



Australian Government

Department of Education, Employment and Workplace Relations

**ADMINISTRATIVE ARRANGEMENTS
FOR BLOCK GRANT AUTHORITIES (BGAs) -
2010**

**CAPITAL GRANTS PROGRAM FOR
NON-GOVERNMENT SCHOOLS**

Final

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AUSTRALIAN GOVERNMENT CAPITAL GRANTS PROGRAM FOR NON-GOVERNMENT SCHOOLS

ADMINISTRATIVE ARRANGEMENTS FOR BLOCK GRANT AUTHORITIES (BGAs)

These Administrative Arrangements apply from the date of issue of the Schools Assistance Act 2008 Administrative Guidelines: Commonwealth Programs for Non-government Schools, 2009 to 2012 .

1. INTRODUCTION

1.1 These Administrative Arrangements set out the Australian Government's detailed requirements applying to the administration by BGAs of the Capital Grants Program (CGP or 'Program'). They are to be read in conjunction with the:

- *Schools Assistance Act 2008* ('the Act');
- current funding agreement between the Commonwealth and the BGA for the administration of CGP ('the Funding Agreement');
- *Schools Assistance Act 2008 Administrative Guidelines: Commonwealth Programs for Non-government Schools, 2009 to 2012* ('Administrative Guidelines') (as amended)

which set out detailed requirements about the CGP for the information of schools; and any other Australian Government instructions to BGAs issued from time to time.

1.2 Like the Act and the Funding Agreement, both the Administrative Arrangements and the Administrative Guidelines are binding on BGAs and on their participating schools i.e non-government schools ('BGA Participants'). The Department will liaise with BGAs regarding any proposed amendment to these arrangements.

Interpretation of these Arrangements

1.3 Each BGA is required to interpret the requirements in this document, and to otherwise act, so as to optimise achievement of the Australian Government's objectives for the CGP and the probity, efficiency and quality of administration of funding. The objectives of the CGP are as follows:

- Objective 1: provide and improve school capital infrastructure, particularly for the most educationally disadvantaged students;
- Objective 2: ensure attention to the refurbishment-upgrading of capital infrastructure for existing students, while making provision for needs arising from new demographic and enrolment needs;
- Objective 3: in implementing the above two objectives, also pursue and support the Australian Government's other Priorities and Objectives for Schooling:
 - i. Improve Literacy and Numeracy (specialist teaching areas not GLAs) ;
 - ii. Improve closing the gap in educational outcomes between Indigenous and Non-Indigenous students;
 - iii. Support to students with additional needs;
 - iv. Improve education in low socio-economic status (SES) school communities;
 - v. Improve teacher and school leader quality; and

vi. Support schools working with their local community.

- 1.4 Fraudulent conduct and giving false and misleading information are offences under the Criminal Code (Commonwealth) (contained in Schedule 1 to the Criminal Code Act 1995). BGAs must take all reasonable steps to prevent fraud by schools during their submission of information. BGAs must ensure schools are fully informed of the relevant offences under the Criminal Code.
- 1.5 Some Administrative Arrangements requirements are mandatory. Where the BGA is uncertain as to whether a requirement are mandatory it should contact the Department for clarification.
- 1.6 Terms used in this document (e.g. 'the Act', 'the Department', 'the Administrative Guidelines' and 'the Administrative Arrangements') have the same meaning as in the Funding Agreement. References to 'schools' in this document include references to non-school organisations unless the contrary intention appears.

2. PARTICIPATION IN A BGA

- 2.1 The Australian Government wishes to promote access by eligible non-government schools ('BGA Participants') to CGP funding through participation in a BGA. On receiving an application to participate, BGAs must advise the BGA Participant of the rights and responsibilities of the BGA Participant, the BGA and the Australian Government under the CGP. Where a BGA considers a BGA Participant's inclusion would adversely affect the operation of the BGA, the BGA must provide details to the Department within 60 days of receipt of such an application for participation. A BGA must not reject an application to participate without the Department's agreement. The Department will assess whether a school has good prospects¹ of receiving approval for funding under the Recurrent Grant Funding (RGF).
- 2.2 BGAs must enter into written agreements with BGA Participants relating to their participation and acceptance of grant conditions (a 'BGA Participant Agreement'). BGAs must ensure that BGA Participant Agreements are consistent with the provisions of the Act, the Funding Agreement, the Administrative Guidelines and these Administrative Arrangements. All BGA Participant Agreements must be properly executed and copies kept by BGAs. BGAs are required to provide the Department with access to these BGA Participant Agreements, upon request. **Attachment 1** provides a list of conditions applying to BGA Participants entering or leaving a BGA, applying for grants and accepting grants. These conditions must be included in the BGA Participant Agreement.

¹ In order for the CGP to determine "good prospects" the following information needs to be supplied to the Director, Capital Grants Section:

i) submission of the Recurrent Assistance Funding Application Form for New schools 2009-2012 Funding Quadrennium (excluding information on enrolment data at Section D), or the Recurrent Assistance Funding Application Form for Schools Undertaking a Change in Operations 2009-2012 Funding Quadrennium (excluding information on enrolment data at Section D) for new campuses;

ii) evidence of incorporation as a non-profit body;

iii) the constitution of the incorporated Body (including power to run a school and appropriate wind up clauses) must be submitted; and

iv) evidence that the BGA Participant has good prospects of being recognised as such by the relevant State or Territory Minister.

- 2.3 BGAs must enter into an agreement in relation to participation referred to in paragraph 2.2 above with the body authorised to operate the school. In doing so, the BGA must ensure that the agreement is entered into with a natural person or a body corporate. The Approved Authority of a school system must sign all agreements with the BGA, unless the individual schools in the system are able to do so. A BGA Participant must sign a new agreement with the BGA if the Approved Authority changes.
- 2.4 BGAs must maintain accurate registers of BGA Participants. BGAs must notify the Department in writing within 14 working days of any new BGA Participant or any existing BGA Participant withdrawing from participation.

3. APPLICATION PROCEDURES

- 3.1 Each year, BGAs must advise BGA Participants of a new funding round and invite applications for funding. Application procedures should be clearly documented in the BGA's procedures manual. BGAs are to provide a copy of their procedures manual to the Department annually, or more frequently upon request.

4. ASSESSMENT PROCEDURES

The BGA must assess all applications submitted by 30 September each year, and submit their Annual Schedule to the Department through the Capital Grants Data Exchange Project (CGDEP) system. Where finalisation of a recommendation is awaiting further information or developments from the BGA Participant, the BGA must advise the Department. Acceptance of submissions after round closing is at the discretion of the Department.

Eligibility

- 4.1 BGAs must ensure the projects they recommend contribute to the Australian Government's objectives for the CGP. Applicants are required to state in their applications the Government's objectives which their project is addressing.
- 4.2 The types of project eligible for consideration by the BGA for funding are detailed in Section 83 (1) of the Act and at Section 151 of the Administrative Guidelines.
- 4.3 In addition to the eligibility criteria stated in the Administrative Guidelines, BGAs must consider the following when assessing a funding application:
- a) The Financial Viability of the BGA Participant: The BGA Participant must be able to demonstrate it is financially viable in accordance with the *Schools Assistance Act 2008*. That is, the BGA Participant must have assets greater than its liabilities and be in a position to pay its debts (and be likely to do so for the recoverable period as outlined in Attachment 6 of these Arrangements) as and when they fall due for payment. Further, the BGA Participant must intend to, and continue to receive Commonwealth RGF at the site of the proposed project for the recoverable period.

- b) The Department will make the final decision on whether a school has good prospects of receiving approval for RGF. See eligibility criteria for good prospects at Section 2.1. The BGA must, in making its recommendations to the Department, bring to the Department's attention any issue of which the BGA is aware, that might prevent a school from receiving approval for RGF.
- c) BGAs must assess and make recommendations on funding applications from schools not yet approved for RGF. BGAs must inform these applicants that CGP payments, if approved, will not be paid until the school is approved for RGF.
- d) Advanced payment of capital grant funds may be considered in strictly limited circumstances where:
- an existing school is already included in the list in respect of other locations or levels of education; or
 - a new school is being established as part of an existing and well established school system; **and in both cases,**
 - The school or system accepts, as a condition of the capital grant, an obligation to repay the whole of the grant amount advanced, if the school is not included in the list by a specified date, and can satisfy the Australian Government that it has the capacity to fulfil the condition, if and when required.
- e) The BGA Participant must demonstrate in its application it has an appropriate maintenance plan in place. The maintenance plan must outline the school's proposed actions to repair and maintain its physical infrastructure (buildings, grounds, fixed assets) over time. The BGA must consider the adequacy of this plan given the condition of the school, and may assess a school is ineligible for funding if the plan is inappropriate. A school must be given one opportunity to amend and re-submit its plan.
- f) The school must have adequate insurance cover for the partial loss and/or complete replacement of its school buildings. The insurance must include cover for additional costs of business interruption. BGAs and grantees should note that the Commonwealth may seek to recover funds from the school under section 10 of these Administrative Arrangements (Australian Government Right to Repayment) if insurance funds received by a school for a loss are not used to repair or replace buildings funded by the Australian Government.
- g) BGAs must consider the appropriateness of the cost, size and use of the facilities to be funded in relation to sound educational planning, (refer to definition of "appropriateness" in the Administrative Guidelines for Non-government Schools at paragraph 179(b) (i).)
- h) The Australian Government's policy is that overseas students must be self-funded. Schools in which overseas students comprise more than 5 per cent of the student cohort in at least one level of education, or number more than 20 in that level, must demonstrate the fees collected from students cover the full costs of their education at the school, including the cost of capital facilities used by these students. If the fees charged for overseas students are insufficient, the school's contribution to a capital project must be such that the school's level of debt servicing is at least equal to the maximum Capital Allowance applying to the relevant level (or levels) of education. If the school cannot meet this requirement, the BGA must consider the school's application as ineligible.

- i) Projects proposed to be undertaken solely by parents and friends are ineligible for CGP consideration.
- j) If a project is partly undertaken by parents and friends, BGAs must exclude that component from the project's costings. BGAs must not enter this information on the financial summary or project description forms for recommended projects in CGDEP.

Conflict of Interests

- 4.4 Where there is an actual or potential conflict of interest at any stage of a project, BGAs must manage or resolve the conflict. Conflict of interests may arise, for example, where a member of a BGA assessment committee has an interest in a participating school applying for Australian Government assistance or where the BGA becomes aware of a member of a school board having an interest in a body bidding for Australian Government-funded work. If necessary, BGAs should consult with the Department where they are having difficulties dealing with a conflict of interests.
- 4.5 BGAs are required to fully document steps taken in resolving conflicts of interest. This documentation is to be made available to the Department, or other appropriate Australian Government authorities, upon request.

