

# Frequently asked questions

## Maturing the Infrastructure Pipeline Program 2 MIPP 2

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## Purpose

The purpose of this document is to anticipate further questions about the program and provide detailed answers that may not be included in the *Submission Guidelines*.

While intended for departmental staff, the information included in this document may also be useful in discussions with local governments regarding the program and their submissions.

Regional staff are encouraged to use this information to support local governments in the development of their MIPP 2 submissions.

This FAQ may also be shared with local governments.

# The MIPP 1 and MIPP 2

**Q** What is the MIPP, and what is it for?

**A** The MIPP is the Maturing the Infrastructure Pipeline Program. The MIPP supports the development of a robust pipeline of local and state government infrastructure projects, by investigating and documenting the potential viability and feasibility of each proposal. This helps develop necessary documentation to support infrastructure planning and budgeting processes, future grant applications, and to attract private investment.

The MIPP has been separated into parts. MIPP 1 includes the early stage assessment of infrastructure proposals, and was initially delivered in 2016, with a subsequent phase in 2018.

MIPP 1, involved the State engage professional service providers to undertake:

- **rapid assessment** of proposals and future opportunities identified in the State Infrastructure Plan (SIP). This activity commenced in October 2016 and was completed in March 2017. This activity produced a consistent output on the maturity of all proposals in the SIP and provided information for local government and state agencies..
- **early stage assessment** (such as strategic assessment and preliminary evaluation) of new infrastructure proposals submitted by local governments. This activity commenced in September 2016 and is currently underway.

MIPP 2 will provide \$22 million in grant funding to local governments to directly engage a professional service provider to undertake:

- strategic planning of infrastructure
- development of a business cases and/or detailed design for specific projects.

MIPP 2 was released on 12 March 2018.

**Q** How did the MIPP come about?

**A** The SIP was released in March 2016 and outlines the Queensland Government's commitment to addressing infrastructure needs across the state in a timely, sensible and cost-effective way while working within a fiscally constrained environment.

The MIPP was established to support the development of a robust pipeline of local and state government infrastructure projects, by investigating and documenting the potential viability and feasibility of each proposal. MIPP was originally allocated \$20 million from the State

Infrastructure Fund to support the progression of projects along the infrastructure pipeline. Through the 2017-18 State Budget, the Queensland Government announced a \$10 million boost to this initial \$20 million allocation. As a result, a second phase of the MIPP has been developed for local governments (MIPP 2).

**Q** Why are the early stages of infrastructure planning important?

**A** Undertaking proper planning in the early stages of infrastructure development ensures that the right projects are delivered at the right time. It helps inform infrastructure investment decision making and how proposed infrastructure solutions can best deliver on identified community needs.

During development of consultation on the SIP, it was identified that the early stages of infrastructure planning are often overlooked or truncated. Infrastructure is ultimately built to deliver a service, for this reason, it is important to clearly articulate what the service need is and explore all options (including non-infrastructure) to deliver this service.

MIPP 2 aims to support this vital function and the development of necessary documentation for local government infrastructure projects that have the potential to contribute to economic growth and jobs, or enhanced liveability.

**Q** How is the MIPP different to the Building our Regions (BoR) program for local governments?

**A** BoR is a targeted regional infrastructure program for local government projects. It provides funding for the delivery of critical infrastructure in regional areas of the state.

The MIPP provides funding to support improved infrastructure planning practices of local governments. It focusses on the planning stages of infrastructure and does not fund the delivery of projects. It is also open to all local governments across Queensland.

MIPP 2 will complement existing grant programs and is considered a precursor to BoR and the Local Government Grants and Subsidies Program (LGGSP) and other project delivery programs (State and Commonwealth).

**Q** How is the MIPP different to the LGGSP?

**A** The 2017-19 Local Government Grants and Subsidies Program aims to support local governments to meet the needs of their community by providing funding for the delivery of priority capital infrastructure projects.

