



Australian Government

Quality Schools

Capital Grants Program Guidelines

April 2022

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Introduction

1. These Capital Grants Program Guidelines¹ (the Guidelines) set out the Australian Government's (the Commonwealth) detailed administrative requirements applying to the administration of:
 - the Capital Grants Program (CGP) for non-government schools; and
 - the Building Boarding Schools on Country (BBSOC) program.
2. Unless otherwise stated, the Guidelines took effect from 15 May 2014 and supersede:
 - the *Administrative Guidelines: Commonwealth Programs for Non-government Schools 2009-2013/14* "the Administrative Guidelines"
 - the Administrative Arrangements for Block Grant Authorities 2010, the "Admin Arrangements"
 - 2009-2012 Funding Agreements and the 2012-2014 Deed of Variation between the Commonwealth, as represented by the former Department of Education, Employment and Workplace Relations, and each BGA.
3. The department or BGAs can initiate amendments to the operational issues covered by the Guidelines. The Guidelines will be updated on an annual basis, or more frequently, if required. The department will consult with BGAs prior to making any amendments and ensure that a current copy of the Guidelines is available on the department's website.

IMPORTANT:

Please note that these Guidelines were amended in April 2022 to include requirements for BGAs that will receive capital funding under the BBSOC program.

The BBSOC program will leverage the expertise of a BGA/s in the relevant jurisdiction/s to ensure efficient and effective implementation. The Commonwealth will engage the BGA/s in their capacity as a Capital Grants Authority (CGA) under subsection 67(1) of the *Australian Education Act 2013* (the Act).

The information at **Schedule 1** sets out how a clause in the CGP Guidelines applies in relation to the BBSOC program.

Further information on the BBSOC program is at **Schedule 1**.

Capital funding – overview

Legislative Authority

4. Commonwealth funding for capital expenditure for non-government schools is provided under Division 2 of Part 5 of the *Australian Education Act 2013* (the Act). See [Federal Register of Legislation](#).
5. Section 67 of the Act allows the Minister to provide grants to the states and territories for a BGA for a school for capital expenditure if the Minister is satisfied that the financial assistance is required for capital expenditure by a BGA in relation to the school. The funds are administered by

¹ Since 15 May 2014, this document was known as the *CGP Operating Manual*. It has been rebranded as the *CGP Guidelines*.

BGAs on behalf of non-government schools. Further information on BGAs is at Section 10 of the Guidelines.

6. The *Australian Education Regulation 2013* (the Regulation) prescribes a range of matters relevant to the effective and efficient administration of financial assistance provided under the Act including the provision of Commonwealth capital funding. . See [Federal Register of Legislation](#).
7. These Guidelines are made for the purposes of s30 of the Regulation, which provides that a BGA must spend funding provided to it under s67 of the Act in accordance with these Guidelines and the written directions of the Minister (if any), and on capital expenditure in relation to a school for which the BGA is approved.

Objectives

8. The CGP provides funding to assist non-government primary and secondary school communities to improve capital infrastructure where they otherwise may not have access to sufficient capital resources.
9. The objectives of the CGP are to:
 - provide and improve school capital infrastructure, particularly for the most educationally disadvantaged students
 - ensure attention to refurbishment and upgrading of capital infrastructure for existing students, while making provision for needs arising from new demographic and student enrolment trends
 - pursue the Commonwealth's other priorities and objectives for schooling.

Block Grant Authorities

10. BGAs are bodies corporate approved by the Minister to administer capital grants for non-government schools.
11. There is one BGA for Catholic schools and another for Independent schools in each state. The Northern Territory and the Australian Capital Territory each have a joint BGA representing both the Catholic and Independent schools. Contact details for the BGAs are at: <https://www.dese.gov.au/payments-and-grants-schools/capital-grants-non-government-schools>.
12. BGAs must inform the department of any changes to the basic operations of the BGA or changes in key individuals (which is defined in Section 4 of the Regulation to mean either; an officer of the BGA within the meaning of Section 9 of the *Corporations Act 2001*; see [Federal Register of Legislation](#)); a person responsible for the executive decisions of the BGA; a person concerned with or who takes part in the management of the authority; or a person who manages or supervises the provision of school education for a BGA).
13. Commonwealth CGP funding may only be paid to a non-government school through a BGA.

Membership in a BGA

14. Non-government schools seeking to apply for CGP funding need to be a member of the relevant BGA in their state or territory.

15. When a BGA receives an application from a school to become a member, the BGA should advise the school of the roles and responsibilities under the CGP of all parties, including the Commonwealth, the BGA and the school.
16. Where a BGA considers a school's membership of a BGA would adversely affect the operation of the BGA, the BGA should provide details to the department within 60 days of receipt of such an application for membership. A BGA should not reject a school's application to become a member without the department's agreement.
17. BGAs should maintain accurate registers of their member schools. BGAs should notify the department in writing within 14 working days of any new BGA member school or any existing BGA member school withdrawing its membership.

Agreements between BGAs and Approved Authorities (on behalf of member schools)

18. For the purposes of meeting requirements under the Act and the Regulation, BGAs should ensure that legally binding agreements are executed with schools or school systems for any financial assistance for capital expenditure made payable under the Act.
19. The approved authority of a school or school system must sign all agreements with the BGA, unless it has delegated its authority to another person (e.g. a school or diocese). Each agreement should be properly executed and constitute a legally binding contract between the BGA and the approved authority or school.
20. The department does not specify the nature of these agreements, and BGAs should determine the most appropriate agreement arrangements to put in place with its members. BGAs must ensure that agreements are consistent with the provisions of the Act, the Regulation, and the Guidelines. BGAs should contact the department for further advice if required.
21. The conditions, which relate to the responsibilities of schools applying for grants, accepting grants, managing grant funds (including repayment of grant funds if applicable) should be included in the agreement to ensure the proper use of Commonwealth funds. A list of the conditions is at **Attachment 1**.
22. An agreement/s should be in place prior to a BGA making any payment of Commonwealth CGP funds to a school.
23. BGAs should keep copies of all executed agreements. BGAs are required to provide the department with access to these agreements, upon request.

Approved Authorities

24. An approved authority is a legal entity that the Commonwealth has approved to administer funding for a school. The Commonwealth expects that the approved authority will have management and operational authority over the school and its administration. An approved authority has certain legal responsibilities for the funding of, and the delivery of education to, its schools.

Funding allocation

Funding available

25. Section 67 of the Act allows the Minister to determine an amount of financial assistance (capital grant funding) for a year that is payable to a BGA for school capital expenditure. The financial assistance is paid through state and territory governments.
26. Capital funding for non-government schools under the CGP is allocated to BGAs on the basis of student enrolments and need (based on recurrent funding payments). Table 1 in Section 36 of these Guidelines shows the final distribution of non-government funds for the CGP for 2021. The process by which the Commonwealth allocates funds to BGAs is outlined in **Attachment 2**.
27. CGP allocations to BGAs do not include the Goods and Services Tax (GST), although all payments to BGAs will include a component for GST.

Limit on total amount available for capital funding

28. Section 68 of the Act allows the Minister to authorise:
 - a base funding amount for capital expenditure for non-governments schools in each program year
 - application of an indexation percentage, which is given effect by annual regulation and is determined by changes to:
 - building prices and wage costs calculated using the movement in the Australian Bureau of Statistics (ABS) Producer Price Index Non Residential Construction (which measures changes in prices of selected materials used in construction and also measures wage costs) over a 12-month period (December to December), and
 - changes to non-government student enrolments (based on non-government student enrolment data used for recurrent funding purposes).
29. Capital funding for a program year is calculated by multiplying the previous year's capital funding by the indexation percentage.

Forward commitment

30. In certain circumstances, the BGA may find it practical to fund projects which run over a number of years. In determining the optimum funding profile for a project, BGAs may identify funding from subsequent years to be allocated to a project (forward commitment). BGAs should determine the extent to which they forward commit future years' funds, in a way that optimises the achievement of the CGP's objectives. This funding will be subject to the availability of funding in future years for a BGA. In general, forward commitments should not be used to supplement the current year's allocation.
31. Forward commitment of funding may be made over two future years beyond 2021 (i.e. for 2022 and 2023) and should be considered based on the following principles:
 - a) forward planning: – funding for a future year where the CGP funding will not be required until a future year (the project will commence within 12 months of approval, but the school is able to use the school community or state/territory funding for any initial payments)

- b) staging of payments in projects constructed over more than one year
 - c) staging of payments for large projects in the smaller BGAs.
32. The department will notify each BGA of its future funding allocation amounts.

Full commitment of annual allocation

33. Each BGA is required to spend or commit to spend its total CGP funding allocation within the program calendar year.

Withholding payment and repayment

34. Under Section 110 of the Act, the Minister may make a determination to suspend, withhold or require the repayment of funds, if the BGA is not meeting its obligations under the Act or the Regulation. This may include repayment of a portion of the grant if there is evidence that funding has not been used for the purpose it was provided for.
35. The BGA is required to repay any overpayments made to the BGA by the department. Where this occurs, the Minister will make a determination under Section 110 of the Act requiring the repayment of the overpaid amount, which must be repaid by the state or territory as a debt due to the Commonwealth. Pursuant to Section 11 of the Regulation, under the arrangement the BGA enters into with its relevant state or territory, the BGA must agree that any amount determined by the Minister under Section 110 of the Act is a debt due to the relevant state/territory and may be recovered by the state/territory in court. The state/territory has the option under subsection 11(4) of the Regulation to either recover this amount from the BGA or assign the right of recovery to the Commonwealth.

2021 Final funding distribution

36. The 2021 final distribution is set out below.

Table 1 Final distribution of non-government funds to BGAs for the CGP - 2021

State	Catholic	Independent	Total
NSW	\$35,138,576	\$21,593,580	\$56,732,156
VIC	\$29,547,488	\$17,147,082	\$46,694,570
QLD	\$20,338,624	\$15,200,951	\$35,539,575
WA	\$9,947,782	\$8,407,407	\$18,355,189
SA	\$6,504,302	\$6,222,592	\$12,726,894
TAS	\$2,176,959	\$1,309,643	\$3,486,602
ACT*	N/A	N/A	\$3,760,492
NT*	N/A	N/A	\$1,549,522
Total	\$103,653,731	\$69,881,255	\$178,845,000

*The BGAs in the ACT and NT administer CGP on behalf of both the Catholic and independent education sectors.

Eligibility for funding

Existing schools

37. In order to be eligible to apply for grants for capital expenditure, a non-government school should:
- a) be a member, or prospective member, of a BGA
 - b) be in receipt of recurrent funding under the Act
 - c) demonstrate to the BGA a financial need for the grant (that is, show that it and its supporting community do not have the capacity to meet the total cost of the project)
 - d) demonstrate to the BGA that the project will contribute to the objectives of the CGP
 - e) demonstrate to the BGA that the school has an appropriate maintenance plan in place and is able to meet the ongoing running costs of its facilities (or, for proposed new schools, a proposed maintenance plan)
 - f) demonstrate to the BGA that adequate insurance is held over its school buildings (only if relevant, for proposed new schools)
 - g) be proposing a project that is consistent with sound educational planning, within both the school and the environment within which it is operating, especially in relation to the cost, size and use of facilities to be funded
 - h) be proposing a project that will not adversely affect the condition of a place in relation to the Commonwealth, state, territory or local government heritage legislation
 - i) demonstrate to the BGA that it is financially viable
 - j) own the land or have a lease for the land and/or buildings that has a period to run commensurate with the period in which the capital grant may be required to be repaid if the school no longer provides school education (see **Attachment 4**).

