



Australian Government

**Department of Education,
Science and Training**

**ADMINISTRATIVE ARRANGEMENTS
FOR BLOCK GRANT AUTHORITIES (BGAs) -
2004**

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

Final

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AUSTRALIAN GOVERNMENT CAPITAL GRANTS PROGRAMME FOR NON-GOVERNMENT SCHOOLS

ADMINISTRATIVE ARRANGEMENTS FOR BLOCK GRANT AUTHORITIES (BGAs)

These Administrative Arrangements apply from 1 January 2004, until, and then as, amended.

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 Programme (CGP). They are to be read in conjunction with the Commonwealth Act ('the Act' - the latest being the *States Grants (Primary and Secondary Education Assistance) Act 2000*) governing the administration of the CGP at the time; the current agreement between the Commonwealth and the BGA for the administration of CGP; the *Commonwealth Programmes for Schools - Quadrennial Administrative Guidelines* (Administrative Guidelines) applying at the time which set out detailed requirements about CGP for information of schools; and any other Australian Government instructions to BGAs issued from time to time. Like the *Act* and the agreement with the Australian Government, both the Administrative Arrangements and the Administrative Guidelines are binding on BGAs and on their participating schools and non-school organisations (eg hostels). The Department will consult BGAs about any proposed amendment of this document before any change is implemented.

Interpretation of these Arrangements

- 1.2 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 its administration of funding. These objectives can be found at Attachment 11B of these Administrative Arrangements. Since fraudulent conduct and giving false and misleading information are offences under the Criminal Code (Commonwealth), BGAs are expected to take all reasonable steps to prevent fraud on the Australian Government and ensure that schools are aware of the existence of the relevant offences when they provide information to the BGA, such as accountability documentation and any certification. **Note:** Giving false or misleading information is a serious offence.
- 1.3 In order to provide BGAs with flexibility to pursue the objectives outlined at 1.2 above, the requirements and procedures contained in this document have been expressed in terms which indicate the level of discretion given to BGAs. Unless otherwise denoted, the words 'must', 'should' and 'may' have the following meanings:
- (a) 'must' means that a BGA has *no discretion* to depart from the requirement being stated in these Arrangements - if it wishes to do so it must provide full details to the Department and seek its prior written agreement;

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- (b) 'should' means that a BGA has *limited discretion* to depart from the requirement being stated in these Arrangements - the limitation being that the BGA's departure must be consistent with preserving the Australian Government's interests and pursuing the CGP's objectives. The BGA may depart from a discretionary provision in isolated instances, without reference to the Department. Before adopting a departure as a matter of normal practice, the BGA must first obtain the Department's written agreement;
- (c) 'may' means that a BGA has *discretion* to depart from the requirement being stated in these Arrangements - nevertheless, a BGA's decision must be consistent with preserving the Australian Government's interests and pursuing the CGP's objectives. Before adopting a departure as a matter of normal practice the BGA must first discuss the issue with the Department.

BGAs must document their reasons for any and all departures from normal practice and departures must be able to withstand independent scrutiny.

- 1.4 A number of requirements in the Administrative Arrangements cannot, for reasons of importance or practicality, be made discretionary. Where the BGA is uncertain as to whether a requirement is discretionary it should contact the Department for clarification.
- 1.5 Terms used in this document (eg 'the Act', 'the Department', 'the Administrative Guidelines' and 'the Administrative Arrangements') have the same meaning as in the latest agreement between the Australian Government and BGAs. References to schools in this document include references to non-school organisations unless inapplicable, or otherwise provided.

2. PARTICIPATION IN A BGA

- 2.1 The Australian Government wishes to ensure that all eligible non-government schools and hostels have access to CGP funding through participation in a BGA. Schools with good prospects of receiving approval for funding under the General Recurrent Grants Programme should be accepted as participants. Those that intend to apply for such approval should be accepted as prospective participants in a BGA. On receiving an application to participate, BGAs must advise the school of the rights and responsibilities of the school, BGA and the Australian Government. Where a BGA considers that a school's participation 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.
- 2.2 BGAs must enter into written agreements with schools for participation and acceptance of grant conditions. These agreements must be consistent with the provisions of the Act, the Administrative Guidelines and these Administrative Arrangements. All agreements must be properly executed and copies kept by BGAs. ***ATTACHMENT 1*** provides a list of conditions applying to schools entering or leaving a BGA, applying for grants and accepting grants. These conditions must be included in the relevant agreement between a BGA and a school.

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- 2.3 BGAs must enter into an agreement in relation to participation referred to paragraph 2.2 above with the body that operates the school. This body must be a natural body or a body corporate. The operator of a school system must sign an agreement with the BGA, unless the individual schools in the system do so. A school must sign a new agreement with the BGA if the body controlling it changes, eg as a result of amalgamation or separation.
- 2.4 With the introduction of a new Act every quadrennium, BGAs must review their agreements with schools and require them to sign new agreements in accordance with the provisions of the new Act.
- 2.5 BGAs must maintain registers of participating schools and notify the Department in writing, as soon as possible, of any new participating schools or existing schools withdrawing from participation. BGA membership records are used in the calculation of BGA funding allocations.

3. APPLICATION PROCEDURES

- 3.1 Each year, BGAs must advise participating schools of a new funding round and invite applications for funding.
- 3.2 Because hostels are also eligible for funding, BGAs must consider applications for funding from these organisations in relation to students attending schools participating in the BGA. Applications from organisations catering for students from a number of schools, some of which are not participants in the BGA, would only have to be considered by the BGA in relation to those students attending its own participant schools. Non school organisations wishing to submit applications to a BGA must meet such of the conditions applied to prospective participating schools as are relevant and must sign agreements comparable to those for other participants.

4. ASSESSMENT PROCEDURES

- 4.1 All applications submitted in time for a funding round must be assessed during that round. A recommendation about each application must be included in the BGA's Annual Schedule of recommendations for that round. Where finalisation of a recommendation has to await further information or developments the Department must be advised.

Eligibility

- 4.2 The types of project that can be considered for funding are set out in the *Act* and in the Administrative Guidelines.

- 4.3 In addition to the eligibility criteria stated in the Administrative Guidelines, BGAs must consider the following:
- (a) The school and project must meet the Australian Government's eligibility requirements for the CGP, as set out in the Administrative Guidelines. The Department will make the ultimate judgement on whether a school has good prospects of receiving approval for Australian Government General Recurrent Grant (GRG) funding. However, as part of its assessment a BGA should determine whether there is evidence that a school has good prospects of receiving State or Territory recognition for the locations, levels of education and students to which the project relates. In making its recommendations, where a BGA is aware of any issue that might prevent a school from receiving approval for GRG funding this must be brought to the attention of the Department.
 - (b) The applicant school must have an appropriate maintenance plan in place when it submits its application. A maintenance plan is a document outlining the school's proposed actions to repair and maintain its physical infrastructure (buildings, grounds, fixed assets) over time. The BGA should consider the adequacy of this plan given the condition of the school and may deem a school ineligible if its plan is assessed as inadequate. Schools must be given an opportunity to amend their plan based on the BGA assessment.
 - (c) 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 Section 10 applies if insurance funds received for a loss are not used to repair or replace buildings funded by the Australian Government, as the case may be.
 - (d) BGAs should assess and make recommendations on applications from schools not yet approved for Australian Government general recurrent funding on the understanding that grant payments, if approved, will not be paid until the school is approved for GRG funding.
 - (e) Projects must contribute to the Australian Government's objectives for the CGP and applicants should be asked to state in their applications, the programme objectives to which the project is directed, because this information may be needed for accountability purposes.
 - (f) In accordance with the Administrative Guidelines, BGAs may use relevant State standards for area and cost. These standards (Australian Government or State) adopted by BGAs should only be exceeded in special circumstances that the BGA must explain and the Department approve. The methodology for comparing school areas with standard areas is explained in **ATTACHMENT 2**. Like area standards, cost standards should be applied globally.