Ranking

- 4.6 Once the BGA has established eligibility for funding, projects must be ranked for funding primarily on the basis of the relative educational disadvantage of the student population of the school. In doing so, the BGA must give priority to the more disadvantaged over the less disadvantaged.

The BGA should assess educational disadvantage on the basis of relative educational outcomes of the students at the competing schools. Where this is not possible, the next best indicator of educational disadvantage should be used. The BGA must use an assessment methodology, which is sufficiently discriminating to be capable of dividing the full range of its participating schools. This methodology may be a combination of generally applied indices and additional, applicant-specific information, but the BGA must ensure that these are applied in a consistent and equitable way which is able to be supported by evidence. 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. The contribution of any facilities funded through the Australian Government Local Schools Working initiative, the Trade Training Centres in Schools Program and the Building the Education Revolution should be excluded from this assessment. Note that projects considered inappropriate to sound educational planning on the basis of cost, size and use of the facilities must be rejected;
- c) the condition and suitability of existing facilities in relation to the level of facilities needed;

- d) the extent to which the projects effect economies of scale through the shared provision of educational or recreational services otherwise provided independently by State governments, local governments and non-government schools; and
- e) the extent to which the school is making adequate and regular provision for the upkeep of its facilities.

4.7 A BGA may depart from this procedure in an individual circumstance where it believes strict adherence would seriously compromise the achievement of the Australian Government's objectives for the CGP. In these cases the BGA must, in its recommendation, advise the Department of the specific reasons for the departure.

Settlement of Project Definitions and Grant Sizes

4.8 In discussing with applicants the nature of any project being recommended for funding, BGAs should negotiate with schools a minimum viable project, based on enrolments in the year after completion of the project or, in the case of rapidly growing schools, the second year after completion. Projects should not be reduced to the extent that they are not appropriate to the educational purposes for which they are being provided.

4.9 BGAs must 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. In doing this, BGAs should use a methodology that is primarily quantitative and will enable explanations to be made to either an independent appeal body or auditor.

4.10 When several schools are contributing to a project that will provide common services, contributions from each school must be determined in the prescribed manner. With such projects, one school must agree to accept, and account for the use of, the grant on behalf of the other partners.

4.11 BGAs must ensure that schools do not use funds provided under the CGP to meet the cost of leasing property. However, a school that is leasing a site may still apply for funding of a construction, refurbishment or equipment project on the property, provided that in the case of a construction or refurbishment project, the lease has a period to run commensurate with the repayment period at **Attachment 6** of these Arrangements. Where possible, BGAs should seek to have the land-owner guarantee repayment of the value of the Australian Government's residual interest in a capital grant provided to the school in the event of the school defaulting on such a request.

Funding of Existing and New Places

4.12 When submitting schedules of recommended projects to the Department through the CGDEP system BGAs are required to confirm that in making their assessments, they have given due consideration to the refurbishment/upgrading of capital facilities for existing students, while making provision for needs arising from new demographic and enrolment trends irrespective of SES.

Finalisation of Annual Schedules of Recommended Projects

- 4.13 Once all eligible projects have been ranked on the basis of relative educational disadvantage, BGAs must recommend as many projects from schools serving the most disadvantaged students as is allowed by the level of funds the BGA has chosen to commit at the time.

5. APPROVAL PROCESS

Annual Schedule

- 5.1 BGAs must forward to the Department, by 30 September each year, or such other date as is agreed in writing by the Department, a schedule (Annual Schedule) showing details of recommendations for approval and rejection. Annual Schedules must be submitted through the CGDEP internet site unless other arrangements have been agreed with the Department. See **Attachment 3** for details of information required for each recommended and rejected project.
- 5.2 The Annual Schedule must contain information about every grant application received by the BGA during the funding round (including any not submitted on an application form, but considered under the BGA's assessment processes), whether recommended for funding or rejected, deferred (until later in the current funding round pending resolution of outstanding issues) or withdrawn (including where withdrawn before assessment by the BGA). BGAs must 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.
- 5.3 The description of the project recommended for funding submitted in the Annual Schedule should be a summary of the project. BGAs must 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 BGA agreement for the grant and accountability documentation completed by the school.

Out of Round Recommendations

- 5.4 As a general rule, the BGA should include all recommendations for funding in the Annual Schedule to enable ranking of competing applications and for administrative efficiency. In limited circumstances, **urgent** projects may be accepted out of round, where it is not practicable for the applicant to meet the Annual Schedule timeline. Acceptance of out of round recommendations is at the discretion of the Department.
- 5.5 In the case of property purchase, BGAs may assess the non-project dependent aspects of an application (e.g. socio-economic status and financial capacity) ahead of a specific property becoming available, but should not submit a recommendation to the Department unless a specific property is being proposed for purchase. In this case the value of the property is to be confirmed by an independent valuation. Where a property is to be auctioned, a maximum grant, no greater than the independent valuation less the school's contribution, may be recommended by the BGA to the Department ahead of the auction.
- 5.6 Out of round recommendations must also be submitted through CGDEP with the same certification as the Annual Schedule.

- 5.7 If an out of round application has been received but the BGA does not recommend a grant, the Department should be notified of such a rejection as and when it occurs.

Review Process

- 5.8 Where applications are not recommended for funding, BGAs must provide reasons for rejection to the applicant schools and advise them of their rights to review. BGAs must afford schools the opportunity to have their applications reviewed by a process independent of the original assessment process and mutually acceptable to the BGA and its participating schools. This may be done before submission of recommendations to the Department, or following submission but the BGA must advise the Department in writing of any appeals as soon as it becomes aware of the request for review. A decision on the review must be made and the outcome communicated to the Department before the Minister or delegate approves the BGA's recommendations.

Notification of Approval

- 5.9 Following consideration by the Minister, the Department will inform the BGA in writing of all approvals of projects and any special conditions applying to individual projects.
- 5.10 Although a school has been approved for a capital grant for a project relevant to levels of education or locations in respect of which it is not yet on the list of non-government schools approved to receive RGF, that school will not receive payment of the grant until such time as it has actually been approved to receive RGF. BGAs must make schools aware of the fact that the school will not be able to obtain the grant until it is added to the list of approved non-government schools when offering a grant. Advancement of grants to schools not yet on the list may be considered **in strictly limited circumstances** as outlined at Paragraph 4.3 (f) of these Administrative Arrangements.
- 5.11 BGAs must ensure that grant and other conditions which attach to the approval of the project are legally enforceable. Schools offered grants must enter into legally binding written agreements with their respective BGAs (BGA Participant Agreements) and in doing so, the school must agree to be bound by all conditions attached to the grants. **Attachment 1** lists the minimum conditions upon which grants are offered.
- 5.12 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. The body must both operate the school and must have a legal right to own or occupy (e.g. under a lease or as beneficiary of a trust) the land on which the project facilities are to be built. Where the operator of the school and the owner of the land are not the same entity, the BGA must enter into an agreement with that entity, or with those entities, that will best enable the project to be completed satisfactorily and permit funds to be recovered in the future, if necessary.
- 5.13 When funds are approved for payment in a particular program year, the BGA must 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. If a school cannot make commitments to commence the project by the end of the program year, the BGA must reallocate the funds to other projects which have commenced, or can commence, before the end of the year. If the BGA is unable to

reallocate the funds in this way, the BGA must advise the Department in writing, and return the funds to the Australian Government upon request.

Public Announcement of Grants

- 5.14 The Minister reserves the right to make public announcements at any time about the CGP and to inform schools about the approval of projects. BGAs must not publicly announce the approval of grants or advise schools that an approval has been granted until formally advised in writing by the Department.

6. TENDERING PROCESSES

- 6.1 BGAs must approve all procurement procedures used by the schools. Where a person or body believes a procurement procedure approved by the BGA is unfair, 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.
- 6.2 BGAs must ensure schools obtain value for money from a tender process. Schools must assess all tender submissions for eligibility, quality and value for money. Schools must document their assessment methodology, criteria and outcome for each tender submission
- 6.3 Schools must not accept tenders, nor enter into commitments in relation to recommended projects, until advised by the BGA of the Minister's grant approval and their BGA Participant Agreement has been finalised.
- 6.4 The Australian Government 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.
- 6.5 BGAs must require schools to implement projects in accordance with the requirements contained in the National Code of Practice for the Construction Industry (National Code) and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry (Implementation Guidelines) [as](#) detailed in Ss 184 and 185 of the Administrative Guidelines 2009-2012.

A checklist for tendering is provided for BGA Participants at Section 6.9 of these Arrangements. Principles contained in the checklist include:

- (a) Project implementation must be overseen by a licensed building industry professional independent of those carrying out the work.
- (b) Schools must 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 choices.
- (c) There must be effective competition to the greatest extent practicable for all major elements of a project.

- (d) Procurement 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>.
- (e) All tender assessment criteria must be specified in tender documentation and should include tenderers' physical, financial and technical capacity to carry out the work.
- (f) There must be 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 and noting the privacy requirements set out in Section 15 of these Administrative Arrangements. Where the school intends to enter into a contract for the construction of the project which is other than a standard lump sum contract, the BGA must be advised prior to entering into 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 project completion time must be specified and be reasonable.
- (i) Claims for payment must be certified by a licensed building industry professional independent of the builder or project manager.

Employment and Training Provisions for Indigenous Australians

- 6.7 Grants are offered on the additional condition that the school will facilitate the Australian Government's policy of encouraging the employment and training of Indigenous Australians in the way set out in **Attachment 4**. BGAs will provide data on this requirement as part of the annual Performance Reporting.
- 6.8 Where a project is undertaken specifically for an Indigenous Australian community, that community is to be involved in the evaluation of tenders, as also set out in **Attachment 4**, except where a conflict of interests would arise. BGAs will provide data on this requirement as part of the annual Performance Reporting.

6.9 CHECKLIST FOR TENDERING REQUIREMENTS

Prior to the Commencement of the Project:

Have you:

- Clearly documented the need for the tender?
- Undertaken a risk assessment?
- Decided on the most appropriate procurement method?
- Outlined the timeline for the project?
- Clearly detailed the relevant conditions for participation?
- Drafted a request document (including the draft contract) that clearly articulates what you need?
- Written a Statement of Requirement that is unambiguous in its requirements.

Have you complied with the National Code of Practice for the Construction Industry in the following ways?

