



SA Independent Schools
Block Grant Authority

BLOCK GRANT AUTHORITY SEMINAR 2020

Tuesday 20 October 2020

For Round 2022 Funding

Seminar Program 2020

1. Welcome – *Tina Whisson, Executive Officer*
2. What / who is the BGA?
3. Purpose and Objectives
4. Eligible Projects
5. Funding – Commonwealth \$\$ and Allocation
6. Approval Process
7. Post-approval Process
8. Compliance Matters
9. Master Plan Grants
10. Questions

PowerPoint Presentations from the Seminar will be available at
<https://www.saisbga.org.au/news/>



SA Independent Schools Block Grant Authority

What Is It?

- Not For Profit Incorporated Association
- Approved by the Commonwealth Minister for Education under the *Australian Education Act 2013* to manage the Capital Grants Program (CGP) and any other Capital Programs for the Independent Sector in SA
- Reports to:
 - ↳ Department of Education, Skills and Employment (DESE)
 - ↳ Schools Assurance Branch
 - ↳ Capital Funding Team
- Usually referred to as ... the **BGA**
- Governed by the BGA Committee



SA Independent Schools Block Grant Authority

Who Is It?

- Tina Whisson – Chair, former BGA Project Officer, Business Manager & more
- Russell Eley – former Principal, King’s Baptist Grammar
- John Proeve – Director, Lutheran Schools SA/WA/NT
- Stephen Rosier – Business Manager, Trinity College
- Susan Phillips – Director, Phillips/Pilkington Architects
- Toshi Umehara – Business Manager, Temple Christian College
- Mandy Hore – Deputy Principal, Walford Anglican School for Girls
- Lou George – Board Chair, Cedar College
- Wendy Matear – Principal, Bethany Christian School
- Peter McCabe – former Business Manager, Sacred Heart College
- Carolyn Grantskalns – ex officio – BGA Public Officer - Chief Executive AISSA

Staff

- John Wilson – Executive Officer – 0.6 FTE
- Jane Pike – Finance Officer – 0.5 FTE



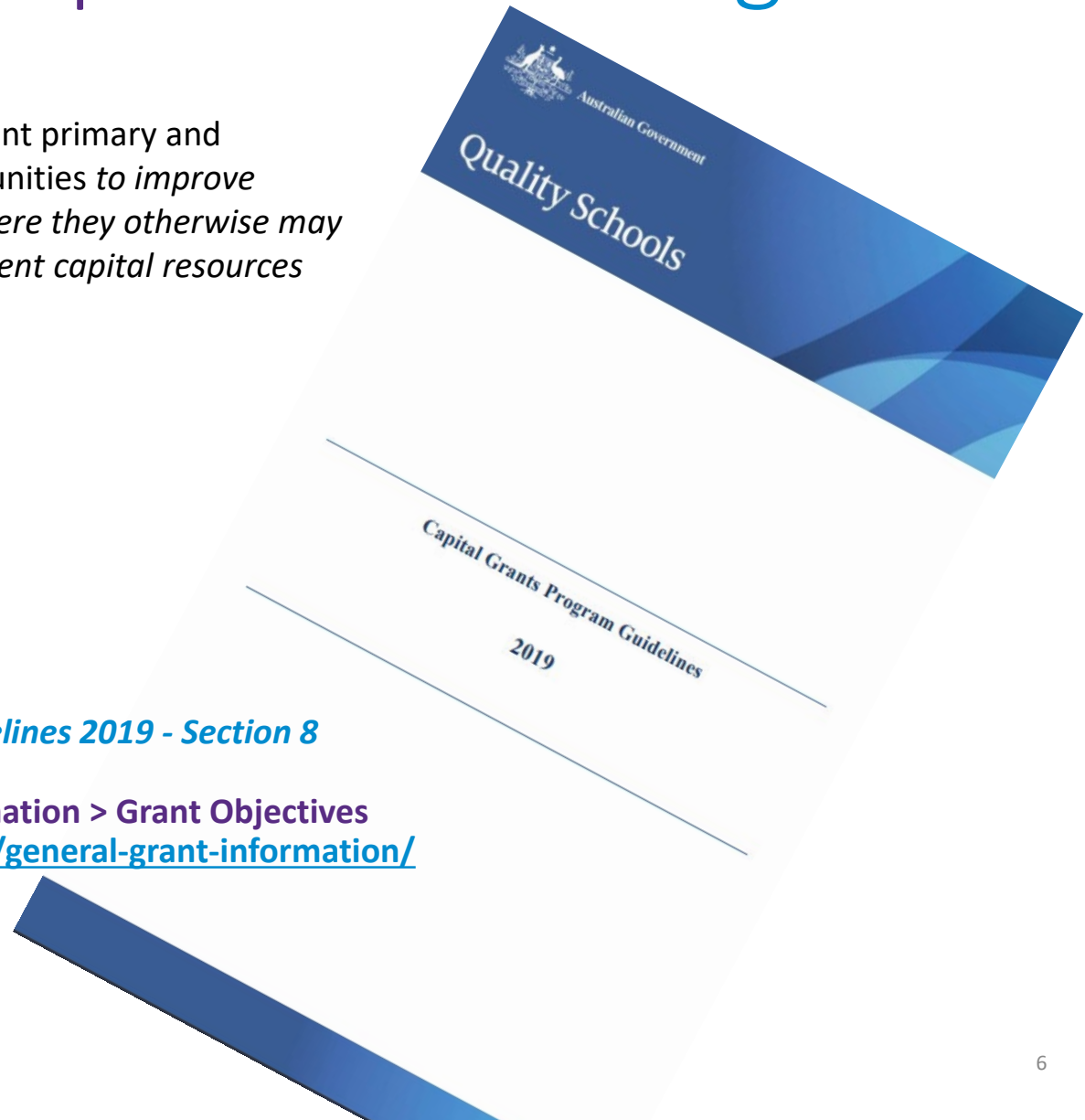
Capital Grants Program

Purpose

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

Capital Grant Program Guidelines 2019 - Section 8

Refer to Capital Grant Information > Grant Objectives
<https://www.saisbga.org.au/general-grant-information/>



Capital Grants Program

Key Objectives

- Provide and improve school capital infrastructure, particularly for the most educationally disadvantaged students
- Ensure attention to refurbishment and upgrading of capital infrastructure for existing students while
- Make provision for needs arising from new demographic and student enrolment trends
- Pursue the Commonwealth's other priorities and objectives for schooling:
 - Supporting quality teaching
 - Supporting parental and community engagement
 - Supporting safety for the school community
 - Supporting the curriculum
 - Supporting educational opportunities for Indigenous students
 - Supporting educational opportunities for students with disabilities

Capital Grant Program Guidelines 2019 - Section 9 & 164

Refer to Capital Grant Information > Grant Objectives
<https://www.saisbga.org.au/general-grant-information/>



Capital Grants Program

What can be funded?