New schools

38. Proposed new schools may apply for CGP funding in line with the CGP objective of making provision for needs arising from new demographic and student enrolment trends, or to meet other schooling needs.
39. To be considered for CGP funding, proposed new schools must be able to demonstrate some certainty of successful establishment, operation, and governance in relation to Commonwealth, state or territory and local government requirements. New schools may apply for capital funding prior to receiving recurrent funding.
40. Prior to submitting a grant application from a proposed new school, the BGA should submit to the department:
- a) the name, address and contact details, and level of education of the proposed new school
 - b) evidence that the proposed new school has received or applied for state or territory registration as a school

- c) evidence that the approved authority for the proposed new school would be likely able to meet the basic requirements for approval under Section 75 of the Act, including in relation to being a fit and proper person and having arrangements for managing and supervising the provision of education at the school (e.g. incorporation details, expertise of key personnel).
41. Proposed new schools applying for the CGP require an identifying Australian Government Education ID (AGEID) number (refer to Sections 45-46 of these Guidelines for further information on how to obtain the AGEID).
42. The CGP grant will be cancelled and the funding must be repaid in full to the BGA if, by the end of the funding year, the school is not approved in relation to the following:
- a) recurrent funding
 - b) final state or territory registration as a school
 - c) Departmental recognition of the approved authority.
43. While a CGP grant may be approved under these conditions, CGP grant funds should not be paid to the school by the BGA until the school/approved authority has entered into a binding contract with the BGA indicating the school's acceptance of the grant conditions.
44. The agreement between the BGA and the approved authority/school must include the provision that if by the end of the funding year the new school's approved authority is not approved by the department; or the school has not received approval for recurrent funding; or obtained final state or territory registration, the CGP grant will be cancelled and the funding must be repaid in full to the BGA (refer to BGA/school agreement in **Attachment 1**, Section 3 (h)).

Australian Government Education ID (AGEID) Number

45. The department's AGEID number is a unique identifier for each school. It is used to identify schools on the department's internet interface SchoolsHUB. BGAs require a school's AGEID in order to submit an application on SchoolsHUB.
46. If a school does not have an AGEID (i.e. a new school) the BGA should contact the department's Capital Funding Section (refer to Section 170 for contact information).

Application process

Providing information about the CGP to school communities

47. Each year, BGAs should advise member schools of CGP funding and should invite applications for funding.
48. The BGA's application procedures should be clearly documented in a BGA's procedures manual. BGAs must provide a copy of the procedures manual to the department upon request. A list of items which may be included in the BGA procedures manual is at **Attachment 6**.
49. Section 62 of the Regulation requires a BGA to make the following information about the CGP available to the public each year:
- a) the amount of financial assistance provided to the BGA in a Program year for capital expenditure

- b) how the financial assistance is applied.
50. To satisfy these requirements, BGAs should make information publicly available on the application process including eligibility criteria, required documentation, information sessions, closing date of application for funding, procedures for assessment of funding applications, how decisions are made, and contact details of the BGA; and the review process for decisions of the BGA to allocate CGP funding.
51. Making the information available to the public may include publishing the information on the BGA website, through newsletters, bulletin boards, application booklets and in other forms of communication. In addition, the BGA should provide the information on request if an applicant is unable to access the website.

Meeting the objectives of Capital Grants Program

52. When assessing applications, each authority should ensure the recommended projects contribute to the objectives of CGP (refer Section 8). Schools must state in their applications which of the CGP objectives their project is addressing. Where the project relates to the CGP objective of pursuing the Commonwealth's other priorities and objectives for schooling, further detail should be provided by the BGA to explain how the project relates to the relevant priority or Commonwealth objective.

Criteria for capital expenditure

53. The BGA must also ensure that each project meets the criteria for capital expenditure set out in Section 6 (Definitions) of the Act, which includes expenditure relating to the following categories:
- a) investigating the need for:
 - i) schools in particular areas, or
 - ii) schools of particular kinds in particular areas, or
 - iii) buildings or other facilities (or parts of buildings or other facilities), or equipment
 - b) purchasing land, with or without buildings (or parts of buildings)
 - c) planning for the erection, alteration, extension, demolition or refurbishment of a building or other facility (or part of a building or other facility)
 - d) developing or preparing land for building or other purposes
 - e) erecting, altering, extending, demolishing or refurbishing a building or other facility (or part of a building or other facility)
 - f) installing or upgrading water, electricity or any other services
 - g) providing equipment, including information technology (as part of a broader capital project unless special circumstances exist)
 - h) providing furniture (as part of a broader capital project unless special circumstances exist)

- i) providing library materials or obtaining services and goods for cataloguing a library (or part of a library) (as part of a broader capital project unless special circumstances exist)
 - j) any other expenditure prescribed by the Regulation.
54. CGP funding is not available for:
- a) facilities which have religious worship as a principal purpose
 - b) facilities in a co-educational school where those facilities will not, as far as practicable, be equally available to male and female students at the school
 - c) where retrospective approval is sought (generally after a contractual arrangement to commence the project has been entered into)
 - d) projects proposed to be undertaken solely by parents and friends
 - e) facilities where the majority of the use will be by full fee paying overseas, or other unfunded students attending a 'for profit' section of the school
 - f) facilities that are principally for pre-primary education, i.e. for children below the prescribed state/territory school starting age or where the facility is not in a formal school setting (for example, an Early Learning Centre attached to a school would not be eligible for CGP funding).

Assessment and ranking of projects for funding

55. Once a BGA has established that a project for consideration is eligible for funding, it should rank the projects primarily on the basis of the relative educational disadvantage of the student population of the school. In doing so, the BGA should give priority to the more disadvantaged over the less disadvantaged. All eligible projects should be included in the ranking.
56. The BGA should use an assessment methodology, which is sufficiently discriminating to be capable of dividing the full range of its member schools. This methodology may be a combination of generally applied indices and additional applicant-specific information. The BGA should ensure that these are applied in a consistent and equitable way which is able to be supported by evidence.
57. Schools that cannot be differentiated on the basis of the relative educational disadvantage of their students may have their ranking refined by reference to the combined effects of the following factors:
- a) the relative contribution of the projects to the objectives of the CGP
 - b) the appropriateness of the cost, size and use of the facilities to be funded in relation to sound educational planning, such that projects that are more appropriate are given preference over others. Note that projects considered inconsistent with sound educational planning on the basis of cost, size and use of the facilities should not be recommended
 - c) the condition and suitability of existing facilities in relation to the level of facilities needed

- d) where relevant, the extent to which the projects effect economies of scale through the shared provision of educational or recreational services otherwise provided independently by state/territory governments, local governments and non-government schools
 - e) the extent to which the school is making adequate and regular provision for the upkeep of its facilities.
58. A BGA may depart from this procedure for ranking in an individual circumstance where it believes strict adherence would seriously compromise the achievement of the objectives for the CGP. In such cases, the BGA will advise the department of the specific reasons for the departure in its funding recommendation.

Settlement of school contribution and grant sizes

59. BGAs should determine the size of grants to be recommended to the department, by assessing the maximum contribution a school and its supporting community can make to the project, both in cash and loans. As well as considering the current and projected student population at the school, BGAs should use a methodology for this assessment that is primarily quantitative and will enable explanations to be made to either an independent appeal body or auditor.
60. The school contribution amount should be determined in consultation with the school. The contribution amount should be based on a realistic and informed assessment of the school's expected financial situation in the foreseeable future.
61. Project costings should include all financial donations and contributions to projects to be funded under the CGP.
62. All in-kind contributions not of a financial nature should be excluded from the project descriptions and costings of a project under the CGP. For example, voluntary work and/or donations of furniture and equipment should not be included.
63. When several schools are contributing to a project that will provide common services, contributions from each school should be assessed using the above method. With such projects, one school should agree to accept and manage the grant on behalf of the other partners.

Leases

64. CGP funding is not available to meet the cost of leasing a property. However, a school that is leasing a site can still apply for funding of a construction, refurbishment or equipment project on the property, provided that the lease has a term commensurate with the repayment period (see **Attachment 4**).

Property purchase

65. In the case of property purchase, BGAs may assess the non-project dependent aspects of an application (for example, socio-economic status and financial capacity) ahead of a specific property becoming available. The BGA, however, should not submit a recommendation to the department unless a specific property is being proposed for purchase. In such a case, the value of the property is to be confirmed by an independent valuation. Where a property is to be auctioned, the BGA recommends to the department, ahead of the auction, a maximum grant amount. This grant should be no greater than the independent valuation, less the school's contribution.

Tendering

66. All tendering procedures should be in line with sound building industry practice and support the principle of value for money, in accordance with the Australian Standard Code of Tendering – AS4120. Tendering procedures should be open and transparent and comply with ethical practice for tendering.
67. BGAs must approve all tendering and procurement procedures used by schools. BGAs may determine the tendering method to be used on a particular project. If a BGA is uncertain about a proposed tender method, the BGA should consult with the department.
68. Any potential conflict of interest in the tendering process should be disclosed by the school to the BGA [refer to Sections 75 to 78 in these Guidelines, and **Attachment 1**, Section 3 (m)].
69. Where a person or body believes a tendering procedure approved by a BGA is unfair, the BGA should provide that person or body with an opportunity to explain their objections to the procedure. The BGA should provide the reasons for its approval of the tendering procedure. **Attachment 5** provides further information on tendering.

Building Code 2016 and Australian Government Building and Construction OHS Accreditation Scheme

70. The Building Code sets out the Australian Government’s expected standards for building contractors or building industry participants involved in Commonwealth funded construction projects. It is Commonwealth policy that Building Code 2016 will be applied to all construction projects indirectly funded by the Commonwealth where:
 - a) the value of Commonwealth contribution to a project is at least \$5 million and represents at least 50 per cent of the total construction project value, or
 - b) the Commonwealth contribution to a project is \$10 million or more, irrespective of the proportion of Commonwealth funding.

For information on the Building Code 2016 see: <https://www.abcc.gov.au/building-code/building-code-2016>.

71. Schools must also comply with the Australian Government Building and Construction OHS Accreditation Scheme. Under the WHS Accreditation Scheme, schools must only contract with contractors who are accredited under the Scheme, subject to the financial thresholds outlined in Section 70 (above). More information is available at: <https://www.fsc.gov.au/home>.

School visits

72. BGAs may seek to verify and supplement quantitative data included on grant applications through visits to schools. Additional information on initial school visits is included at **Attachment 3**. For schools approved for grants, BGAs should commit to visiting those schools during the life of the project (or more often if required) to ensure the works being undertaken are consistent with the project that was approved.

Finalisation of recommended projects

73. In negotiating with schools the nature of each project to be recommended for funding, BGAs should aim for a minimum viable project that:

- a) meets the objectives of the CGP
- b) is based on sound student enrolment projections for the period closely following the completion of the project
- c) meets the educational needs in a way that is cost effective over the life of the facilities
- d) takes appropriate account of the value of good quality materials and building and design practices that:
 - (i) maximise the life of the structure
 - (ii) maximise the potential for environmental performance
 - (iii) avoid design features that make no significant educational contribution and which may increase construction, maintenance or operating costs.

Not recommended projects

74. Where a project is not recommended for CGP funding, the BGA should provide its reasons for not recommending the project for Commonwealth approval. These reasons may include:
- a) No financial need
 - b) Less educationally disadvantaged than other applications
 - c) Not consistent with sound educational planning
 - d) Less disadvantaged on area or facilities condition
 - e) Does not represent value for money
 - f) Contribution to program objectives not demonstrated
 - g) Viability not sufficiently demonstrated
 - h) Application withdrawn
 - i) Deferred for consideration pending resolution of outstanding issues
 - j) Will receive other funding
 - k) Other (for example not a member of a BGA, National Estate issues).

Conflict of interest

75. Where there is an actual or potential conflict of interest at any stage of a project, a BGA should manage or resolve the conflict. A conflict of interest may arise, for example, where a member of a BGA assessment committee has an interest in a member school applying for Commonwealth capital assistance. A conflict of interest may also arise when a person associated with the governance of the school (approved authority, school board, staff member or other associated person or entity) has an interest in a body bidding for work funded by the Commonwealth.
76. BGAs should advise schools applying for CGP grants of the Commonwealth requirements in relation to conflict of interest [see **Attachment 1** Section 3. (m)].

