

APPLYING FOR EXTERNAL CONTESTABLE GRANT FUNDING GENERAL POLICY

EDA | 58/6/3 | #7804921

RECOMMENDATION:

That Council adopts the Applying for External Contestable Grant Funding General Policy

INTERESTED PARTIES:

Not applicable

EXECUTIVE SUMMARY:

The proposed Applying for External Contestable Grant Funding General Policy establishes a clear and consistent framework for determining when Council approval is required prior to the submission of external grant applications for contestable grant programs. The policy responds directly to the findings of a review of internal processes and procedures relevant to incoming grants undertaken by Council Officers and an Internal Audit of these processes undertaken in 2025. The proposed policy is part of a suite of measure which delivers on the 2025–26 Operational Plan action to comprehensively review and update Council’s Grant Inwards process to maximise effectiveness and investment from other levels of government.

Council’s existing approvals framework, established in 2018, has provided appropriate oversight but was developed in a funding environment where project prioritisation was more commonly driven by available grant opportunities. As grant programs have become increasingly competitive and time-limited, and Council has moved to a budget-led approach to determining project need, priority and timing (from a grants perspective), the proposed policy modernises the approvals framework to provide greater operational flexibility while maintaining transparency, accountability and Council oversight.

It is recommended that Council adopt the Applying for External Contestable Grant Funding General Policy to support transparent and accountable decision-making and ensure contestable grant applications are aligned with Council’s adopted budget, strategic priorities and governance requirements.

BACKGROUND:

Securing external grant funding plays a significant role in enabling Council to progress major capital projects, deliver community initiatives and respond to emerging priorities without placing undue pressure on rates and other revenue sources. While Council has achieved success in securing external funding, recent internal reviews have identified opportunities to enhance the coordination and consistency of incoming grant

management, including the introduction of a more structured end-to-end governance framework.

Grant funding opportunities are increasingly competitive and often require early project readiness, clear strategic alignment and high-quality submissions to be successful.

External grant funding represents a significant funding source for Cairns Regional Council, supporting the delivery of operational and capital works programs, reducing pressure on Council's own-source revenue, and enabling priority projects to proceed.

Historically, Council's approach to incoming grant funding has developed across the organisation, with business units independently identifying opportunities, preparing applications and managing grant obligations. While this approach has delivered positive outcomes, recent reviews have identified opportunities to further improve coordination, consistency and strategic alignment across the grant lifecycle.

An internal review previously undertaken by Council Officers recommended improvements including clearer roles and responsibilities, proactive opportunity tracking and stronger quality assurance. These findings were reinforced by the Internal Audit of incoming grant funding completed in February 2025, which identified opportunities to strengthen governance, approval pathways, record keeping and monitoring arrangements.

Current Grant Approvals Framework

Council's current approvals framework for incoming grant applications is informed by a resolution of Council in 2018. The resolution delegated authority to the Chief Executive Officer to submit minor grant applications of less than \$50,000 and established a requirement to report to Council on applications submitted and their status through a Quarterly Grants Inwards Status Report. Any external contestable grant application exceeding \$50,000 currently requires Council approval prior to submission.

This framework has provided an appropriate level of oversight and transparency, particularly for smaller grant applications. However, it was developed at a time when grant funding opportunities more commonly influenced project prioritisation, with projects at times being advanced or prioritised in response to available funding. Contemporary practice has since shifted to a budget-led approach, whereby project need, value, priority and timing (from a grants perspective) are determined through Council's annual budget process and formally adopted by Council, providing a clear and deliberate basis for assessing and responding to grant opportunities.

At the same time, grant funding programs have become increasingly competitive and are often delivered through discrete and compressed application windows, requiring timely decision-making and operational flexibility. Under the current approvals framework, approval thresholds and timing requirements can be restrictive where funding opportunities arise unexpectedly or where application deadlines are short.

In some instances, this has resulted in the need to seek retrospective approval to apply for funding, which is not considered best practice from a governance or process perspective. Collectively, these factors have highlighted the need to modernise Council's approvals framework so that it better reflects contemporary grant funding environments

while maintaining appropriate transparency, accountability and Council oversight.