- Investigating the need for
 - schools in particular areas, or
 - schools of particular kinds in particular areas, or
 - buildings or other facilities (or parts of buildings or other facilities) ,or equipment;
- purchasing land, with or without buildings (or parts of buildings);
- planning for the erection, alteration, extension, demolition or refurbishment of a building or other facility (or part of a building or other facility);
- developing or preparing land for building or other purposes;
- erecting, altering, extending, demolishing or refurbishing a building or other facility (or part of a building or other facility);
- installing or upgrading water, electricity or any other services;
- providing equipment, including information technology (as part of a broader capital project unless special circumstances exist);
- providing furniture (as part of a broader capital project unless special circumstances exist);
- providing library materials or obtaining services and goods for cataloguing a library (or part of a library) (as part of a broader capital project unless special circumstances exist);



Capital Grant Program Guidelines 2019 - Section 53

Capital Grants Program

What cannot be funded?

- facilities which have religious worship as a principal purpose;
- facilities in a co-educational school where those facilities will not, as far as practicable, be equally available to male and female students at the school;
- where retrospective approval is sought (generally after a contractual arrangement to commence the project has been entered into);
- projects proposed to be undertaken solely by parents and friends;
- facilities where the majority of the use will be by full fee paying overseas, or other unfunded students attending a 'for profit' section of the school;
- facilities that are principally for pre-primary education, ie for students below the prescribed state/territory school starting age or where the facility is not in a formal school setting (for example, a school's attached Early Learning Centre would not be eligible for CGP funding).

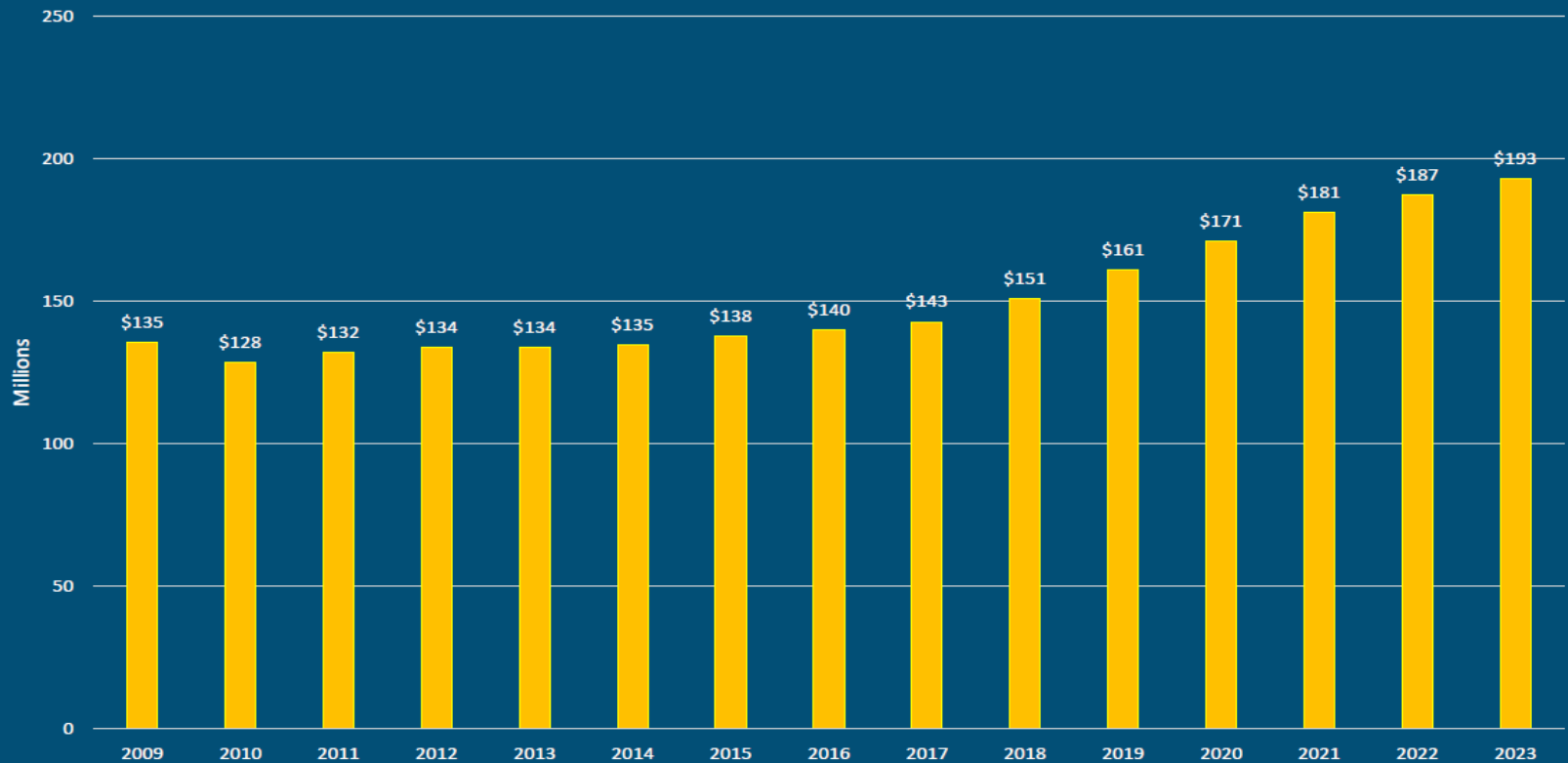
Capital Grant Program Guidelines 2019 - Section 54