77. BGAs, if necessary, may seek advice from the department to help resolve conflicts of interest. In such a case, the BGA should write to the Director of the Capital Funding Section (refer to Section 170 for contact information).
78. BGAs should document all steps taken in resolving conflicts of interest. This documentation is to be made available to the department, or other appropriate Commonwealth authorities, upon request.

Multiple-school project

79. A single project providing facilities available to multiple schools may also be eligible for funding. One school must be nominated to be the lead school, which would have primary management of the project. Evidence should be provided that access to the facilities by all contributing schools is protected for a reasonable period.
80. In exceptional circumstances, BGAs may also apply to manage a project on behalf of multiple schools ('BGA Project' in SchoolsHUB). Under subsection 67(2) of the Act, the Minister may determine a single amount of financial assistance which the Minister is satisfied is required for capital expenditure by a BGA for all the schools (or a number of schools) that BGA is approved for under the Act.
81. BGA managed projects must demonstrate the benefits to be achieved by conducting a single BGA-managed project, rather than a series of projects from individual schools. Such projects may be considered as a response to unforeseen or developing issues affecting a number of schools. Projects would be assessed on the basis of meeting the CGP objectives, aligning with the CGP criteria for capital expenditure and demonstrating a particular benefit to disadvantaged member schools.

Approval process

82. The Minister must be satisfied that a school needs the financial assistance for capital expenditure and that the capital expenditure meets the aims of the CGP.

Timing

83. The deadline for the submission of capital projects is 30 September each year, unless another date has been agreed by the department in writing.
84. Acceptance of submissions after the closing date is at the discretion of the department. Where finalisation of a recommendation is awaiting further information or developments from the school, the BGA should notify the department.

Submission of schedule

85. The schedule should include the recommended and the not recommended projects.
86. The BGA should supply information about any special features that have influenced the assessment of a project in a way that would not be apparent from the standard project information normally supplied.
87. BGAs should keep a detailed description of the scope of work including components of the project such as site works, items and quantity of furniture and equipment and professional fees etc. This

detailed description should be used in the acceptance of the grant agreement between the BGA and the school and in the financial accountability documentation completed by the school.

88. Each BGA must submit its schedule to the department for approval via SchoolsHUB.

Ad hoc schedules

89. As a general rule, a BGA should include all recommendations for funding in one annual schedule to enable ranking of competing applications and for administrative efficiency. However, ad hoc schedules of projects may be accepted where it is not practicable for a project proposal to meet the annual Schedule list timeline, or where additional funding becomes available, for example through project savings. BGAs should seek approval from the department for any ad hoc schedule projects.
90. Ad hoc schedule projects are subject to the same assessment criteria as annual Schedule projects. Ad hoc project recommendations must also be submitted through SchoolsHUB using the same process required for the submission of the annual Schedule.
91. If an ad hoc project application has been received, but the BGA does not recommend a grant, the BGA should submit the proposal to the department as a new project that is not recommended for CGP funding.

Review of decision

92. Where a BGA does not recommend a project, the BGA should provide reasons to the applicant school and should afford the school the opportunity to have the application reviewed.
93. This review process must be:
- a) independent of the original assessment process and personnel
 - b) mutually acceptable to the BGA and its member schools.
94. This review process may be done before, or in parallel with, the submission of the BGAs Schedule list to the department.
95. Schools or members of the school community may also request a review of other aspects of the application or grant management process from the BGA.
96. The BGA should advise the Director, Capital Funding Section, in writing of any appeal as soon as it becomes aware of a request for review. All outcomes of the reviews should be communicated in writing to the department.

Notification of approval

97. The department will inform each BGA in writing of all approved projects and of any special conditions applying to individual projects. Successful schools will also be notified in writing by the department.
98. The approval notification normally occurs in December each year.
99. BGAs should ensure that any conditions which attach to the approval of a project are legally enforceable. Each school receiving capital funding must enter into legally binding written agreement with its respective BGA and in doing so, the school must agree to be bound by all

attached conditions. Agreements should include certain conditions, including the Commonwealth right of recovery, assignment of rights and other requirements (see **Attachment 1**). BGAs must provide copies of executed agreements to the department when requested.

100. Where a new school has been approved for capital funding, the BGA must include a clause in the agreement with the school/approved authority specifying that should the school not be approved for recurrent funding by the department; and/or not receive final state or territory registration; and/or the approved authority not be recognised by the department, the school will repay the grant in full to the Commonwealth (see **Attachment 1**, Section 3. (h)).
101. The entity with which a BGA enters into an agreement in relation to a grant must be a legal entity, usually an incorporated body (for example a body corporate or an incorporated association) or a statutory body with the ability to enter into legally binding contracts and to sue and be sued in its own name.
102. This body must:
 - a) operate the school
 - b) have a legal right to own or occupy the land on which the project facilities are to be built (for example, under a lease or as beneficiary of a trust).
103. Where the operator of the school and the owner of the land are not the same entity, the BGA should ensure that the Commonwealth's recovery rights are protected, for example by an agreement between the school and the land owner. This may be the existing tenancy lease, where the lease runs for a period commensurate with the designated used period.

Public announcement of funding

104. The Minister reserves the right to make public announcements about the capital program or relevant capital projects at any time and to inform schools about the approval of projects.
105. BGAs should not publicly announce the approval of grants or advise schools that an approval has been granted until formally advised by the department. Further details on recognition are at Section 149.

Managing capital funding

BGA agreements with schools

106. Schools should enter into appropriate funding agreements with their BGA before any capital funding payment can be made. Payments of capital funding will not be made to schools that are not formally bound to the funding conditions listed below.

Funding conditions

107. In order for the BGA to comply with its obligations under the Act and Regulation, the BGA should ensure that schools are subject to the following funding conditions:
 - a) spend the funding only on the approved project as described in relevant project documentation
 - b) obtain prior approval from the BGA for any amendments to the approved project

- c) enter into a legally binding contractual arrangement (for example, sign a contract with a builder) to proceed with the project before the end of the year in which the first instalment of the grant is payable unless, in exceptional circumstances, the department gives prior approval for a later commitment date
- d) contribute at least the amount specified as the school contribution in the grant offer
- e) spend grant payments, including any interest earned on grant payments on the approved project and as soon as possible during the program year in which the funds are provided
- f) ensure that the project is completed to a satisfactory standard, and within a reasonable time in accordance with the grant description and with all relevant local government requirements
- g) keep full and accurate records in a form that will permit comprehensive information to be provided to the Australian Government if required in accordance with the Act
- h) provide to the BGA within a specified period after the completion of the project, accountability information including documentation on practical completion (e.g. Certificate) prepared by architects and accountants which certifies:
 - i. the total expenditure and grant received for the project
 - ii. that the project is completed in accordance with the approved project description and
 - iii. that the grant monies were spent only on the approved project.
- i) allow the BGA and/or the Commonwealth to inspect the project
- j) meet the Commonwealth recognition requirements for CGP funding
- k) use the funded facilities for the purpose of providing school education services for locations, levels of education and students that have been recognised by the relevant state or territory government
- l) notify the BGA if the school ceases to use the facilities funded principally for the provision of primary and/or secondary student education or sells or otherwise disposes of the facilities as specified in the Commonwealth right to repayment schedule at **Attachment 4**
- m) upon request by the BGA, pay the BGA all or part of the funds that are owing to the Commonwealth, as explained in Commonwealth right to repayment at **Attachment 4**
- n) acknowledge and agree that if the Minister makes a determination under Section 110(1)(a) of the Act following the closure, sale or disposal of facilities referred to in Item l above, then the BGA may recover that specified amount from the approved authority as a debt due by the approved authority to the BGA. The approved authority must also acknowledge that the BGA may assign its right to recover the specified amount to the relevant state/territory or the Commonwealth (as explained in **Attachment 4**)
- o) comply with any other conditions under which the funding is provided, including additional grant conditions required by a BGA.

Commitment to commence a project

108. When funds are approved for payment in a particular program year, the BGA should ensure that the relevant schools enter into legally binding commitments to proceed with those projects (e.g. signing a building contract) by the end of that year or such later date as the department approves.
109. If a school cannot make a commitment to commence the project by the end of the program year, the BGA should seek the department's approval to reallocate the funds to other projects which have commenced, or can commence, before the end of the year. In exceptional circumstances, the department may consider approval for a later commitment date.
110. If the BGA is unable to reallocate the funds in this way, the BGA should advise the department in writing.
111. Schools seeking CGP funding should not commit themselves to proceed with a project (e.g. by signing a contract) prior to being advised by their BGA that the department has approved the project. Grants will not be approved where a commitment has already been made to proceed with the project. Subject to the BGA's agreement, schools may proceed to prepare working drawings and to call tenders prior to project approval, but the Commonwealth does not accept liability for the costs of doing so in the event the project is not approved.

Project variations

112. A change of circumstances after the approval of a project may require a variation to the project. Aspects of the projects that may be varied include, but are not limited to:
 - a) total project cost increase or decrease
 - b) school contribution increase or decrease
 - c) the start or end date being moved by more than one year
 - d) changes to the scope or project category, facility category or other descriptor of the project
 - e) a request to vary the date for commitment if the school cannot enter into a commitment (sign a contract with a builder) for the project before the end of the year in which the project was approved
 - f) moving an amount of funding to an earlier or later program year (re-profiling)
 - g) cancelling (withdrawing) a project.

Note: Re-profiling occurs when CGP funding for a project is moved between program years with no change to the total CGP funding amount (for example, increasing a project's 2021 funding amount by \$10,000 and reducing its 2020 funding by \$10,000).

113. All variation requests must be submitted via SchoolsHUB to the department for consideration and approval. For more complex variations, the BGA may wish to discuss the circumstances of the variation with the Capital Funding Section, or provide additional information by email.
114. It is the responsibility of the BGA to recommend to the department, in respect to funding or other changes to the project, the course of action which best serves the objectives of the CGP.

115. BGAs should ensure that, if additional funding is required for a variation, sufficient funds are available for the proposed variation.
116. If a variation would affect the current year's allocation, it should be committed before the end of the current year to ensure the full allocation can be paid before the end of the year.
117. The department will approve all changes in writing or through SchoolsHUB.

Payment to BGAs

118. Grant payments under the CGP are made in 11 instalments up to the commitment of the BGAs allocation amount. The first payment in January is for administration allowance only. The February payment is for project grant funds only. From March onwards, the payment will be for both project grant funds and administration allowance.
119. Payments to BGAs will be increased by the required amount for Goods and Services Tax (GST). A Recipient-Created Tax Invoice will be available via SchoolsHUB.
120. BGAs should manage the timing of the payments to schools to minimise paying out funds ahead of expenditure actually being incurred on projects.
121. If, at a point in time, a BGA has insufficient funds on hand to pay all claims, it should give priority to those schools that can least afford to wait for the payment.
122. If a BGA does not comply with any conditions under the Act or the Regulation, the payments may be delayed in accordance with Section 110 of the Act.

Payment to schools

123. BGAs should not pay funds to a school prior to the school entering into a binding contract with the BGA that binds the school to the conditions upon which the grant was approved.
124. Subject to Section 123 above, BGAs may make an advance payment to a school (including proposed new schools) once a project has commenced to cover initial project costs, provided this advance payment is made within the program year during which funds are payable. The BGA must make all subsequent payments on the basis of expenditure already paid or committed as part of the approved project, following receipt from the school of progressive expenditure statements or similar.
125. A BGA must not make payment to a school until the BGA is satisfied after making reasonable enquiries, that the school has met all grant condition requirements, for example, that the school has executed contracts with third party providers to undertake project work.
126. A BGA must stop all payments to a school immediately upon receiving written advice from the department that the school is in breach of any condition(s) applying to its receipt of Commonwealth schools program funds (e.g. recurrent funding). The BGA must not make a payment to the school until it is advised in writing by the department that payment(s) may proceed.
127. BGAs may require a school to pay its contribution before the BGA commences grant payments, where the BGA judges that it would be prudent. For example, there may be circumstances where a BGA believes a school has the capacity to contribute a certain amount to its project, but the BGA is not confident the school will necessarily preserve the funds/assets for this purpose. There may

also be circumstances where the school has indicated it will acquire the necessary funds (for example, through borrowing) however the BGA may not be confident of this happening.

