

Victorian Regional Aviation Fund

DEPARTMENT OF BUSINESS AND INNOVATION



Victoria's network of public-use airports is a valuable asset that makes an important financial and social contribution to regional communities in areas such as tourism, air freight, accessibility, and availability of emergency services.

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The Regional Aviation Fund (RAF) managed by the Department of Business and Innovation (DBI), supports the development of appropriate aviation infrastructure that improves facilities at, access to and enhances the operational capability of regional public-use airport sites. Capital works projects supported by the fund may include:

- > Creation, upgrades or extensions of runways
- > Creation, upgrades or extensions of taxiways
- > Levelling and/or strengthening of aprons
- > Creating or upgrading of aircraft parking areas
- > Sealing of internal roads
- > Installing, upgrading or relocating navigational aids, airfield lighting, AWIS/ATIS and refuelling areas
- > Providing additional infrastructure such as fencing, lighting or drainage
- > Initial Departure and Approach Procedure design.

Activities that will not generally be funded

- > Feasibility studies, business plans, cost benefit analyses and economic impact studies
- > Requests for retrospective funding, where projects have been completed or have commenced construction prior to receiving funding approval
- > Ongoing operating costs or salary subsidies
- > Projects requiring ongoing funding from State Government once completed

- > Projects undertaken by the private sector as a result of government contractual arrangements
- > Projects requiring full funding where funding is normally provided from state, Commonwealth and/or local government sources
- > Projects that do not contribute to the development of public-use aviation infrastructure
- > Construction of private-use hangars
- > Landside infrastructure that does not enhance the operational capability of the airport.

Funding support

Applicants will be expected to make a capital contribution. Projects should maximise their funding support from a range of sources, including Commonwealth and local government, community, private sector and regional organisations.

Who can apply

Applications for RAF grants will be considered from councils, state government agencies, regional infrastructure providers, regional organisations, business groups and the private sector located in regional Victoria. Applications other than those from Budget Sector Government Agencies will be enhanced by formal support from the councils impacted by the project in regional Victoria.





Assessment criteria

Applications for funding will be assessed against the following criteria:

1. Economic benefits

Results in new investment and complements other investment in the designated airport site;

Contributes to the viability and capability of the designated airport;

Supports the integration of the local region with global markets, including opportunities for export or import replacement; and

Results in strategic industry development.

2. Socio-economic benefits

Proposed projects should demonstrate they:

- > Enjoy relevant community and industry support;
- > Build on identified key regional strengths; and
- > Provide an adequate social return to the community.

3. Alignment and compliance with relevant current State Government regional policies

4. Demonstrated project feasibility and delivery

Proposed projects should clearly demonstrate:

- > That all legal, land tenure, planning and environmental issues have been identified and resolved (or that satisfactory resolution strategies are in place);
- > Access to suitable project management in both the developmental and operational phases of the project; and
- > That project risks have been formally identified and strategies are in place to actively manage them.

5. Financial viability (including leveraged funds)

Projects should maximise funding support from a range of sources, including Commonwealth and local government, community, private sector and regional organisations.

Applicants must be able to demonstrate that the viability of the project is not dependent on ongoing funding or continuing government support. Where future operating costs are an issue, the applicant needs to clearly demonstrate how those costs will be underwritten without recurrent subsidy from State Government sources.

All project costs included in the application must be exclusive of GST. The funds to be paid by DBI will be “grossed up” by the amount of GST, provided the applicant provides details of registration for the GST, or proof of exemption from being required to register.

Submission and assessment of applications

Preparing an Application

At a minimum, applications will be expected to address the following:

- > What is the problem / opportunity the project is seeking to address?
- > How does the project address this problem/opportunity?
- > How will the project be delivered?
- > Who are the individuals and/or organisations that will be responsible for the delivery of the project?
- > How will the outcomes from the project be measured?
- > What funds are being sought and how will the funds be used?
- > Who will receive the funds?
- > What is the budget breakdown and funding sources?

Key Steps in the Assessment Process

Before an application is formally assessed by DBI, the financial viability of applicants and their ability to manage and complete the project will be evaluated. This will include:

1. Discussion and consideration of the initial project proposal;
2. DBI confirming the applicant's eligibility and that the project is suitable for funding consideration; and
3. Submission of a formal application for funding through the RAF.

Government bodies, statutory authorities and publicly funded education institutions are exempt from these steps.

Prioritisation

Applications received by DBI will undergo a detailed assessment against the eligibility criteria and be prioritised on this basis. Preference will be given to projects that clearly demonstrate an ability to improve the economic viability of the selected airport.

Projects may be assigned a lower priority status if they:

- > Could be implemented through another government funding program;
- > Do not relate to the key areas of focus of the RAF;
- > Do not strongly demonstrate economic and socioeconomic benefits;
- > Are not ready for implementation;
- > Are not strongly aligned to state, regional or federal priorities; and
- > Do not maximise funding support from other sources.

Projects are to maximise funding support from a range of sources and must demonstrate that the viability of the project is not dependent on ongoing funding or continuing State Government support. Where future operating costs are uncertain, applications must clearly demonstrate how those costs will be underwritten without recurrent subsidy from State Government sources.

If funds are to be provided to a non-government organisation the financial viability of that organisation and its ability to manage and complete the project must be demonstrated.

Multiple applications for funding for differing projects by an entity will be considered. However, their success will be determined by each project's ability to meet the defined assessment criteria.

Funding agreements

Successful applicants will be required to enter into a funding agreement detailing all funding obligations and conditions, including special conditions depending on the nature of the funded project.

Funding agreements must be signed by the organisation's Chief Executive Officer (or equivalent). Where there is more than one council or applicant involved, a Chief Executive Officer must be nominated to represent all councils or applicants involved. Once an agreement has been signed by both parties it is the applicant's responsibility to manage the grant and ensure that milestones are met by the required dates.

Projects must commence within one year of the offer of the grant. If a project does not commence within this first year, the grant will be reviewed.

Grants will be paid across a number of instalments and upon meeting milestones and performance measures. A final instalment may be paid on appropriate completion of the project. Claims for payment must be supported by appropriate evidence, which may include a Statutory Declaration or Audit Opinion detailing the total project cost.

Successful applicants will generally be required to provide progress and completion reporting, as well as post-completion evaluation. After completion of the project, applicants must submit annual evaluation reports assessing the success of the project in meeting its stated objectives.

Annual evaluation reports may be required for up to three years following completion of the funded project. Successfully funded projects may be required to contribute information on project outcomes for use in other Victorian State Government Department evaluation reviews and/or for communications and marketing collateral.

All funding agreements will require appropriate acknowledgement of Victorian Government support on all project related communications, media, information and promotional materials as well as other endorsement as required.



Definition of 'regional Victoria'

Regional and rural Victoria is the area within the municipal districts of the 48 regional and rural local governments, as defined in the *Regional Growth Fund Act 2011*, the alpine resorts within the meaning of the *Alpine Resorts Act 1983* and the municipalities comprising the *Interface Group of Councils*.

Definition of 'public use'

The term 'public use' defines the general availability of an airport to all classes of operations.