Refer to Capital Grant Information > Eligibility Criteria

<https://www.saisbga.org.au/general-grant-information/>

Capital Grants Program Commonwealth Funding

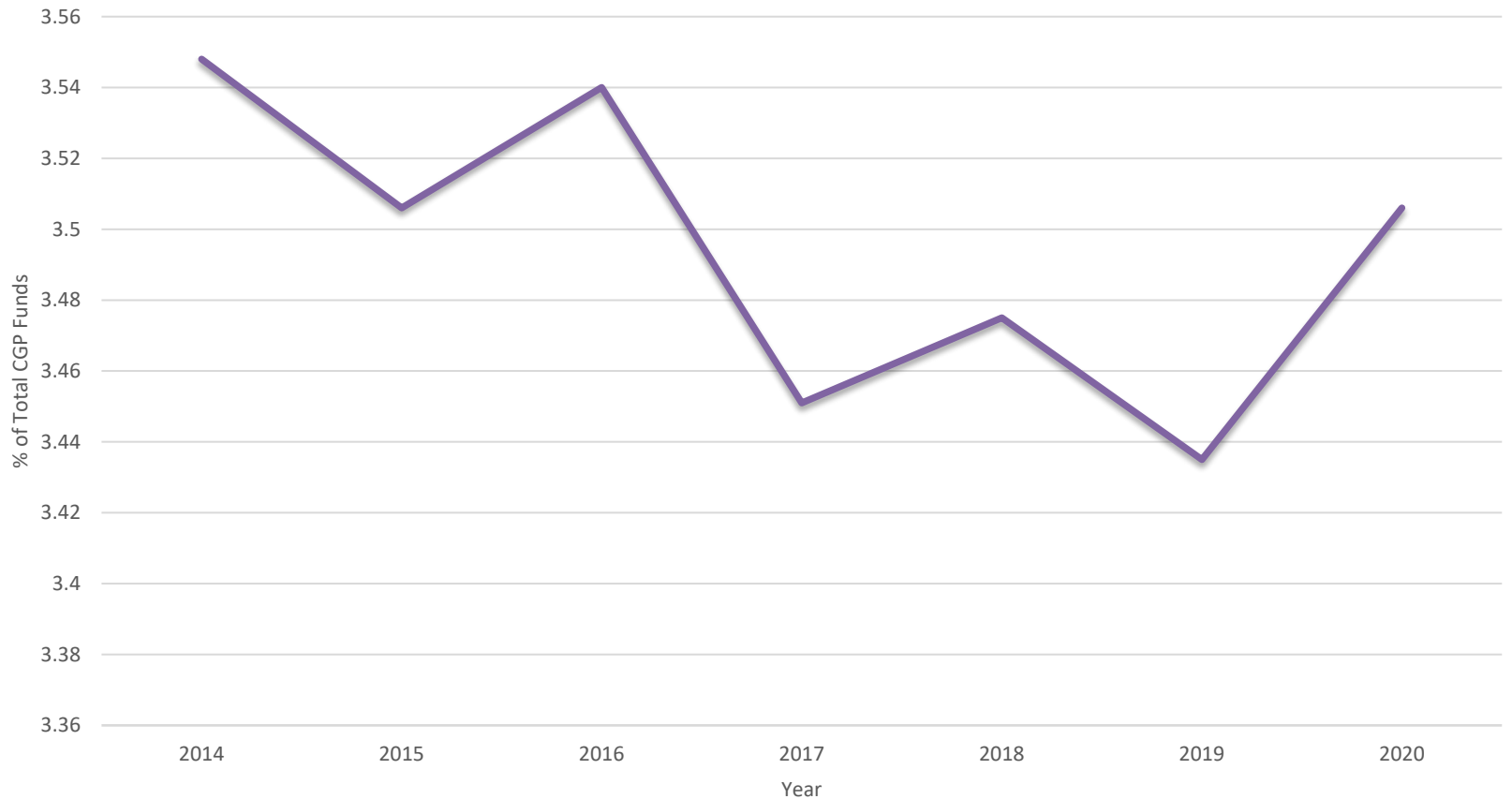
CGP Funding 2009 - 2023



Estimated CGP Funding

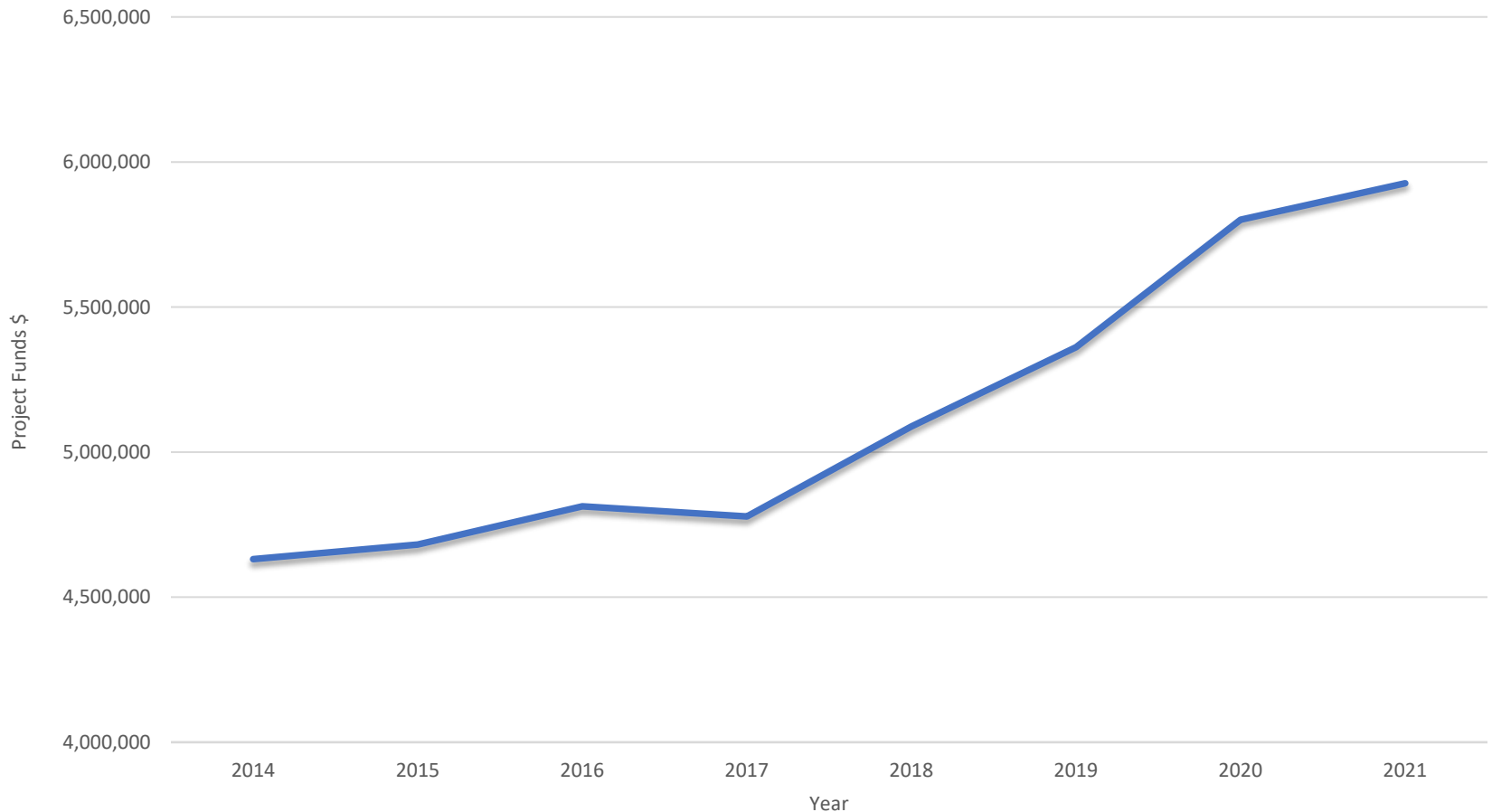
Capital Grants Program Commonwealth Funding