128. BGAs must ensure they have sufficient funds available to make the required payments to schools as they fall due.
129. If a BGA wishes to vary funding expenditure relating to approved forward commitment due to changes in project's construction timetable (i.e. ahead or behind schedule), it must seek approval through a formal variation via SchoolsHUB.
130. BGAs must keep records of payments to schools for each project for each program year.

Recovered Funds, Interest and Savings

131. Recovered funds, interest or savings can be allocated to an existing or new project, by submitting a request for the department's approval.
132. Recovered funds and savings funds must be committed to another project within 12 months of the funds becoming available, irrespective of the year in which the funds were originally allocated (see Section 30 of the Regulation).

Recovered Funds

133. Recovered funds refer to funds that are returned to the BGA after a project has been acquitted, usually as a result of a school closing. If a school has acquitted a capital project and is still bound by the designated use period, a recoverable amount will be determined to be repaid to the BGA in accordance with Section 64 of the Regulation.

Interest

134. Interest refers to the amount of funds that a BGA earns from a bank account which holds capital funding until it is disbursed to a school for a capital project.
135. The Minister may direct the BGA in relation to the use of accrued interest funds (see Section 30 of the Regulation).

Savings

136. Savings refer to unspent grant funds at completion of the project. For example, where a total project cost has been over-estimated and there are unspent grant funds at completion of the project, those funds are referred to as 'savings'.
137. In the case where the cost of an approved project, at the completion of the project, is less than the estimated cost upon which the Commonwealth capital funding offer is based, the funding should be reduced by the amount by which the project cost has decreased. A decrease in the school's contribution following project savings may occur, with the approval of the department, where the BGA has re-assessed the school's capacity to contribute to the project and found that the school's underlying financial position has changed since the project was approved.

Cancelled

138. Cancelled funds refer to funds that were allocated to an approved project which does not or cannot commence. The funds which were allocated to the cancelled (withdrawn) project become unallocated and should be reallocated to other eligible project/s within twelve months.

Commonwealth right to repayment

139. Section 109 of the Act and Section 64 of the Regulation provide the Commonwealth with a right to repayment for funding allocations of more than \$75,000 where funded facilities are no longer used to provide school education, or are sold or otherwise disposed of, during the designated use period (as defined under Section 64 of the Regulation).
140. It is a condition of funding that approved authorities advise the BGA should such a circumstance arise.
141. The amount of funds repayable in the above circumstances is dependent on the capital funding amount and the number of years the facility was used for the provision of primary or secondary education. (See **Attachment 4** for further details on Commonwealth right to repayment).

Assignment of rights

142. Every agreement between the BGA and a school must include a provision permitting some or all of the BGA rights, including repayment of the capital funds, to be assigned to the relevant state/territory or the Commonwealth. A pro forma clause is at **Attachment 7**.

Liaison and monitoring

143. In administering capital funding on behalf of non-government schools, the BGA should:
 - a) liaise with non-government schools and provide information to the department as reasonably required by the department
 - b) comply with all reasonable requests, directions, or monitoring requirements received from the department.
144. The department may, at any time, request additional information on a project and may request the BGA to inspect a project on behalf of the department.

Administration Expenses

145. BGAs can use up to three per cent of program funds (or a specified figure, agreed by the department, for small BGAs) to meet the costs of administering the CGP (the administration allowance), unless otherwise agreed.
146. In limited circumstances, where a BGA incurs additional expenses, the BGA may apply in writing to the Director, Capital Funding Section, for additional funds to meet these expenses and increase its administration allowance for a program year. The department may approve the use of CGP interest funds to supplement the administration allowance in such circumstances. The approval to use additional funds should be made prior to the end of the program year.
147. BGAs that spend less than their allocated administration allowance in a program year may use the surplus for expenditure on approved projects. BGAs can only spend these funds during the program year in which the funds are provided. A BGA must apply to the department through a project variation via SchoolsHUB to transfer administration funds to project funds.
148. The administration allowance should not be used for expenses relating to:
 - a) security to obtain, or comply with, any form of loan, credit, payment or other interest

- b) the preparation of, or in the course of, any litigation.

Recognition

149. Capital funding recipients must meet Commonwealth recognition requirements for CGP funding. BGAs should ensure schools are aware of their obligations concerning recognition and should monitor their compliance. These requirements include:
- a) acknowledging the Commonwealth's funding contribution in all announcements and other publicity
 - b) ensuring that school communities are advised directly about assistance received from the Commonwealth by such means as school newsletters
 - c) arranging an official opening ceremony of funded facilities within seven months of the physical completion of the project where the Commonwealth has contributed funding of \$100,000 or more, unless otherwise agreed by the Commonwealth
 - d) the Commonwealth Minister or the Minister's representative must be invited to speak at all official openings of capital projects. Where the Commonwealth has contributed more than fifty per cent of the total project cost, the Minister or Minister's representative must be invited to officially open the facility
 - e) advising the department, via the SchoolOpenings@dese.gov.au inbox, of three proposed dates for school recognition ceremonies well in advance of the proposed opening dates
 - f) acknowledging Commonwealth funding on plaques, as follows:
 - iv) installing building plaques on all completed projects, irrespective of project cost, which acknowledge Commonwealth funding, unless otherwise agreed by the department
 - v) where a facility is opened by a Commonwealth representative, the name of the person opening the facility should be included on the plaque
 - vi) wording on plaques acknowledging Commonwealth funding should be of similar size and style to wording acknowledging other funding sources
 - vii) including the Australian Government crest on all plaques
 - viii) the department will approve all plaque wording.
150. All requests and inquiries regarding recognition ceremonies or plaques should be made to the department at SchoolOpenings@dese.gov.au. Schools should contact the department through this inbox in relation to any uncertainty or issues regarding the recognition requirements, including applications for variations to, or exemptions from, the recognition requirements. A Recognition Factsheet is at **Attachment 8** and is also available on the department's website: <https://www.dese.gov.au/payments-and-grants-schools/capital-grants-non-government-schools>
- Note: Under current Portfolio arrangements the Minister for Education has responsibility for the CGP, and invitations to attend ceremonies will be directed to the Minister.

Accountability

151. The department is required to ensure accountability for Capital Grants funding provided under the Act. In order for the department to meet its obligations under the Act, BGAs must comply with the financial accountability requirements below.

Financial accountability

152. BGAs must provide an Accountability Report pertaining to the receipt and expenditure of all CGP funds for the previous year (the accountability year) to the department via SchoolsHUB and an Accountability Report pertaining to the receipt and expenditure of all BBSOC funds for the previous year (the accountability year) to the department via email. The Accountability Report should include:
- a) a statement of funds received and funds spent or committed to be spent
 - b) whether the interest earned on capital funding has been spent or committed to be spent
 - c) a statement from the BGA that it has a satisfactory internal accounting systems, controls and procedures in place for records relating to the CGP funds
 - d) an audit certification or opinion issued by an independent qualified accountant² in accordance with Australian Auditing Standards and generally accepted auditing practices
 - e) details of all bank accounts operated by the BGA.
153. To satisfy the above requirements each BGA must submit its Accountability Report to the department for the calendar year (1 January - 31 December) in which the financial assistance was paid, by 30 June in the next program year, or a later date as approved by the department.

Records and information provision

154. BGAs must keep records relating to all income and expenditure of capital funding in accordance with Australian Accounting Standards and generally acceptable accounting practices. These records must be kept separately within the BGA accounting records. These records must be kept for at least seven years, (see Section 37 of the Regulation).
155. In accordance with the BGAs' obligations under Section 39 of the Regulation, BGAs must allow, in response to a request for information by the Auditor General, a person authorised by the Minister (or his Delegate) to do either or both of the following:
- a) to have full and free access, at all reasonable times after giving reasonable notice to the BGA, the BGA's accounts, records and other documents relating to capital funding information the BGA is required to provide to the department; and
 - b) take extracts from, or make copies of, the material referred to above.
156. If a BGA has not provided the department with all information requested the BGA will be in breach of its obligations under the Act and Regulation (in particular Section 39 of the Regulation). Failure to comply with the information requirements under the Act and Regulation is in breach of a BGA's

² The term "qualified accountant" has a specific definition under section 34(4) of the *Australian Education Regulation 2013*. In most cases it is a person that is able to issue an independent audit opinion.

ongoing requirements under Section 77 of the Act, which may result in the Minister making a Determination under Section 110 of the Act to delay further payments to the BGA.

157. Records of all applications, assessments, tendering, payments and accountability processes and documents must be maintained by the BGA member schools (and made available to BGAs for scrutiny) for at least seven years after the completion of each project. Assessment documentation must be sufficiently comprehensive to justify the conclusions reached on eligibility and ranking criterion for each application.
158. Documents relevant to the Commonwealth's exercise of a right to repayment under Section 64 of the Regulation and Section 110 of the Act must be retained for the period of possible recovery set out in Section 64 of the regulation (e.g. agreements, payment records and accountability certificates).
159. BGAs must keep adequate records to enable the following:
 - a) meet financial accountability obligations
 - b) demonstrate that BGA obligations under the Act and Regulation are satisfied
 - c) support the efficient and effective conduct of business
 - d) demonstrate that all reasonable steps have been taken to minimise risk, including documentation relating to the BGAs Risk Management Plan
 - e) support and document policy formation and decision making
 - f) ensure business performance and continuity
 - g) meet the department's expectations of consistency, equity and transparency.

Banking requirements

160. BGAs must keep up to date financial records relating to the receipt and expenditure of Commonwealth CGP funds and Commonwealth BBSOC funds separately within the BGA's accounting records. This includes accounting for the funds received from any other person or entity. Furthermore, all transactions involving CGP funds and all transactions involving BBSOC funds should be made through those accounts.
161. The BGA must provide the department annually, in the Financial Accountability Report (see Section 151), with the details of all accounts operated by BGAs in which CGP funds and BBSOC funds are held. The BGA should advise the department of any changes to these details when they occur.
162. The BGA should ensure that funds are available at all times in order to meet all payment obligations as they fall due.
163. BGAs must deposit Commonwealth funds, pending distribution to schools, with a financial institution such as a bank, building society or credit union operating in Australia. Exemption from this requirement is at the discretion of the department, and may be given upon provision to the Commonwealth of a legally effective, written guarantee to make good any loss sustained by a BGA as a result of depositing funds with an alternative organisation. This guarantee should be given by

a body that has sufficient assets to meet the guarantee and that is acceptable to the Commonwealth.

Project Outcomes

164. BGAs should identify the expected general project outcome for students and school communities when submitting a Schedule via SchoolsHUB. Expected outcomes include:
- a) providing a better learning environment
 - b) addressing an area of particular educational disadvantage
 - c) responding to new demographic or enrolment trends
 - d) supporting quality teaching
 - e) supporting parental and community engagement
 - f) supporting safety for the school community
 - g) supporting the curriculum
 - h) supporting educational opportunities for Indigenous students
 - i) supporting educational opportunities for students with a disability
 - j) other relevant outcomes.

Better practices procedures manual

165. BGAs should review their procedures manual annually to ensure it reflects Better Practice. **Attachment 6** outlines information that would be expected to be in a better practice procedures manual.

Audit

166. From time to time, the department may undertake audits or reviews of the financial and administrative procedures of the BGAs. These audits may be undertaken by the department or by an independent auditor engaged by the department. Matters to be audited will be determined by the department, but without limitation, may include:
- a) compliance with BGA's obligations under the Act and regulation, including as set out in these Guidelines
 - b) financial records
 - c) determination of project eligibility
 - d) ranking of eligible projects
 - e) the administrative procedures and processes of the BGA.

Compliance with laws

167. It is expected that BGAs will comply with any relevant statutes, regulations, by-laws and requirements of any Commonwealth, State, Territory or local authority. Including, where applicable, relevant anti-discrimination laws and the:
- *Building Code 2016*
 - *Fair Work Act 2009 (Cth)*
 - *Privacy Act 1988 (Cth)*
 - *Workplace Gender Equality Act 2012 (Cth)*
 - *Work Health and Safety Act 2011 (Cth)*.

