Welcome to the 2014 Block Grant Authority Seminar for applications for grants in 2015 for construction in 2016 - Barry Kahl, Chairman BGA.

How the process works and what is new – John Wilson, Executive Officer BGA.

Master Plans – getting your money’s worth – Andrew Tidwell, retired Architect
Trade Training / Skills Centres

- The Coalition Government cancelled any further funding but has committed to funding Round 5
- Current Independent Review headed by Ms Patricia Scott is examining all 229 TTCs operational in 2012. St George College was visited in August.
- The Review is expected to report before the end of this year
- TAFE is the major accreditor and it’s restructuring is having an impact on TTC operations.

Emmaus Christian College
Immanuel College
Islamic College of SA
Portside Christian College
SVCC, Aldinga
St Martins Lutheran College
St George College
Temple Christian College
Trinity College Senior
Navigator College (TSC)
Unity College (TSC)
In each year there are a number of projects which cannot be supported because of lack of funds.
<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of Intent</td>
<td>Due COB Friday 14 November</td>
</tr>
<tr>
<td>Email Applications</td>
<td>Due COB Friday 30 January 2015</td>
</tr>
<tr>
<td>Supporting documentation - Application Part A1, Application Part A2 &amp; Application Agreement</td>
<td>Due COB Tuesday 3 February 2015</td>
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<tr>
<td>Initial consideration</td>
<td>February 2015</td>
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<tr>
<td>Visits to Schools</td>
<td>March 2015</td>
</tr>
<tr>
<td>Short Listing</td>
<td>April 2015</td>
</tr>
<tr>
<td>Short listed schools submit full Audited financial reports &amp; Application Part B</td>
<td>Due 3 July 2015</td>
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<tr>
<td>Short listed schools submit full plan documentation</td>
<td>Due 3 July 2015</td>
</tr>
<tr>
<td>Recommendations to Committee</td>
<td>August 2015</td>
</tr>
<tr>
<td>Recommendations to Minister</td>
<td>September 2015</td>
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<tr>
<td>Ministerial approval likely</td>
<td>End November 2015</td>
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</tbody>
</table>
### Timeline for approved 2016 Capital Grants

<table>
<thead>
<tr>
<th>Event</th>
<th>Description</th>
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<tbody>
<tr>
<td>Grant Acceptance Agreement signed by BGA &amp; Schools</td>
<td>As soon as practical after Ministers Approval</td>
</tr>
<tr>
<td>Tender /Project Management Submitted</td>
<td>A School cannot commence work until Tender is approved</td>
</tr>
<tr>
<td>Tender/Project Management Approval</td>
<td>Verbal approval by Executive Officer followed by written confirmation</td>
</tr>
<tr>
<td>Notification of Contract signing &amp; project commencement</td>
<td>Projects must commence prior to 31 December 2016</td>
</tr>
<tr>
<td>Monthly Progressive Expenditure Statements (MPES) submitted</td>
<td>Monthly even if there has been NIL expenditure</td>
</tr>
<tr>
<td>BGA Grant Payments</td>
<td>The BGA withholds 10%-15% of the total grant from the first grant payment until the project is completed.</td>
</tr>
<tr>
<td>Final MPES and Architects Statement submitted</td>
<td>Grant retention paid</td>
</tr>
<tr>
<td>Accountant’s Certificate</td>
<td>Signed by external Auditor to acquit project</td>
</tr>
<tr>
<td>Recognition Requirements</td>
<td>Plaque and Opening Ceremony</td>
</tr>
<tr>
<td>Completion of Project</td>
<td>Must be before 31 December 2017</td>
</tr>
<tr>
<td>Australian Government Acquittal</td>
<td>Audited reports submitted annually by 30 June</td>
</tr>
</tbody>
</table>
What can be funded?

- Investigating the need for
  - schools in particular areas, or
  - schools of particular kinds in particular areas, or
  - buildings or other facilities (or parts of buildings or other facilities), or equipment;
- purchasing land, with or without buildings (or parts of buildings);
- planning for the erection, alteration, extension, demolition or refurbishment of a building or other facility (or part of a building or other facility);
- developing or preparing land for building or other purposes;
What can be funded? (continued)

- erecting, altering, extending, demolishing or refurbishing a building or other facility (or part of a building or other facility);
- installing or upgrading water, electricity or any other services;
- providing equipment, including information technology (as part of a broader capital project unless special circumstances exist);
- providing furniture (as part of a broader capital project unless special circumstances exist);
- 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);
What can’t be funded?

