Welcome to the 2015 Block Grant Authority Seminar for applications for grants in 2016 for construction in 2017 - Barry Kahl, Chairman BGA.

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

“Does good design really affect education outcomes?” - Julie Sampson – Cornerstone Learning Director & Matt Pearce – Cornerstone Middle School Learning Leader
What Is It?

- NFP Incorporated Association
- Appointed by the Commonwealth Minister for Education under the *Education Act 2013*...
- ...to manage the Capital Grants Program for the Independent Sector in SA
- Reports to Department of Education and Training
  - Schooling Group
  - Schools Assurance Branch
- Preferred Name – the BGA
- Governance is by the BGA Committee
SOUTH AUSTRALIAN INDEPENDENT SCHOOLS BLOCK
GRANT AUTHORITY

Who is it?

- Barry Kahl – Chairman- former Director Lutheran Schools SA/WA/NT
- Don Orchard – former BGA Chairman – retired senior public servant
- Jenni Paynter – retired - former Business Manager Walford
- John Proeve – Director Lutheran Schools SA/WA/NT
- Dean Lambert – retired senior public servant
- Russell Eley – Principal King’s Baptist Grammar
- Stephen Rosier – Business Manager – Trinity College Administration
- Graeme Brown – GM Asset Management Department of PT&I
- Toshi Umehara – Business Manager – Temple Christian College
- Paul Andrejic – Business Manager – Tatachilla Lutheran College

Staff

- Carolyn Grantskalns – ex officio – Chief Executive AISSA
- John Wilson – Executive Officer – 0.6 FTE
- Jane Pike – Finance Officer – 0.5 FTE
Capital Grants Program

- **Purpose**
  ...to assist non-government primary and secondary school communities to improve capital infrastructure where they otherwise may not have access to sufficient capital resources

*CGP Operating Manual S.9*
Capital Grants Program

Key Objectives

1. Provide and improve school capital infrastructure, particularly for the most educationally disadvantaged students

2.1 Ensure attention to refurbishment and upgrading of capital infrastructure for existing students

2.2 Make provision for needs arising from new demographic and enrolment trends

3 Pursue the Commonwealth’s other priorities and objectives:
   - Supporting quality teaching
   - Supporting parental and community engagement
   - Supporting safety for the school community
   - Supporting the curriculum

CGP Operating Manual S.10 & Attachment 4
In each year there are a number of projects which cannot be supported because of lack of funds.
Capital Grants Program

Four Key Steps

1. Test eligibility
2. Rank by Educational Need
3. Allocate available funds by Financial Need
4. Recommend Grants to the Minister for approval
Capital Grants Program

- 2 Key measures
  - Educational Need
  - Financial Need

- Need to be a mixture of objective measurement and subjective gut feel and judgement

- Schools need to put their case for both measures
BGA Process

2015: Notice of Intent, Seminar
2016: Application Form Part A, School Visits, Invitation to Proceed
2017: Application Form Part B, Recommendations to DET, Ministerial Approval
### Timeline for 2016 for 2017 Capital Grants

<table>
<thead>
<tr>
<th>Event</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of Intent</td>
<td>COB Friday 13 November 2015</td>
</tr>
<tr>
<td>Application Form Part A - Briefing</td>
<td>19 November 2015</td>
</tr>
<tr>
<td>Application Form Part A – emailed sections</td>
<td>COB Friday 29 January 2016</td>
</tr>
<tr>
<td>Application Form Part A – hard copy sections</td>
<td>COB Tuesday 2 February 2016</td>
</tr>
<tr>
<td>Initial consideration</td>
<td>February 2016</td>
</tr>
<tr>
<td>Visits to Schools</td>
<td>March 2016</td>
</tr>
<tr>
<td>ShortListing</td>
<td>April 2016</td>
</tr>
<tr>
<td>Application Form Part B – Briefing</td>
<td>April 2016</td>
</tr>
<tr>
<td>Short listed schools submit Application Form Part B</td>
<td>Due 1 July 2016</td>
</tr>
<tr>
<td>Short listed schools submit full plan documentation</td>
<td>Due 1 July 2016</td>
</tr>
<tr>
<td>Recommendations to Committee</td>
<td>August 2016</td>
</tr>
<tr>
<td>Recommendations to Minister</td>
<td>30 September 2016</td>
</tr>
<tr>
<td>Ministerial approval likely</td>
<td>Early December 2016</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

- Initial Eligibility Questions
  - Registered for level(s) of education
  - Approved for recurrent funding
  - If a leased site, lease is sufficiently long-term
  - Asset Management Plan is in place
  - Any effect on existing BGA funded facilities (including BER)

- Scope of Proposed Project is consistent with approved use of funds

- Estimated cost and level of grant required

- Educational Purpose

- Consistent with Master Plan

- BGA may follow-up with discussion and/or school visit

- Fillable PDF to be emailed to the BGA by 13 November 2015

- Form is available in the BGA section of the AISSA website
Application Form Part A