Privacy and freedom of information

168. The department is subject to the *Privacy Act 1988 (Cth)* and the *Freedom of Information Act 1982 (Cth)* and any information BGAs submit to the department will be subject to both of these pieces of legislation. Please also note that any documents BGAs submit to the department may be subject to freedom of information applications.

NOTE: In providing any data or any other information to the department pursuant to the Act or Regulation, giving false or misleading information is a serious offence under Section 137.1 of the *Commonwealth Criminal Code*.

Reporting Fraud

169. The department is committed to preventing fraud in all aspects of its business. If fraudulent activity is suspected within the CGP or the BBSOC, it should be reported. Find out more about how to report fraud on the department's website: <https://www.dese.gov.au/how-report-fraud>

Contact information

170. Contact details for the department are as follows:

Postal
Director, Capital Funding Section
GPO Box 9880 CANBERRA ACT 2601

Email
SchoolOpenings@dese.gov.au

Agreements with schools – conditions to be applied

1. Schools wishing to participate in a BGA

- (a) It is the responsibility of each BGA to advise prospective member schools of the general requirements under the CGP and of any specific requirements set by the BGA (e.g. closing dates for applications).
- (b) To become a member of a BGA, a school's approved authority must enter into a written agreement with the BGA which, amongst other conditions, set out by the BGA bind the school to:
 - (i) accept the BGA's administrative processes and procedures including variations to those processes and procedures as may be required from time to time by the Commonwealth
 - (ii) remain a member of the BGA for a minimum period of three years and provide the BGA with at least twelve months' notice of its intention to withdraw from the BGA.

2. BGA member schools wishing to apply for capital funding

The agreement the BGA has with each member school must contain the following conditions requiring the BGA member school to:

- (a) provide financial, student enrolment and other relevant data to the BGA; allow the Commonwealth to provide similar data to the BGA on a confidential basis (exclusively to allow the BGA to undertake capital grant application assessments); and allow the BGA to provide to the Commonwealth any information provided to the BGA by the BGA member school
- (b) permit access to the school and provide assistance at least equivalent to that required in accordance with these Guidelines
- (c) if recommended by the BGA for a grant, not accept tenders, nor enter into commitments with contractors/builders, until the BGA has advised the applicant that the Commonwealth has approved their grant.

3. BGA member schools wishing to accept an offer of capital funding

A BGA Member school wishing to accept an offer of a Commonwealth capital funding must enter into a written agreement with the BGA, which, amongst other conditions, must bind the school to:

- (a) hold adequate insurance cover over its existing buildings and facilities and provide evidence to the BGA of this insurance cover as part of the grant application process
- (b) seek the BGA's approval prior to any variation to the approved project or alterations in the scope of works
- (c) contribute at least the amount specified in the funding offer or project funding agreement
- (d) apply the funds provided by the Commonwealth (via the BGA) for the approved project only for the purpose of meeting expenditure on that project
- (e) accept that if the BGA member school is not complying with their agreement with the BGA (e.g. by not providing required information), the BGA may delay payment to the BGA member school until the school fulfils the condition
- (f) agree to repay to the BGA or to the Commonwealth as much of the funding as the Commonwealth determines must be repaid if the BGA, or the BGA member school, has failed to comply with a condition on which the funding was provided
- (g) spend capital funding payments, including any interest earned on the payments, as soon as possible, and, for the CGP, not later than six months after the date of receipt
- (h) agree to repay the grant in full to the BGA if, by the end of the funding year, the school is not approved for recurrent funding and/or has not receive final state/territory registration and/or the approved authority is not approved by the department
- (i) enter into a legally binding contract with successful contractors to proceed with the project before the end of the program year in which the first instalment of funding is payable
- (j) use and document tendering procedures that encapsulate the principle of 'public invitation' and that are based on standard tendering practice
- (k) comply with, and include in contracts with contractors for the performance of any construction or building activity, the requirements contained in The Building Code 2016:
<https://www.abcc.gov.au/building-code/building-code-2016>
- (l) maximise employment opportunities for Aboriginal and Torres Strait Islander people where a project is undertaken specifically for an Indigenous Australian community or where the project is located in an area likely to provide employment or training opportunities for Aboriginal and Torres Strait Islander people, to reduce the disproportionately high unemployment rates among these people
- (m) agree to identify any perceived or actual conflict of interest to the BGA at the stage when it first occurs. The BGA member school, with the possible assistance of the BGA, must then ensure that

the conflict is resolved with written advice provided to the BGA on the nature of the conflict and how it has been resolved

- (n) specifically identify to the BGA any provision under any subcontract the BGA member school has entered into, or proposes to enter into in relation to the project which requires the school to make an incentive payment to any person involved in the development and construction of the project and which is designed to reward completion of the project at a cost under budget or ahead of time
- (o) ensure that the project is completed to a satisfactory standard and within a reasonable time in accordance with the approved project description and with all relevant, local government requirements

comply with the recognition requirements for CGP funding; schools should contact the SchoolOpenings@dese.gov.au inbox if they have any questions regarding recognition

- (p) provide financial accountability information to the BGA within a specified period after the completion of a project
- (q) use the facilities for the purpose of providing school level educational services for the locations, levels of education and students that have been approved
- (r) in the case of projects with grants greater than \$75,000, comply with Section 109 of the Act and Section 64 of the Regulation, which provide the Commonwealth with a right to repayment:
 - (i) notify the BGA if the school ceases to use the facilities principally for primary or secondary education or sells or otherwise disposes of the facilities within the Designated Period specified in the table at **Attachment 4** and
 - (ii) repay to the BGA or to the Commonwealth, the calculated portion of the grant, calculated in accordance with **Attachment 4** if the school ceases to use the facilities principally for primary or secondary education or sells or otherwise disposes of the facilities within the Designated Period
- (s) not transfer to another BGA until the project has been completed, all grant payments have been received, and accountability requirements for the particular project have been finalised, notwithstanding that the 12 months' notice required of BGA member schools (see Section 1(b)(ii) above) must be given before such finalisation
- (t) ensure that, if a school is transferring to another BGA, the BGA to which it is transferring accepts responsibility for protecting the Commonwealth's right to repayment in any project funded while the school was a member of the previous BGA. A BGA must advise the Commonwealth that it has agreed to accept such a responsibility
- (u) pay all funding instalments received into an account opened with a financial institution such as a bank, building society or credit union operating in Australia. The BGA member school must identify the receipt and expenditure of those monies in separate accounts within the school's accounting record
- (v) keep adequate financial documents and records relating to each CGP and BBSOC project to enable:

- i. all income and expenditure related to each CGP and BBSOC project to be identified in the school accounts
 - ii. confirmation of the completion and final expenditure on the project, such as a Certificate of Occupancy and
 - iii. the preparation of financial statements in accordance with Australian Accounting Standards and generally accepted practices
- (w) allow the BGA and/or the Commonwealth to inspect the completed project
- (x) acknowledge and agree that the BGA may assign some or all of the BGA's rights (including the BGA's rights to recover all or a portion of the grant from the BGA member school) to the Commonwealth. A pro forma clause is at **Attachment 7**
- (y) comply with any additional conditions specifically imposed by the Minister in relation to the approved grant.

NOTE: When entering into a written agreement with schools approved authorities, BGAs must notify member schools that in providing any data or any other information required to be given pursuant to the Act or the Regulation, the Guidelines, or the agreement that giving false or misleading information is a serious offence under Section 137.1 of the *Commonwealth Criminal Code*.

Calculation of Entitlements

1. The total amount of funds to be made available for each year under the CGP is appropriated under the Act. Any indexation to entitlements for building price movements will normally be made in the later part of the program year.
2. BGAs' entitlements are calculated in two stages: firstly, the administration allowance and secondly project funds.
3. The following flow chart stipulates the formulas used in calculating the various stages.

Calculate Administration Allowance (Stage 1)

Calculate State/Territory notional allocations based on proportion of national non-govt enrolments.

(Stage 1a)

Calculate notional allocations to each BGA based on proportion of recurrent funding payments to schools in each BGA (60 per cent) plus proportion of enrolments of each BGA (40 per cent) in that State/Territory.

(Stage 1b)

Calculate administration allowance for each BGA based on 3 per cent of funds to be allocated under this formula or equivalent of \$126,120 (in final 2015 prices), whichever is the larger. **(Stage 1c)**

Calculate Project Funds (Stage 2)

Subtract total administration allowance from the national allocation. **(Stage 2a)**

Calculate State/Territory project allocations based on the proportion of national non-govt enrolments.

(Stage 2b)

Calculate project allocations to each BGA based on proportion of recurrent funding payments to schools in each BGA (60 per cent) plus proportion of enrolments of each BGA (40 per cent) in that State/Territory. **(Stage 2c)**

For the first List of Capital Project year calculated, add each BGA's administration allowance to its project allocation to obtain total BGA allocation. **(Stage 2d)**

Better practice school visit report

Below are suggestions for a set of group headings that BGAs should consider incorporating into their school visits reports as part of their initial applications. Individual BGAs will develop sub-heading within each of these groups. The questions provided outline the issues that BGAs should consider when developing their sub-headings for each of the groups. BGAs should have inspection schedules/checklists/score sheets to assist them during their visits.

GROUP HEADINGS	QUESTIONS TO BE CONSIDERED
1. Date of visit and details of the visiting team	Who visited the school and when was the visit conducted? Who was present at the time of the visit?
2. Summary of the requested grant	What is the reason for the school's application? What is the estimated total cost? What is the proposed size of the grant? How will the school meet its contribution?
3. Eligibility	Does the school meet all the eligibility requirements of the CGP?
4. Existing facilities	Is a site plan available? To what extent does the current accommodation meet the needs of the school?
5. Proposed project	What does the proposed project involve? Will this project contribute to the goals of the Capital Grants Program?
6. Enrolment information/ catchment area	What are the enrolment trends over the past 5 years? What are the projected enrolments and how stable and consistent are enrolments? What are the main drawing areas for enrolments? What are the minor drawing areas for enrolments? What transport arrangements are available for current and prospective students? Are the proposed facilities adequate in area and nature for the number of current and prospective enrolments? Are there any other considerations such as class size policy or international students that are worth commenting on?
7. Project management	If the school is successful in obtaining a grant, does the school have the capacity/expertise to manage the infrastructure project? Is the school aware of the Commonwealth tendering requirements, including potential conflict of interest with bodies bidding for work?

GROUP HEADINGS	QUESTIONS TO BE CONSIDERED
<p>8. Other discussion points</p>	<p>Does the school have a strategic plan that demonstrates the school’s consideration of all aspects of its development? If so, how was it developed?</p> <p>Does the school have a master plan? If so, how was it developed?</p> <p>Does the School have a maintenance policy and objectives from which a maintenance plan arises?</p> <p>Has the community been consulted about the prospective work?</p> <p>Has the school considered increased or decreased enrolment implications?</p> <p>What other alternatives have been or could be considered?</p> <p>Has the school carefully considered the impact of the works including energy consumption, security, access for students/staff with a disability?</p> <p>What will the school do if this application is eligible but is unsuccessful due to insufficient priority?</p> <p>What will they do if this application is rejected due to insufficient/financial and/or education need?</p>
<p>9. Appendices</p>	<p>Please append any working templates such as inspection schedules/checklists/score sheets</p>

Commonwealth right to repayment

The Regulation (Section 64) specifies the repayment periods and recoverable amounts on the calculated portion of the grant that will become repayable where, at any time during the Designated Use Period, the school ceases to provide primary/secondary education:

Recovering capital funding when a school ceases to provide education

1. For subsection 109(4) of the Act, an amount (the **capital funding amount**) of financial assistance, mentioned in paragraph 109(4)(a) of the Act, that is provided for a school is recoverable if:
 - a) the capital funding amount is included in column 1 of an item of the table in this subsection; and
 - b) the school ceases to provide any primary education or secondary education in the period mentioned in column 2 of that item.