- (g) The Australian Government's policy is that overseas students (OS) must not place any financial burden on the Australian community and, in particular, that the Australian Government should not subsidise the costs of schooling for these students, either directly or indirectly. The full costs of their school education in Australia should be met by them or their parents, guardians or other supporters. Schools in which overseas students comprise more than 5 per cent of students in at least one level of education, or number more than 20 in that level, must demonstrate that the fees they are charging for these students cover the full costs of their education at the school, including the cost of capital facilities used by these students. If fees are not high enough, 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 afford this, its application must be considered ineligible. **ATTACHMENT 3** outlines a suggested procedure for the assessment of applications from schools with OS.
- (h) A school proposing a project which is to be partly or wholly undertaken by parents and friends must ensure that these people have the necessary skills and capacity for the project. The project must be supervised by an architect, or other appropriately qualified person, to ensure its quality and economy of construction. **ATTACHMENT 4** sets out a suggested procedure for assessment of applications from schools which wish to contribute services to a project.

Conflict of Interests

- 4.4 Where there is an actual or potential conflict of interests at any stage of a project, BGAs must address/remove the conflict. Conflict of interests may arise, for example, where a member of a BGA assessment committee has an interest in a participating school which is 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 could consult with the Department where they are having difficulties dealing with a conflict of interests.
- 4.5 It is important for BGAs to fully document the steps taken in resolving conflicts of interests so that their management of such situations can withstand public scrutiny.

Ranking

- 4.6 Once eligibility has been established, projects must be ranked for funding primarily on the basis of the relative educational disadvantage of the student population of the school with the more disadvantaged being given priority over the less disadvantaged. Educational disadvantage should be assessed 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 into at least five levels of disadvantage and to which the Australian Government has agreed. This methodology may be a combination of generally applied indices and additional, applicant-specific information, but these must be applied in a consistent 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 extent of the shortfall against area standards, so that schools that least meet the standards are given preference over others;
- (b) the relative contribution of the projects to the objectives of the CGP;
- (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 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 will 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, as described in the Administrative Guidelines and 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 by assessing the maximum contribution a school and its supporting community can make, 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 at a Departmental audit.

4.10 Grants for projects to which parents and friends are to contribute goods or services may allow schools to retain the benefits of the contributed services but only to the extent that, contributed services aside, they are treated the same as other projects. **ATTACHMENT 4** sets out a suggested method for assessing grant size for such projects.

4.11 When several schools are contributing to a project that will provide services to them all, contributions from each school must be determined in the normal way. With such projects, one non-government school must agree to accept, and account for the use of, the grant on behalf of the others.

4.12 Funds are not to be used to meet the cost of leasing property, but 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 at least twenty years to run. Where possible, BGAs should also seek to have the

proprietor of the land guarantee repayment of the value of Australian Government's residual interest in a capital grant provided to the school in the event of the school defaulting on such a request.

Existing Places Requirement

- 4.13 BGAs must meet the 'Existing Places' requirements set out in the Administrative Guidelines that at least 50 per cent of funds must be allocated to existing places over the three year period of a Schedule, ie the list of recommended projects in a funding round. Where proposed facilities are to be used for both new and existing places, the proportion of the project considered to be for new places will be the proportion that the increased student enrolments projected to use the facilities form of the projected total school enrolment. (Refer to **ATTACHMENT 5** for calculation methodology.)
- 4.14 Projects at schools under four years old at the proposed commencement of the project must be classed wholly as new places projects. The four years refer to the length of time the school has had approval for Australian Government GRG funding for levels of education relevant to the project. The four years do not refer to the time the school has been on a particular site because this interpretation would disadvantage relocating schools.

Finalisation of Annual Schedules of Recommended Projects

- 4.15 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.
- 4.16 It is possible that, in a particular instance, the approach to selecting recommended projects set out in the above paragraph would result in an anomaly in complying with the Australian Government's other requirement that at least 50% of funds be allocated for existing students. If the BGA believes that this is true in a particular case, the BGA must draw this to the attention of the Department which may recommend to the Minister that he relax the existing places requirement in the particular instance.

5. APPROVAL PROCESS

Annual Schedule

- 5.1 BGAs must forward to the Department, by the end of September each year, or such other date as is agreed to by the Department, a schedule showing details of recommendations for approval and rejection. Annual Schedules must be submitted through the internet site called Capital Grants Data Exchange Project (CGDEP) unless other arrangements have been agreed with the Department. See **ATTACHMENT 6** 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 rejection, 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 should keep a more 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/school agreement for the grant and accountability documentation completed by the school.

Appeal Process

- 5.4 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 it must advise the Department of any appeals and a decision on the appeal must be made and communicated to the Department before the Minister approves the BGA's recommendations.

Out of Round Recommendations

- 5.5 As a general rule, recommendations for funding should be submitted in the Annual Schedule to enable ranking of competing applications and for administrative efficiency. However, out of round applications and recommendations may be considered where justified by the circumstances (eg purchase of property).
- 5.6 In the case of property purchase, BGAs may assess the non-project dependent aspects of an application (eg socio-economic status and financial capacity) ahead of a specific property becoming available so as to save time later, but should not submit a recommendation to the Department unless a specific property, whose value has been confirmed by an independent valuation, is being proposed. Where a property is to be auctioned, a maximum grant, no greater than the independent valuation less the school's contribution, may be recommended ahead of auction.
- 5.7 Out of round recommendations must also be submitted through CGDEP with the same certification as the Annual Schedule.
- 5.8 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 occurred.

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 Australian Government GRG funding, it will not receive payment of the grant until such time as it has actually been added to the list. However, advancement of grants to schools not yet on the list may be considered in strictly limited circumstances as outlined in Section 7 of these Administrative Arrangements. BGAs must make schools aware of this when offering a grant.

- 5.11 BGAs must ensure that grant and other conditions which attach to the approvals and are imposed on schools can be enforced. Schools offered grants must enter into written agreements with their respective BGAs accepting all conditions attached to the grants. **ATTACHMENT 1** lists the minimum conditions upon which grants are offered.
- 5.12 Wherever possible, the entity with which a BGA enters into an agreement in relation to a grant should be the incorporated (or statutory) body that both operates the school and is the proprietor of the land on which the project facilities are to be built. Where the operator of the school and the proprietor 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. Where an entity is not incorporated, the BGA should encourage it to become so before entering into an agreement with it.
- 5.13 When funds are approved for payment in a particular programme year, the BGA must ensure that the relevant schools enter into legally binding commitments to proceed with those projects (eg signing a building contract) by the end of that year or such later date as the Department approves. If a school cannot commit by the end of the year the BGA must reallocate the funds to other projects which have commenced, or can commence, before the end of the year. Otherwise, the BGA must advise the Department 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 and to inform Members of Parliament and schools about approval of projects. This may occur before BGAs have been advised of project approvals. BGAs must not publicly announce the approval of grants or advise schools until the Department formally advises them of the approval.

6. TENDERING PROCESSES

- 6.1 BGAs must require schools to implement projects in accordance with the requirements contained in the National Code of Practice for the Construction Industry and with the following principles:
- (a) Project implementation must be oversighted by a competent, 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.
 - (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, clearly stating the responsibilities and liabilities of the parties to the contract and noting the privacy requirements set out in paragraph 16. Where the contract for the construction of the project is other than a standard lump sum contract, then 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 the condition that the person overseeing the project must administer those contracts for which they are responsible, 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 competent, building industry professional independent of the builder or project manager.
- 6.2 In addition, where the value of the Australian Government grant for a particular project is at least \$5 million and represents at least 50% of the total project value; or where the value of the Australian Government grant for the particular project is \$10 million or more; the Commonwealth Implementation Guidelines (Implementation Guidelines) for the National Code will also apply. Application of the National Code and, where applicable, the Implementation Guidelines is to be specified in agreements between the BGA and the school. The National Code can be found in the following website:
www.apcc.gov.au/apcc/docs/code_of_practice.pdf. The Implementation guidelines for the National Code can be found at the following website:
www.workplace.gov.au/WP/CDA/Files/WP/WR/dwrsbgui.pdf.

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- 6.3 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.
- 6.4 Schools must not accept tenders, nor enter into commitments in relation to recommended projects, until their BGA has advised them of the Minister's approval of the grants and they have entered into an agreement with their BGA accepting the grant conditions.
- 6.5 The Australian Government will not accept any legal obligation to meet costs incurred by schools in preparing their applications, in calling tenders or in having plans prepared prior to the approval of projects. It will, however, consider recommendations by BGAs for approval of such costs from BGA allocations, where schools have incurred additional costs at the request of the BGA.
- 6.6 Schools must take into account value for money when they undertake a tender process. Reasons for a tender decision must be documented on the relevant project file including, where appropriate, reasons why the lowest tender was not accepted.