- Included application of the Code and Guidelines in processes for building and construction projects and contract management within your organisation?
- Included the requirement to comply with the Code and Guidelines in project tender advertisements, expressions of interest, tender documentation and contracts?
- Included “ability to comply with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines” as an evaluation criterion in tender documentation?
- Ensured all funding agreements for indirectly funded projects include the requirement for funding recipients to apply the Code and Guidelines and ensured a model deed of agreement for funding has been put in place? (refer to model and tender contract documentation). Model tender and contract documentation which include the requirement to comply with the Code and Guidelines are available at www.workplace.gov.au/building.
- Verified that the contractor is compliant with the Code and Guidelines at the time they lodge an expression of interest or tender?
- Checked that the contractor has not been precluded from tendering for Australian Government work? Go to www.workplace.gov.au/building and follow the links under “Sanctions”.
- Checked that the contractor’s workplace arrangements comply with the Code and Guidelines?

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?
- Encouraged the employment and training opportunities of Indigenous Australians in the project?
- 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 common basis over the whole tender cycle?
- Asked for sufficient detail from the tenderer on tender assessment criteria to ensure the tenderer's physical, financial and technical capacity 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)?
- Provided sufficient documentation to provide 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.
- Articulated a plan for contract negotiations?

After the award of the Contract:

- Do you have a contract management plan?
- Do you have clearly defined performance indicators?
- Have you provided the opportunity to debrief unsuccessful tenderers?
- Do you have a written contract with the supplier?
- Is the contract a lump sum contract?
- Do you have a verification processes in place to confirm that subcontractors, consultants and material suppliers' workplace arrangements comply with the Code and Guidelines?
- Do you have processes in place to monitor on-site compliance of subcontractors engaged during the life of the project?
- Do you have a process for the retention of the documentation for a period of 3 years?

7. PAYMENTS TO SCHOOLS

- 7.1 BGAs must not pay funds to schools prior to those schools entering into agreements with their BGAs that bind the schools to the conditions upon which the grants were approved.
- 7.2 BGAs must not make payments to the school before the school has incurred any project costs. However, BGAs may make an advance payment to a school 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. The BGA must not make a payment to a school until the BGA is satisfied after making reasonable enquiries, that the school has met all requirements under the BGA Participant Agreement, for example, that the school has executed contracts with third party providers to undertake project work.
- 7.3 The BGA must stop all payments to a school immediately upon receiving written advice from the Department that a school is in breach of any condition(s) applying to its receipt of Australian Government schools program funds (e.g. RGF). The BGA must not make a payment to the school until it is advised in writing by the Department that payment(s) may proceed.
- 7.4 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 that the school will necessarily preserve the funds/assets for this purpose. In this case, if the BGA judges that it would be prudent, it should require the school to pay its contribution before the BGA commences grant payments.
- 7.5 BGAs must ensure they have sufficient funds available to make all payments to schools as they fall due. Funds payable to a school in a particular year may only be paid to the school in that year or, if construction is delayed, later, but not earlier. If a BGA wishes to bring payment forward to a year prior to that already approved (because a project is ahead of schedule), the BGA must first approve a variation to the year of funding and advise the Department of these variations through an Amendment in CGDEP.
- 7.6 The BGA must not make the final payment to a school until the recognition requirements set out in Section 156 (j) of the Administrative Guidelines are fulfilled.
- 7.7 BGAs must keep records of payments to schools for each project for each program year. Payments must be reconciled on at least a quarterly basis.

8. REDEFINITION OF PROJECTS

- 8.1 Circumstances may arise after the approval of a project when project variations are required.
- 8.2 Funding arrangements may be varied as follows:
- if the project cost increases, the amount of the increase can be funded from either an increase in the grant or an increase in the school contribution or from a combination of the two;
 - if the project cost decreases, the grant must be reduced by the amount of cost decrease; and

- in both cases, it is the BGA responsibility to recommend to the Department the course of action in respect to funding the project which best serves the objectives of the CGP.

- 8.3 BGAs may vary the details of a project, including the total grant, grant for a program year and the description of the project, provided that sufficient funds are available for the change and it does not fundamentally alter the originally approved project (i.e. a minor change). BGAs must approve all changes in writing. A suggested pro-forma is at **Attachment 5**. A central register must be kept of all determination approvals for audit purposes and a copy be kept on each project file. If the redefinition involves a significant change in the scope of the project, the BGA must request Departmental approval through CGDEP and provide a reason for the change.
- 8.4 For other minor changes BGAs must advise the Department through CGDEP as soon as such changes are approved by the BGA. All records must be fully up to date at the time Annual Schedules are submitted. If the changes affect the current year's allocation, they should be reported before the end of the current year to make sure the full allocation is paid in December.

Savings

- 8.5 Savings from project funds, unused administrative allowance, recovered funds and interest earned (not needed for administrative expenditure) must be allocated to projects approved by the Australian Government. Projects which are funded, either partially or totally, by interest money must meet similar eligibility and ranking criteria and accountability requirements as those funded by Australian Government capital funds.
- 8.6 BGAs must ensure, to the maximum extent possible, that the Australian Government's contribution for a project is kept to a minimum, and must be consistent with the school's ability to contribute to the project.
- 8.7 Where savings are identified after the end of the program year in which they were paid by the Australian Government, after consulting the Department, the BGA may reallocate the saved amounts to other active projects which have been approved for that program year (e.g. 2009 funds can only be assigned to 2007, 2008 or 2009 Schedule projects), provided that the school receiving the reallocated funds is able to commence the project during that year.
- 8.8 Savings that are identified after the close of the program year in which grants were payable and that have not been reallocated by the BGA, must be repaid to the Australian Government.

9. RECOGNITION OF AUSTRALIAN GOVERNMENT ASSISTANCE

- 9.1 BGAs and schools must adhere to the procedures for recognition of Australian Government assistance for non-government capital projects as outlined in the Administrative Guidelines at Section 156 (j). BGAs must ensure schools are aware of their obligations concerning recognition and must monitor their compliance.

10. AUSTRALIAN GOVERNMENT RIGHT TO REPAYMENT

- 10.1 For the purposes of this section 10:

“Approved Purpose” means the approved purpose for which Facilities must be used by a School (or a BGA Participant), as set out in the BGA Participant Agreement, which purpose must be in accordance with the Act, the Administrative Guidelines and the Administrative Arrangements.

“Designated Use Period” means the specified number of years from the date of:

- (a) the practical completion of the construction of buildings, where the Facilities are buildings; or
- (b) the purchase of equipment, where the Facilities are equipment (including computer equipment).

“Facilities” has the same meaning as the term in clause 34.1 of the Funding Agreement.

“Grant” means the amount or amounts of the financial assistance set out in the Schedule to the Funding Agreement payable for a program year in accordance with the Act, for projects under the CGP.

BGAs must advise the Department in writing as soon as they become aware of a BGA Participant having breached the BGA Participant Agreement, including any obligation to use the funds or facilities for an approved purpose, or the BGA Participant sells or otherwise disposes the Australian Government funded facilities (as outlined in 10.2 below). Note that disposal includes loss by accident, disaster or other means.

Background

- 10.2 Under clause 12.1 of the Funding Agreement, the Commonwealth retains for the number of years specified in these Administrative Arrangements (‘the Designated Use Period), a right to repayment of a Grant, where the Grant is provided for an amount greater than \$75 000 for the construction or purchase of Facilities and where the BGA Participant ceases to use the facilities funded with the grant for the Approved Purpose. Under clause 12.3 of the Funding Agreement, the BGA Participant Agreement must include a provision requiring the BGA Participant to repay to the BGA a portion of the grant in the circumstances set out in Section 12.1 and these Administrative Arrangements.

Calculated Portion of the Grant.

- 10.3 For the purposes of clause 12.2 of the Funding Agreement, the Calculated Portion of the Grant (i.e. the repayable amount) repayable to the Commonwealth is calculated as follows:
- (a) Where a BGA Participant Agreement was executed prior to the date of issue of the Administrative Guidelines for 2009:

The Designated Use Period is:

- (i) 20 years where the Facilities are buildings;
- (ii) 5 years for computer equipment; and
- (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; and
- (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.

- (b) Where the BGA Participant Agreement is executed on or after the date of issue of the Administrative Guidelines for 2009, the amount of funds repayable to the Commonwealth must be calculated in accordance with **Attachment 6**.
- 10.4 The BGA must keep documents, agreements and payment records for the period of possible recovery.
- 10.5 The BGA must ensure the BGA Participant Agreement requires the BGA Participant to repay to the BGA the Calculated Portion of the Grant in the circumstances set out in clause 12.1 of the Funding Agreement (and by reference, section 10.2 or **Attachment 6** of these Administrative Arrangements). See also **Attachment 1**, Section 3(xiv))
- 10.6 The BGA Participant Agreement must also contain a condition that the BGA Participant must repay the Grant to the Commonwealth where the BGA Participant has failed to meet other conditions upon which the grant was approved (**Attachment 1**, Section 3(xvii)).
- 10.7 Where the Minister requires that a grant (or part of a grant) be repaid, the BGA must take all reasonable steps, which it is expected will not generally include initiating legal proceedings in court, to recover grant monies from the grantee. The Australian Government will decide whether legal proceedings are to be initiated.
- 10.8 The BGA must notify the Department as soon as it receives the recovered money from a school and, if and when required, repay these monies to the Commonwealth. The BGA may, subject to the Minister's approval, retain the recovered funds and use them to contribute to other eligible projects.
- 10.9 Where the BGA is unable to recover the grant monies from a BGA Participant after taking all reasonable steps to recover such grant monies, or if otherwise requested by the Department, the BGA must assign its rights to be repaid the grant monies by the BGA Participant in the relevant circumstances, to the Commonwealth. The BGA is required, under clause 12.4 of the Funding Agreement to enter into a deed of assignment (**Annexure A to the Funding Agreement**) with the Commonwealth under which it agrees to assign its rights in this regard if requested by the Department.
- 10.10 Under clause 12.3(b) of the Funding Agreement, BGAs must ensure that all BGA Participant Agreements contain a clause (a pro-forma clause is in **Annexure B to the Funding Agreement**) requiring the BGA Participant to acknowledge and agree that the BGA may assign its rights under the BGA Participant Agreement to the Commonwealth to recover funds paid under the BGA Agreement.

11. FUNDING TO BGAs

Allocation

- 11.1 The process by which the Australian Government provides funds to BGAs is outlined in **Attachment 7**.
- 11.2 Allocations advised to BGAs do not include the Goods and Services Tax (GST), although final payments will include a component for GST.
- 11.3 BGAs must determine the extent to which they forward commit future years' funds, in a way that optimises the achievement of the CGP's objectives. This will be subject to notification by the Department on the availability of funding in future years. For example, where the proportion of applications from schools serving educationally disadvantaged students fluctuates from year to year, BGAs should bear in mind that heavy commitment of funds in years when there is a small proportion of such projects will reduce their ability to meet the needs of schools serving educationally disadvantaged students in future years, when the proportion of such schools is higher.
- 11.4 Forward commitments should be considered based on the following principles:
- genuine forward planning – funding for a future year where the project will commence in a future year
 - staging of payments in projects constructed over more than one year
 - staging of payments on large projects in small BGAs.