When a capital funding amount may be recovered

Item	Capital funding amount	Designated use period
1	\$75,001 to \$500,000	Two years plus one additional year for each \$50,000 of financial assistance that is over \$100,000
2	\$500,001 to \$1.5 million	10 years plus one additional year for every \$100,000 of financial assistance that is over \$500,000
3	Over \$1.5 million	20 years

2. If the school ceases to provide primary education or secondary education during the first half of the period specified in column 2 of an item in the table in subsection (1), the amount specified under paragraph 110(1)(a) or (b) of the Act must not exceed the capital funding amount.

Note 1: Paragraphs 110(1)(a) and (b) of the Act allow the Minister to require a State or Territory to repay an amount and reduce the amount that is payable to a State or Territory.

Note 2: Subsections (2) and (3) are prescribed for subsection 110(3) of the Act.

3. If the school ceases to provide primary education or secondary education during the second half of the period specified in column 2 of an item of the table in subsection (1), the amount specified under paragraph 110(1)(a) or (b) of the Act must not exceed the amount that remains if, each year in the second half of the period, the capital funding amount were reduced by equal proportions.

Example: Financial assistance of \$2 million is provided to a block grant authority to build a school building for a primary school. If the school ceases to provide primary education during the 10-year period after the financial assistance is provided, the entire amount may be recovered by the Commonwealth. For each year following that 10-year period, the amount that may be recovered by the Commonwealth reduces by 10 per cent.

4. In determining a period for the purposes of subsection (2) or (3), round the period to the nearest full year.

Examples of the recoverable amount are set out in the table below:

Total grant amount	Designated use period	Recoverable portion	Example
\$75,001 to \$500,000	Two years plus one additional year for each \$50,000 over \$100,000 (Rounded to the nearest full year)	Full amount will be recoverable up to half way through the Designated Use Period, and then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$475,000: retain interest for two years plus 7.5 years (total rounded up to 10 years). The full amount recoverable up to five years then the amount to be recovered would be reduced by 20 per cent of the total amount each year until \$0 is recoverable after the 10 years from the date of the commencement of the Designated Use Period.
\$500,001 to \$1.5 million	10 years plus additional year for every \$100,000 over \$500,000 (Rounded to the nearest full year)	Full amount will be recoverable up to half way through the Designated Use Period, and then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$1m: retain interest for 10 years plus 5 years (total 15 years). Full amount recoverable up to 7.5 years then would reduce by 13.33 per cent of the total amount each year to the end of 15 years.
Over \$1.5 million	20 years	Full amount will be recoverable up to half way through the Designated Use Period then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$2m: retain interest for 20 years. Full amount recoverable over 10 years and then would reduce by 10 per cent of the total amount each year to the end of the 20 years.

Right to repayments prior to 2009

The right to repayment arrangements were varied in 2009. The following right to repayment arrangements apply where a grant was approved prior to the issue of the 2009 *Administrative Guidelines: Commonwealth Programs for Non-Government Schools*.

The Commonwealth retains, for 20 years from the date of completion of a project, a right to repayment from non-government bodies of grants of more than \$75,000 should they, within the 20 years, sell or otherwise dispose of the facilities or cease to use the facilities principally for the approved purpose.

Calculated portion of the grant

The calculated portion of the grant (i.e. the repayable amount) repayable to the Commonwealth is calculated as follows where a grant was approved prior to the issue of the Administrative Guidelines for 2009:

- The Designated Use Period that the facility was used by the BGA Member for the Approved Purpose is:

- (i) 20 years where the Facilities are buildings
- (ii) 5 years for computer equipment
- (iii) 10 years for equipment other than computer equipment.

- The Calculated Portion of the grant is calculated by applying a reduction of:

- (i) five per cent where the Facilities are buildings
- (ii) twenty per cent where the Facilities are computer equipment
- (iii) ten percent where the Facilities are equipment other than computer equipment

to the grant for each year during the Designated Use Period that the facility was used by the BGA Participant for the Approved Purpose.

It should be noted that, on or after the date of issue of the revised program guidelines for 2009, the equipment cost component of projects was assumed to be funded under the school contribution component of project funding and does not receive any special consideration with respect to shorter right of repayment time periods. Where this may unfairly disadvantage a school, e.g. when the equipment cost component exceeds the school contribution, the BGA may seek the department's approval in writing of a modified Right of Repayment arrangement for the project which takes the shorter effective life of equipment into account.

Tendering Processes

1. BGAs must approve all tendering procedures used by the schools. The procedures should be in line with sound tendering practices and support the principle of value for money. Tendering processes used by schools and by those submitting offers must be based on sound building industry practice in accordance with the Australian Standard Code of Tendering – AS4120, available from <http://www.saiglobal.com>.
2. Where a person or body believes a tendering procedure approved by the BGA is unfair or inconsistent with sound tendering practice the BGA must provide that person or body with an opportunity to explain why it objects to the procedure approved, and the BGA must explain the reasons for the BGA's approval of the process.
3. BGAs must ensure schools obtain value for money from a tender process and not just the lowest price offered. Schools must assess all tender submissions for eligibility, adherence to applicable policies, quality assurance, capability and capacity of offers and ensuring value for money is achieved. Schools must document their assessment methodology, selection criteria and recommended outcome for each tender submission and seek appropriate approvals.
4. Schools must not accept tenders, nor enter into commitments in relation to recommended projects, until advised by the BGA of the formal approval of the CGP project and their agreement with the BGA has been finalised.
5. The Commonwealth does not accept any liability for costs incurred by schools in preparing applications, tenders or the development of project plans. In special circumstances BGAs may apply to the department for special consideration for payment of such costs from BGA allocations.
6. As outlined in the Australian Standard –Code of Tendering, the school principal or the person calling for tender, can negotiate with a single prospective tenderer to achieve an acceptable tender. Negotiations should be carried out in good faith.
7. BGAs must require and ensure schools implement projects in accordance with the requirements contained in the Building Code 2016 (<https://www.abcc.gov.au/building-code/building-code-2016>) and the Australian Government Building and Construction OHS Accreditation Scheme (<http://www.fsc.gov.au/sites/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme>).
8. A checklist for tendering is provided below. The principles contained in the checklist include:
 - (a) Project implementation must be overseen by a licensed building industry professional who is independent of those carrying out the work.
 - (b) Schools should not be prevented from having direct access to professional advice (consultants), independently of the builder or project manager, about the implications of design, materials and construction decisions.

- (c) There should be effective competition to the greatest extent practicable for all major elements of a project. Being fair and equitable to the market and achieving greater value for money.
- (d) Procurement processes used by schools and by those submitting offers should be based on sound building industry practice in accordance with the Australian Standard Code of Tendering. Schools must advise the BGA of the tender method used for each tender process.
- (e) All tender assessment criteria must be specified in tender documentation and should include tenderers' capability and capacity, financial and technical capacity to carry out the work.
- (f) There must be signed written contracts for the engagement of all major parties. It would be expected that these contracts would be based on standard industry contracts, and the contracts must clearly state the responsibilities and liabilities of the parties to the contract.
- (g) The contract between a school and the independent professional overseeing the implementation of a project must include a condition that the person overseeing the project must monitor the performance of all subcontracts for the project on behalf of the school to ensure the work is undertaken in accordance with the terms and conditions of those contracts.
- (h) A reasonable project end date must be estimated.
- (i) Claims for payment must be certified by a licensed building industry professional who is independent of the client (including any school/ school community personnel) and the builder.
- (j) BGAs should keep records of the tender methods utilised for each project tender. These records may be required by the department, if for example, the BGA assigns rights to the department. BGAs should contact the Capital Funding Section in relation to any uncertainty or issues regarding tendering.

Employment and Training provisions for Aboriginal and Torres Strait Islanders

9. Capital funding is offered on the additional condition that the school will encourage the employment and training of Aboriginal and Torres Strait Islanders.
10. Where a project is to be undertaken specifically for an Indigenous Australian community, at least one member of that community is to be involved in the evaluation of tenders, except where a conflict of interests would arise.

Checklist for tendering requirements

1. Prior to starting the project have you:

- Clearly documented the need for the tender in a business case?
- Undertaken a risk assessment and document in a risk plan?
- Researched the market and decided on the most appropriate procurement method?
- Outlined the timeline for the project noting all the required steps?
- Clearly detailed the relevant conditions for participation and not excluding potential tenderers unfairly in doing so?
- Drafted a request to market document (including the draft contract) that clearly articulates what you need and has all necessary standard terms and conditions?
- Developed a written statement of requirements for the work that is unambiguous in its requirements?

2. Have you complied with the Building Code 2016 and the Australian Government Building and Construction OHS?

3. Have you, in relation to the Conduct of the Process:

- Considered the involvement of the Indigenous Australian community as part of the evaluation of tenders if the project is primarily for the benefit of the Indigenous community and addressed in your evaluation plan?
- Encouraged the employment and training opportunities of Aboriginal and Torres Strait Islanders in the project in some way? Reiteration of the need to encourage this in any project to improve opportunities for Indigenous workers.
- Provided evaluation criteria robust enough to provide a clear guide for assessment and comparison of the costs and benefits of all submissions on a fair and equitable basis over the whole tender life cycle?
- Asked for sufficient detail from the tenderer on tender assessment criteria to ensure the tenderers, technical and financial capacity and capability to carry out the work?
- Ensured that your tender delivers value for money over the life of the project?
- Ensured that your tender does not unfairly discriminate against small and medium enterprises (SMEs)? SMEs are organisations with fewer than 200 full time employees.
- All tender documentation provides an understanding of the reasons for the tender, the process that was followed and all relevant decisions, including approvals and authorisations, and the basis of those decisions?

Documented any plan for contract negotiations?

4. After the award of the contract:

Do you have a contract management plan?

Do you have clearly defined key performance indicators (KPIs)?

Have you provided the opportunity to debrief unsuccessful tenderers?

Is a written contract signed with the supplier on file?

Do you have a verification processes in place to confirm that subcontractors, consultants and material suppliers' workplace arrangements comply with the Code and Guidelines? Part of the contract KPIs and your contract management.

Do you have processes in place to monitor on-site compliance of subcontractors engaged during the life of the project? As part of the contract KPIs and your contract management.

Do you have a process for the retention of the documentation for a period of seven years? Is this stated in your contract?

Better practice procedures manual

A Common Table of Contents

The department recommends that, as a minimum, BGAs include each of the following group headings in the table of contents section of their procedures manuals. The actual sub-headings may vary but this list provides a sample of the most common.

GROUP HEADINGS – to be common across BGAs	Sub-Headings – to be included/alterd at the discretion of each BGA
1. INTRODUCTION	An introduction to the Capital Grants Program The purpose of the manual
2. COMPANY OR ASSOCIATION DETAILS	About the company or association Company or association details (such as ABN) Board of management Roles and responsibilities Code of conduct Board member remuneration Board management policies
3. STAFFING	Staff structure Staff contact details
4. THE CAPITAL GRANTS PROGRAM	Objectives of the program Overview of the selection process Membership in the BGA Member schools Use of grant funds Capital grants application process <ul style="list-style-type: none"> - processing applications - school visits - assessment process - eligibility criteria - priority - socio-economic information - other factors (e.g. location –regional, remote) - finalisation of applications Approval and notification Annual projects lists Capital Grants Program process of appeal and dispute resolution Department of Education contacts
5. CURRENT TIMELINE	A timeline for the relevant funding year
6. ACTIVE CAPITAL GRANTS PROJECTS – PROCESSES AND PROCEDURES	Acceptance of grants Schedule of grant payments Project records

GROUP HEADINGS – to be common across BGAs	Sub-Headings – to be included/alterd at the discretion of each BGA
	<ul style="list-style-type: none"> - project files - project database Project financial accountability procedures <ul style="list-style-type: none"> - method of management - tendering processes - progressive expenditure statements - payments for projects completed Project completion <ul style="list-style-type: none"> - architect’s/supervisor’s statement - accountant’s statement Notification of project variation <ul style="list-style-type: none"> - processes and procedures - project details Commonwealth accountability requirements Recognition of Commonwealth assistance Commonwealth equity
7. OTHER SERVICES TO SCHOOLS (optional)	Newsletter or other communication tool <ul style="list-style-type: none"> - Distribution List
8. APPENDICES	The appendices should include all detailed information such as checklists, reporting templates, step-by-step procedures for SEMIS etc. These should not appear within the body of the procedures manual
9. THE BUSINESS ³ENVIRONMENT – FINANCES, ADMINISTRATION AND TECHNOLOGY	Bank accounts and signatories Auditor Insurances FBT, PAYG, GST, BAS, WorkCover Rental and Leasing Arrangements Board Member Payments Petty cash Account payments Annual accounts Motor vehicle Meeting arrangements Filing system Electronic archiving Storage and filing Computer system Communications system

³ Not intended to be disclosed to BGA member schools. Internal information only.