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 7**.
- 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 7**, except where a conflict of interests would arise.

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 Schools that have grants approved but are not yet on the list of schools approved to receive Australian Government GRG funding will not receive capital payment until such time as they have actually been added to that list. However, advancement of funds may be considered in strictly limited circumstances where:
- (a) an existing school is already included in the list in respect of other locations or levels of education; or
 - (b) a new school is being established as part of an existing and well established school system; and, in both cases,
 - (c) 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.

This is not to prejudge the outcome of the consideration of any such case, which will be judged on its merits, taking account of relevant criteria.

- 7.3 On advice from the Department that a participating school that is due to receive funds from a BGA is in breach of conditions applying to its receipt of Australian Government schools programme funds, the BGA must stop all payments to that school until advised by the Department that payment may proceed.
- 7.4 BGAs should manage payment of project funds so as to avoid making payments ahead of actual expenditure and to avoid overpayments. BGAs may make an initial payment to a school once a project has commenced to cover initial project costs, provided that this is within the year in which funds are payable. Any subsequent payments should then be made on the basis of expenditure already made on the approved project, as demonstrated by progressive expenditure statements. Payment must not commence until the BGA is confident that the school has met all requirements relevant at the time, including the execution of necessary documentation such as contracts.
- 7.5 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.
- 7.6 If a BGA has insufficient funds to pay all legitimate claims, priority should be given to those schools that can least afford to wait for payment. 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 through CGDEP.
- 7.7 BGAs must keep records of payments to schools for each project for each programme year. Payments should be reconciled on a regular basis. Subject to the requirement set out in paragraph 7.4 above, BGAs should manage their forward commitment capacity in such a way that payment to schools occurs as far as possible in the same year as school expenditure.

8. REDEFINITION OF PROJECTS

- 8.1 Circumstances may arise after the approval of a project when the approved grant or the nature of the project needs to be varied because of higher than estimated cost after tender or other reasons. A summary of the circumstances and actions required is outlined in **ATTACHMENT 8A**.
- 8.2 BGAs may vary the details of a project, including the total grant, grant for a programme 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. BGAs must approve all changes in writing, a suggested proforma is at **ATTACHMENT 8B**. It is recommended that a central register 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 should request Departmental approval through CGDEP and provide a reason for the change.

- 8.3 BGAs can choose the timing of reporting these changes to the Department. It is recommended that BGAs submit changes through CGDEP as and when they occur. 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

- 8.4 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.
- 8.5 The Australian Government's grant for a project should be kept to the minimum consistent with the school's ability to contribute to the project. Therefore, where, at any time following approval of a grant, the project cost decreases from that last approved by an amount greater than 10 per cent of the school's contribution, the Australian Government grant to that project should be reduced at that time by the total amount of the cost decrease.
- 8.6 Where the decrease in project cost is 10 per cent or less of the school's contribution, the BGA may leave the school contribution and grant as last approved until the project is completed.
- 8.7 Because approved projects should be appropriate to the educational purposes for which they are being provided, there should not be a need for savings to be used to restore features of a project that were deleted during the assessment process. However, if circumstances have changed or the BGA believes in retrospect that its initial assessment was incorrect, it may allow that some or all of the savings be used to enhance the project. The enhancement must meet the same educational need as the main body of the project and must be both eligible and the highest priority for funding, when assessed along with other potential projects or enhancements against the normal assessment criteria.
- 8.8 At some time after approval of a grant, circumstances may arise where the project cost decreases so much that if the school's contribution were to be held constant, the grant would reduce to less than 10 per cent of the school's contribution. In these circumstances, a BGA may maintain the grant at 10 per cent of the school's contribution, if it believes this would be the most effective way of achieving the CGP's objectives.
- 8.9 Where the project cost at the completion of a project is less than the approved cost, the resultant savings must be used to reduce the Australian Government's grant to the project, unless the BGA believes that the objectives of the CGP will be better served by permitting some or all of the savings to be used by the school to reduce its contribution to the project. In this case, the BGA may permit savings of up to 10 per cent of the school's contribution to be used to reduce the school's contribution. Savings above 10 per cent of the school's contribution must be used to reduce the Australian Government's grant.

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- 8.10 Where savings are identified after the end of the programme year in which they were paid by the Australian Government, the BGA may reallocate the saved amounts to other active projects, that have that year within their Schedule triennium, (eg 2004 funds can only be assigned to 2002, 2003 or 2004 Schedule projects), provided that the school receiving the reallocated funds is able to commence the project before or during that year.
- 8.11 In all cases other than those referred to above, savings that are identified after the close of the programme year in which grants were payable and that have not been reallocated by the BGA, must be repaid to the Australian Government. Under special circumstances the Minister may approve retention of the uncommitted funds by the BGA for contributing to other eligible projects.

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. BGAs must ensure that schools are aware of their obligations concerning recognition and must monitor their compliance.

10. AUSTRALIAN GOVERNMENT RIGHT TO REPAYMENT

- 10.1 BGAs must advise the Department in writing as soon as they become aware of a grantee school having breached the Agreement between it and the BGA, including any obligation to use the funds or facilities for an approved purpose, or the grantee school 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.
- 10.2 As described in the Administrative Guidelines, the Australian Government retains, for up to 20 years, a right to repayment by grantees of all or part of grants greater than \$50 000 (greater than \$75,000 for grants for 2005 onwards), if the grantee ceases to use the facilities funded with the grant for the approved purpose or sells or otherwise disposes of the facilities. Note that the right to recovery with respect to computer and other equipment, where the cost of this totals more than \$50 000 (greater than \$75,000 for grants for 2005 onwards), applies for periods of 5 and 10 years respectively. For grants subject to a right to repayment, documents relevant to exercising that right (eg agreements and payment records) must be kept for the period of possible recovery.
- 10.3 The Australian Government may also require that a grantee repay grants if the grantee has failed to meet other conditions upon which the grant was approved.
- 10.4 Where the Minister requires that a grant (or part of a grant) be repaid, the BGA must take all reasonable steps, except initiating legal proceedings in court, to recover grant monies from the grantee. The Australian Government will decide whether legal proceedings are to be initiated.
- 10.5 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 Australian Government. The amount recovered may, with the Minister's approval, be retained and used by the BGA to contribute to other eligible projects.

11. FUNDING TO BGAs

Allocation

- 11.1 The process by which the Australian Government provides funds to BGAs is outlined in **ATTACHMENT 9**.
- 11.2 Allocations advised to BGAs do not include the Goods and Services Tax (GST), although final payments will include a component for GST as per paragraph 11.7 of these Administrative Arrangements.
- 11.3 Two year advance approval arrangements operate whereby amounts up to a specified percentage of the future year's project funds may be committed for each of the two years following a Schedule year, unless otherwise specified by the Australian Government. Current arrangements are 50 per cent from 2005 onwards. Each year, the Department will advise BGAs of the funding allocations for the Schedule year and the amounts for the two forward years. If a BGA encounters difficulty with the amount allocated for a forward year, it may submit a case to the Department for consideration of increasing the amount that can be committed for that year.
- 11.4 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. 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.
- 11.5 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 commitment should not be used to supplement current year's allocation.

Payments to BGAs

- 11.6 Payments are made in 11 instalments up to a BGA's commitment or allocation. Subject to all requirements having been met, ie agreements signed, sufficient grants approved, provision of the quarterly statement of school openings and the passage of the relevant legislation, 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.
- 11.7 Payments to BGAs will be increased by the required amount for GST. The Recipient Created Tax Invoice will be attached to the payment advice letter showing the GST amount.

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- 11.8 The Australian Government will withhold any payments to BGAs for those schools which are not on the list of schools approved to receive general recurrent funding in respect of locations or levels of education to which an approved project relates, unless advance payment has been approved.
- 11.9 If a BGA does not comply with any conditions, eg the provision of the quarterly statement of school openings, payments will be delayed.

