequacy of a road's riding quality to meet its transport objectives based on the road's roughness.

Calculation

Heavy vehicles are weighted by a factor of 4 compared to light vehicles. The weighted Average Annual Daily Traffic (modAADT) becomes:

$$\text{modAADT} = \text{AADT} * (1 + 3 * \text{HV} / 100)$$

Where AADT is the Average Annual Daily Traffic and HV the percentage of Heavy Vehicles.

The 'good' roughness limit for a high speed road is varied according to its traffic volume (modAADT) and is between a minimum of 500 and a maximum of 8,000 using this formula:

$$\text{IRI}_{gb} = 7.1 * (\text{modAADT})^{(-0.11)} + 0.05 \text{ (for a 110km/h road)}$$

The 'good' roughness limit is then modified to take account of speed using this equation:

$$\text{IRI}_{good} = \text{IRI}_{gb} * (110 / \text{SL})^{0.5}$$

Where SL is the speed limit with a maximum value of 110 km/h.

Reporting method

The RQI can be categorised as being:

Good: actual roughness < IRI_{good}; Mediocre: IRI_{good} ≤ actual < 1.3 x IRI_{good};
Poor: 1.3 x IRI_{good} ≤ actual < 1.6 x IRI_{good}; Very poor: actual ≥ 1.6 x IRI_{good}.

The report should show the length in each category for each link.

To facilitate direct comparisons, the RQI will also be reported as a single percentage, known as RQhealth, between 0% (for a pavement with roughness greater or equal to the maximum for its function) and 100% (for a newly constructed pavement).

The roughness of a newly constructed pavement shall be taken as 1.558 IRI (40 NRM).

Maximum roughness (RufMax) shall be calculated according to the formula:

$$\text{RufMax} = 1.558 + [2 * (\text{IRI}_{good} - 1.558)].$$

$$\text{RQhealth} = 100 * [1 - ((\text{IRI}_{actual} - 1.558) / (\text{RufMax} - 1.558))].$$

Where IRI_{actual} = measured roughness between a roughness value of 1.558 IRI and RufMax.