In general, forward commitments should not be used to supplement the current year's allocation.

Payments to BGAs

- 11.5 Payments are made in 11 instalments up to the amount of a BGA's commitment or allocation. The first payment will be made in January for administrative allowance only. The February payment is for projects and from March onwards, the payments will be for both projects and administrative allowance.
- 11.6 Payments to BGAs will be increased by the required amount for GST. A Recipient Created Tax Invoice will be attached to the payment advice letter showing the GST amount.
- 11.7 The Australian Government will not make payments to BGAs for those schools which are not approved to receive RGF in respect of locations or levels of education to which an approved project relates, unless the Minister (or delegate) has made an advance on account of an amount that is expected to become payable under the Act under section 163 of the Act.
- 11.8 If a BGA does not comply with any conditions under the Funding Agreement payments may be delayed in accordance with clause 3.2 of the Funding Agreement.

BGA Payments to Non-Government School Systems

- 11.9 non- The Minister for Education has approved guidelines for the approval and operation of government school systems under the *Schools Assistance Act 2008*. BGAs currently are, and will continue to be, the conduit for distribution of funds under the CCP. The only change is that BGAs are now required to direct funding in respect of systemic schools **to the system authority** rather than directly to individual schools.

12. ADMINISTRATION OF FUNDS

- 12.1 BGAs must keep financial records relating to the receipt and expenditure of Australian Government CGP 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 monies must be made through those accounts. The BGA must provide the Department, annually in the Financial Accountability Statement, with the details of all accounts operated by BGAs in which CGP funds are held. The BGA must advise the Department of any changes to these details as soon as they are made.
- 12.2 BGAs must deposit Australian Government funds, pending distribution to schools, with a financial institution such as a bank, building society or credit union operating in Australia. The BGA must ensure that funds are available at all times in order to meet all payment obligations as they fall due. Exemption from this requirement will only be given upon provision to the Australian Government 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 must be given by a body that has sufficient assets to meet the guarantee and that is acceptable to the Australian Government.

Administrative Expenses

- 12.3 The maximum amount of the funds provided to the BGA under the Funding Agreement the BGA can use for administrative expenses incurred by the BGA is specified in the Schedule to the Funding Agreement. Generally, the BGA can use up to 3 per cent of each BGA's funds allocated for its expenses in administering the CGP. If necessary, BGAs may claim a sum in excess of their allocation specified in the Schedule, provided that the BGA obtains the Department's prior written agreement. BGAs seeking an increase to their administration allowance must provide sufficient justification to the Department and requests will be considered on a case by case basis.
- 12.4 BGAs that spend less than their allocation on administrative expenses may use the difference for approved projects. BGAs can only do this during the program year in which the funds are provided.
- 12.5 If a BGA anticipates savings from the administrative allowance close to the end of a program year, the BGA must reduce the amount of the administrative allowance by the amount of anticipated savings and allocate the funds to projects before the December payment is made. Savings identified after the close of the program year may be required to be returned to the Australian Government under clause 5.4 of the Funding Agreement.

Use of Interest and Recovered Funds

- 12.6 Under clause 4.9 of the Funding Agreement, BGAs must use any interest earned on CGP funds as if the interest were part of the funds provided by the Commonwealth. This means that any interest must be used for eligible capital projects or for supplementing administrative expenditure.

- 12.7 BGAs must use recovered funds for eligible capital projects only. Recovered funds cannot be used for administrative purposes and should be allocated to projects in the year in which they are received.
- 12.8 BGAs must send to the Department for approval all projects fully or partially funded by interest or recovered funds. These projects must also be reported in the accountability statement for the relevant program year.

13. ACCOUNTABILITY

Financial Accountability

- 13.1 By 30 June each year, or later date if agreed by the Department, BGAs must submit a Financial Accountability Statement and other required documentation to the Department in respect of funds received and expended in the previous year (the accountability year), details are at **Attachment 8**. BGAs should keep financial documents and records to enable:
- (a) the preparation of financial statements in accordance with Australian Accounting Standards; and
 - (b) the audit of those records and documents in accordance with Australian Auditing Standards and generally accepted audit practices.
- 13.2 The certificate required under clause 9.1 of the Funding Agreement must be signed by a qualified accountant² who is independent of the BGA operations. This certificate must state whether the BGA has used the funds provided by the Commonwealth for that program year for the purposes for which the funds are provided. Certification must also be given to the total final expenditure of each project physically and financially completed during the accountability year. A project can be acquitted upon receipt of the Certificate of Completion from an Architect and the Accountant's Certificate. Any adjustments to final project costs for defects can be advised to the Department later.
- 13.3 BGAs must also provide the details of all accounts operated by BGAs in which CGP funds are held.
- 13.4 The accountability documentation provided by schools must contain the detailed description of the project as reflected in the grant offer and agreement, including all approved project redefinitions.
- 13.5 In addition, BGAs must provide annual performance information to the Department and to schools. Details are at **Attachment 9**.
- 13.6 BGAs must conduct a post occupancy inspection of a completed project in order to check that the project meets the needs of the school and as additional confirmation that the project has been completed as approved.

² A 'qualified accountant' is defined under subsection 23(2) and is a person who:

- is registered, or is taken to be registered, as a company auditor under the Corporations Act 2001; or
- a qualified accountant within the meaning of the *Corporations Act 2001*; or
- is approved by the Minister under subsection 23(3) as a qualified accountant for the purposes of the *Act*

Educational Accountability

- 13.7 BGAs must contribute to educational accountability by providing information, as required, to the appropriate education authority or association, for inclusion in national reports on the outcomes of schooling.

Audit of BGA Administration

- 13.8 From time to time, the Department may undertake audits of the financial and administrative procedures of BGAs. The audit 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 the Administrative Arrangements and Administrative Guidelines in general;
 - (b) determination of project eligibility;
 - (c) ranking of eligible projects; and
 - (d) the administrative procedures and processes of the BGA.

NOTE that in providing any data or any other information to the Department pursuant to any requirement of these Arrangements or the Act, giving false or misleading information is a serious offence under the *Criminal Code*.

Records and Information Provision

- 13.9 All records must be full and accurate and be in a form that will permit comprehensive information to be provided to the Australian Government, if required.
- 13.10 BGAs must allow, in response to a request for information by the Auditor General, a member of the Legal, Investigations and Procurement Group or the Capital Grants Section of the Department, and any other person authorised in writing by the Minister, to do either or both of the following:
- 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 information the BGA is required under the Funding Agreement to give to the minister;
 - Take extracts from, or make copies of, the material referred to above.

If a BGA has not provided the Department with all information requested in accordance with clause 7.4 of the Funding Agreement, the Department may not provide project approvals and further payments to the BGA for its administrative expenses may be suspended until the information is provided.

- 13.11 Records of all applications, assessments, tendering, payment and accountability processes must be maintained by the BGA Participant (and made available to BGAs for scrutiny) for at least **six 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.

- 13.12 Documents relevant to the exercise of a right to repayment must be retained for the period of possible recovery (e.g. agreements, payment records and accountability certificates for grants that are subject to the Australian Government's right to repayment for **20 years** must be kept for that period).
- 13.13 In order to mitigate risks presented by poor records management practices a checklist for minimum record keeping requirements for BGAs is included at Attachment 12.

14. OTHER REQUIREMENTS

- 14.1 BGAs must have in place appropriate procedures to ensure that schools are aware of, and meet, their obligations and conditions of funding.
- 14.2 BGAs must have a system to monitor the progress of approved projects and report to the Department any circumstances of schools breaching conditions of grants.
- 14.3 Processes and procedures adopted by a BGA must be documented and be available to its participating schools and to the Australian Government as a procedural manual. These procedures must be maintained up to date in line with Australian Government policy and administrative requirements.
- 14.4 BGAs must carefully scrutinise any proposal from a school which involves making incentive payments to any person in order to reward that person for completion of the project under budget or ahead of time. The BGA should be particularly conscious of the need to avoid any perception that such a payment does not reflect value for money or could be viewed by an impartial observer as in any way improper.
- 14.5 Procedural Accountability return: BGAs are required to submit a Procedural Accountability Return (refer **Attachment 10**) by 30 June each year to attest that they have met their obligations under these Administrative Arrangements with respect to their agreements with participating schools and their management of internal procedural documentation.

14.6 Better Practices Manual

Attachment 12 outlines information that would be expected to be in a Better Practice Procedures Manual. BGAs should review their procedures manual annually to ensure it reflects Better Practice.

15. THE PRIVACY ACT 1988

15.1 The Privacy Act 1988

- i. The Department is bound in administering its Programs by the provisions of the Privacy Act 1988 (Privacy Act). Section 14 of the Privacy Act contains the Information Privacy Principles (IPPs) which prescribe the rules for handling personal information by the department.
- ii. As required by the funding agreements between the Commonwealth and the BGAs, BGAs must comply with the Information Privacy Principles when dealing with personal information as if the BGA were an agency for the purposes of the Privacy Act 2008.

15.2 Privacy Complaints and Advice

Complaints about breaches of privacy are to be referred to the Privacy Contact Officer in the Department's National Office at the following address:

Privacy Contact Officer
 Administrative Law Branch
 Legal, Investigations and Procurement Group
 DEEWR – Loc C148CW2
 GPO Box 9880
 CANBERRA ACT 2601

Privacy complaints can be made directly to the Federal Privacy Commissioner. However, the Federal Privacy Commissioner prefers that the Department be given an opportunity to deal with the complaint in the first instance.

15.3 Freedom of information (FOI)

- i. All documents in the possession of the Department with regard to its Programs are subject to the Freedom of Information Act 1982 ("FOI Act"). Decisions regarding requests for access will be made by the authorised FOI decision maker in accordance with the requirements of the FOI Act.
- ii. The FOI Act creates a general right of access to documents in the possession of the Department and this right of access is limited only by the exceptions and exemptions necessary for the protection of essential public interests, and the privacy and business affairs of persons in respect of whom the information relates.
- iii. To the extent required by the FOI Act, where documents captured by a request contain personal information or relate to the business, commercial or financial affairs of third parties, the Department will consult with individuals affected prior to making any decision on access to such documents.
- iv. All FOI requests are to be referred to the Administrative Law Branch in the Department's National Office at the following address:

FOI Coordinator
 Legal, Investigations and Procurement Group
 DEEWR – Loc C148CW2-FOI
 GPO Box 9880
 CANBERRA ACT 2601

Email: foi@deewr.gov.au
- v. These obligations will be set out in detail in agreements with successful applicants.