12. ADMINISTRATION OF FUNDS

- 12.1 BGAs must keep financial records and details of accounts with financial institutions relating to the receipt and expenditure of Australian Government's CGP funds separate from those of any other person, association or other body, whether incorporated or not and separate from those of any other activity undertaken by the BGA. Furthermore, all transactions involving CGP monies must be made through those accounts.
- 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. 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 Allowance

- 12.3 Up to 3 per cent of each BGA's funds allocated under the formula in **ATTACHMENT 9** may be claimed by a BGA for its expenses in administering the CGP. Where 3 per cent of a BGA's funds amounts to less than the minimum allowance (\$82,880 in final 2003 prices) in a particular year, the BGAs' administrative allowance is increased up to the minimum allowance. If necessary, BGAs may claim a sum in excess of their allocation provided that they meet additional accountability requirements (at **ATTACHMENT 10**).
- 12.4 BGAs that claim an administrative allowance less than their allocation may use the difference for approved projects. This only applies in relation to the programme year in which the administrative funds are provided.
- 12.5 If a BGA anticipates savings from the administrative allowance close to the end of a programme 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 programme year may be required to be returned to the Australian Government.

Use of Interest and Recovered Funds

- 12.6 BGAs must use any interest earned on CGP funds for eligible capital projects or for supplementing administrative expenditure, if necessary.

- 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 Schools receiving funds from BGA interest money or recovered funds must comply with all relevant grant conditions, including recognition requirements, that would apply to an Australian Government grant for the type of project involved.
- 12.9 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 programme 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 11A**. 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 financial accountability documentation must be signed by a qualified accountant¹ independent of the BGA operations confirming that the BGA's disbursement of funds is in accordance with 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.
- 13.3 BGAs should 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.
- 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 11B**.

¹ A 'qualified accountant' is a person who:

- is registered, or is taken to be registered, as a company auditor under Part 9.2 of the Corporations Law; or
- is a member of the Institute of Chartered Accountants in Australia, CPA Australia or any other body prescribed for the purposes of subparagraph 1280(2)(a)(i) of the Corporations Act 2001; or
- is approved by the Minister as a qualified accountant for the purposes of the States Grants (Primary and Secondary Education Assistance) Act 2000

Where there is more than one membership category, acquittals will be accepted from membership categories that satisfied the above. Student membership would not be acceptable.

Educational Accountability

- 13.6 BGAs must contribute to educational accountability by providing information, as required, to the appropriate education authority or association, for inclusion in the Annual National Report on Schooling in Australia (ANR). Detailed arrangements are as set out in correspondence from the Department. Arrangements for future years will be advised separately.

National Goals, Performance Measures and Targets

- 13.7 For inclusion in the ANR report mentioned above, BGAs are also required to report against any performance measures (where relevant) of a kind required by the Minister addressing the performance information requirements set out in the regulations.

Audit of BGA Administration

- 13.8 From time to time, the Department may undertake audits of the financial and administrative procedures of a small sample 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.

Records and Information Provision

- 13.9 Records of all applications, assessments, tendering, payment and accountability processes must be maintained by the BGA for at least six years after the completion of each project. Assessment documentation must be sufficiently comprehensive to justify the conclusions reached on each eligibility and ranking criterion for each application. Documents relevant to the exercise of a right to repayment must be retained for the period of possible recovery (eg 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). All records must be in a form that will permit comprehensive information to be provided to the Australian Government, if required.
- 13.10 BGAs must, in response to a request for information by the Australian Government, at any time and in relation to any project or aspect of BGA administration, provide the information requested. If a BGA has not provided the Department with all information requested, further project approvals will not be given and further payments to the BGA for its administrative expenses will be suspended.

13.11 Subject to the BGA's reasonable security procedures, each BGA must at all reasonable times give the Auditor-General, the Privacy Commissioner, the Programme Delegate, a member of the National Investigations Unit in the Department on production of photo identification, or any person authorised in writing by the Secretary of the Department:

(a) reasonable access to:

- (i) the BGA's employees;
- (ii) premises occupied by the BGA; and
- (iii) material, including documents, equipment, software (including source code and object code), goods, information and data stored by any means; and

(b) reasonable assistance to:

- (i) inspect the performance of any project or aspect of BGA administration;
- (ii) to locate and inspect facilities and material relevant to a capital grant application, any project or aspect of BGA administration; and
- (iii) make copies of that material and remove those copies.

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.

15. FREEDOM OF INFORMATION

15.1 All documents created or held by the Department with regard to the Capital Grants Programme for Non-Government Schools are subject to the *Freedom of Information Act 1982*. Unless a document falls under an exemption provision, it will be made available to the general public if requested under the *Freedom of Information Act 1982*.

15.2 All FOI requests are to be referred to the Director, Litigation and External Review Section, Procurement, Assurance and Legal Group. Decisions regarding requests for access will be

made by the authorised officer in accordance with the requirements of the *Freedom of Information Act 1982*.

16. THE PRIVACY ACT 1988

- 16.1 The Department is bound by the provisions of the *Privacy Act 1988*. Section 14 of the *Privacy Act 1988* contains the Information Privacy Principles (IPPs) which prescribe the rules for handling personal information (See *ATTACHMENT 12*).
- 16.2 Persons, bodies and organisations involved in the Capital Grants Programme for Non-Government Schools are required by the Department to abide by the *Privacy Act 1988* and the IPPs when handling personal information collected for the purposes of that scheme. In brief, persons, bodies and organisations must ensure that:
- personal information is collected in accordance with IPPs 1-3;
 - suitable storage arrangements, including appropriate filing procedures are in place;
 - suitable security arrangements exist for all records containing personal information;
 - access to a person's own personal information held by the organisation is made available to the person at no charge;
 - records are accurate, up-to-date, complete and not misleading;
 - where a record is found to be inaccurate, the correction is made;
 - where the person contends that a record is inaccurate, and it is found to be accurate, the details of the request for amendment are noted on the record;
 - the personal information is only to be used for the purposes for which it was collected, or for other purposes where expressly allowed by IPP 10; and
 - personal information is only disclosed in accordance with IPP 11.

Privacy Complaints and Advice

- 16.3 Complaints about breaches of privacy and requests for advice about privacy should be referred to the Litigation and External Review Section, Procurement, Assurance and Legal Group, in the Department's National Office. 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.

ATTACHMENT 1**CONDITIONS TO BE INCLUDED IN AGREEMENTS WITH SCHOOLS****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 (eg 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; a school must also 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

A BGA participant wishing to apply for a grant must be bound by a written agreement to, amongst other conditions:

- (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 13.11; and
- (iii) if recommended by the BGA for a grant, do not accept tenders, nor enter into commitments, until the BGA has advised the applicant that the Australian Government has approved the grant.

ATTACHMENT 1 (cont'd)**3. BGA PARTICIPANTS WISHING TO ACCEPT AN OFFER OF A GRANT**

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

- (i) keep records of events, changes to situations or other details which may affect the 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 as to be contributed by it in the grant offer;
- (iv) apply the funds provided by the Australian Government 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 7**);
- (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 7**);
- (x) enter into a legally binding commitment with successful contractors to proceed with the project before the end of the programme 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) spend grant payments as soon as possible and not later than six months after the date of receipt from the BGA;

ATTACHMENT 1 (cont'd)

- (xii) comply with requirements for recognition of Australian Government funding as specified in the Administrative Guidelines applying at the time of the grant, including informing the BGA of any opening ceremonies of facilities funded by the Australian Government and inviting the Australian Government Minister responsible for school funding;
- (xiii) provide accountability information to the BGA within a specified period after the completion of a project;
- (xiv) use the facilities principally for the purpose of providing school level educational services for locations, levels of education and students that have been approved or have good prospects of receiving approval for Australian Government GRG funding at the grantee school or such other purpose as is approved by the Australian Government;
- (xv) in the case of projects with grants greater than \$50,000 (greater than \$75,000 for grant for 2005 onwards): notify the BGA if the school ceases to use the funded facilities principally for the purpose specified in the preceding section or sells or otherwise disposes of the facilities within a period of twenty years following completion of the project; and, upon request by the Australian Government, pay to the BGA the grant amount, reduced for each year the facilities were used for the approved purpose, by:
 - (a) 5 per cent in the case of buildings, and
 - (b) for projects with equipment costs exceeding \$50,000 (greater than \$75,000 for grant for 2005 onwards), 20 per cent for computer equipment, and 10 per cent for other equipment;
- (xvi) accept any additional conditions specifically imposed by the Minister in relation to the approved grant;
- (xvii) accept that if the grantee is not complying with any agreement between it and the Australian Government under the *Act* (eg by not providing required information) , the BGA may, if required by the Australian Government, delay a payment to the grantee until the grantee fulfils the condition;
- (xviii) repay to the BGA as much of the amount as the Australian Government requires if it, the grantee, has failed to comply with a condition on which the grant was made;
- (xix) 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) may be given before such finalisation;
- (xx) 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;

ATTACHMENT 1 (cont'd)

- (xxi) 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 grant Recipient shall identify the receipt and expenditure of those monies in separate accounts within the Recipient's accounting records;
- (xxii) 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 Recipient;
 - (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;
- (xxiii) agree to identify any perceived or actual conflict of interest to the BGA at the stage when it first occurs. The school, with the possible assistance of the BGA, must then ensure that the conflict is resolved with written advice provided to the BGA on the nature of the conflict and how it has been resolved;
- (xxiv) demonstrate to the BGA that the school is holding adequate insurance cover over its existing buildings and facilities; and
- (xxv) specifically identify to the BGA any contract provision to make an incentive payment to any person involved in the development and construction of the project which is designed to reward completion of the project at a cost under budget or ahead of time.