- facilities which have religious worship as a principal purpose;
- 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;
- where retrospective approval is sought (generally after a contractual arrangement to commence the project has been entered into);
- projects proposed to be undertaken solely by parents and friends;
What can’t be funded? (continued)

- 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;
- facilities that are principally for pre-primary education, i.e. for students below the prescribed state/territory school starting age or where the facility is not in a formal school setting (for example, a school’s attached Early Learning Centre would not be eligible for CGP funding).
Notice of Intent

Overview and Rationale

To provide an initial outline of an application
To be submitted on-line to the BGA by 14 November 2014
Electronic link has been sent to school Principals and Business Managers on 9 October 2014
BGA may visit some Schools prior to end of Term 4
Capital Grants Program Part A

Application Part A

- Documents to be downloaded from the AISSA website
- Closing date for applications – 31 January 2015 – electronic
- Closing date for hard copy – 4 February 2015
Capital Grants Program Part A

- Eligibility of school
- Eligibility of project
- Educational Need
- Priority relative to other applications
- Minimum viable project
- Financial capacity of school
- Size of grant
- Must be started within 1 year
Eligibility of School

- A participant in the BGA – Schools must have current Participating School Agreement
- A new Participation Agreement for 2013-2016 was entered into at the end of 2012
- In receipt of Commonwealth recurrent funding on the site that is the subject of an application

- Primarily the relative educational disadvantage of students at the School (ranking process based on data from the ONGSS Advisory Committee in SA and SES)
Eligibility of Project

- Must meet the objectives of the Capital Grants Program
- Projects will be ranked according to perceived educational need for the project in relation to the other applications in any round of funding
- Where possible projects with total cost over $500k would be staged over two years

- Relative educational needs base for project and the available resources of the school
- Projects cannot be funded retrospectively. Schools must not enter into any agreement or begin a project until they have been notified by Canberra or their local Member that their BGA grant has been approved.
- Schools must receive BGA approval of preferred tender BEFORE signing any contracts
Capital Grants Program Part A

Minimum Viable Project

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

- a) Is based on sound enrolment projections for the period closely following project completion
- b) Meets the major educational needs in a way that is cost effective over the life of the facilities
- c) Avoids design features (e.g. inefficient position of buildings) that make no significant educational contribution and that may increase construction, maintenance or operating costs
- d) Takes appropriate account of the contribution which aesthetically pleasing design and good quality materials can make to school morale and to the care with which students treat their environment
Capital Grants Program Part A

Area Guidelines

- For a proposed project to be eligible for a Capital Program Grant, area guidelines cannot be exceeded after the completion of the project
- Primary 7.5 m² and Secondary 12 m² per student

- Any project funded under the BER is excluded from area calculations if it is a new facility
- The BGA will give due consideration to Schools which have self-funded large area facilities such as gymnasiums and multi purpose halls from their own resources prior to the BER
Capital Grants Program Part A

BGA Capital Grants Handbook

Application Agreement

Application Form Part A.1

Application Form Part A.2

Application Process Forms available at http://www.ais.sa.edu.au/funding/block-grant-authority-bga/capital-grants-program-cap-
Capital Grants Program Part A

Level of Project Documentation at Application

- Current Master Plan
- Site Plan with areas of all spaces marked (1:200)*
- Floor plan, elevations and sections of the proposed project (1:100)*
- Accurate costing of the projects – standard costs should be used #
- In entering an agreement for BGA funding, the school agrees to use standard costs

* Reduced to A3
# Ensure that cost estimates are as accurate as possible by using a Quantity surveyor or seek detail costings from potential contractors
Capital Grants Program Part A

- Projects estimated to cost of $200k or involving renovation/refurbishment must be costed by a quantity surveyor.
- Refurbishment projects must not be costed at new construction costs. Refurbishment costs will vary according to the nature of the work undertaken.
- Asset Management Plan – these should be working documents with clear budget estimates.
- Latest audited accounts (for applications in January 2015 this will probably be 2013).
- The costs of smaller projects should be based on quotations recent prices etc.