The MIPP provides funding to support improved infrastructure planning practices of local governments. It focusses on the planning stages of

infrastructure and does not fund the delivery of projects. MIPP 2 will complement existing grant programs and is considered a precursor to BoR and the LGGSP and other project delivery programs (State and Commonwealth).

**Q** Will participating in MIPP 2 lead to other grant funding?

**A** Participation in MIPP 2 does not automatically guarantee funding under other grant programs.

Although MIPP 2 will complement other infrastructure delivery grant programs by helping with infrastructure planning documentation, local governments will have to undergo the respective grant application and assessment process for each program.

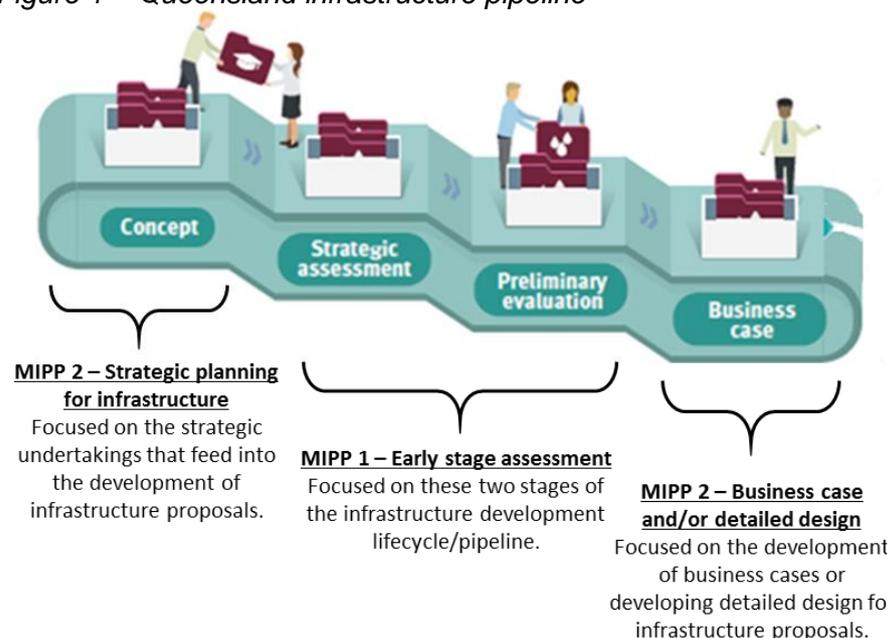
**Q** How are MIPP 1 and MIPP 2 different?

**A** While the separate phases of the MIPP each aim to support local government infrastructure development, they have different areas of focus.

MIPP 1 funded infrastructure planning for projects that had progressed beyond the concept stage, and required further definition or analysis of options. MIPP 2 provides funding to local governments for business cases and detailed design work for specific projects, or for the strategic planning activities that support infrastructure service delivery.

Figure 1 shows how each release of MIPP focuses on different aspects of the Queensland infrastructure pipeline.

*Figure 1 – Queensland infrastructure pipeline*



**Q** Why are there two submission forms for MIPP 2? Do local governments have to complete both?

**A** As can be seen in Figure 1, MIPP 2 is separated into two categories. Local governments can apply for funding under either one or both of these categories.

There is a submission form for each category under MIPP 2: either strategic planning for infrastructure, or business case and/or detailed design. Local governments will respond to different questions for each category.

Local governments are welcome to prepare as many submissions as they wish. A separate submission form should be completed for each proposal.

## Eligibility

**Q** Which local governments are eligible for the MIPP 2?

**A** The program is open to local government bodies constituted under the *Local Government Act 2009* or the *City of Brisbane Act 2010*.