ATTACHMENT 2**METHODOLOGY FOR COMPARING SCHOOL AREAS WITH STANDARD AREAS**

1. The Australian Government needs to direct its limited funds to the most needy schools. For this reason, schools, whose total areas exceed the Australian Government's standards, are generally ineligible to receive capital grants. There is one tuition area standard for primary level education and another for secondary level education. There is also an area standard for boarding accommodation. These standards are set out in the *Commonwealth Programmes for Schools – Quadrennial Administrative Guidelines* which also specifies the methodology for the calculation of the global area standards. Where an appropriate State based standard exists BGAs may use this standard in lieu of the Australian Government standard. In all circumstances the standard must be applied consistently.

Joint/Separate Application of Standards

2. The tuition area standards for different levels of education are aggregated, because it is generally feasible to adapt at least some of the facilities used for one level of education for use by another level. However, boarding areas are not combined with tuition areas because either their nature or their location in the school makes their adaptation for tuition purposes difficult.

Data Year to be Used for Calculations

3. The purpose of the application of the standards is to compare the educational need of the school with the extent of the facilities that will be available to the school in the period immediately following the completion of the proposed facilities for which a grant is being sought. In most cases this period is taken to be the first full school year after completion of the facilities. For *rapidly growing schools*, that would otherwise have to build every year to cater for increased student enrolments, the data year is the second full year after completion of the relevant facilities. The reason for this later date is to ease the disruption to education that continuous building creates and to recognise the economies of combining separate projects into larger projects. Enrolment and building data relevant to years later than these (eg when maximum or final enrolments are expected to have been reached) are not to be used, because it is an inefficient use of the CGP's funds to invest them in facilities that will be significantly under-used (in terms of the Australian Government's area standards) for significant periods of time.

Enrolments Used

4. Only enrolments which have received or have good prospects of receiving approval for GRG funding at their locations and levels of education may be included in estimates of area entitlements. Enrolment projections for the data year described in paragraph 3 above must be used.

ATTACHMENT 2 (cont'd)

5. Where **overseas students** comprise more than 5 per cent of students in at least one level of education, or number more than 20 in that level, and their school fees have **not** been sufficient to meet the full costs of their schooling - including the cost of capital facilities used by those students, those enrolments cannot be included in the calculation unless the schools contribution is above the minimum specified in the relevant part of these Administrative Arrangements.
6. **Pre-school enrolments** (as defined in the *Commonwealth Programmes for Schools - Administrative Guidelines*) are not eligible and must not be included.

Global Application to All Facilities

7. The types and sizes of facilities needed in schools depends on many factors and, consequently, the Australian Government is not prescriptive about these matters. In assessing eligibility it therefore only applies **global** standards which, in the case of tuition facilities, apply to the total building area of a school, excluding only the area of buildings used for boarding purposes. In comparing the total tuition area of a school with the tuition area standards, the total area of all buildings, including the proposed facilities for which funding is being sought, that will be useable for tuition related purposes in the relevant data year (whether permanent, temporary [eg demountable], owned, leased, unused, or only completed just before the start of the relevant data year) on all campuses and for all levels of education provided by the school must be included in the calculation. A similar approach must be adopted when applying the boarding standard.
8. When calculating school areas, internal wall measurements should be used.

Discounting of Areas

9. Refurbishment projects that do not add to the total area of a school are to be considered eligible in relation to the area standards criterion, regardless of the school's area.
10. Applications to upgrade the standard or range of facilities available for student enrolments existing in the year before application will often involve an increase in the school's area, thereby making them subject to the area standard eligibility criterion. Older schools, in particular, might exceed area standards, either because enrolments have declined or because old buildings inappropriate to today's educational needs cannot be altered for cost or heritage reasons. In these circumstances, the area of the relevant buildings may be discounted down to the area that buildings built today for the relevant purposes would have. This discounting should only be done after the proposed use of existing buildings has been optimised by such rearrangement of functions, and adaptation of buildings, as is possible.
11. To encourage the protection of students from sunlight the area of unenclosed, external travel or shelter (ie covered areas) may be totally discounted in calculating a school's total area.

ATTACHMENT 2 (cont'd)

12. In some remote areas, schools are using for tuition purposes sub-standard structures that in normal circumstances would not be approved by local government for these purposes. Unless these structures represent appropriate design and construction for the purpose (eg machinery sheds used for teaching mechanics), they should be discounted totally if they are not fit for any school purpose.

Exemptions

13. If an application would otherwise be ineligible because of the area standard criterion, but the BGA believes there are exceptional circumstances that should override this criterion, it should write to the Department explaining the circumstances and seeking approval for the application to be considered eligible. Similarly, if the BGA believes that any particular factor in the calculation is inappropriate in a particular case, it must seek Departmental approval before departing from the standard procedures.

ATTACHMENT 3
**GUIDELINES FOR THE ASSESSMENT OF APPLICATIONS FROM
SCHOOLS WITH OVERSEAS STUDENTS**
POLICY

1. Australian Government capital grants must not be used to meet the cost of facilities for overseas students (OS) at any level of education, either directly, or indirectly through the diversion of income from Australian students to meet OS needs and consequent reduction in school contribution per Australian student. School fees for OS are therefore supposed to contain a component that will meet the full, long-term costs of providing the capital facilities they require as well as the recurrent resources they use.
2. Irrespective of OS considerations, school contributions to capital projects must always be the maximum that the school can afford, without preventing the school from maintaining recurrent effort.

APPLICATION OF POLICY

3. It would not be efficient to attempt to apply the policy where only small numbers of OS are involved. The following guidelines therefore only apply to schools in which OS in at least one level of education provided in the school comprise more than 5 per cent of the student enrolment in that level of education, or number more than 20 in that level.
4. For schools above these thresholds, there are two OS issues that influence how an application should be assessed: whether adequate OS fees are being charged; and whether OS will be using the facilities.

Overseas Students Fees

5. If a school has been charging OS fees that cover the full capital, as well as recurrent, costs of their schooling, then the capital application can be assessed in the normal way as if the school did not have any OS. If a school has not been charging adequate OS fees, the contribution that the school can make towards a project will have been diminished. The larger Australian Government grant, that would consequently be needed, would, in effect, be a subsidy of the OS. In this circumstance, therefore, a minimum school contribution that ensures the Australian Government is not subsidising OS will be required.
6. An adequate OS Fee (for a level of education) =
 - Australian student fee for that level
 - + non-fee income per student
 - + Australian Government per capita recurrent grant for that level
 - + State per capita grant for that level
 - + an amount equal to the amount paid by Australian students for capital purposes
 - + a capital contribution that is at least equal to 40% of the school's private income (SPI) per student (recurrent and capital) per annum.

Adequate fees should have been charged for at least the last two years.

ATTACHMENT 3 (cont'd)**Minimum Capital contributions**

7. Where a school's OS fees have not been adequate, to establish the minimum school contribution to a capital project the BGA should take into account the 'lost' income of the school and the amount of additional debt that could be serviced by that 'lost' income.
8. This could be done by adding the potentially 'lost' income each year to the school's annual income when assessing the school's financial capacity to contribute to a capital project.