SAIS BGA % of Total CGP



Capital Grants Program Commonwealth Funding

BGA Project Funds 2014 - 2021



Capital Grants Program Approval Process

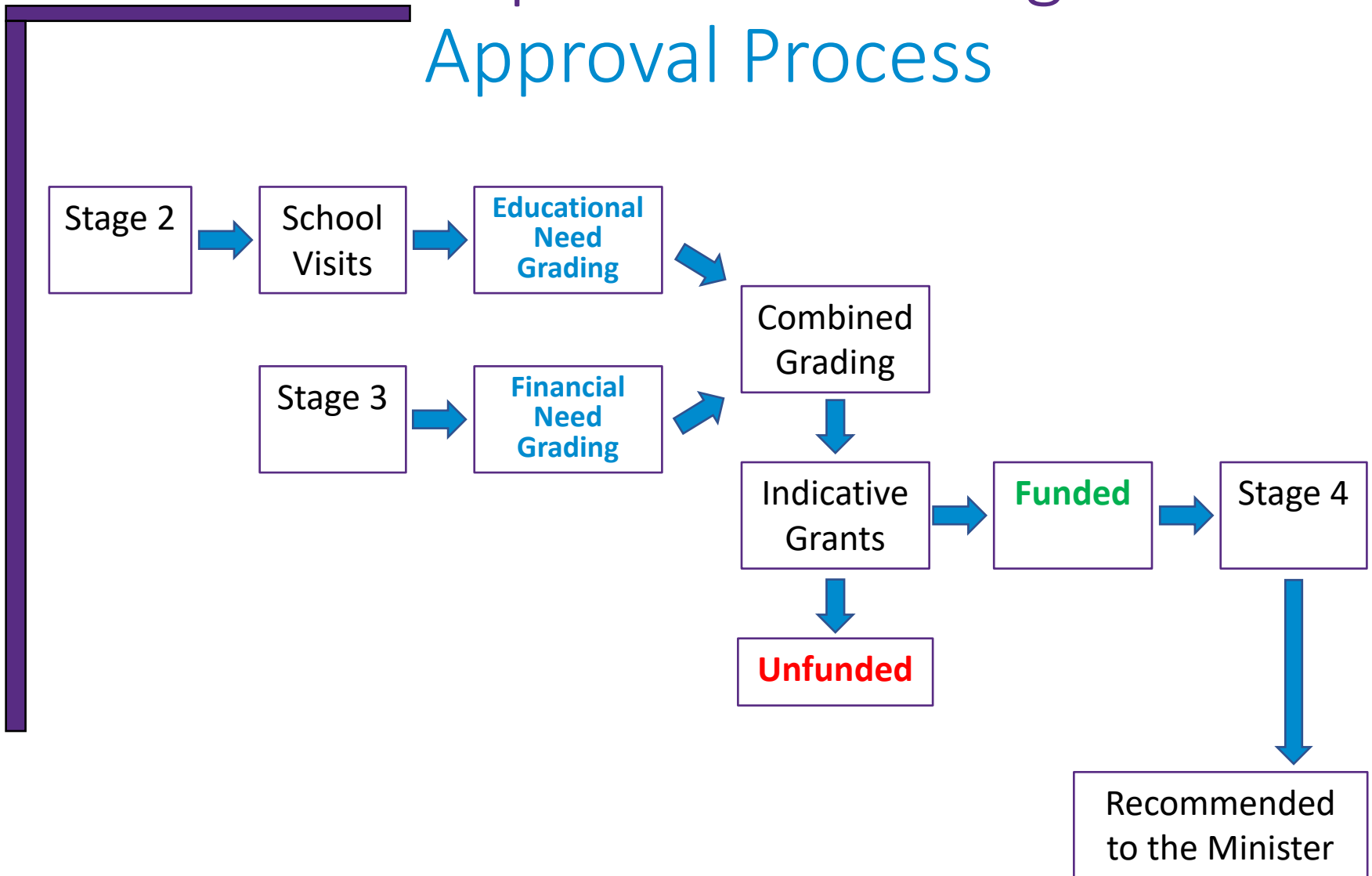
Five key steps:

1. Is your Project eligible?
2. How strong is your **Educational Need**?
3. How strong is your **Financial Need**?
4. Where does your combined Needs rank you against the other Projects?
5. What is your share of the available funds?
6. Recommendation for Ministerial approval

Two key measures are **Educational Need** & **Financial Need**

- Grading requires a mixture of objective measurement and subjective gut feel and judgement
- Schools need to make their cases for both measures

Capital Grants Program Approval Process



Capital Grants Program Approval Process

How much do you get?