LEVEL OF PROJECT DOCUMENTATION AT APPLICATION (Continued)
Capital Grants Program Part A

Schools are responsible for the maintenance of existing facilities and must have in place an asset management plan.

Funding will not be provided for projects that are considered as maintenance, except where there is a genuine refurbishment as a result of changes within the school curriculum.

Submission of an Asset Management Plan is a condition precedent for obtaining a Grant.

Schools are required to provide evidence of appropriate insurance facilities, if requested.

Information on website regarding Asset Management
www.ais.sa.edu.au/funding/block-grant-authority-bga-
Schools which have not submitted a Master Plan to the BGA may seek assistance from the BGA to help with the expense of development of a new Master Plan or the review of a master plan if this has not been done within the last 10 years. Consideration will give priority to schools with the highest level of need.

Submission of a Master Plan to the local Council can often expedite future applications for building.
School Visits

- BGA panel will visit all applicant schools in March
- Purpose of the visit to look at:
  - School history
  - Enrolment projections
  - Existing Facilities
  - Educational need for the project area per student, level of disadvantage
  - Proposed project-design, special features, costing

- Impact on any previously funded project
- Master Plans and Asset Management Plans
- Staging of the project
- Financial need
- Tender and procurement processes
Capital Grants Program Part B

Financial Assessment

Purpose
- Assess the impact the proposed project might have on the school
  - Its level of debt
  - Its ability to manage that debt
- Determine, as far as possible, the appropriate school contribution
- Review the grant as suggested by the BGA Committee
- Make recommendations to the BGA Committee

When?
- July-August 2015

How?
- From school’s current and projected financial data submitted by 3 July
  - 2014 audited financial statements
  - 2015 budget
  - 2016 forecast budget
  - Completed BGA application, largely drawn from FQ
Capital Grants Program Part B

Financial Assessment (continued)

How? (continued)

- Performance indicators, including
  - Debt per student
  - Outstanding fees
- Resolving questions and issues with the schools
Capital Grants Program

Environmental Sustainable Design (ESD)

- Schools should consider elements of environmentally sustainable design in their planning.
- Benefits are easily demonstrated with long term cost savings as well as improved learning outcomes for a small additional up-front cost of the order of 2.5% to 4%.
- Part A and Part B submissions should include explanation of ESD impact if relevant.
Capital Grants Program

Leasehold land and /or buildings

- For Schools under a lease arrangement, the Australian Government’s 20 year equity in any funded project will require evidence of a 20 year lease from the completion of the project or guaranteed right of renewal on existing leases for up to 20 years after the completion of the project (subject to DEEWR approval); and

- If a School is built on leased land, the BGA may seek to have the proprietor of the land guarantee repayment of the Australian government's residual interest in a capital grant in the event of school closure and the School defaulting on such a request.
Capital Grants Program

Administration Guidelines for the Tendering Processes are on our website

Public tender is not required but Schools must submit at least three competitive tenders

Project Management and Design-Construct projects are not required to submit tenders costs for the whole project. The Project Manager will be responsible for the individual tender of sub-contractors within the total project

An independent Quantity Survey must be provided to the BGA for all projects that are project managed

The Project Manager must be at “arm’s length” from the builder and needs to be approved by the BGA

TENDERING PROCESSES
Capital Grants Program

Grant payments to Schools

- Monthly/regular requests using Monthly Progressive Expenditure Statement (MPES)
- Grant retention
  - Grants > $250K – 10%
  - Grants < $250K – 15%
- Architect’s Statement of Final Cost with final MPES required before retention is paid
- Accountant’s Certificate and a copy of the invitation to the Minister to attend an Opening Ceremony, if applicable, must be provided to finalise accountability.
Capital Grants Program

Grant payments to Schools (cont)

- Most Schools will have payments for larger projects over two years
- Payments are on receipt of Monthly Progressive Expenditure Statements (MPES)
- MPES required from the commencement of the project until completion whether or not there is expenditure to claim

- MPES enable the BGA to track the progress of the project and enable schools to manage the expenditure trail of the project
- Savings in projects must be used to reduce the Commonwealth contribution to the project. That is, the school would be required to meet its stated commitment to the project first.
Capital Grants Program

Right of Repayment

- The Australian Government has the right of repayment of any grant over $75,000.
- Triggered if a funded facility or school ceases to be used for the educational purposes of the CGP.
- Liability varies with the grant value and can exist for up to 20 years.
- Details of the Right of Repayment for large capital grants are in the Grant Acceptance Agreement each successful applicant school signs with the BGA.