OS Use of Facilities

9. Applications for facilities that are to be used solely for OS are not eligible for funding.
10. Applications for facilities that are to be used solely for Australian students will still involve OS considerations, if the school has not been charging OS fees that fully cover the recurrent and capital costs of their schooling.
11. Even if adequate fees have been charged, claims by an applicant that a facility for which a capital grant is being applied for will not be used by OS at that level (thereby possibly being exempt from the conditions imposed regarding OS) must be carefully scrutinised, particularly as to the potential for OS to use the facility in the future. For example, the bulk of OS in Australia are secondary students and so a claim by a school, which has only secondary OS, that a primary facility will not be used for OS could be accepted unless other information suggests otherwise. However, a claim by a school, which happened to have junior secondary OS, but no senior secondary OS at the time, that a senior secondary facility would not be used for OS would have to be carefully considered.
12. In assessing any eligible application from a school with OS, schools should provide a fee schedule for the last two years and the current year for OS, to determine if sufficient fees have been and are being charged.

ATTACHMENT 4**GUIDELINES FOR ASSESSMENT OF APPLICATIONS FROM
SCHOOLS CONTRIBUTING SERVICES OR MATERIALS TO A PROJECT**

Where the works to which the school wishes to contribute services or materials are easily separable from the rest of the project (eg landscaping), BGAs may suggest to schools that they exclude them from the project for which they are seeking Australian Government funding.

Requirements

1. **The parents or friends undertaking the work must have the necessary skills and capacity for the project. In effect this means having the relevant local government authority approve the parents as the builders of the project.**
2. The proposed price for the project must be competitive. Because, in most cases, the parents' price will be lower than any commercial builder's price, it would not be ethical to ask commercial builders to submit tender/quotations as a check on the parents' price. The BGA must therefore ask an independent quantity surveyor (or architect for minor projects) to price the work to be conducted by the parents.
3. The project must be supervised by an architect, or other appropriately qualified person, to ensure its quality and economy of construction. Both the buildings and all people who work on the site must be insured for the duration of the contributed works.

Determination of school Cash and Loan Contribution

4. The contribution that the school makes in cash and loans should be discounted by the value of goods and services that the school is contributing to the project, up to the amount that the BGA has assessed the school can contribute in cash and loans. The value of the goods and services contributed to the project must be confirmed by a professional quantity surveyor or architect independent of the school.
5. Where the value of contributed goods and services is greater than the amount that the BGA has assessed the school can contribute in cash and loans, the excess value of contributed goods and services must be deducted from the grant so that the school does not receive a grant greater than the actual cost of the project to the school.

ATTACHMENT 5**CALCULATION OF PERCENTAGE OF EXISTING PLACES****Percentage for a Project**

1. Split project costs into:
 - (a) those costs clearly for existing places only (refurbishment of existing facilities and new facilities to be used only by existing enrolments);
 - (b) those costs clearly for new places only (eg new facilities to be used only by new enrolments such as a new level of education);
 - (c) those costs that cannot be split in this way.

2. Take the costs in 1(c) and :
 - (a) if there are only primary OR secondary enrolments involved (ie. not both), divide unsplit costs between existing places (i) and new places (ii) on the basis of the ratio of existing enrolments to the projected increase in enrolments; or
 - (b) if both primary and secondary enrolments are involved, divide the unsplit costs between existing places (i) and new places (ii) in the ratio of the current standard area for the school to the standard area for the projected increase in enrolments (ie. the new or additional enrolments).

3.
 - (a) Obtain the total existing places costs by adding 1(a) and either 2(a)(i) or 2(b)(i).
 - (b) Obtain the total new places costs by adding 1(b) and either 2(a)(ii) or 2(b)(ii).
 - (c) The addition of 3(a) and 3(b) should equal the total project cost with which 1. started.

4.
 - (a) Obtain the per cent of funds for existing places by dividing 3(a) by the total project cost and multiplying by 100.
 - (b) Obtain the per cent of funds for new places by dividing 3(b) by the total project cost and multiplying by 100.

ATTACHMENT 5 (cont'd)

Calculation of Existing Places percentages for a Schedule

The following is a sample proforma:

2004 Schedule	Existing Places	New Places
2004		
2005		
2006		
TOTAL:	<hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 2px;"/> (A)	<hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 2px;"/> (B)

Total recommended funds for the Schedule: (A) + (B) = (C)

Existing Places % = (A)/(C)/100.

ATTACHMENT 6
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 following preparations should be made:
 - Ensure that participating school 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.
 - For new schools/campuses which have not yet obtained a CASPA number, provide the following information to the Department and request a CASPA number AND also confirm their 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 General Recurrent Grant (GRG) funding, provide the following documentation to the Department so that good prospects of GRG funding can be assessed:
 - Non-systemic school - Certificate of Incorporation, Memorandum and Articles of Association for the approved authority, and a statement of good prospects of State registration by BGA.
 - Systemic school - Certificate of State registration or statement of good Prospects of State registration by BGA.
 - For schools relocating to a new site or extending to a new level of education, provide a statement by the BGA stating that the school has good prospects of State registration.

The approved location and levels of education can be checked using the Education Levels Report on CGDEP.

ATTACHMENT 6 (cont'd)***Entering projects in CGDEP***

3. 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 (eg 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 Areas* - Pre- and post-project areas should be calculated using projected enrolments (one year after completion of the project or two years for fast growing schools). If a project exceeds area standard, provide an explanation in the Comments field.
 - *Project Description* - Refer to the format in the User Manual. This should only be a summary, not detailed description, of the project.
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.

ATTACHMENT 6 (cont'd)

Submission of the Annual Schedule

7. Annual Schedules need to be certified correct by BGAs before they are submitted to the Department. There is an audit record of each submission. The person who submits the Annual Schedule should be the person authorised by the BGA to certify the Annual Schedule. This authorisation needs to be done 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, including that 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 and they conform to Australian Government requirements for the proportion of grant funds directed towards facilities for existing students. None of the recommended projects could significantly affect the national estate value of a place in the Register of the National Estate.”

ATTACHMENT 6 (cont'd)
AUSTRALIAN GOVERNMENT CAPITAL GRANTS PROGRAMME
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 Programme 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 Programme Objectives	NDO
Comparable Educational Disadvantage, But Not Sufficiently Disadvantaged on Facilities Condition	NDF
Insufficient Projects to Meet Existing Places Requirement	IEP
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 Programme 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 7**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 DEST 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 DEST 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.)"

ATTACHMENT 7 (cont'd)

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 8A
SUMMARY TABLE OF REDEFINITION AND SAVINGS PROVISIONS

BGAs must approve redefinitions to approved projects in writing. A suggested proforma is at Attachment 8B. BGAs are advised to submit changes to the Department through CGDEP as and when they occur, so that Departmental records are kept up to date at all times.

CIRCUMSTANCES	ACTION REQUIRED
Increase in project cost: <ul style="list-style-type: none"> • increase in school contribution • no change to total grant 	<ul style="list-style-type: none"> • Changes to be noted on project file • Notify the Department through Amendments in CGDEP.
Increase in project cost: <ul style="list-style-type: none"> • no change to school contribution • increase in total grant 	<ul style="list-style-type: none"> • Re-assess grantee's financial situation. • Check availability of funds to increase grant. • Approve the increase of grant on a determination. • Notify the Department through Amendments in CGDEP.
Change in project description	<ul style="list-style-type: none"> • Approve the change on a determination. • Notify the Department through Amendments in CGDEP.
Change in project description by adding new facilities which serve a different educational purpose than the one which has been approved.	Advise the Department about circumstances relating to the change and request approval.
Decrease in project cost (at any time after approval but before completion) by <u>more than</u> 10 per cent of school contribution.	<ul style="list-style-type: none"> • The Australian Government grant to the project must be reduced at that time by the total amount of the cost decrease. • Approve the change on a determination. • Re-allocate the savings to other projects. • Notify the Department through Amendments in CGDEP.