Policy Intent and Approval Framework

The proposed Applying for External Contestable Grant Funding General Policy is designed to balance operational flexibility with appropriate governance oversight.

Under the proposed framework:

- Projects are formally endorsed through inclusion in Council's adopted budget
- Delegated authority is provided to the Chief Executive Officer to submit contestable grant applications for budget-approved projects
- Council approval is required where a proposed grant application would:
 - materially change the cost or delivery timing of a budgeted project, or
 - relate to an emergent project or funding opportunity not accommodated within the adopted budget

Under the proposed policy, a material change is defined as:

- an increase in the project cost of more than 15 per cent compared to the approved project budget; and/or
- a change to the budgeted delivery timeline that results in the project being brought forward by more than one financial year.

This approach allows Council to respond effectively to grant funding timeframes while ensuring transparency, accountability and alignment with Council's strategic and financial priorities.

If adopted, the General Policy will be supported by a suite internal processes that will provide practical, end-to-end guidance for Council Officers regarding the management of incoming grant funding across the organisation.

Benefits

The adoption of the proposed General Policy and associated internal process improvements are expected to deliver a range of organisational benefits, including:

- improved coordination across departments involved in grant identification, application and management
- earlier identification and positioning of projects for suitable funding opportunities
- higher quality, strategically aligned grant submissions
- clearer roles and responsibilities, leading to more efficient use of staff resources

- strengthened relationships with funding agencies and key stakeholders
- increased likelihood of securing external funding to support Council priorities

These benefits directly support Council's strategic objective of maximising external funding to deliver the greatest value for the community.

COMMENT:

The proposed General Policy has been developed through a structured, cross-organisational process to ensure it is practical, fit-for-purpose and aligned with Council's governance framework. Development of the policy has been informed by internal audit findings, internal review outcomes, and a Councillor workshop, and supported by a working group comprising key internal stakeholders.

Council Officers will continue to keep Councillors informed regarding grant applications made and the status/outcomes of those applications through the quarterly Grants Inwards Status Update Report to Council and ongoing informal engagement with Councillors on individual projects and applications as appropriate.

Adoption of the General Policy represents a key milestone in Council's broader Incoming Grant Funding Process Review and provides the governance foundation for consistent, coordinated and strategic management of contestable grant funding.

OPTIONS:

Option 1: (Recommended)

That Council adopts the Applying for External Contestable Grant Funding General Policy.

Option 2:

That Council **does not** adopt the Applying for External Contestable Grant Funding General Policy.

CONSIDERATIONS:

Risk Management:

The adoption of the General Policy will strengthen Council's governance and risk management arrangements by providing clear approval pathways, defined accountabilities and consistent oversight of contestable grant applications. By aligning grant submissions with the adopted budget and establishing clear triggers for Council approval, the policy reduces the risk of inappropriate commitments, retrospective approvals and misalignment with Council priorities.

Corporate and Operational Plans:

The proposed General Policy supports values of Cairns Regional Council's Corporate Plan Focus 5: Focused Council *Delivering for community through strong governance and informed decision-making*. In particular, the policy aligns with Council's commitment to strong governance, responsible financial management and effective delivery of

infrastructure and services for the community. By maximising opportunities to secure external funding in a controlled and coordinated manner, the policy also supports Council's focus on long-term financial sustainability and delivering value for the Cairns community.

The General Policy delivers on the 2025–26 Operational Plan action to comprehensively review and update Council's Grant Inwards process to maximise effectiveness and investment from other levels of government.

Statutory:

There are no specific statutory requirements mandating the adoption of this General Policy. However, the policy supports Council's broader legislative obligations under the *Local Government Act 2009* by reinforcing principles of good governance, accountability, transparency and responsible decision-making in relation to the submission of external grant applications.

CONSULTATION:

Consultation has been undertaken across relevant business units, including Economic Development and Advocacy, Finance, and operational grant owners, to ensure the policy appropriately reflects operational requirements while strengthening governance and accountability.