- This also applies to equipment over $75,000 for up to 10 years and for 5 years for ICT equipment.
- Contingent liability that must be included in Annual Financial Statements.
## Capital Grants Program

The calculated portion of the funding (ie. the amount repayable to the Commonwealth) will be calculated in accordance with the following table which is included with GAA:

<table>
<thead>
<tr>
<th>Total Funding Amount</th>
<th>Designated Use Period</th>
<th>Recoverable Portion</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>$75,001 to $500,000</td>
<td>2 years plus one additional year for each $50,00 over $100,00 (Rounded to the nearest full year)</td>
<td>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.</td>
<td>Funding amount $475,000: retain interest for 2 years plus 7.5 years (total rounded up to 10 years), full amount recoverable up to 5 years then the amount to be recovered would be reduced by 20% 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.</td>
</tr>
<tr>
<td>$500,000 to $1.5M</td>
<td>10 years plus additional year for each $100,000 over $500,00 (Rounded to the nearest full year)</td>
<td>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.</td>
<td>Funding 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% of the total amount each year until the end of 15 years.</td>
</tr>
<tr>
<td>Over $1.5M</td>
<td>20 years</td>
<td>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.</td>
<td>Funding amount $2M: retain interest for 20 years. Full amount recoverable for 10 years and then would reduce by 10% of the total amount each year until the end of 20 years.</td>
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Capital Grants Program

Recognition requirements

- On receipt of the grant, Schools are required to notify their community of the contribution made to a project by the Commonwealth usually in a newsletter or website.
- Sign on the project acknowledging Australian Government Grant is no longer required.
- An official opening attended by the AG Parliamentary Secretary to the Minister for Education (PSME) or their representative (often the local Member) must be held after completion of the project for projects that have a grant of $100,000 or more.
  - If the BGA Grant is > 50% of the total project cost the PSME must open the project.
  - If the BGA Grant is <50% the PSME must be invited to give a speech.
Capital Grants Program

Recognition requirements (continued)

- If a School with a grant of less than $100k decides to hold an opening, DoE should be informed and the PSME be given the opportunity to attend or send a representative.

- An appropriate plaque must be placed on the project – wording must be approved by DoE.
Capital Grants Program

APPLICATION PROCESS FOR CAPITAL GRANTS

Schools that decide to apply for a Capital Grant are invited to lodge a detailed application outlining the proposed Capital Project and the circumstances of the school. These dates are advertised to all schools.

The BGA then considers:

- The eligibility and priority of each application in light of the Australian Government’s criteria for capital funding;
- Details of the proposed projects as submitted by applicants and discussed with BGA Committee members during visits to applicant schools; and
- The financial situation of the schools seeking assistance.

It is the policy of the BGA Committee to assist as many schools as possible within the available funds and the Australian Government Guidelines for the Program.

To apply for a Capital Grants, download the Capital Grants Handbook & Application Forms for Capital Grant funding. These documents outline the grant process and critical dates for the application process.

- Capital Grants Handbook
- CGP - Application Agreement Lutheran Schools Capital Grants
- CGP - Application Agreement Non Lutheran Schools Capital Grants
- CGP - Application Form A1 (Word Document)
- CGP - Application Form (Excel)

www.ais.sa.edu.au
### Capital Grants Program

#### Matters for Schools

- Preliminary work with local council approvals (unlike the exemptions that applied in the BER Program, Schools will need to meet the usual Council planning and development processes)
- Planning & plans
- Tender process
- Progress of project
- Requests for payment – monthly expenditure statements

- Documentation on the completion of the project – architects certificate, accountant certificate
- Official opening and plaque acknowledging the contribution of the Commonwealth Government projects with a grant of more than $100k
Capital Grants Program

Key Points

Notice of Intent

Key dates

Importance of Master Planning

Strong Rationale for project

Asset management

Administrative processes
Council of Educational Facility Planners International (CEFPI) SA Chapter
– www.cefpi.org
QUESTIONS