ATTACHMENT 8A (Cont'd)

CIRCUMSTANCES	ACTION REQUIRED
Decrease in project cost (at any time after approval but before completion) by up to 10 per cent of school contribution.	The BGA may leave the school contribution and grant as last approved until the project is completed.
Decrease in project cost (after approval) such that, if the school's contribution were to be held constant, the grant would reduce to less than 10 per cent of the school's contribution.	<ul style="list-style-type: none"> • The BGA may maintain the grant at 10 per cent of the school's contribution, if it believes that this would be the most effective way of achieving the CGP's objectives. • Approve the change on a determination. • Re-allocate the savings to other projects. • Notify the Department through Amendments in CGDEP.
Decrease in project cost from that last approved (at completion of a project).	<ul style="list-style-type: none"> • The whole amount of the savings must be used to reduce the Australian Government's grant, unless the BGA believes that the objectives of the CGP will be better served by permitting some or all of the savings to be used by the school to reduce its contribution to the project. • In the latter case, the school's contribution may be reduced by up to 10 per cent of the school's contribution. Savings above 10 per cent of the school's contribution must be used to reduce the Australian Government's grant. • Approve the change on a determination. • Re-allocate the savings to other projects. • Notify the Department through Amendments in CGDEP.
Savings identified after the end of the relevant programme year	<ul style="list-style-type: none"> • Reallocate the savings to other eligible projects that have that year within their Schedule triennium, (eg 2004 funds can only be assigned to 2002, 2003 or 2004 Schedule projects). • Approve the change on a determination. • Notify the Department through Amendments in CGDEP. • If savings cannot be allocated to eligible projects, they must be returned to the Australian Government, unless specified otherwise by the Australian Government.

ATTACHMENT 8B

RECOMMENDED FORMAT FOR VARIATIONS

Variation of a capital project

Determination 2003 -- [identification no.]

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

[NAME OF SCHOOL]
[DEST PROJECT REFERENCE]

FROM:

[PROJECT DESCRIPTION]

Project Cost: \$[amount]

Contribution: \$[amount]

Total Grant: \$[amount]

Programme Year: [year] \$[amount]

Programme Year: [year] \$[amount]

TO:

[PROJECT DESCRIPTION]

Project Cost: \$[amount]

Contribution: \$[amount]

Total Grant: \$[amount]

Programme Year: [year] \$[amount]

Programme Year: [year] \$[amount]

Signed:
 [NAME]

Dated:

ATTACHMENT 9

CALCULATION OF ALLOCATIONS

1. The total amount of funds to be made available for each year is appropriated through the *Act*. Any adjustments to allocations for building price movements will normally be made in the later part of the programme year.
2. The calculation of each BGA's allocations is done in two stages: firstly the administrative allowance and secondly the project funds.
3. The calculation of the administrative allowance and project funds to each BGA is also done in two stages. The following flow chart stipulates the formulas used in calculating the various stages.

**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 GRG 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 \$82,880 (in final 2003 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 GRG 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)**

For the two forward commitment years, repeat the process and calculate project funds based on the percentage allowed for that year (ie 50%) **(Stage 2e)**

ATTACHMENT 10**ADDITIONAL ACCOUNTABILITY FOR BGAs
CLAIMING MORE THAN THE ALLOCATED
ADMINISTRATIVE ALLOWANCE**

1. BGAs which remain within the standard administrative allowance need only provide standard accountability. BGAs may use interest money to supplement their administrative allowance without affecting their accountability obligations.
2. The Australian Government is prepared to allow a BGA to exceed the allocation for its administrative allowance on the condition that it meets accountability requirements which will allow participant schools to make some assessment of the BGA's relative efficiency.
3. Each BGA which chooses to claim more than the allocation for administrative allowance must provide, in addition to normal accountability, each year:
 - (a) to the Australian Government, before or with their accountability documentation, a breakdown of their actual expenditure for the previous programme year and of their projected expenditure for the current programme year; and
 - (b) to at least those participant schools which have applied for a grant in the last three years (and to any other participant upon request) the information at (a) above plus:
 - the percentage of the BGA's total funding allocation spent on administration in the previous programme year and that projected for the current programme year;
 - the BGA's per grant and per application administrative expenditure for the previous programme year; and
 - the contextual statistics to be provided by the Department
4. The statistics provided by the Department will be, in relation to those BGAs which provide information on the full cost of administering the programme:
 - the maximum, minimum and median per grant and per application administrative expenditure for the last programme year; and
 - the maximum, minimum and median percentage of total allocation spent on administration for the last programme year.
5. The breakdown of Administrative Expenditure must include at least the elements listed below:
 - full time staff equivalents (number)
 - total staff remuneration (including any fringe benefits)
 - committee remuneration
 - travel expenditure
 - office accommodation costs
 - consultancies
 - other

ATTACHMENT 10 (cont'd)

6. BGAs may provide any explanatory notes they feel are necessary.

Example of information to be provided to schools**ADMINISTRATIVE EXPENDITURE - THIS BGA**

2003 Actual		2004 Projected	
full-time staff equivalents	2.5	full-time staff equivalents	2.0
total staff remuneration	\$65,000	total staff remuneration	\$55,000
committee remuneration	\$5,000	committee remuneration	\$5,000
travel expenditure	25,000	travel expenditure	20,000
office accommodation costs	\$10,000	office accommodation costs	\$7,000
other	\$8000	other	\$8,000
Percentage of total Allocation	3.1%	Percentage of total Allocation	2.9%

COMPARATIVE ADMINISTRATIVE EXPENDITURE TABLE (LAST YEAR)

	Min	Max	Median	This BGA
Per Grant Approved	\$4,000	\$12,000	\$8,000	\$7,500
Per Application Received	\$2,000	\$4,000	\$3,000	\$2,500
% of Allocation	3.1%	7.9%	3.4%	3.1%

ATTACHMENT 11A**FINANCIAL ACCOUNTABILITY STATEMENT**

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). The statement is to consist of:
 - (a) an audit certificate signed by an independent auditor and who has audited the BGA's accounts, stating whether the BGA's disbursement of funds in the accountability year was in accordance with the purposes for which the funds were provided;
 - (b) an audited statement of receipts and expenditure in relation to grants received from the Australian Government in the accountability year and total expenditure by the BGA. The auditor, 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 auditor; and
 - (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.

2. Key elements in the statement of receipts and expenditure will be:

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;
- (e) funds recovered from schools during the year (eg school closures), if any

ATTACHMENT 11A (cont'd)**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 that purpose and no other unless variations have been approved 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 programme 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 proforma, identifying whether the payment is made from Australian Government funds, interest money 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).

ATTACHMENT 11B**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 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. The information is to be provided by each BGA to the Department and applicant schools (those that 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, including the most recent Annual Schedule of grant approvals. The information is in regard to applicant schools only.
4. 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 programme.

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.

ATTACHMENT 11B (cont'd)**B. DISTRIBUTION OF GRANTS BY DEGREE OF EDUCATIONAL DISADVANTAGE**

Purpose: To show that grants are distributed on the basis of educational disadvantage (ie 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 B 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.

C. DISTRIBUTION OF GRANTS AGAINST AREA STANDARDS

Purpose: To provide information on the areas of schools receiving grants.

1. The total value and number of grants to schools whose **post**-project areas fall within the following percentage ranges of the area standards: below 70%, 70% to 85%, 85% to 100%, 100% to 115%, 115% to 130% and above 130%.
2. See attached sample table C for an illustration of how the data could be presented.
3. To be provided to the Department only - for all projects except those for equipment (for which this data is not required), pre- and post- project area per student.

ATTACHMENT 11B (cont'd)

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.

D. Value/Proportion Of Grants/Funds Sought For Existing Students And New Students By Grantees And Eligible But Unfunded Projects

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

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 programme fund allocations (ie net of administrative allocations).
3. See attached, sample table D1 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 D2 for an illustration of how the data could be presented.

Objective 3

In implementing the above two objectives, also pursue the Australian Government's Priorities and Objectives for Schooling as outlined in the introduction to the *Administrative Guidelines*.

E. 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 to projects whose purpose for being built is to improve
 - a) literacy and numeracy (specialist teaching areas, not GLAs)
 - b) student participation
 - c) educational outcomes for Indigenous students
 - d) career, enterprise and vocational education
 - e) knowledge in science
 - f) development of information technology skills and
 - g) civics and citizenship education

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, eg construction of hospitality facilities would be categorised as (d). The Department would not expect more than two categories for any individual project.