Project Cost *less* School Contribution = Grant Request



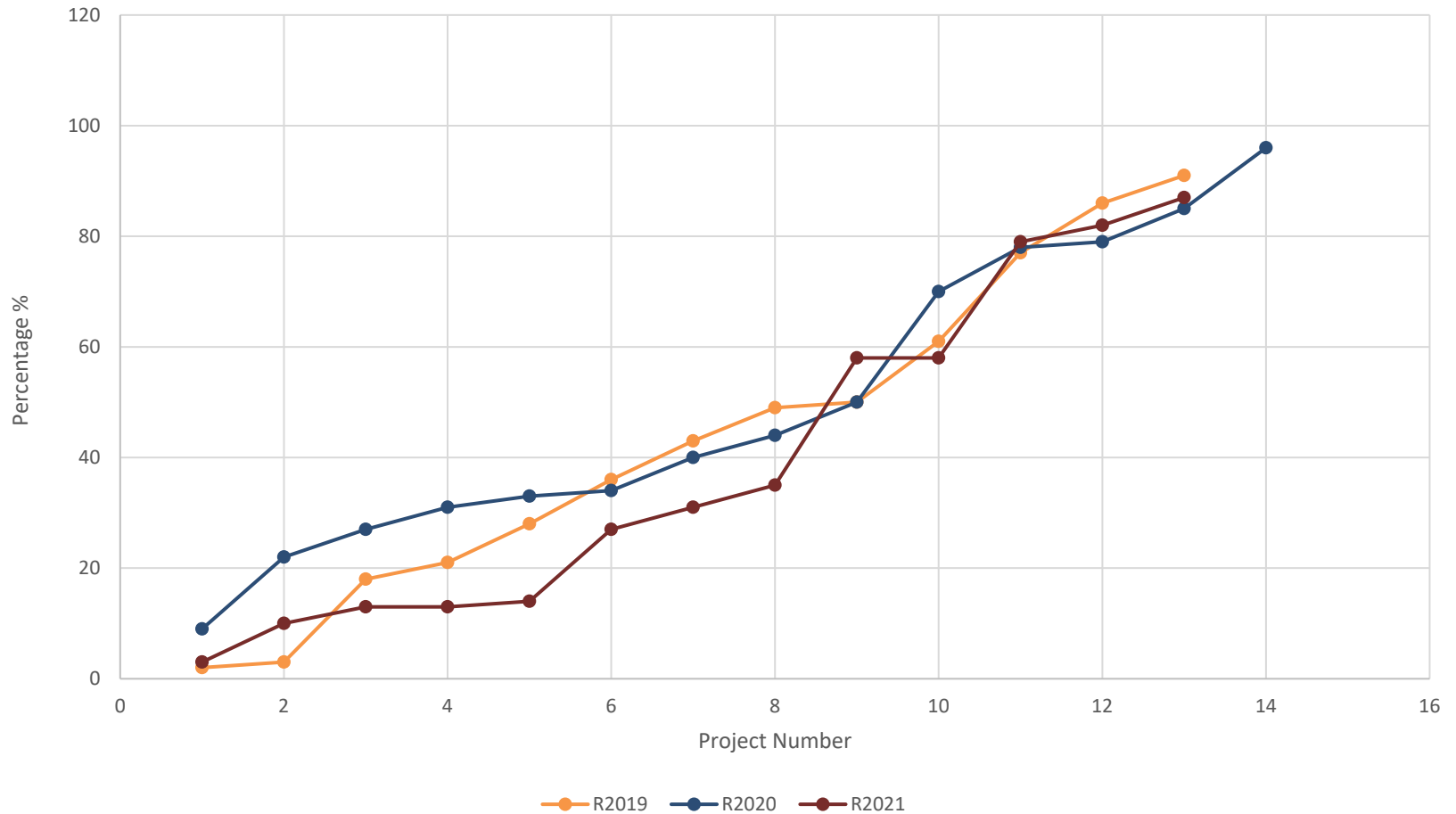
- Must be Maximised (*CGP Guidelines ss59 & 60*)
- Includes both cash and loans
- Considered on a school by school basis

BGA considers:

- Capex Budget priorities including Master Plan stages
- Capacity to borrow
- Operating efficiency
- Balancing a maximised Contribution with a school's ongoing financial viability