The General Policy is complemented by a supporting internal processes that provides detailed internal guidance and tools to support implementation.

ATTACHMENTS:

Attachment 1 – Applying for External Contestable Grant Funding [#7745272](#)



Nick Masasso
Director Economic Development and Advocacy

APPLYING FOR EXTERNAL CONTESTABLE GRANT FUNDING

- Intent** To establish a clear and consistent framework for determining when Council approval is required prior to the submission of external grant applications. This policy ensures transparency, accountability, and alignment with Council's budget and strategic priorities.
- Scope** This policy applies to all Cairns Regional Council employees and contractors involved in the development, approval, and submission of grant applications to State, Federal, or other external funding bodies for Contestable Funding Programs only.

PROVISIONS

Council's adopted budget establishes the priorities for capital (CAPEX) and operational (OPEX) projects and initiatives to be delivered by Council. Where a project is included in the adopted budget, it is considered a Council-endorsed priority and funding opportunities may be pursued.

GRANT TYPES

Council identifies three primary types of grant opportunities based on how funding is allocated and accessed:

1. Direct (Untied) Funding

Funding allocated directly to Council without the need for a competitive application process. These grants are untied, meaning they may be used at Council's discretion for any general operational or capital purpose. Acquittal or reporting is not required.

Example: Financial Assistance Grant.

2. Non-Contestable Funding Programs

Funding programs under which Council receives a predetermined allocation of funds, with no application or competitive process required. Council has no influence over the amount received. While the funding is not contested, these programs typically require milestone progress reporting and final acquittals to demonstrate compliance with program objectives and proper expenditure of funds.

Example: Works for Queensland Program.

3. Contestable Funding Programs

Funding programs involving a competitive application process, where Council submits proposals for consideration alongside other eligible applicants, such as other local governments or non-government organisations. These programs require strategic project selection to maximise Council's competitiveness and alignment with program priorities.

Example: Local Government Grant and Subsidies Program

WHEN COUNCIL APPROVAL IS REQUIRED

Council approval is required for contestable funding programs under the following circumstances:

Material Changes to Budgeted Projects

Council approval is required where a project is included in the adopted budget but a successful grant application would result in the proposed delivery timing or total project cost materially changing from that originally budgeted.

For the purposes of this policy, a material change includes:

- an increase in the project cost of more than 15 per cent compared to the approved project budget; and/or
- a change to the budgeted delivery timeline that results in the project being brought forward by more than one financial year.

Any such material change to project timing or cost must be considered and approved by Council prior to the submission of a grant application.

Emergent Projects

Council approval is also required for emergent projects, projects that arise after the adoption of the annual budget and were not provided for or accommodated in Council’s approved budget. These may include projects aligned with newly announced funding programs that deliver clear community benefit, or funding released in response to specific events, such as natural disasters, for the repair, restoration, or replacement of assets not anticipated during the budget process. As emergent projects are unbudgeted, they require Council approval before a grant application can be submitted.

WHEN COUNCIL APPROVAL IS NOT REQUIRED

Direct (Untied) Funding and Non-Contestable Funding Programs do not require Council approval as these funding programs are predetermined and operationally managed.

For contestable funding programs, a grant application may proceed without further Council approval where the project cost and timing has not materially changed (as defined above) from the adopted capital (CAPEX) budget or where an initiative can be delivered within existing operational (OPEX) budget allocations.

The application must still comply with all required internal approval and reporting processes, including relevant delegations for submitting the grant application.

Reporting

A report summarising grant applications made by Council, the status of those applications, outcomes, and associated values will be tabled with Council on a quarterly basis..



This policy is to remain in force until otherwise determined by Council.

Director responsible for Review: Director – Economic Development and Advocacy

ORIGINALLY ADOPTED: 11 February 2026
CURRENT ADOPTION: 11 February 2026
DUE FOR REVISION: 10 February 2030

REVOKED/SUPERSEDED:

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Ken Gouldthorp
CHIEF EXECUTIVE OFFICER

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