ATTACHMENT 1**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 participating 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 participate in a BGA, a school must enter into a written agreement with the BGA which, amongst other conditions, must 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 Australian Government; and
 - (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; The agreement must require a school to notify the Department at least twelve months in advance of its intention to withdraw from a BGA or to join another BGA.

2. BGA PARTICIPANTS WISHING TO APPLY FOR GRANTS

The BGA Participant Agreement must contain the following conditions, requiring the BGA Participant to:

- (i) provide financial, enrolment and other relevant data to the BGA; allow the Australian Government 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 Australian Government any information provided to the BGA by the school;
- (ii) permit access to the school and provide assistance at least equivalent to that required under Section 13.10 of the Administrative Arrangements; and
- (iii) if recommended by the BGA for a grant, not accept tenders, nor enter into commitments, until the BGA has advised the applicant that the Australian Government has approved the grant.

3. *BGA PARTICIPANTS WISHING TO ACCEPT AN OFFER OF A GRANT*

BGA Participant Agreement Conditions

A BGA Participant wishing to accept an offer of a grant must enter into a written agreement ('BGA Participant Agreement') with the BGA, which, amongst other conditions, must bind the BGA Participant to:

- (i) keep records of events, changes to situations or other details which may affect the BGA Participant's performance of its obligations;
- (ii) seek the BGA's approval prior to any redefinitions to the approved project or alterations in the scope of works;
- (iii) contribute at least the amount specified in the grant offer;
- (iv) apply the funds provided by the Australian Government (via the BGA) for the approved project only for the purpose of meeting expenditure on that project;
- (v) 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;
- (vi) use and document tendering procedures that encapsulate the principle of 'public invitation' and that are based on sound building industry practice;
- (vii) comply with, and include in contracts with contractors for the performance of any construction or building activity, the requirements contained in the National Code of Practice for the Construction Industry and the Commonwealth Implementation Guidelines as set out in paragraphs 6.1 and 6.2;
- (viii) where the Australian Government identifies a project as being in an area likely to provide employment or training opportunities for Indigenous Australians, implement the Australian Government's policy of seeking to reduce the disproportionately high unemployment rates among these people by requiring contractors to offer employment and training opportunities for them (see **Attachment 4**);
- (ix) where a project is undertaken specifically for an Indigenous Australian community, implement the Australian Government's policy of involving members of that community in the process of evaluating offers (see **Attachment 4**);
- (x) enter into a legally binding commitment with successful contractors to proceed with the project before the end of the program 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 or the BGA has varied the year of funding and advised the Department;

- (xi) comply with requirements for recognition of Australian Government funding as specified in the Administrative Guidelines applying at the time of the grant;
- (xii) provide accountability information to the BGA within a specified period after the completion of a project;
- (xiii) use the facilities for the purpose of providing school level educational services for the locations, levels of education and students that have been approved or have good prospects of receiving approval for RGF at the grantee school or such other purpose as is approved by the Australian Government;
- (xiv) in the case of projects with grants greater than \$75,000:
 - (a) notify the BGA if the BGA Participant ceases to use the Facilities principally for the Approved Purpose or sells or otherwise disposes of the facilities within the Designated Period specified in the table at **Attachment 6**;
 - (b) in accordance with clause 12.3a of the Funding Agreement, to repay to the BGA or to the Commonwealth, the Calculated Portion of the Grant, calculated in accordance with **Attachment 6** and in the circumstances where the:
 - Facilities ceased to be used principally for the Approved Purpose; or
 - Facilities are sold or otherwise disposed of.
- (xv) comply with any additional conditions specifically imposed by the Minister in relation to the approved grant;
- (xvi) accept that if the BGA is not complying with any agreement between it and the Commonwealth made under the Act (e.g. by not providing required information), the BGA may delay a payment to the BGA Participant until the BGA fulfils the condition;
- (xvii) repay to the BGA as much of the amount as the Australian Government requires if the BGA or the BGA Participant, has failed to comply with a condition on which the grant was made;
- (xviii) 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 twelve months' notice required of BGA Participants (see section 1(b)(ii) above) must be given before such finalisation;
- (xix) ensure that, if transferring to another BGA, the BGA to which it is transferring accepts responsibility for protecting the Australian Government's right to repayment in any project funded while the school was a participant of the other BGA. A BGA must advise the Australian Government that it has agreed to accept such a responsibility;

- (xx) 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 account must be established especially for the purposes of the Agreement. The BGA Participant must identify the receipt and expenditure of those monies in separate accounts within the BGA Participant's accounting records;
- (xxi) keep financial documents and records relating to the Project so as to enable:
 - (a) all income and expenditure related to the Project to be identified in the accounts of the BGA Participant;
 - (b) the preparation of financial statements in accordance with Australian Accounting Standards; and
 - (c) the audit of those records and documents in accordance with Australian Auditing Standards and generally accepted audit practices;
- (xxii) agree to identify any perceived or actual conflict of interest to the BGA at the stage when it first occurs. The BGA Participant, 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;
- (xxiii) hold adequate insurance cover over its existing buildings and facilities and provide evidence to the BGA upon request of this insurance cover;
- (xxiv) specifically identify to the BGA any provision under any subcontract the BGA Participant has entered into, or proposes to enter into in relation to the project which requires the BGA Participant 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;
- (xxv) In accordance with clause 12.3b of the Funding Agreement, repay to the BGA or to the Commonwealth as much of the Grant as the Commonwealth determines must be repaid, if the BGA Participant has failed to comply with a condition on which the Grant was made; and
- (xxvi) In accordance with clause 12.3c of the Funding Agreement, acknowledge and agree that the BGA may assign some or all of the BGA's rights under the BGA's Funding Agreement (including the BGA's rights to recover all or a portion of the Grant from the BGA Participant) to the Commonwealth [Note: BGAs must include the pro-forma clause set out in **Annexure B to the Funding Agreement**]

NOTE that when entering into a written agreement with schools, BGAs must notify schools that in providing any data or any other information required to be given pursuant to the agreement, these Arrangements or the Act, giving false or misleading information is a serious offence under the *Criminal Code*.

ATTACHMENT 2**BETTER PRACTICE SCHOOL VISIT REPORT**

Below are suggestions for a set of common group headings that BGAs will need to incorporate into their school visits reports (allowing for variations across sectors). The sub-headings will vary considerably and samples are included below. It is acknowledged that some BGAs have inspection schedules/checklists/score sheets to assist them during their visits. These tools should be included as appendices to the school visits report template.

GROUP HEADINGS – to be common across BGAs**1. DATE OF VISIT AND DETAILS OF VISITING TEAM****2. SCHOOL DETAILS****3. SUMMARY OF GRANT REQUESTED****4. ELIGIBILITY****5. CATCHMENT AREA****6. EXISTING FACILITIES****Sub-Headings – to be included/altered at the discretion of each BGA**

Name of school

Location

Affiliation

Principal

Others present at the time of the visit

School management structure

Estimated cost

Grant sought

Local contribution

Grant % of total cost

Is school existing or potential BGA member?

Is school financially solvent?

Has school demonstrated financial need for the grant?

Will project contribute to the objectives of the Program?

If required, is proposal consistent with the provision of the *Australian Heritage Council Act 2003*?Is the project consistent with the *Disability Discrimination Act 1992* as reflected in the Building Code of Australia (maintained by the Australian Building Code Board and available at <http://www.aib.org.au/buildingcodes/bca.htm>) applying at the time?

For building or refurbishment, does school have at least a 20 year lease on the property, or other legal right to occupy the property for at least 20 years?

Main drawing areas for enrolments

Minor drawing areas for enrolments

Transport arrangements

Site plan available

Comment on the extent that the existing spaces satisfy

curriculum needs, accommodation needs and quality

- for general use
- for special use
- demountable spaces

Travel

Multi-purpose spaces

Current construction

Comments on site

Separate campuses

Owned – leased – leasing conditions

7. REASON FOR APPLICATION

Comment can include the relationship between curriculum needs and the facilities requested, the extent the application meets enrolment demand, staging considerations and timing issues if relevant.

Additionally,

1. Educational need (for example, area per student);
2. Financial need
3. Socio Economic Status (SES)

8. PROPOSED PROJECT

Overall Plan

Staging

Demolition

Site difficulties

Special design features

Quality of finish

Variations from normal size standards

Extent of travel

Unit costs employed by the school

Comments on Other Costs (content and amount)

School's priorities for the elements of the project

9. GOVERNMENT EQUITY

The state and Australian Government retain equity of grant funds provided for schools for a period of up to 20 years. The equity diminishes in accordance with the guidelines.

If there is any demolition, disposal or refurbishment works proposed which have received Australian Government funding in the past the school will need to substantiate the basis for the request for subsequent funding and can be requested to return the proportional grant amount.

Can confirmation be provided that this proposal will not affect projects funded within the previous 20 years?

10. STRATEGIC PLANNING

Does the school have a strategic plan that demonstrates the school's consideration of all aspects of its development?

How was the plan developed?

Does the strategic plan align with the school authorities' direction and planning?

Has the community been consulted?

Has the school considered increased or decreased enrolment implications?

Has the school developed an educational brief?

Is this proposal in keeping with the strategic direction of the school?

11. MASTER PLANNING

Based on the direction of the strategic plan, the school should have a developed master plan. A master plan is a 'living' document and therefore can and should change as the school develops and educational directions are reviewed and implemented.

Has the master plan been developed based on the direction of the strategic plan?

Has consideration been given to the inter-relationship of facilities, e.g. library, administration, general learning areas and specialist spaces?

Has consideration been given to safety and security of students, staff and visitors to the school?

Has the school considered the entry and exit points to the school?

12. MAINTENANCE PLAN

Does the school (or system on its behalf) have a maintenance policy and objectives from which a maintenance plan arises?

Has the school (or the system on its behalf) initiated a written maintenance plan?

Is there some indication of the implementation of the maintenance plan?

Comment on the adequacy of the school's maintenance plan

If not adequate, please list the necessary changes considered necessary so that the maintenance plan complies with BGA minimum requirements.