Proforma clause to be included in agreements between BGAs and schools

Agreement to assignment to the Commonwealth

- a) The BGA Participant acknowledges and agrees that the BGA may assign some or all of the BGA's rights under this agreement (including the BGA's rights to recover all or a portion of the grant from the BGA Participant).
- b) The BGA Participant acknowledges and agrees that, where the BGA assigns a right to the Commonwealth (the 'Assigned Right'), the Commonwealth may exercise the Assigned Right and enforce the Assigned Right directly against the BGA Participant, in the Commonwealth's name, as the BGA's assignee.
- c) Without limiting paragraph (b), the BGA Participant acknowledges and agrees that the Commonwealth may institute legal proceedings directly against the BGA Participant School in order to enforce the Assigned Right.

Summary of Capital Grants Program recognition requirements

Schools which receive funding through the Capital Grants Program (CGP) are required to:

- acknowledge Commonwealth funding in all announcements and other publicity of all school capital projects to which the Commonwealth is contributing funds
- install building plaques on all completed projects, irrespective of cost, which acknowledge Commonwealth funding
- arrange for the recognition of funding within seven months of the physical completion of the project, unless otherwise agreed by the Commonwealth:
 - where the Commonwealth contribution is equal to or exceeds \$100,000 irrespective of the year in which the funding was approved, or
 - where the school or the Commonwealth requests an opening.

CGP GRANT UNDER \$100,000 – CEREMONY PROCEDURE

- Where the CGP grant to a project is under \$100,000 a school can choose to recognise the Commonwealth's assistance by installing a building plaque only.
 - A school should advise the department via the school openings inbox that a project is complete and that an official opening ceremony will not be held as the grant amount is under \$100,000.
 - The department will provide a plaque template to the school.
 - The school is to formulate the plaque wording based on the template and provide it back to the department for approval.
 - The department will advise the school when approval has been given.
 - The school then arranges for the plaque to be manufactured and installed on the building.
- Alternatively, **if a school wishes to hold an opening**, notwithstanding the grant amount, the opening requirements for grants over or equal to \$100,000 applies, please see the procedure below.

CGP GRANT OVER OR EQUAL TO \$100,000 – OPENING CEREMONY REQUIRED – PROCEDURE

- Where the CGP grant to the project is equal to or in excess of \$100,000 schools are required to hold an official opening ceremony.
- Dates of openings must be convenient to all parties including the Commonwealth. To ensure opening dates are suitable to the Commonwealth Minister for Education or his representative, it is requested that:
 - invitations are sent to the Minister by recipient schools via the school openings inbox at SchoolOpenings@dese.gov.au at least two months in advance of the opening.

- three possible dates should be included in the invitation that do not coincide with Parliamentary of Australia sitting days, refer to the Parliamentary Sitting Calendar: http://www.aph.gov.au/About_Parliament/Sitting_Calendar

REQUIREMENTS FOR CEREMONIES

- The following conditions apply for an official opening ceremony:
 - The Commonwealth Minister for Education or his representative must be invited to open those projects for which an official opening is being arranged.
 - The Commonwealth Minister for Education or his representative must be invited to speak at all official openings of capital projects to which the Commonwealth has contributed funding.
 - In the case of an opening with other sources of funding, e.g. state contribution, the Commonwealth Minister for Education or his representative must be invited to open those projects to which the Commonwealth contribution is greater than 50 per cent of the project cost.

Note: Schools are welcome to elect the attending Commonwealth representative to open facilities where the Commonwealth has contributed less than 50 per cent of the project cost.

- Where a facility is opened by a Commonwealth representative, the name of the person opening the facility must be included in the associated commemorative plaque, which must be either affixed to the new or refurbished buildings, or displayed in an appropriate position.
- If the Commonwealth Minister for Education or his representative attends an opening, they may issue media releases.
- Schools may receive exemptions from opening requirements depending on the type of facility and works applied. For example, intangible improvements such as the replacement of an electrical system or a simple refurbishment of an amenities block may be considered for exemption by the Commonwealth Minister for Education.
- A school must obtain the Commonwealth Minister for Education's agreement for an exemption from holding an official opening, or for deferment of an opening.

Note: Invitations to attend ceremonies will be directed to the minister responsible for the Capital Grants Program in the first instance.

Contact Us:

You are welcome to contact a schools liaison officer through the SchoolOpenings@dese.gov.au inbox if you would like to discuss, or need further information regarding any aspects of Capital Grants Program requirements for recognition.

Sample plaque wording for projects funded under the Capital Grants Program



Australian Government

SCHOOL NAME

This plaque commemorates the official opening of the

Project Description

by

Name

on

Date

This/these project/s were jointly/entirely/principally/partly funded by the Australian Government under the Capital Grants Program (Include other funding sources if relevant/desired. e.g. ‘, and the [State] government’, or ‘, and the [Name of School] community’)

Principal: (Optional)

President, School Council: (Optional)

Notes:

- **Highlighted Text**
 - The areas highlighted green should be completed with the appropriate information.
- **Style**
 - Wording on plaques acknowledging Commonwealth funding must be of similar size and style to wording acknowledging other funding sources.
- **School and Australian Government logos**
 - If you would like to include the school’s logo on the plaque, please position it directly above the school’s name on the plaque.
- **Approval**
 - Departmental approval of plaque wording is required. A school is to send the draft wording to the department via the school openings inbox. The department will provide clearance or comment.
- **Plaque costs**
 - The manufacturing and installation costs of Capital Grants Program plaques are the responsibility of recipient schools.

SCHEDULE 1 - BUILDING BOARDING SCHOOLS ON COUNTRY

Purpose

The purpose of this schedule is to give administrative effect to the Australian Government's decision to provide Commonwealth funding support for the Building Boarding Schools on Country (BBSOC) program.

As this initiative involves the planning and construction of new schools in remote locations, and given their extensive experience and expertise facilitating Commonwealth capital projects in schools under the Capital Grants Program (CGP), the department will engage Block Grant Authorities (BGAs) to work with the project proponent – Studio Schools of Australia – to manage project delivery.

Funding appropriated for this measure will be provided, in the first instance, to BGAs under subsection 67(1) of the *Australian Education Act 2013*. As such, all funding must be dealt with in accordance with section 30 of the *Australian Education Regulation 2013*, including the requirement that the BGA spend, or commit to spend, the financial assistance in accordance with the CGP Guidelines.

However, while many clauses in the CGP Guidelines are directly relevant to the Building Boarding Schools on Country program, there are a number that are either not applicable or require modification to more clearly align with the BBSOC objectives and processes. For example, as a decision of government, BBSOC projects are not subject to the full suite of processes that CGP projects ordinarily are (such as the CGP application process (see Clauses 47 to 51) or the CGP approval process (see Clauses 83 to 86 and Clauses 88 to 98)).

This Schedule specifies how the CGP Guidelines are to be applied to the BBSOC measure, as detailed below in the section 'Applicability of CGP Guidelines'.

Overview

The Building Boarding Schools on Country program was announced by the Australian Government in August 2021 as a measure under its [Closing the Gap Implementation Plan](#). The measure addresses **Target 5: Aboriginal and Torres Strait Islander students achieve their full learning potential**.

Over 2021-22 to 2024-25, the Building Boarding Schools on Country program will:

- construct three new on-Country boarding schools in remote Western Australia and the Northern Territory
- upgrade a fourth on-Country boarding school in very remote Western Australia
- establish an Indigenous Education Research Centre (IERC) at one of the abovementioned sites and
- make a contribution to operational expansion costs.

Commonwealth funding of \$75 million has been provided for these activities.

This new infrastructure will be used to deliver school education to Indigenous students from remote communities under the Studio Schools model as used in the Yiramalay-Wesley school in the Kimberley region since 2010.

Establishing new on-Country boarding facilities will ensure schooling options reflect local needs, cultural backgrounds, and aspirations. Students who must board away from home face challenges staying connected to school as a result of homesickness and other difficulties transitioning into boarding schools and life in major cities or regional areas far from home. This project aims to reduce those difficulties by bringing boarding options closer to home.

This initiative will provide infrastructure that will improve access by Aboriginal and Torres Strait Islander students from remote communities to culturally-appropriate and high-quality schooling opportunities. It will expand the current Studio Schools model of providing residential schooling on-Country which is closer to family, culture and local community. An estimated 2000 remote Indigenous students will be supported through this investment over the 20-year capital period of each school.

The IERC will provide a program of professional development for all staff across the Studio Schools network, as well as partner schools, sharing knowledge, culture and practice. It will also gather and disseminate evidence of best practice from across the system of schools, ensuring that the Studio School model remains evidence-led in its practice of serving the needs of local Indigenous students and their communities.

Block Grant Authorities

BGAs are best placed to manage critical implementation and delivery elements of the BBSOC program, including:

- providing advice regarding local planning requirements and delivery scheduling
- identifying key milestones, and developing, entering into, and managing contractual arrangements with Studio Schools of Australia
- facilitating payments of capital funding provided by the Commonwealth
- monitoring progress to ensure timely project implementation
- providing general support to coordinate logistics and other matters.

Throughout 2022, relevant BGAs will work with Studio Schools of Australia to implement key planning considerations and develop and execute funding agreements.

National Indigenous Australians Agency

It is important to note that the National Indigenous Australians Agency (NIAA) is delivering the first stage of this project. Administered funding appropriated for the 2021-22 financial year totalling \$6.8 million was provided to the NIAA in late 2021 to enable certain project activities to commence. On 24 November 2021, the NIAA entered into a funding agreement with Studio Schools of Australia for \$6.8 million for:

- ICT infrastructure at Yiramalay Studio School (\$2.0 million (GST exclusive))
- Commencement of IERC construction (\$1.0 million (GST exclusive))
- Prefabrication for the first two Studio Schools (Windjana and Dhupuma) (\$1.3 million (GST exclusive))

- Administration funding for operational expansion of the SSA System, including staff recruitment, consultancies, Head Office requirements and communications/publications (\$2.5 million (GST exclusive)).

The department will provide the balance of administered funding for project costs, totalling \$65.6 million, to relevant BGAs over the period 2021-22 to 2024-25.

BGAs may be required to oversee project activities that incorporate elements of the initial implementation stage as undertaken by the NIAA. Where a capital project is completed in successive stages and a school has already entered into commitments for the project with the NIAA, BGAs are only required to comply with the tendering requirements as set out in clauses 66 to 69 and Attachment 5 to the extent practicable.

Applicability of CGP Guidelines

The CPG Guidelines apply to the BBSOC program as specified below.

From Clause 8 onwards - where a clause applies, the following references within that clause are to be read as follows:

- 'CGP' is to be read as 'BBSOC', and
- 'BGA' is to be read as a 'BGA in its capacity as a CGA'
- 'CGP project' is to be read as 'BBSOC project'
- 'CGP approved project' is to be read as 'BBSOC approved project'

Introduction

Clauses 1-3: applies.

Capital funding – overview

Legislative Authority

Clauses 4-7: applies.

Objectives

Clause 8: does not apply.