**Q** Is involvement in MIPP 1 a requirement for MIPP 2?

**A** No. Local governments do not need to have participated in MIPP 1 in order to apply for MIPP 2.

**Q** What kinds of submissions are **not eligible**?

**A** A submission would be considered ineligible if:

1. The funding received would develop deliverables that are required by existing legislation.

For example, local governments are required to include a Local Government Infrastructure Plan (LGIP) in their planning scheme under the *Sustainable Planning Act 2009*. The development of a LGIP would be deemed ineligible under the MIPP 2 eligibility criteria, however, key activities that would inform an LGIP could be considered eligible. If local governments are unsure about the eligibility of a proposed activity they are encouraged to discuss their submission with their regional representative from the Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP).

2. The project is based outside Queensland.

3. The proposed work is already being fully funded from another source

(including the State or Commonwealth Government). Partial funding or co-contribution from the Commonwealth Government is considered acceptable. It is recommended that full details of other funding contributions be provided in the submission.

4. A submission was received from an entity that is not a local government constituted under the *Local Government Act 2009* or the *City of Brisbane Act 2010*.

**Q** What activities are **eligible** under the “*strategic planning for infrastructure*” category of MIPP 2?

**A** Funding strategic planning for local government infrastructure will help local governments evaluate their key infrastructure priorities and needs. The objective is to support local governments to improve their strategic planning for infrastructure, and to provide a stronger evidence base for future investment decisions.

Some examples of activities that would be eligible in this area of MIPP 2 include:

- planning of ‘non’ Local Government Infrastructure Plan (LGIP) infrastructure e.g. infrastructure for libraries, waste/refuse management, playgrounds
- analysis of the existing local government infrastructure portfolio against future capacity or community expectations
- identification of existing strategic need or service gap, future service needs, potential service levels, supporting local government infrastructure requirements
- development of a prioritisation process or framework to identify local government infrastructure priorities including renewal or repurposing of existing assets.

Local governments are encouraged to contact their regional DSDMIP representative to discuss the eligibility of proposals they are considering putting forward for funding through MIPP 2.

**Q** If a local government does not have a ‘strategic planning function’ does this mean it cannot apply for this component of MIPP 2?

**A** All local governments are welcome to apply, regardless of whether they have a formal strategic planning function or division.

Local governments across Queensland are faced with different challenges, and provide services to a wide range of communities. While all local governments plan their infrastructure services to some extent, this function may be undertaken in different ways across local governments.

Strategic planning typically refers to activities the local government undertakes to set priorities, determine what services are required for their community, and to plan and deliver its infrastructure consistent with community expectations.

The initial thinking and planning that local governments undertake around service delivery and asset management often provides an indication of which infrastructure proposals they intend to focus their resources on. These sorts of activities may be eligible for funding under the strategic planning for infrastructure component of MIPP 2.

Another possibility is that local governments may also wish to establish a clear process for undertaking strategic planning for infrastructure. This activity would also be eligible for funding through MIPP 2.

If you have any questions, please contact your regional DSDMIP representative to discuss.

**Q** What kinds of activities are **eligible** under the “*Business case/detailed design*” category of MIPP 2?

**A** Funding support for business case development will provide local governments with clarity around investment decisions and will help attract funding for key local government infrastructure projects. Eligible activities include development of a business case or supporting documentation. Detailed design work for infrastructure projects will help reduce the time between an investment decision and commencement of construction.

As part of the submission, local governments are required to attach a summary of work completed to date with documented evidence of earlier planning stages (i.e. needs identification and options analysis) to demonstrate the development history of the project.

**Q** Can local governments apply for funding for activities that relate to or will impact on State owned infrastructure or services?

**A** The aim of MIPP 2 is to provide funding assistance to support local government infrastructure. If your proposed activity will have an impact on State owned infrastructure or services, support from the relevant State agency is required.

**Q** What additional support is available for smaller local governments?

**A** Smaller local governments (with a workforce of no more than 1000 FTE) may require additional support to develop the initial project documentation. There is an opportunity for these local governments to recover any additional resource costs required to undertake procurement and project initiation activities as part of their submission.