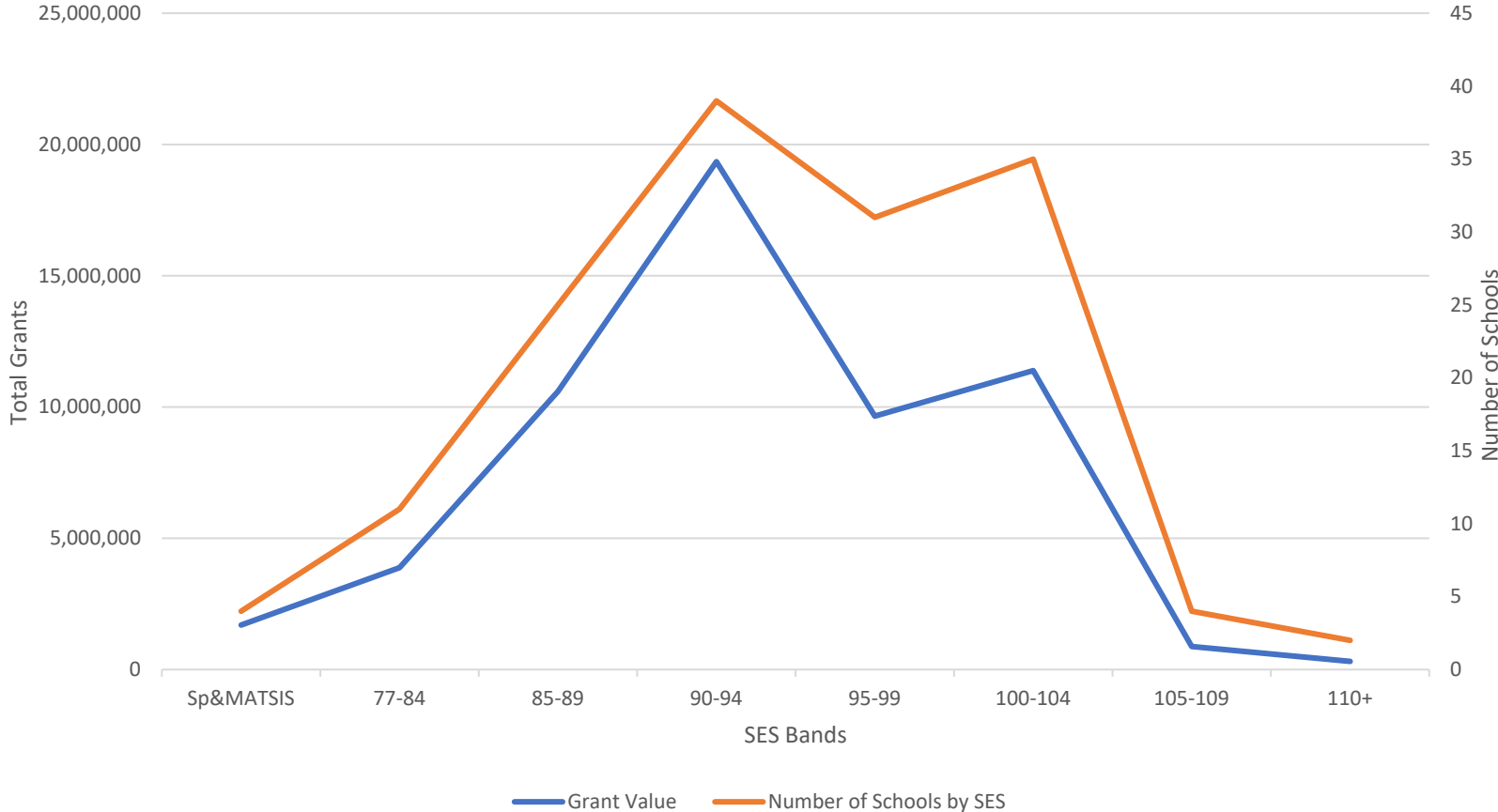
Capital Grants Program Approval Process

Grant as % of Project Cost



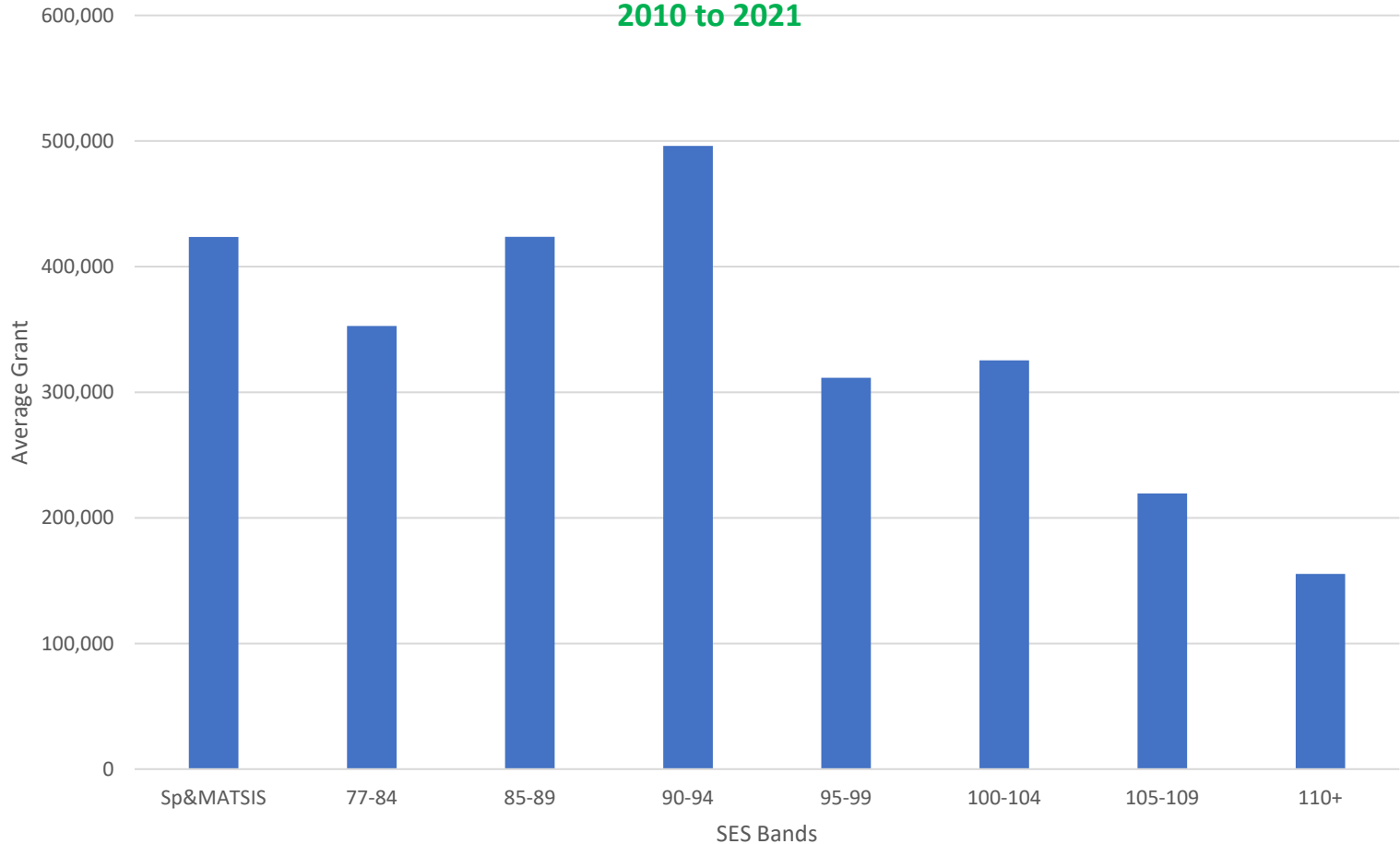
Capital Grants Program Approval Process

Total Grants by SES Band
2010 - 2021

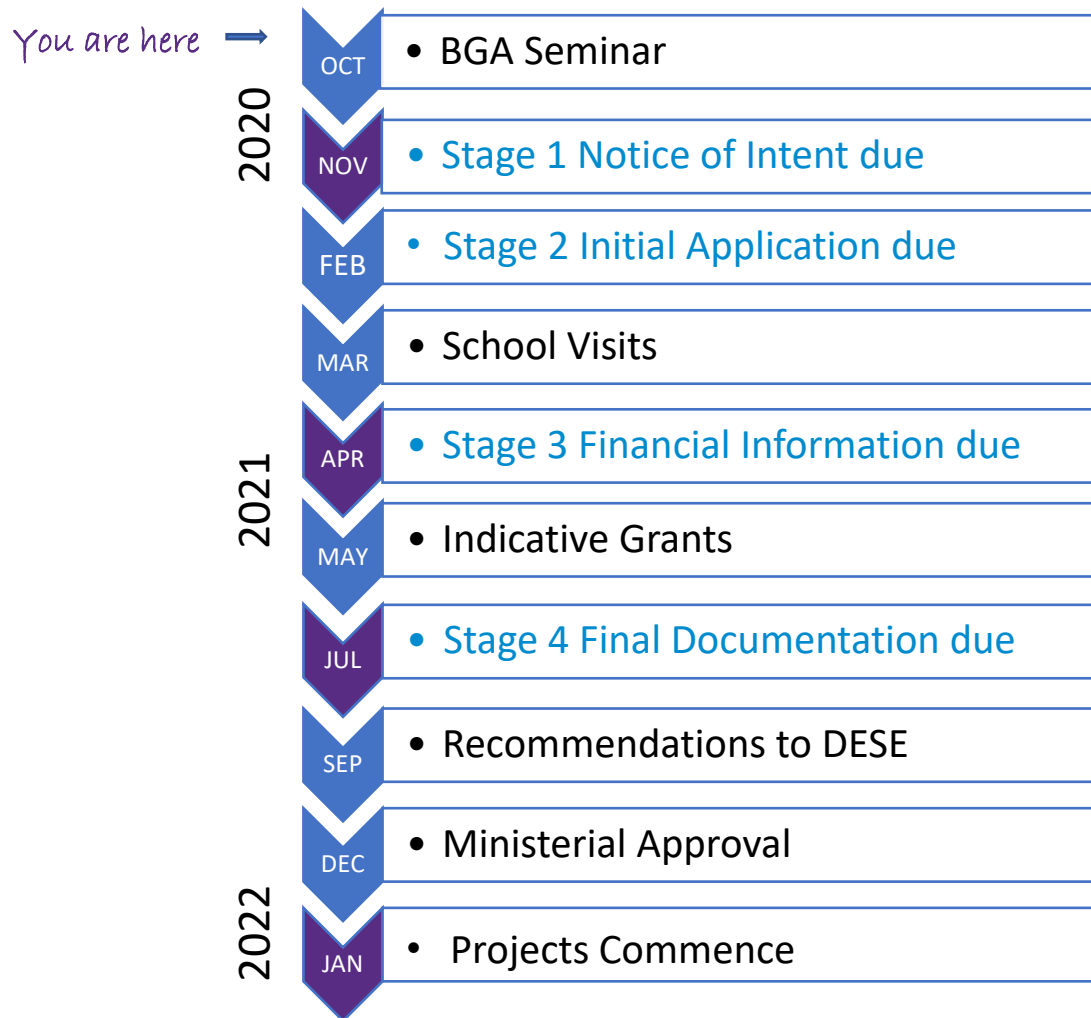


Capital Grants Program Commonwealth Funding

Average Grant/School by SES Band
2010 to 2021



CGP – Approval Process



CGP – Approval Process

Stage 1 - Notice of Intent

What are you thinking about?

- Some Eligibility Questions
- Status of Asset Management Plan
- Scope of Proposed Project
- Estimated cost and level of grant required
- Educational Purpose/Need
- Consistency with Master Plan



Available on the website from Thursday 22 October

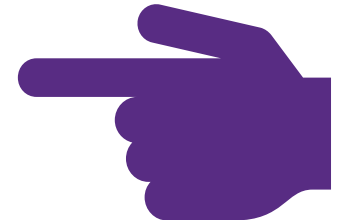
Lutheran school NOIs sent by BGA to LESNW for review

BGA may contact non-Lutheran applicants for discussion and possible site visit

Stage 1 Notice of Intent – submissions close 17 November 2020

Hints:

Don't ask for \$1m+ – you will be asked to stage the Project History shows **BGA rarely funds** schools with SES >105 **Educational Need** should be done by Principal or equivalent Application costs are **included** in Project costings



CGP – Approval Process

Stage 2 – Initial Application

Components

- Other Eligibility matters
- Meeting Program Objectives
- Enrolment History and Forecast
- Minimum Viable Project re Area Guidelines & Standard Costs
- Funding of School Contribution
- Financial Forecast (v1) – including:
 - Capex for previous and current years and further 4 years
 - Operations for same periods
 - Resulting forecast of Cash Resources
- Site Map and sketch plans to give a good sense of the Project

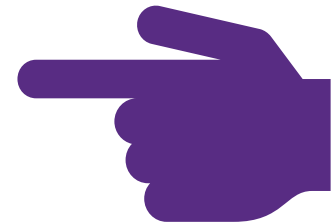
Stage 2 Initial Application – submissions close 2 February 2021

Lutheran schools:

Email to LESNW by cob Thursday 28 January for Finance Committee review

Upload to BGA by due date (Tuesday 2 Feb 2021)

LESNW will review and send BGA a letter of comfort



CGP – Approval Process

Stage 2 – Initial Application

Minimum Viable Project

We seek to identify the minimum viable project that:

a) Is based on sound enrolment projections for the period closely following project completion (Area Guidelines)

b) Is consistent with sound educational planning and functional educational design

c) Avoids design features (e.g. inefficient position of buildings) that make no significant educational contribution and that may increase construction, or operating costs (Standard Costs)

d) Takes appropriate account of the contribution which aesthetically pleasing design and good quality materials can make to school morale and to the care with which students treat their environment

Refer to Capital Grant Information > Area and Cost Guidelines
<https://www.saisbga.org.au/general-grant-information/>

CGP – Approval Process

School Visits

All applicant schools are visited in March to:

- Experience the school, its history, vision and management first hand
- Understand the physical context of the proposed project, its special features, costing issues, and options
- Hear the extended arguments for Educational Need and Financial Need
- Test the assumptions behind the Stage 2 Initial Application
- Assess whether CGP Objectives are being met
- Inspect Master Plans and Asset Management Plans
- Answer your questions about the process
- If appropriate, enjoy a simple refreshment, possibly with a biscuit...

The visiting Panel has the Chair, the Executive Officer and usually two Committee members



CGP – Approval Process

Stage 3 – Financial Information

Components

- Audited Financial Statements (or draft) for the previous year
- Financial data to calculate various KPIs (eg Unpaid fees, EBIDA, Debt/student)
- Current and future loan movements
- Funding of the school contribution
- Financial Forecast (v2) - updated as required
- Financial plans and bank relationship

Stage 3 Financial Information – submissions close 13 April 2021 (end Term 1)



CGP - Approval Process

Stage 3 – Financial Information

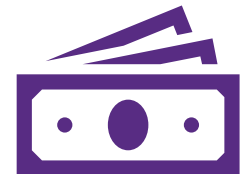
The BGA Finance sub-committee will

- Assess the impact the proposed project might have on the school's
 - level of debt
 - ability to manage that debt
- Assess whether the school is maximising its contribution, and negotiate this with the school if necessary
- Seek further information from the school to ensure the BGA properly understands the school's financial position
- Make recommendations to the BGA Committee on ranking applicants by Financial Need

CGP - Approval Process

Indicative Grants (mid May)

- School Visit reports are used to rank applicant schools by Educational Need, and...
- ...Financial Information is used to rank applicant schools by Financial Need
- Available funds are allocated as Indicative Grants
- Schools receiving Indicative Grants are invited to prepare Stage 4 – Final Costings, Plans and Funding
- These schools are required to indicate whether they will proceed
- Schools not receiving Indicative Grants are advised



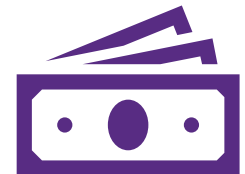
CGP – Approval Process

Stage 4 – Final Documentation

Components

- Final Costings based on QS or equivalent
- Final Plans
- Maximised School Contribution with funding details
- Financial Forecast (v3) - updated as necessary
- Audited Financial Statements if not previously supplied

Stage 4 Final Documentation – submissions close 6 July 2021 (end Term 2)



CGP – Approval Process

Finalisation of Grants

Components

- Stage 4 applications are reviewed, and queries resolved with schools
- BGA Committee finalises grant allocations over August and September
- Grant recommendations are submitted to DESE by 30 September
- Ministerial approval received sometime mid-November to early December



CONGRATULATIONS!