13. ENROLMENT INFORMATION

Type of enrolment

Range of enrolments

Any extensions of enrolment

Streaming policy

Class size policy

Full-fee paying students

Stability/consistency in projected enrolments

Trends over past five years

Projected enrolments

Evidence in support of projected enrolment figures

**14. PRIORITY,
ELEMENTISATION – MINIMUM
VIABLE PROJECT (MVP)
INFORMATION**

Comment on the stable enrolment figure
 Waiting list available
 Students with disabilities
 Other area considerations
 Effect of projections on application – (comment particularly where a reduced project affects the MVP)
 Provide a table with the total area and cost for each functional space/element
OTHER COST ITEMS:
 Professional fees
 Local Authority Charges
 External Infrastructure Costs
 Loose Furniture Costs
 Equipment Costs
 Fire Service Costs
 Library Equipment Costs
 Special Service Costs
 Site Development Costs
 Site Acquisition/Property Purchase Costs
 Contingency Allowance
 Sub-total OTHER COST ITEMS
**TOTAL WITH PROVISION FOR ESCALATION
 DURING CONSTRUCTION \$**

**15. POINTS FOR DISCUSSION –
provided to assist discussions**

What other alternatives have been or could be considered?
 Have they considered the following:
 Staging
 Pedestrian traffic flow
 Airflow in and around buildings
 Underground services
 Noise levels
 Use of demountables (in case population increase is not sustained)
 Supervision and security
 Energy consumption
 Integration of technology in proposed works
 Computer and communication cabling
 Light levels (internal)
 Reflected and radiated heat (changed roof lines)
 Access for disabled
 Future extension
 Multi-purpose/flexible usage

How to soften the environment

Building orientation

Prevailing winds and direction of rain

Safety

Access for emergency vehicles

Contributed services by local community

Government equity arrangements

What will the school do if this application is eligible but is unsuccessful due to insufficient priority?

What will they do if this application is rejected due to insufficient/financial and/or education need?

Please append any working templates such as inspection schedules/checklists/score sheets

16. APPENDICES

ATTACHMENT 3**ANNUAL SCHEDULE**

1. BGAs must submit Annual Schedules through the CGDEP internet site by 30 September each year, unless a later date or other arrangement has been approved by the Department.

Preparation for the Annual Schedule

2. Before Annual Schedules are entered into CGDEP, the BGA must make the following preparations:
 - Ensure that BGA Participant records as shown on CGDEP are up to date. This is done by printing the Education Levels Report. If a school does not appear on the report, it means that the school is not yet a participant of the BGA according to Departmental records. If this is the case, please contact Capital Grants Section to confirm the BGA membership of the school.
 - For new schools/campuses which have not yet obtained a DEEWR number, provide the following information to the Department and request a DEEWR number AND also confirm their BGA membership with the Department:
 - Name of school/campus
 - Address
 - Telephone
 - Principal/Contact person
 - Level of education
 - Proposed commencement date
 - Electorate.
 - For new schools that are not yet on the list of schools approved to receive RGF, provide to the Department the documents listed at Section 2.1 of these Arrangements.

Entering projects in CGDEP

3. BGAs should refer to the User Manual on CGDEP for procedures and pay particular attention to the following:
 - *School Name* – It is suggested that the school name be entered by a search using the Select School button. The address of the school will automatically be populated in the address field. This will eliminate system warnings through typing errors.
 - *Project location* - If the project location is different from the approved location, provide a comment in the Comments field (e.g. re-location) and also enter the new location address in that field.
 - *Disadvantage level* – It is the actual disadvantage score of the school and not the grouped or banded score or the rank order of applications.

- *Commencement and completion dates* – as far as possible, the first year of funding should be the year that projects commence and the final year of funding should be the year that projects complete.
 - *Education Level* - This is the level relating to the project, not the level of education which the school provides.
 - *Project Description* - This should only be a summary, not a detailed description, of the project. It should be typed in upper and lower case (e.g. Construction of two classrooms and a library).
4. For rejected projects, if there is more than one reason for the rejection, please enter the other reasons in the Comments field. A list of rejection codes is attached.
 5. BGAs can print the commitment ledgers, the Schedule Report and the Schedule Summary from CGDEP for their records.
 6. Before the Annual Schedule is submitted, all errors and warnings should be checked and addressed.

Submission of the Annual Schedule

7. BGAs must certify all Annual Schedules before they are submitted to the Department using the text set out in paragraph 8 below. There is an audit record of each submission. The person who submits the Annual Schedule on behalf of the BGA should be the person authorised by the BGA to certify the Annual Schedule. The BGA must ensure that this authorisation is in writing and kept by the BGA for audit purposes.

8. The certification is as follows:

“I certify that I am authorised to submit this Annual Schedule, which is complete and correct.

The projects recommended on the Annual Schedule meet the eligibility and priority criteria specified by the Australian Government, they either have State or Territory recognition for locations, levels of education and students relevant to the projects or there is evidence that they have good prospects of obtaining such recognition.

The recommended grants do not exceed available funds.

None of the recommended projects could significantly affect the national estate value of a place in the Register of the National Estate.

Due consideration has been given to refurbishment/upgrading of infrastructure for existing students while provision has been made for needs arising from new demographic and enrolment trends.”

AUSTRALIAN GOVERNMENT CAPITAL GRANTS PROGRAM

Codes for reasons for application being unsuccessful

Ineligibility

Not a BGA Participant	NBP
Not good prospects of receiving State/Territory recognition	NSR
No Financial Need for this project	NFN
Doubts about viability when assessed	NV
No Contribution to Program Objectives	NCP
No Contribution to Element Objectives	NCE
Exceeds Area Standards	EAS
Exceeds Cost Standards	ECS
Not Consistent with Sound, School/System, Educational Planning	NSP
Adversely Affects National Estate Value	ANE
Other	EO

Ranking

Not Sufficiently Educationally Disadvantaged	NED
Comparable Educational Disadvantage, But Not Sufficiently Disadvantaged on Area	NDA
Comparable Educational Disadvantage, But Not Sufficiently Disadvantaged on Program Objectives	NDO
Comparable Educational Disadvantage, But Not Sufficiently Disadvantaged on Facilities Condition	NDF
Less Educationally Disadvantaged Than Other Eligible Projects	LED
Inadequate Provision for Upkeep of Facilities	IPF
Other	RO

Other

Application Withdrawn	W
Deferred for Consideration Before Next Round	DFR
Will Receive Aboriginal Education Program Funding for this Project	AEP
Will Receive Special Education (Children With Disabilities) Funding for this Project	CWD
Will Receive State Capital Funding for this project	SCF
Other	OTH

ATTACHMENT 4**CONDITIONS RELATING TO THE EMPLOYMENT AND TRAINING OF INDIGENOUS AUSTRALIANS AND THE INVOLVEMENT OF THEIR COMMUNITIES IN TENDER EVALUATION**

1. In response to the recommendations of the Royal Commission into Aboriginal Deaths in Custody, the Australian Government has adopted two policies.

Employment And Training Opportunities

2. The first policy is to use opportunities created by the procurement of goods and services with Australian Government funds to reduce the disproportionately high unemployment rate among Indigenous Australians (some two and one half times that of the Australian population as a whole).
3. Therefore, where the Department believes that a project is likely to provide employment and training opportunities for Indigenous Australians (hereafter called employment and training opportunities), BGAs must include in their agreements with schools clauses binding the school to use best endeavours to implement the Australian Government's policy on this matter. The Australian Government's suggested wording for such clauses is as follows:

"The school agrees to use its best endeavours to assist the Australian Government's objective of providing employment and training opportunities for Indigenous Australians and will:

- a) if contacted by DEEWR and/or other relevant agencies in this regard, provide reasonable assistance including provision of relevant project details and contact details about relevant tenderers; and
- b) advise tenderers that they may be contacted by DEEWR or other relevant agencies in relation to employment and training opportunities."

Involvement of Communities in Tender Evaluation

4. The second policy is to increase the participation of members of Indigenous Australian communities in the award of contracts for construction and associated works that are undertaken specifically for those communities. In this context the term 'Indigenous Australian community' signifies a group of Aborigines and/or Torres Strait Islanders who live in a distinct geographical location and interact on a day to day basis as a social group.
5. Where a project is to be undertaken by, or on behalf of, an Indigenous Australian community for its specific use, the school must, wherever practicable, invite members of that community to participate in the evaluation of offers. The Australian Government's suggested wording for inclusion in the agreement between a BGA and a school is:

"The school agrees to, wherever practicable, invite members of the Indigenous Australian community to participate in the process of evaluating offers. (Information on how to contact community members may be obtained from Aboriginal and Torres Strait Islander Commission Regional Managers.)"

6. Conflict of interests must be avoided if members of local communities are bidding for a contract. Where there is a conflict of interests for community members participating in the evaluation of a bid, they must disclose the interest and may be required to divest themselves of the interest or to withdraw from the selection process.

ATTACHMENT 5

RECOMMENDED FORMAT FOR VARIATIONS

Variation of a capital project

(Determination identification number)

I, [NAME], a person authorised by the [NAME OF BGA], approve variations to the following project:

[NAME OF SCHOOL]
[DEEWR PROJECT REFERENCE]

FROM:

[PROJECT DESCRIPTION]
Project Cost: \$[amount]
Contribution: \$[amount]
Total Grant: \$[amount]

Program Year: [year] \$[amount]
Program Year: [year] \$[amount]

TO:

[PROJECT DESCRIPTION]
Project Cost: \$[amount]
Contribution: \$[amount]
Total Grant: \$[amount]

Program Year: [year] \$[amount]
Program Year: [year] \$[amount]

Signed:
 [NAME]

Dated:

ATTACHMENT 6

AUSTRALIAN GOVERNMENT RIGHT TO REPAYMENT

REPAYMENT PERIODS AND RECOVERABLE AMOUNTS

(Applicable where a BGA Participant Agreement is executed on or after the date of issue of the Administrative Guidelines for 2009)

For the purposes of clause 12.1 of the Funding Agreement, where the BGA Participant Agreement is executed on or after the date of issue of the Administrative Guidelines for 2009, the Calculated Portion of the Grant (i.e. the amount repayable to the Commonwealth) will be calculated in accordance with the following table*:

Total Grant Amount	Designated Use Period	Recoverable Portion	Example
\$75,001 to \$500,000	2 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 2 yrs plus 7.5 yrs (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.
\$500,001 to \$1.5M	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 yrs plus 5 yrs (total 15 yrs). Full amount recoverable up to 7.5 yrs then would reduce by 13.33% of the total amount each year to the end of 15 yrs.
Over \$1.5M	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 yrs. Full amount recoverable for 10 yrs and then would reduce by 10% of the total amount each yr to the end of the 20 yrs.

- Note: Under clause 12.1 of the Funding Agreement, the Calculated Portion of the Grant will become repayable where, at any time during the Designated Use Period, the Facilities cease to be used principally for the Approved Purpose, or the Facilities are sold or otherwise disposed of.

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 is 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.

ATTACHMENT 7

CALCULATION OF ALLOCATIONS

1. The total amount of funds to be made available for each year under the CGP is appropriated under the Act. Any supplementation to allocations for building price movements will normally be made in the later part of the program year.
2. BGAs' allocations are calculated in two stages: firstly the administrative allowance and secondly project funds.
3. The following flow chart stipulates the formulas used in calculating the various stages.
- 4.

