



Fact Sheet - Head Funding Agreement

Grants to Local Government Model

Background

The Grants to Local Government Model (the Model) commenced on 25 September 2019 and is the new streamlined framework for state government grants to Local Government.

As part of the Model, the State has developed a new **Head Funding Agreement** (HFA) that:

- is an overarching agreement that is signed once by each Local Government
- operates on an ongoing basis
- provides a uniform set of general terms and conditions between the State and each Local Government for the provision of funding under the Model.

How it works

The Department of Local Government, Racing and Multicultural Affairs, on behalf of the State, will enter into a HFA with each Local Government.

The HFA sets out a framework under which the State and the Local Government recipients will enter into a funding arrangement for the provision of funding on a project by project basis.

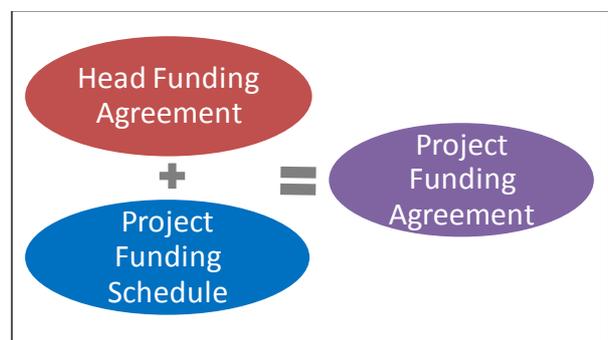
Other State Agencies can rely on the executed HFA to enter into a funding arrangement for Grant Programs. For existing Grant Programs, an agency may elect to use their existing funding agreements.

Does the Head Funding Agreement guarantee funding?

No. Entering into a HFA itself does not guarantee the provision of grants to a Local Government.

The HFA only creates a framework for the formation of Project Funding Agreements.

The HFA and its general terms and conditions, and a Project Funding Schedule and its key details of the project, together form a Project Funding Agreement. The Project Funding Agreement is the agreement under which the State commits to provide Project Funding to a Local Government recipient for a project (or group of projects).



By the State and the Local Government recipient having entered into a HFA and then executing (signing) the Project Funding Schedule, a Project Funding Agreement is formed for the project (or group of projects) in accordance with clause 2.3 of the Head Funding Agreement.

How it affects existing agreements

The Model applies to new programs and projects, as well as new rounds of existing Grant Programs that were released from 25 September 2019. All existing projects managed by the State Agencies will continue to be administered via the current Funding Agreements.

Further Resources

Visit the [Grants Model](#) page for more resources including:

- Head Funding Agreement template
- Head Funding Agreement – Frequently Asked Questions