...your Grant has been approved!

CGP – Post Approval Process

Starting a Project

<https://www.saisbga.org.au/manage-your-grant/>

Refer to **Manage your Grant > Project Approval**

Download the [Information Sheet – Successful Capital Grant Application](#) and **FOLLOW!**

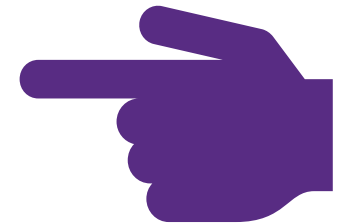


Basically:

1. Sign a Schedule 2 to the Participation Agreement (sent by the BGA) accepting the Grant and its conditions
2. Call tenders and get BGA approval of the process and the preferred tender
3. Tell us when the building contract has been signed and likely completion date
4. Start!

Hints

- Schools can call for tenders and consider them prior to Ministerial Approval **at their own risk**.
- No tender can be awarded, or contract signed, until after BGA Approval.
- **Material** changes to an Approved Project's design or scope or cost must have BGA approval first



CGP – Post Approval Process

Participation Agreements



- Set out the rights and obligations of the BGA and the school
- Cover the Application process, receiving a Grant, Accountability
- Parties are the SAIS BGA and Approved Authorities
- Systemic schools need to get a copy from their System Office
- Bulk of current Agreements were signed late 2017/early 2018
- Email bga@ais.sa.edu.au for a copy

CGP – Post-Approval Process

- Payment of Grant instalments up front
- Grant payments for larger projects may be split over 2 years
- Submission of a [Progressive Expenditure Statement \(PES\)](#)
- [PES](#) to have copies of invoices, authorisation of builder's progress payments, photos
- Grant Retention Amount (*percentage under review*)
 - Grants >\$250K – 10%
 - Grants < \$250K – 15%
- Retention Amount is paid on receipt of final [PES](#) and [Architect's Statement](#) with [Occupancy Certificate](#) verifying project completion
- [PESs](#) are required monthly from start to finish **whether there is expenditure to claim or not**
- **Savings on projects must be used to reduce the CGP Grant to the project. That is, the school is required to pay its contribution to the project in full!**

CGP – Post-Approval Process

Forms

- All forms are at Manage your Grant > Quick Access to Forms, Applications and Information Sheets - <https://www.saisbga.org.au/forms/>
- Always download BGA forms from the website for each Round
- Forms that have been revised over the last couple of years:
 - Application forms (Stages 1-4) are revised each Round
 - Results of Tender/Quotation Process
 - Progressive Expenditure Statement (PES)
 - Architect's Statement
 - Accountant's Statement
- **Either** email with attachments to bga@ais.sa.edu.au (covers both John and Jane)
- **Or** use the submission facility on the website (not both)

CGP – Compliance

Schools are responsible for the maintenance of existing and future facilities and must have in place an Asset Management Plan to ensure government-funded facilities are properly maintained

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

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

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

ASSET MANAGEMENT PLAN

ASSET MANAGEMENT PLAN

CGP – Compliance

The Key Requirement is to demonstrate a strong process that delivers value for money

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

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

An independent and current Quantity Survey must be provided to the BGA for all projects using Project Management or Design/Construct

Schools must seek BGA approval to use a Project Manager or Design/Construct builder, verifying no conflict of interest.

TENDERING PROCESSES

TENDERING PROCESSES

CGP – Compliance

Right of Repayment

- The Australian Government's Right of Repayment applies to grants over \$75,000
- Triggered if a funded facility ceases to be used for the approved educational purposes
- Could be sale of school, merger of schools, part or full demolition, use as an ELC, a lapse into disuse
- Need to calculate the Designated Use Period (DUP)
 - Prior to Round 2009, DUP is 20 years with pro rata amortisation
 - From Round 2009 liability varies with the grant amount and DUP, and can exist for up to 20 years
- Details of the Right of Repayment are in the Participation Agreement and on the [website](#)
- **Contingent liability** *that should be included as a Note to Annual Financial Statements*

Refer to Capital Grant Information > Compliance and Accountability
<https://www.saisbga.org.au/general-grant-information/>

CGP – Compliance

Leasehold land and/or buildings

- For Schools under a lease arrangement, the BGA will require evidence of a lease term or guaranteed right of renewal that covers accumulated DUPs (subject to DESE approval)
- If a School is built on leased land, the BGA may require the lessor to guarantee repayment of the Australian Government's Right of Repayment of a capital grant in the event of school closure and the School defaulting on such a request.

Recognition Requirements

- Notify the community of the Commonwealth's Grant, usually in a newsletter or on the school's website
- If the Grant is \$100k+, an official Opening must be held, inviting the Minister for Education Skills and Employment or representative (usually the Government's Federal Member or Senator)
- If the Grant is less than \$100k, and an Opening is held, the same rules apply!
- A plaque is mandatory for all Projects – wording must be approved by School Openings
- All invitations and approvals through SchoolOpenings@education.gov.au
- Please invite the BGA Chair and Executive Officer
- Detailed requirements are on the [website](#)

Refer to Capital Grant Information > Compliance and Accountability

<https://www.saisbga.org.au/general-grant-information/>

CGP – Master Plan Grants

Master Plans are compulsory from Round 2020

Master Plans need to be prepared by a qualified Planner, approved by School Council, and costed (Refer to **General Grant Information > Master Plan Grant**)

CGP Grants are available for schools to develop, upgrade, extend Master Plans

Similar principles of Educational and Financial Need, and accountability apply to Master Plan Grants

Grants of 50% of cost up to a maximum of \$10k are available, and are considered by the Committee at its February and August meetings

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

CGP – Master Plan Grants

A Resource to consider

- Learning Environments Australasia (formerly CEFPI) SA Chapter – www.a4le.org.au
- Brings together architects, designers and educationalists to improve learning environments
- Sponsors research, conducts school visits, publishes references, holds Awards Competitions at Chapter, National and International levels
- List of current LEA SA Chapter members available from BGA
- Individuals are not endorsed by the BGA but are a useful resource

CGP – Questions



Any questions not answered today can be emailed to the BGA at wilsonj@ais.sa.edu.au