If a local government seeks this level of support, it should be outlined in the relevant section of the submission form.

**Q** How can local governments contact the State Government to ask questions about the program?

**A** Contact your regional DSDMIP office with any queries.

You can also send queries to [MIPP@dsmip.qld.gov.au](mailto:MIPP@dsmip.qld.gov.au).

## Making a submission

**Q** How do local governments apply?

**A** Fill in the relevant submission form/s and attach the documentation requested. Submissions can be emailed to [MIPP@dsmip.qld.gov.au](mailto:MIPP@dsmip.qld.gov.au). Submissions close at **12:00pm (midday) on 9 April 2018**.

**Q** Can a local government make multiple submissions?

**A** Yes, local governments are encouraged to submit multiple applications for different local government projects.

Each proposal will require a completed submission form.

**Q** Can a local government partner with another local government to make a submission?

**A** Yes. However, there should only be one local government and contact nominated as the lead for the submission. Funding will be granted to the lead local government and it is expected that there will be a suitable arrangement in place between the two local governments regarding the project.

## Evaluation of submissions

**Q** Is this a competitive process?

**A** Yes. The Department will initially review all submissions and evaluate them to determine eligibility and then assess all eligible submissions against the submission criteria. An assessment panel of senior officers will moderate assessment of applications.

Recommendations will be made to the Minister for State Development, Manufacturing, Infrastructure and Planning about successful applicants and final approval of grant amounts for successful applicants. The Minister will consider the recommendations, and other factors that are relevant, such as the State's objectives and the amount of funding available, in making a decision regarding the applications.

**Q** When will local governments find out if their application has been successful?

**A** Once local governments have made a submission to the program, they

will receive an email confirming the submission has been received.

They may also receive a follow up call from a DSDMIP officer seeking clarification or further information relating to their submission.

Once all submissions have been received they will be assessed to determine eligibility and evaluated against the submission criteria.

Successful submissions will be approved for MIPP 2 grant funding by the Minister for State Development, Manufacturing, Infrastructure and Planning. All local government applicants will then receive a letter to confirm the outcome of their submission

Local governments with successful submissions will be contacted by an officer from DSDMIP to discuss the next steps.

## Funding

**Q** How much funding is available for local governments?

**A** A total of \$22 million is available for MIPP 2 activities. Individual funding amounts will be dependent on the scope and complexity of the work proposed and what is agreed to by the State.

While there is no co-contribution requirement, if the program is oversubscribed, funding contributions from local governments may be considered as a way of increasing the number of funded proposals. This will be determined when all the submissions have been received. DSDMIP will be communicating with nominated contact officers at local governments if this is required.

**Q** Is there a funding limit or allocation assigned to each local government?

**A** No. MIPP 2 is a competitive grant program and as such, all applications will be assessed against the criteria outlined in the in the submission guidelines. All eligible submissions will be assessed in a competitive, merit based approach.

**Q** Will a submission be fully funded or is the local government expected to co-contribute to the cost?

**A** There is no co-contribution requirement from a local government at the time of making a submission.

However, the need for local governments to contribute funding will be considered once all submissions have been reviewed, eligibility determined and the collective program has been costed.

If the program is oversubscribed, funding contributions from local governments may be considered as a way of increasing the number of funded proposals. This will be determined when all the submissions have been received. DSDMIP will be communicating with nominated contact officers at local governments if this is required.

As local governments will be making a request for funding before an actual procurement exercise has been undertaken or costed, the funding amount provided by the State will be a maximum contribution. Any additional costs above this amount will be the responsibility of the local government. If the actual cost comes in below the amount awarded by the State, any unused funds will be returned to the State.

**Q** Are local governments required to obtain a procurement quote from a contractor/professional service provider before making a submission?

**A** It is not a submission requirement that a local government obtain a procurement quote.

However, each submission should include an estimate as to how much the work is expected to cost.