PERFORMANCE INFORMATION FOR CAPITAL GRANTS PROGRAMME

BGAs to provide to the Department and their applicant schools

B. 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	\$\$	\$\$	\$\$	\$\$	\$\$
	%	%	%	%	%
No of Grants	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
	XX	XX	XX	XX	XX
No of Unfunded Applications	XX	XX	XX	XX	XX

C. Distribution of Grants against Area Standards

	Percentage of Area Standard					
	<70%	70-85%	85-100%	100-115%	115-130%	>130%
Value Of Grants (post project)	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
	Percentage of Area Standard					
No. of Grants (post-project)	<70%	70-85%	85-100%	100-115%	115-130%	>130%
	XX	XX	XX	XX	XX	XX

D1. Distribution of Grants across Existing & New Places

	20XX-20YY Triennium		
	Existing Places	New Places	Uncommitted Funds
Grants	\$\$ %	\$\$ %	\$\$ %

D2. 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

ATTACHMENT 12**PRIVACY ACT 1988****Information Privacy Principles****Principle 1 - Manner and purpose of collection of personal information**

1. Personal information shall not be collected by a collector for inclusion in a record or in a generally available publication unless:

- (a) the information is collected for a purpose that is a lawful purpose directly related to a function or activity of the collector; and
- (b) the collection of the information is necessary for or directly related to that purpose.

2. Personal information shall not be collected by a collector by unlawful or unfair means.

Principle 2 - Solicitation of personal information from individual concerned

Where:

- (a) a collector collects personal information for inclusion in a record or in a generally available publication; and
- (b) the information is solicited by the collector from the individual concerned; the collector shall take such steps (if any) as are, in the circumstances, reasonable to ensure that, before the information is collected or, if that is not practicable, as soon as practicable after the information is collected, the individual concerned is generally aware of:
- (c) the purpose for which the information is being collected;
- (d) if the collection of the information is authorised or required by or under law—the fact that the collection of the information is so authorised or required; and
- (e) any person to whom, or any body or agency to which, it is the collector's usual practice to disclose personal information of the kind so collected, and (if known by the collector) any person to whom, or any body or agency to which, it is the usual practice of that first-mentioned person, body or agency to pass on that information.

Principle 3 - Solicitation of personal information generally

Where:

- (a) a collector collects personal information for inclusion in a record or in a generally available publication; and
- (b) the information is solicited by the collector; the collector shall take such steps (if any) as are, in the circumstances, reasonable to ensure that, having regard to the purpose for which the information is collected:
- (c) the information collected is relevant to that purpose and is up to date and complete; and
- (d) the collection of the information does not intrude to an unreasonable extent upon the personal affairs of the individual concerned.

Principle 4 - Storage and security of personal information

A record-keeper who has possession or control of a record that contains personal information shall ensure:

- (a) that the record is protected, by such security safeguards as it is reasonable in the circumstances to take, against loss, against unauthorised access, use, modification or disclosure, and against other misuse; and
- (b) that if it is necessary for the record to be given to a person in connection with the provision of a service to the record-keeper, everything reasonably within the power of the record-keeper is done to prevent unauthorised use or disclosure of information contained in the record.

ATTACHMENT 12 (cont'd)**Principle 5 - Information relating to records kept by record-keeper**

1. A record-keeper who has possession or control of records that contain personal information shall, subject to clause 2 of this Principle, take such steps as are, in the circumstances, reasonable to enable any person to ascertain:

- (a) whether the record-keeper has possession or control of any records that contain personal information; and
- (b) if the record-keeper has possession or control of a record that contains such information:
 - (i) the nature of that information;
 - (ii) the main purposes for which that information is used; and
 - (iii) the steps that the person should take if the person wishes to obtain access to the record.

2. A record-keeper is not required under clause 1 of this Principle to give a person information if the record-keeper is required or authorised to refuse to give that information to the person under the applicable provisions of any law of the Commonwealth that provides for access by persons to documents.

3. A record-keeper shall maintain a record setting out:

- (a) the nature of the records of personal information kept by or on behalf of the record-keeper;
- (b) the purpose for which each type of record is kept;
- (c) the classes of individuals about whom records are kept;
- (d) the period for which each type of record is kept;
- (e) the persons who are entitled to have access to personal information contained in the records and the conditions under which they are entitled to have that access; and
- (f) the steps that should be taken by persons wishing to obtain access to that information.

4. A record-keeper shall:

- (a) make the record maintained under clause 3 of this Principle available for inspection by members of the public; and
- (b) give the Commissioner, in the month of June in each year, a copy of the record so maintained.

Principle 6 - Access to records containing personal information

Where a record-keeper has possession or control of a record that contains personal information, the individual concerned shall be entitled to have access to that record, except to the extent that the record-keeper is required or authorised to refuse to provide the individual with access to that record under the applicable provisions of any law of the Commonwealth that provides for access by persons to documents.

Principle 7 - Alteration of records containing personal information

1. A record-keeper who has possession or control of a record that contains personal information shall take such steps (if any), by way of making appropriate corrections, deletions and additions as are, in the circumstances, reasonable to ensure that the record:

- (a) is accurate; and
- (b) is, having regard to the purpose for which the information was collected or is to be used and to any purpose that is directly related to that purpose, relevant, up to date, complete and not misleading.

2. The obligation imposed on a record-keeper by clause 1 is subject to any applicable limitation in a law of the Commonwealth that provides a right to require the correction or amendment of documents.

3. Where:

- (a) the record-keeper of a record containing personal information is not willing to amend that record, by making a correction, deletion or addition, in accordance with a request by the individual concerned; and
- (b) no decision or recommendation to the effect that the record should be amended wholly or partly in accordance with that request has been made under the applicable provisions of a law of the Commonwealth; the record-keeper shall, if so requested by the individual concerned, take such steps (if any) as are reasonable in the circumstances to attach to the record any statement provided by that individual of the correction, deletion or addition sought.

ATTACHMENT 12 (cont'd)**Principle 8 - Record-keeper to check accuracy etc. of personal information before use**

A record-keeper who has possession or control of a record that contains personal information shall not use that information without taking such steps (if any) as are, in the circumstances, reasonable to ensure that, having regard to the purpose for which the information is proposed to be used, the information is accurate, up to date and complete.

Principle 9 - Personal information to be used only for relevant purposes

A record-keeper who has possession or control of a record that contains personal information shall not use the information except for a purpose to which the information is relevant.

Principle 10 - Limits on use of personal information

1. A record-keeper who has possession or control of a record that contains personal information that was obtained for a particular purpose shall not use the information for any other purpose unless:
 - (a) the individual concerned has consented to use of the information for that other purpose;
 - (b) the record-keeper believes on reasonable grounds that use of the information for that other purpose is necessary to prevent or lessen a serious and imminent threat to the life or health of the individual concerned or another person;
 - (c) use of the information for that other purpose is required or authorised by or under law;
 - (d) use of the information for that other purpose is reasonably necessary for enforcement of the criminal law or of a law imposing a pecuniary penalty, or for the protection of the public revenue; or
 - (e) the purpose for which the information is used is directly related to the purpose for which the information was obtained.
2. Where personal information is used for enforcement of the criminal law or of a law imposing a pecuniary penalty, or for the protection of the public revenue, the record-keeper shall include in the record containing that information a note of that use.

Principle 11 - Limits on disclosure of personal information

1. A record-keeper who has possession or control of a record that contains personal information shall not disclose the information to a person, body or agency (other than the individual concerned) unless:
 - (a) the individual concerned is reasonably likely to have been aware, or made aware under Principle 2, that information of that kind is usually passed to that person, body or agency;
 - (b) the individual concerned has consented to the disclosure;
 - (c) the record-keeper believes on reasonable grounds that the disclosure is necessary to prevent or lessen a serious and imminent threat to the life or health of the individual concerned or of another person;
 - (d) the disclosure is required or authorised by or under law; or
 - (e) the disclosure is reasonably necessary for the enforcement of the criminal law or of a law imposing a pecuniary penalty, or for the protection of the public revenue.
2. Where personal information is disclosed for the purposes of enforcement of the criminal law or of a law imposing a pecuniary penalty, or for the purpose of the protection of the public revenue, the record-keeper shall include in the record containing that information a note of the disclosure.
3. A person, body or agency to whom personal information is disclosed under clause 1 of this Principle shall not use or disclose the information for a purpose other than the purpose for which the information was given to the person, body or agency.