**Calculate
Administrative 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 RGF payments to schools in each BGA (60%) plus proportion of enrolments of each BGA (40%) in that State/Territory. **(Stage 1b)**

Calculate administrative allowance for each BGA based on 3% of funds to be allocated under this formula or equivalent of \$112,590 (in final 2009 prices), whichever is the larger. **(Stage 1c)**

**Calculate
Project Funds
(Stage 2)**

Subtract total administrative 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 RGF payments to schools in each BGA (60%) plus proportion of enrolments of each BGA (40%) in that State/Territory. **(Stage 2c)**

For the first Schedule year calculated, add each BGA's administrative allowance to its project allocation to obtain total BGA allocations. **(Stage 2d)**

ATTACHMENT 8**FINANCIAL ACCOUNTABILITY STATEMENT AND CHECKLIST**

1. By 30 June each year, BGAs must provide to the Department a financial accountability statement relating to activities undertaken in the previous calendar year (the accountability year). A checklist is provided for you. The statement **must** consist of:
 - (a) a certificate by a Qualified Accountant stating whether an amount equal to the amount of the Grant paid to the BGA by the Commonwealth for that Program Year has been spent (or committed to be spent) for that Program Year and for the purposes for which it was granted;
 - (b) an audited statement of income and expenditure in relation to all Capital Grants Program grants received from the Australian Government in the accountability year and total expenditure by the BGA. The qualified accountant, who must be independent of the BGA, must certify as to the fairness and accuracy of this statement and show any qualifications to this certification;
 - (c) a certified schedule of the final expenditure on each Australian Government supported project completed during the accountability year, based on certificates supplied by schools, each such certificate having been duly prepared and signed by an independent qualified accountant;
 - (d) confirmation by the BGA that for each completed project the school has provided a declaration by the project supervisor or architect that the project is completed in accordance with the approved description; and
 - (e) details of all accounts operated by the BGA in which CGP funds are held.

2. The BGA must ensure that the audited statement of income and expenditure contains the following information on receipts and expenditure:

Opening balance (undisbursed funds from previous year) – must agree with previous year's closing balance.

Receipts

- (a) the total amount (including supplementation) received by the BGA from the Australian Government for the accountability year;
- (b) GST amount;
- (c) interest earnings;
- (d) refunds received from schools in the event of an overpayment or underspend;
- (e) funds recovered from schools during the year (e.g. school closures), if any;

Expenditure

- (f) administrative expenditure - the amount must be broken down into major categories such as salaries, travel, computing, postage, printing/copying, consultancies, fees and office requisites. Funds approved for a BGA's administrative allowance must be used for these expenses and no other funds, unless the Department has approved the BGA in writing to transfer unused funds to projects;
- (g) project payments - the total amount of grants paid for approved projects from Australian Government grant (including payments from previous program year's funds);
- (h) project payments – the total amount paid for approved projects from interest money;
- (i) project payments – the total amount paid for approved projects from recovered money, if appropriate.

BGAs must also list the total payment to each project on a pro-forma, identifying whether the payment is made from Australian Government funds, interest earned on funds, or from recovered funds.

Closing balance as at 31 December (undisbursed project funds must be reconciled with total funds yet to be paid to approved projects).

Check list for Financial Accountability.

Certificate by a qualified Accountant		
	Accountant's name and address provided	Yes/No
	Accountant's qualifications and registration number provided	Yes/No
	Signed and dated	Yes/No
	Original Certificate by a Qualified Accountant sent to DEEWR	Yes/No
Audited Statement of Receipts and Expenditure – Attachment 1		
	(a) Receipts – <ul style="list-style-type: none"> • Opening balance agrees with previous year closing balance for projects, admin and interest funds • If recovered funds received during the year, has a description been provided 	Yes/No Yes/No
	(b) Expenditure – <ul style="list-style-type: none"> • Total payment to schools from project and interest funds agrees with total payments on the proforma listing of payments to schools 	Yes/No
	(c) Administrative Allowance – <ul style="list-style-type: none"> • Provided an itemised list of expenditure • Total correct • If interest is used to subsidise administrative expenditure, enter the amount under Interest column 	Yes/No Yes/No Yes/No
	(d) Balance – <ul style="list-style-type: none"> • The balance of undisbursed funds must equal to the total amount of funds yet to be paid (to be checked against Attachment 2) for funds prior to and including the current year 	Yes/No
	(e) Has the Statement been signed and dated by the BGA auditor/accountant	Yes/No
	(f) Original Statement of Receipts and Expenditure sent to DEEWR	Yes/No

Proforma listing of payments		
	<ul style="list-style-type: none"> • Has the DEEWR project reference been provided for each project • Have the projects been grouped by Schedule Year • Only payments made between 1 January to 	Yes/No Yes/No Yes/No

	<p>31 December are included</p> <ul style="list-style-type: none"> Signed and dated by the BGA auditor/accountant 	Yes/No
Reconciliation of Undisbursed Project Funds – Attachment 2		
	<ul style="list-style-type: none"> Has the DEEWR project reference been provided for each project Have the projects been grouped by Schedule Year Does the total agree with the Balance on the Statement of Receipts and Expenditure 	<p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p>
Schedule of Completed projects – Attachment 3		
	<ul style="list-style-type: none"> Has the DEEWR project reference been provided for each project Only include projects that were physically and financially completed (i.e. projects that have been fully paid by 31 December of the previous year and accountability documentation received by the BGA, even if the documentation is received in the current year) Total grants and final costs are GST exclusive Signed and dated by the BGA auditor/accountant Has the BGA declaration been signed and dated Original Schedule of Completed projects sent to DEEWR 	<p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p>
Unacquitted projects – Attachment 4		
	<ul style="list-style-type: none"> If any of the listed projects cannot be acquitted, has an explanation been provided 	Yes/No
Details of bank accounts – Attachment 5		
	<ul style="list-style-type: none"> Have the details of bank accounts for CG Projects been included in the documentation to be sent to DEEWR 	Yes/No
Deadline of 30 June 2009		
	<ul style="list-style-type: none"> Can the documentation be received by DEEWR by the due date If not, has approval for an extension been sought from DEEWR prior to the due date 	<p>Yes/No</p> <p>Yes/No</p>

ATTACHMENT 9

PERFORMANCE INFORMATION

1. The purpose of providing the following performance information is to enable the Government and school communities to judge the extent to which grants are being awarded in accordance with the Government's objectives for the CGP. The objectives for the CGP are reflected through the eligibility and ranking criteria. The information also indicates the extent to which the CGP's objectives are being achieved.
2. BGAs uncertain as to what specifically is meant by the following performance information requirements should be guided in their interpretation by this purpose. They should also feel free to discuss the matter with the Department.
3. Each BGA must provide performance information to the Department and applicant schools (i.e. those BGA Participants who have applied for a capital grant within the previous three years) by 30 June each year for grants approved and unfunded in the previous calendar year, along with the most recent Annual Schedule of grant approvals. The information is in regard to applicant schools only.
4. BGAs will be required, from 2010, to provide performance information to show the extent to which the CGP is contributing to the recommendations of the Royal Commission into Aboriginal Deaths in Custody.
5. The tables in this attachment are provided for guidance. BGAs are encouraged to provide the performance information to schools in ways that maximise its clarity and usefulness in achieving its purpose, while maintaining the anonymity of individual schools where they desire this. BGAs can add any text, footnotes or other explanatory material that they believe would help schools to understand the information.

Objective 1

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

A. VALUE AND NUMBER OF GRANTS/PROJECTS FUNDED AND UNFUNDED

Purpose: To provide general, contextual information on the program.

1. The total value and number of grants approved.
2. The total cost of the projects funded.
3. The total value and number of grants sought for eligible but unfunded projects.
4. The total cost of eligible unfunded projects.
5. The total number and value of grants sought for ineligible projects.
6. The total cost of projects ineligible for funding.

B. DISTRIBUTION OF GRANTS BY DEGREE OF EDUCATIONAL DISADVANTAGE

Purpose: To show that grants are distributed on the basis of educational disadvantage (i.e. in accordance with ranking criteria).

1. The total value of grants for each range or suitable division of disadvantage.
2. The above figures expressed as a percentage of the total value of grants approved in the Annual Schedule.
3. The total value of grants sought for eligible, but unfunded, projects for each range of disadvantage.
4. The above figures expressed as a percentage of the total value of grants sought for eligible unfunded projects in the Annual Schedule.
5. Data sets 1 and 3 above, but in terms of the number of grants and unfunded projects, instead of the value of grants and unfunded projects.
6. Where a BGA uses socio-economic disadvantage for ranking purposes as an indicator of educational disadvantage, then that term may be used to describe the data.
7. See attached sample Table A for an illustration of how the data could be presented.
8. To be provided to the Department only and in confidence, at the same time as the above information, the school educational disadvantage scores from which the above information is compiled.

Objective 2

Ensure attention to the refurbishment/upgrading of capital infrastructure for existing students, while making provision for needs arising from new demographic and enrolment trends.

Purpose: To show that facilities for existing students are being attended to as well as those for new students.

There are two options for BGAs to provide this information to the Department and to BGA Participants:

Option 1: BGAs may continue to use the methodology and present the data as detailed below:

1. The value of grants for existing students, the value of grants for new students and the value of funds still uncommitted for the Annual Schedule triennium.
2. The above figures as percentages of the total triennium program fund allocations (i.e. net of administrative allocations).
3. See attached, sample Table B for an illustration of how the data could be presented.

4. (a) The value of grants for each range or suitable division of disadvantage for the existing students proportion of grants and the new students proportion of grants.
- (b) The above figures expressed as a percentage of the total value of grants approved in the Annual Schedule.
5. (a) The total value of grants sought for eligible, but unfunded, projects for each range of disadvantage for the existing students proportion of grants sought and the new students proportion of grants sought.
- (b) The above figures expressed as a percentage of the total value of grants sought for eligible unfunded projects in the Annual Schedule.
6. Data sets 4 and 5 above, but in terms of the number of grants and unfunded projects, instead of the value of grants and unfunded projects (use fractions for projects that are both new and existing places).
7. See attached, sample Table C for an illustration of how the data could be presented.

Option 2:

At the time of submitting a schedule for funding approval, BGAs to indicate:

- (a) The amount of funding which has been allocated to schools less than 4 years old; and
- (b) The amount of funding which has been allocated to schools which are adding a new schooling year level.

By 30 June each year as part of the annual performance reporting, BGAs are required to provide an update to the above information to include any out of round projects which have been assessed during the year.

Objective 3

In implementing the above two objectives, also pursue the Australian Government's other Priorities and Objectives for Schooling.