Engagement of a professional service provider should only commence once the submission has been approved and a funding agreement has been signed by the State. It is expected that such procurement will be undertaken in a fair, equitable and accountable manner. The State holds no responsibility for any actions taken by local government prior to approval and execution of the funding agreement.

The funding amount provided by the State will be a maximum contribution. Any additional costs above this amount will be the responsibility of the local government. If the actual cost comes in below the amount awarded by the State, any unused funds will be returned to the State Government.

**Q** Will local governments be expected to enter into a funding agreement with the State?

**A** Successful submissions will be endorsed by the Minister for State Development, Manufacturing, Infrastructure and Planning. Local governments will then receive a letter to confirm the outcome of their submission.

This letter will also include a copy of the formal funding agreement between the local government and the Department. Local governments will be required to execute and return the funding agreement to the State within the time outlined in the letter.

The funding agreement will set out all rights and responsibilities of the State and local government and will include the final funding amount, milestones and agreed milestone due dates. A document setting out what is likely to be covered by the funding agreement will be available on the departmental website during the submission period.

**Q** What can local governments spend funding on?

**A** Funding provided to local governments is to be used to engage a professional service provider to undertake agreed work on approved submissions.

For local governments with no more than 1,000 FTEs, funding can also be utilised for additional internal resources required to undertake procurement and initiation activities associated with MIPP 2.

If the actual cost of activities comes in below the amount awarded by the State, any unused funds will be returned to the State Government.

Funding cannot be used for delivery of infrastructure projects.

Questions regarding funding should be directed to your regional DSDMIP representative.

**Q** Why do local governments have to engage a professional service provider? Why can't local governments spend funding on their own staff costs?

**A** Engaging a professional service provider to undertake MIPP 2 activities will not only support and strengthen local government capacity in infrastructure planning functions it will also support independent industry testing and review of proposed infrastructure solutions and strategic planning work.

It will help develop local government capability and fill gaps in capacity, while providing the opportunity for knowledge transfer from an industry expert.

**Q** Can MIPP 2 funding be used for delivery of infrastructure projects?

**A** No. MIPP 2 funding is only available for agreed activities towards the planning stages of infrastructure. This will include activities under strategic planning for infrastructure and business case development and detailed design.

If the actual cost of activities comes in below the amount awarded by the State, any unused funds will be returned to the State Government.

**Q** What is a professional service provider?

**A** A professional service provider is the organisation that will be engaged by the local government to undertake the work as part of the approved MIPP 2 activity.

**Q** When do I engage a professional service provider?

**A** Engagement of the professional service provider should only commence once your submission has been approved and a funding agreement

between the State and local government has been executed. The State holds no responsibility for any actions taken by local government prior to approval and execution of the funding agreement.

Local governments with 1,000 FTEs or less may be approved to use funding for additional internal resources required to undertake procurement and project initiation activities.

**Q** Can I use a professional service provider I have used before?

**A** It may be that there is a professional service provider that a local government has in mind for the project in their submission. However, the procurement of a professional service provider must be done in a fair, equitable and accountable manner. It is a requirement of this program that procurement by local governments be undertaken in accordance with your own local government procurement policies and guidelines.

Payment of funding will be conditional upon the State approving the engagement of the professional service provider.

The funding agreement entered into between the State and local government will set out obligations regarding procurement.

## Reporting

**Q** What form will ongoing reporting take?

**A** Once a funding agreement has been entered into, there will be a requirement for regular progress reporting from local governments. The funding agreement will also set out obligations regarding milestone payment reporting, including providing the State with an acquittal of funds paid.

DSDMIP will advise of a format following the evaluation of submissions. The expectation is that reporting will be straightforward and in a style similar to the current project reporting to State Government.

The intention is not to create an additional reporting burden for local governments.

**Do you have any questions, comments or feedback? Please contact us at [MIPP@dsmip.qld.gov.au](mailto:MIPP@dsmip.qld.gov.au).**



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