Clause 9: is to be read as follows:

The specific objectives of the BBSOC program are to provide and improve school capital infrastructure for Aboriginal and Torres Strait Islander students from remote communities by:

- building three new remote boarding schools for Years 7, 8 and Year 9 (two schools in Western Australia and one in the Northern Territory); and
- refurbishing the existing Yiramalay-Wesley Studio School that is currently operating in the Fitzroy Valley in the Kimberley Region of Western Australia.

These new facilities will provide culturally-appropriate and high-quality schooling options that reflect local needs and aspirations – specifically, providing residential schooling on-Country which is closer to family, culture and local community.

The facilities will provide high-quality learning environments and support quality teaching to underpin student engagement, including:

- a high-quality of teaching and learning , with a central focus on Aboriginal and Torres Strait Islander culture and identity
- supporting pathways to further education and employment through a balanced learning framework that focuses on:
 - academic learning, including recognising the importance of Indigenous cultural knowledge; and
 - job-readiness, with workplace training in partnership with local industries; and
- personal and social development through two-way learning alongside non-Indigenous students from a partner school

The facilities will support parental and community engagement and other agreed relevant outcomes.

Block Grant Authorities

Clauses 10-13: applies.

Membership in a BGA

Clause 14-17: applies.

Agreements between BGAs and Approved Authorities (on behalf of member schools)

Clauses 18-23: applies.

Approved Authorities

Clause 24: applies.

Funding allocation

Funding available

Clause 25: applies.

Clause 26: is to be read as follows:

Capital funding for BGAs for schools that are to be supported by the BBSOC program will be determined by the Minister. The department will notify the

relevant BGAs of the amount of funding determined and the timing of the relevant payments of that funding.

Clause 27: is to be read as follows:

The budget appropriation for the BBSOC does not include the Goods and Services Tax (GST), although all payments to BGAs will include a component for GST.

Limit on total amount available for capital funding

Clause 28-29: does not apply.

Forward commitment

Clauses 30-32: does not apply.

Full commitment of annual allocation

Clause 33: is to be read as follows:

Each BGA is required to spend, or commit to spend, its capital funding in the calendar year in which the financial assistance is paid, or by a time determined by the Minister.

Withholding payment and repayment

Clauses 34-35: applies.

2021 Final funding distribution

Clause 36: does not apply.

Eligibility for funding

Existing schools

Clauses 37: does not apply.

New schools

Clauses 38-42: does not apply.

Clause 43: is to be read as follows:

BBSOC funds should not be paid to the school by the BGA until the school/approved authority has entered into a legally binding written agreement with the BGA indicating the school's acceptance of the capital funding conditions.

Clause 44: is to be read as follows:

The agreement between the BGA and the approved authority/school must include the provision that if by the end of the funding year the new school's approved authority is not approved by the department; or the school has not received approval for recurrent funding; or obtained final state or territory registration, the capital funding may be cancelled and the funding must be repaid in full to the BGA (refer to BGA/school agreement in **Attachment 1**, Section 3 (h)).

Australian Government Education ID (AGEID) Number

Clause 45: is to be read as follows:

The department's AGEID number is a unique identifier for each school. It is used to identify schools on the department's internet interface SchoolsHUB.

Clause 46: does not apply.

Application process

Providing information about the CGP to school communities

Clauses 47-51: do not apply.

Meeting the objectives of Capital Grants Program

Clause 52: does not apply.

Criteria for capital expenditure

Clauses 53-54: applies.

Assessment and ranking of projects for funding

Clauses 55-58: do not apply.

Settlement of school contribution and grant sizes

Clauses 59-63: do not apply.

Leases

Clause 64: applies.

Property purchase

Clause 65: applies.

Tendering

Clauses 66-69: apply; however, where a capital project is completed in successive stages and a school has already entered into commitments for the project with the NIAA,

BGAs are only required to comply with tendering requirements to the extent practicable.

Building Code 2016 and Australian Government Building and Construction OHS Accreditation Scheme

Clauses 70-71: apply; however, where a school has already entered into commitments for a project with the NIAA, BGAs are only required to comply with the Building Code 2016 and Australian Building and Construction OHS Accreditation Scheme to the extent practicable.

School visits

Clause 72: does not apply.

Finalisation of recommended projects

Clause 73: is to be read as follows:

As BBSOC funding has been approved by the Australian Government, the BGA is not required to recommend projects for funding. However, the BGA will negotiate with schools the nature of individual projects for which funding has been provided, with a view to identifying a minimum viable project that:

- a) meets the objectives of the CGP
- b) is based on sound student enrolment projections for the period closely following the completion of the project
- c) meets the educational needs in a way that is cost effective over the life of the facilities
- d) takes appropriate account of the value of good quality materials and building and design practices that:
 - (i) maximise the life of the structure
 - (ii) maximise the potential for environmental performance
 - (iii) avoid design features that make no significant educational contribution and which may increase construction, maintenance or operating costs.

Not recommended projects

Clause 74: does not apply.

Conflict of interest

Clause 75: applies.

Clause 76: is to be read as follows:

BGAs should advise schools for which BBSOC funding has been approved of the Commonwealth requirements in relation to conflict of interest [see **Attachment 1** Section 3. (m)].

Clauses 77-78: applies.

Multiple-school project

Clauses 79-81: does not apply.

Approval process

Clause 82: is to be read as follows:

The Minister is satisfied that the existing school and the proposed new schools for which BBSOC funding has been approved, needs the financial assistance and that the capital expenditure, and relates to relevant Commonwealth priorities and objectives.

Timing

Clauses 83-84: do not apply.

Submission of schedule

Clauses 85-86: do not apply.

Clause 87: applies.

Clause 88: does not apply.

Ad hoc schedule

Clauses 89-91: do not apply.

Review of decision

Clauses 92-96: do not apply.

Notification of approval

Clauses 97-98: do not apply.

Clauses 99-103: apply.

Public announcement of grants

Clauses 104-105: apply.

Managing capital funding

BGA agreements with schools

Clause 106: is to be read as follows:

A BGA must enter into an appropriate funding agreement with the approved authority for a school, before making any payment of capital funding to that approved authority.

Funding conditions

Clause 107: applies.

Commitment to commence a project

Clause 108: applies.

Clause 109: is to be read as follows:

If a school cannot make a commitment to commence the project by the approved date as per the milestones stipulated in the funding agreement with the BGA, the BGA should seek the department's approval of a later commitment date.

Clauses 110-111: do not apply.

Project variations

Clause 112: is to be read as follows:

A change of circumstances after the approval of a project may require a variation to the project. Aspects of the projects that may be varied include, but are not limited to:

- a) total project cost increase or decrease
- b) school contribution increase or decrease
- c) the start or end date being moved by more than one year
- d) changes to the scope or project category, facility category or other descriptor of the project
- e) a request to vary the date for commitment if the school cannot enter into a commitment (sign a contract with a builder) for the project before the end of the year in which the project was approved
- f) cancelling (withdrawing) a project.

Clause 113: is to be read as follows:

The BGA must, in the first instance, discuss all variation requests with the Capital Funding Section, and, if required, provide additional information to the Capital Funding Section by email.

Clauses 114-115: apply.

Clause 116: does not apply.

Clause 117: applies.

Payment to BGAs

Clause 118: is to be read as follows:

Payments of capital funding will be made in accordance with the timing and amounts specified in the Minister's determination of funding for that BGA. The timing and amounts will be within the department's annual appropriation budget for the BBSOC.

Clauses 119-20: apply.

Clause 121: is to be read as follows:

Funding provided to a BGA for the BBSOC initiative can only be used for projects approved under that measure. This funding cannot be used for claims on projects that are funded through the CGP's monthly grant instalment processes.

Clause 122: applies.

Payment to schools

Clauses 123-128: apply.

Clause 129: is to be read as follows:

If a BGA wishes to vary funding expenditure relating to approved forward commitment due to changes in project's construction timetable (i.e. ahead or behind schedule), it must seek approval through a formal variation via written correspondence to the Capital Funding Section.

Clause 130: applies.

Recovered Funds, Interest and Saving

Clause 131: applies.

Clause 132: is to be read as follows:

Funds that have been recovered from savings on capital expenditure or capital expenditure that has not proceeded must be committed to another BBSOC project within 12 months of the funds becoming available (or other timeframe determined by the Minister), irrespective of the year in which the funds were originally paid (see Section 30 of the Regulation).

Recovered Funds

Clause 133: applies.

Interest

Clause 134: is to be read as follows:

Interest refers to the amount of funds that a BGA earns from a bank account which holds BBSOC funding until it is disbursed to a school for a BBSOC project.

Clause 135: applies.

Savings

Clause 136-137: apply.

Cancelled

Clause 138: is to be read as follows:

Cancelled funds refer to funds that were allocated to an approved project which does not or cannot commence. The funds which were allocated to the cancelled (withdrawn) BBSOC project become unallocated and should be reallocated to other eligible BBSOC project/s within a timeframe as agreed with the department.

Commonwealth right to repayment

Clause 139-141: apply.

Assignment of rights

Clause 142: applies.

Liaison and monitoring

Clauses 143-144: apply.

Administration Expenses

Clauses 145- 147: are to be read as follows:

145. An administration allowance additional to that already paid under the CGP will be provided to the relevant BGA/s for funding provided under the BBSOC measure.

146. Where a BGA incurs additional expenses, the BGA may apply in writing to the Director, Capital Funding Section, for additional funds to meet these expenses and increase its administration allowance for a program year. The department may approve the use of BBSOC interest funds to supplement the administration allowance in such circumstances.

147. BGAs that spend less than their allocated BBSOC administration allowance in a program year may use the surplus for expenditure on approved BBSOC projects if the BGA has the department's written agreement to do so. A BGA must apply to the department in writing to transfer administration funds to project funds.

Clause 148: applies.

Recognition

Clauses 149-150: apply.

Accountability

Clause 151: applies.

Financial accountability

Clauses 152-153: apply.

Records and information provision

Clauses 154-159: apply.

Banking requirements

Clauses 160-163: apply.

Project Outcomes

Clause 164: does not apply.

Better practices procedures manual

Clause 165: applies.

Audit

Clause 166: applies.

Compliance with laws

Clause 167: applies.

Privacy and freedom of information

Clause 168: applies.

Reporting Fraud

Clause 169: applies.

Contact information

Clause 170: applies.

Attachment 1 - Agreements with schools – conditions to be applied

Applies, with the exception of clause 2, which is modified as identified below.

2. BGA member schools wishing to apply for capital funding

BGA member schools approved for Building Boarding Schools on Country funding

The agreement the BGA has with each member school must contain the following conditions requiring the approved authority for the BGA member school to:

- a) provide financial, student enrolment and other relevant data to the BGA; allow the Commonwealth to provide similar data to the BGA on a confidential basis; and allow the BGA to provide to the Commonwealth any information provided to the BGA by the BGA member school
- b) permit access to the school and provide assistance at least equivalent to that required in accordance with these Guidelines
- c) not accept tenders, nor enter into commitments with contractors/builders, until the Commonwealth has approved their capital project funding.

Attachment 2 - Calculation of Entitlements

Does not apply.

Attachment 3 - Better practice school visit report

Does not apply.

Attachment 4 - Commonwealth right to repayment

Applies, except the words which appear immediately under the heading 'Right to repayments prior to 2009'.

Attachment 5 - Tendering Processes, Employment and Training provisions for Aboriginal and Torres Strait Islanders, and Checklist for tendering requirements

Applies; however, where a capital project is completed in successive stages and a school has already entered into commitments for the project with the NIAA, BGAs are only required to comply with tendering requirements to the extent practicable.

Attachment 6 - Better practice procedures manual

The BGA is to apply its better practice procedures manual to its implementation of the BBSOC, with applicable adjustments to the information at Group Heading 4 'The Capital Grants Program'.

Attachment 7 - Proforma clause to be included in agreements between BGAs and school

Applies.

Attachment 8 - Summary of Capital Grants Program recognition requirements

Applies, with references to the Capital Grants Program to be replaced with references to the Building Boarding Schools on Country Closing the Gap measure.