1. Pursuit of Australian Government Objectives In Addition to Those of Assisting Educationally Disadvantaged Students and Ensuring Attention to Capital Infrastructure for Existing Students

Purpose: To show the extent to which the CGP is contributing to the Australian Government's other priorities and objectives for schooling.

1. The number of grants for projects whose purpose for being built is to:
 - a) improve literacy and numeracy (specialist teaching areas, not GLAs)
 - b) improve closing the gap in educational outcomes between indigenous and non-indigenous students

- c) support to students with additional needs
- d) improve education in low SES school communities
- e) improve teacher and school leader quality
- f) support schools working with their local community.

There will be projects to which none of the above objectives apply, as their main objectives are to assist educationally disadvantaged students and/or ensure attention to capital infrastructure for existing students. In the majority of cases, one objective would be assigned to a project, e.g. installation of disabled lifts would be categorised as item (c). The Department would not expect more than two categories for any individual project

2. See attached, sample Table E for an illustration of how the data could be presented.

Purpose: To show the extent to which the CGP is contributing to the recommendations of the Royal Commission into Aboriginal Deaths in Custody.

1. The number of grants that have provided employment and training opportunities for Indigenous Australians.
 2. The number of projects undertaken by or on behalf of Indigenous Australians.
 3. The number of projects that have involved Indigenous Australians in the evaluation of offers.
3. See attached, sample Table E for an illustration of how the data could be presented.

PERFORMANCE INFORMATION FOR CAPITAL GRANTS PROGRAM
BGAs to provide to the Department and their applicant schools

TABLE A**Distribution of Grants across Educational Disadvantage of Eligible Applicants**

	Educational Disadvantage				
	1 st Range	2 nd Range	3 rd Range	4 th Range	5 th Range
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Grants	\$\$	\$\$	\$\$	\$\$	\$\$
	%	%	%	%	%
Eligible Unfunded Grants Sought	\$\$	\$\$	\$\$	\$\$	\$\$
	%	%	%	%	%
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
No of Grants	XX	XX	XX	XX	XX
No of Unfunded Applications	XX	XX	XX	XX	XX

TABLE B**Distribution of Grants across Existing & New Places**

	Existing Places	New Places	Uncommitted Funds
Grants	\$\$	\$\$	\$\$
	%	%	%

TABLE C**Distribution of Grants By Existing and New Student Places across Educational Disadvantage of Eligible Applicants**

	Educational Disadvantage									
	1 st Range		2 nd Range		3 rd Range		4 th Range		5 th Range	
	Existing Students	New Students	Existing Students	New Students	Existing Students	New Students	Existing Students	New Students	Existing Students	New Students
Grants	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
	%	%	%	%	%	%	%	%	%	%
Eligible Unfunded Grants Sought	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
	%	%	%	%	%	%	%	%	%	%
No of Grants	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
No of Unfunded Applications	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

TABLE D

Distribution of Grants in Pursuit of the Government's Other Objectives in Addition to Those of Assisting Educationally Disadvantaged Students and Ensuring Attention to Capital Infrastructure for Existing Students

OBJECTIVE	GRANTS REQUESTED	GRANTS AWARDED
Improve Literacy and Numeracy (specialist teaching areas, not GLAs)		
Improve Closing the Gap in Educational Outcomes between Indigenous and Non-Indigenous students		
Support to Students with Additional Needs		
Improve Education in Low SES School Communities		
Improve Teacher and School Leader Quality		
Support Schools Working with their Local Community		

TABLE E

To Show the Extent to which the CGP is contributing to the recommendations of the Royal Commission into Aboriginal Deaths in Custody

OBJECTIVE	TOTAL GRANTS/PROJECTS
Show the number of grants that have provided employment and training opportunities for Indigenous Australians	
Show the number of projects undertaken by or on behalf of Indigenous Australians	
Show the number of projects that have involved Indigenous Australians in the evaluation of offers	

ATTACHMENT 10

PROCEDURAL ACCOUNTABILITY RETURN
(to be submitted by BGAs to the Department by 30 June each year)

I, [NAME], a person authorised by the [NAME OF BGA],

confirm that, as at 30 June [CURRENT YEAR]), the BGA has met its obligations under these Administrative Arrangements with respect to agreements with participating schools and its management of internal procedural documentation including to:

- update their BGA Participant Agreements every quadrennium to be consistent with the provisions of the relevant Schools Assistance Act;
- ensure that all BGA Participants have entered into a BGA Participant Agreement which is properly executed and legally enforceable;
- ensure that all agreements are fully and accurately completed;
- including all conditions required in **Attachment 1** of the Administrative Arrangements in all BGA Participant Agreements, including the Criminal Code notification;
- have in place a comprehensive procedures manual which outlines the BGA’s processes and procedures;
- ensure the BGA’s procedures manual is up-to-date and accurately reflects government policy;
- make their procedures manual available to all its participating schools and the Capital Grants Section;
- ensure record keeping practices reflect government policy; and
- ensure there is a process in place to monitor Australian Government recognition requirements throughout the life of projects.

Signed:
[NAME]

Dated:

ATTACHMENT 11

**BETTER PRACTICE PROCEDURES MANUAL
A COMMON TABLE OF CONTENTS**

It is recommended 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/altered 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 or Participation in the BGA Participating Schools Use of grant funds Capital Grants Application Process <ul style="list-style-type: none"> - Processing Applications - School Visits - Assessment - Eligibility - Priority - Socio-economic information - Other Factors - Finalisation of Applications Approval and Notification Annual Schedules Capital Grants Program Process of Appeal and Dispute Resolution

	DEEWR Contacts
5. CURRENT TIMELINE	A timeline for the relevant funding year
6. ACTIVE CAPITAL GRANTS PROJECTS – PROCESSES AND PROCEDURES	<p>Acceptance of Grants</p> <p>Schedule of Grant Payments</p> <p>Project Records</p> <ul style="list-style-type: none"> - Project Files - Project Database <p>Project Accountability Procedures</p> <ul style="list-style-type: none"> - Method of Management - Tendering Processes - Progressive Expenditure Statements - Payments for Projects completed <p>Project Completion</p> <ul style="list-style-type: none"> - Architect's/Supervisor's Statement - Accountant's Statement <p>Notification of Project Variation</p> <ul style="list-style-type: none"> - Processes and Procedures - Project Details <p>Australian Government Accountability Requirements</p> <p>Recognition of Australian Government Assistance</p> <p>Australian Government Equity</p>
7. OTHER SERVICES TO SCHOOLS (optional)	<p>Newsletter or other communication tool</p> <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 CGDEP etc. These should not appear within the body of the procedures manual
9. THE BUSINESS ENVIRONMENT – FINANCES, ADMINISTRATION AND TECHNOLOGY	<p>Bank Accounts and Signatories</p> <p>Auditor</p> <p>Insurances</p> <p>FBT, PAYG, GST, BAS, Workcover</p> <p>Rental and Leasing Arrangements</p> <p>Board Member Payments</p> <p>Petty Cash</p> <p>Account Payments</p>

³ Not intended to be disclosed to BGA Participants. Internal information only.

	Annual Accounts Motor Vehicle Meeting Arrangements Filing System Electronic Archiving Storage and filing Computer System Communications System
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ATTACHMENT 12**RECORD KEEPING INFORMATION**

Records are an essential tool of good business and for efficient administration. They provide:

- information for planning and decision-making
- evidence of accountability; and
- are often subject to specific legal requirements.

Records document what is done and why it is done. They also provide evidence of communications, decisions and actions.

Records are a vital asset, capturing the elements of business and operational activities, providing evidence of decisions taken and creating corporate memory.

The following rules should apply when BGAs create files:

- All files are to be created/registered according to the BGAs internal filing policy;
- File numbers are recorded and sequential;
- No two files, or parts of files, have the same file number;
- File titles must be relevant, in context and unique;
- A file must be all the same media format e.g. all paper or all digital.

A file should be created when:

- a record requires filing; and
- an existing file on the subject does not exist; or
- an existing file on the subject is full, closed or contains information that is several years old.

What type of files should be kept?

As a simple guiding principle, the more important the occurrence the greater the requirement to create a record and the more comprehensive the record needs to be.

Within the BGAs record keeping is important to:

- meet accountability obligations;
- satisfy DEEWR that BGA obligations are satisfied;
- support the efficient and effective conduct of business;
- demonstrate that all reasonable steps have been taken to minimise risk;
- support and document policy formation and decision making;
- ensure that the right records are created to sustain business performance and continuity; and
- assist in meeting DEEWRs expectations of consistency, equity and transparency.

As a minimum the following files should be kept up to date and accurate:

Funding Agreements;

Include as a minimum:

- One consolidated file for agreements signed under each legislation
- Index sheet for easy location of the agreement, or
- Agreements are filed in order of school names.
- A central register of participating schools

Financial files to meet accountability obligations;

- File for bank statements for CGP funds
- Reconciliation of bank statements against BGA records
- Documentation for exceptions
- Record for administrative expenses
- Project payment records

Insurance Information;

- Public liability insurance for BGA premises

Business continuity plan:

- A plan for continuity of business in case of a disaster
- OH & S policy

Procedural manual updates;

- Record of updates
- Advice to schools and DEEWR

Minutes of meetings;

- Recorded for each BGA Board meeting
- Decisions documented

Advice from DEEWR;

- Approval of projects
- Approval of redefinitions
- Requests for information
- Any other correspondence

Project files for each DEEWR project;

- DEEWR project reference is recorded
- Papers are filed in chronological order and are secured
- Contains a folio sheet

Register of Determinations;

- Are signed and dated
- Papers are filed in a way that a particular determination can be located easily

Communication files with participant schools,

- Correspondence to and from schools to be filed chronologically
- Separate file for each school

File of schools registered for RGF;

- List of schools approved for RGF

File of schools which are yet to receive RGF

- List of schools that have been approved for CGP funds but cannot be paid

Register of school visits;

- Record of each school visit for each Schedule year
- To be filed in chronological order of Schedules

Project assessment files detailing methodologies used to achieve CGP objectives;

Tender outcome files;

- Tender result for each project
- BGA approval of tender

Indigenous Involvement in Tender processes;

- If project is for an indigenous community, correspondence to schools about involvement of the community in the tender process
- Any correspondence between the BGA and the school about this process

Right to Repayment;

- Letter from schools about changes in operation, e.g. closure, closure of a campus, relocation or change of approved authority
- Letter to DEEWR about these changes
- Correspondence from DEEWR about right to repayment issues
- Record of actions taken to recover money
- Record of recovered funds received
- Record of how these funds have been allocated

Processes of Appeal and Dispute Resolution;

- Application for an appeal from a school
- Documentation of the appeal process
- Correspondence with DEEWR about the appeal process