Components

Part A.1  Minor Eligibility matters
          Meeting Program Objectives

Part A.2  MVP – Meeting Area Guidelines
          MVP – Cost in relation to Standard Costs
          Funding and Affordability

Design    Site Map and Plans

Application Agreement – to be signed

- Documents to be downloaded from the AISSA website
- Closing date for applications – 29 January 2016 – electronic
- Closing date for hard copy – 2 February 2016
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 (Area Guidelines)
- **b)** Is consistent with sound educational planning
- **c)** Avoids design features (e.g. inefficient position of buildings) that make no significant educational contribution and that may increase construction, or operating costs (Standard 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
Application Form Part A

Area Guidelines

- For a proposed project to be eligible for a Capital Program Grant, area guidelines should not 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
Application Form Part A

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

LEVEL OF PROJECT DOCUMENTATION AT APPLICATION

* Reduced to A3
# Ensure that cost estimates are as accurate as possible by using a Quantity Surveyor or seek detailed costings from potential contractors
Projects estimated to cost more than $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.

LEVEL OF PROJECT DOCUMENTATION AT APPLICATION (Continued)

BGA Standard Costs are being reviewed.

The costs of smaller projects should be based on quotations recent prices etc.
Schools are responsible for the maintenance of existing and future facilities and must have in place an Asset Management Plan to ensure government-funded facilities are properly maintained.

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.

An active Asset Management Plan that feeds into maintenance budgets is a condition precedent for obtaining a Grant (checked at School Visits).

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
School Visits

- BGA panels 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

- Meeting CGP Objectives
- Impact on any previously funded project
- Master Plans and Asset Management Plans
- Staging of the project
- Financial need
- Tender and procurement processes
Application Form Part B

Components

**Part B.1**  Financial data for 2015 (largely FQ), 2016 (current), 2017 (forecast)
Capex budget for 2016 and further 4 years

**Part B.2**  Funding of the school contribution
Financial Plans and bank relationship

2015 Audited Financial Statements
Proposed Project final costings and final plans

- Documents to be downloaded from the AISSA website
- Closing date for Form Part B – Friday 1 July 2016
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 whether the school is maximising its contribution, and negotiating with the school if necessary
- Review the interim Grant amount given final costings

- Make recommendations to the BGA Committee

When?
- July-August

How?
- Performance indicators, including
  - Debt per student
  - Outstanding fees
- Resolving questions and issues with the schools
<table>
<thead>
<tr>
<th>Event</th>
<th>Timeline</th>
</tr>
</thead>
<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 2017</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 2018</td>
</tr>
<tr>
<td>Australian Government Acquittal</td>
<td>Audited reports submitted annually by 30 June</td>
</tr>
</tbody>
</table>
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

TENDERING PROCESSES

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.
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.
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 enables the BGA to track the progress of the project and enables 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

Other Compliance Matters

- Where possible projects with total cost over $500k would be staged over two years
- 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

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 Agreements 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
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 $50,000 over $100,000 (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 $500,000 (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>
</tr>
</tbody>
</table>
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.

- An official opening attended by the Commonwealth’s Parliamentary Secretary to the Minister for Education and Training (Parl Sec) or their representative (often the local Member or Senator) 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 Parl Sec **must** open the project.
  - If the BGA Grant is 50% or less the Parl Sec **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, DET should be informed and the Parl Sec be given the opportunity to attend or send a representative.

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

Recognition requirements (continued)

- **BGA Grant => $100k**
  - Yes: Must have Opening
  - No: School will have Opening anyway

- School will have Opening anyway
  - No: Advise DET via SchoolOpenings
  - Yes: Commonwealth requests Opening

- **BGA Grant > 50% of Total Project**
  - No: Parl Sec must be invited to speak
  - Yes: Parl Sec must be invited to perform opening

- Parl Sec must be invited to speak
  - No: School’s choice of Parl Sec or other to perform opening
  - Yes: Invitation to Parl Sec via SchoolOpenings and copy to BGA

- Invitation to Parl Sec via SchoolOpenings * and copy to BGA
  - Plaque wording to be approved by SchoolOpenings

- Plaque wording to be approved by SchoolOpenings
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.
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.
CGP – Master Plan Grants

A Resource to consider

- Council of Educational Facility Planners International (CEFPI) SA Chapter – www.cefpi.org
- Not endorsed but worth a look
- List of current members available from BGA
Matters for Schools

- Obtaining Local Council planning and building approvals (only BER projects were exempt)
- Tender process
- Progress of project
- Requests for payment – Monthly Progressive Expenditure Statements (MPES)

- 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 $100k or more
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 Grant, 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
Key Points

The BGA Timeline – some 14 months before building can start

Application Process – NoI >> Application Form A >> Application Form B

Key dates

Strong Rationale for Educational Need & Financial Need

Accountability requirements

Importance of Master Planning

Administrative processes