

# CAPITAL ASSISTANCE SCHEME GUIDELINE

## *Education (Capital Assistance) Act 1993*

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## CAPITAL ASSISTANCE SCHEME GUIDELINE

### 1. Short title

This guideline may be cited as the *Capital Assistance Scheme Guideline*.

### 2. Authority

This guideline is made pursuant to section 24B of the *Education (Capital Assistance) Act 1993*.

### 3. Commencement

This guideline commences on 16 October 2015.

### 4. Objects of the scheme

- (1) The objects of the State Capital Assistance Scheme (the scheme) is to provide capital assistance to eligible non-state schools to fund work for educational facilities or boarding accommodation for students, or residential accommodation for teachers in remote areas of the State. The focus of the scheme is on school needs and the ability of the school community to meet those needs.
- (2) The scheme is established under the *Education (Capital Assistance) Act 1993* and the *Education (Capital Assistance) Regulation 2015*. If there is any inconsistency between this guideline and the legislation, the legislation shall prevail.

### 5. Administration of the scheme

- (1) The scheme is administered on behalf of the State Government by Capital Assistance Authorities (CAAs), one nominated by the Queensland Catholic Education Commission and one nominated by The Association of Independent Schools of Queensland Inc. Each CAA will receive and assess applications for capital assistance, make recommendations to the Minister, make payments to approved authorities of schools, monitor the progress of projects and carry out other functions as set out in the *Education (Capital Assistance) Act 1993*.
- (2) To assist CAAs in meeting costs associated with administering the scheme on behalf of the State Government, each CAA may utilise

for administrative purposes up to 1% of the total annual budget of the scheme.

- (3) Interest earned by a CAA on funds provided for administrative costs may only be used by a CAA:
  - (a) to pay its administrative costs; or
  - (b) to provide capital assistance.

## **6. Funding available**

- (1) The total funding available for the scheme will be announced in the State Budget each year.
- (2) Funds are paid to each CAA to enable the CAA to provide capital assistance for approved projects. Each CAA will be paid 50% of its allocation in July, 25% in October and 25% in January.
- (3) Funds will be allocated to CAAs on the basis of the most recent State Government data survey of non-state schools (using full-time equivalent enrolment figures and excluding full fee paying overseas students).
- (4) Enrolment figures will have a weighting of 1 for primary enrolments and 1.5 for secondary enrolments. Additional weightings to be applied will be based on the most up to date information for each school's location and other needs weightings, including the Australian Government's Socio-economic Status score and the Queensland School Resource Index. The locality weightings allocated to schools will be agreed to by each CAA and the Department of Education and Training.
- (5) The process for determining the needs weighting will be the same as that used in determining the needs weighting for State Government recurrent grants to non-state schools.
- (6) A CAA must make recommendations to the Minister for Education (the Minister) for projects to be funded in a financial year up to the amount of funds available for commitment by the CAA in that financial year, after the ongoing commitment for projects approved in previous years are taken into account. The amount of funds available will be equal to the budget allocation plus uncommitted funds including interest earned on these funds.
- (7) CAA may also make recommendations for commitment of funds to projects in the next financial year. The amount of forward commitment may be up to 80% of funds available in the present

financial year after taking account of ongoing funding required for projects previously approved.

## **7. Eligibility and listing**

- (1) To be eligible for capital assistance under the scheme, a non-state school must be accredited and eligible for government funding under the *Education (Accreditation of Non-State Schools) Act 2001* and listed with a CAA.
- (2) It is the responsibility of each non-state school to become listed with a CAA prior to lodging an application for capital assistance.
- (3) A school may apply to the Minister to change its listing from one CAA to the other. The Minister will determine such applications to change listing after seeking the advice of the CAA with which the school wishes to be listed. The Minister will not approve a change of listing unless all of the following conditions are satisfied:
  - (a) before making its application, the school gives written notice of its intention to apply for approval to changes its listing, including the reasons for the proposed changes, to each CAA;
  - (b) the application is made not less than 12 months before 1 January of the year for which the school is seeking the change of listing to be effective; and
  - (c) all amounts granted to the approved authority of the school for capital assistance for an approved capital project at the school have been paid to the school, and the school has met the accountability requirements of the CAA.
- (4) A change approved by the Minister will take effect from 1 January in the year determined by the Minister.

## **8. Purpose of capital assistance**

- (1) Under the scheme, approved authorities may apply for assistance for the planning, construction, alteration, extension, renovation, relocation or upgrading of:
  - (a) educational facilities for students; or
  - (b) boarding facilities for students including accommodation in the facilities for persons supervising students in the facilities; or
  - (c) subject to Ministerial approval, residential accommodation for teachers in remote areas of the State.
- (2) Without limiting the purposes of capital assistance, funding is available for the following types of work:
  - (a) the conversion or refurbishment of existing facilities;

- (b) the preparation of sites for building;
  - (c) the installation or upgrading of water, sewerage, electricity and other services;
  - (d) the cost of local authority imposed trunk charges if not funded under the External Infrastructure Subsidy Scheme;
  - (e) the purchase of furniture and equipment;
  - (f) architectural, engineering, local authority and other professional fees; and
  - (g) the provision of modular classrooms.
- (3) Capital assistance will not be provided to meet expenditure related to any aspect of the following:
- (a) facilities which have religious worship as the sole or principal function;
  - (b) a facility of a type not provided by the State in State schools;
  - (c) the acquisition of land;
  - (d) pick-up and set-down areas at developing schools and any other local government external infrastructure requirements that are funded under the External Infrastructure Subsidy Scheme;
  - (e) a capital project related to a temporary site at which special assistance is provided, or proposed to be provided, by an eligible non-state school under the *Education (Accreditation of Non-State Schools) Act 2001*, chapter 2, part 3A;
  - (f) the purchase of pre-existing buildings; and
  - (g) facilities that are primarily for pre-preparatory education or where the facility is not in a formal school setting.
- (4) Projects for which a contract for the project has been entered into or construction, including site works, has commenced prior to Ministerial approval will not be eligible for funding.

## **9. Applications**

- (1) An application for capital assistance for a proposed capital project must be given to the CAA with which a school is listed by a due date determined by the CAA. The due date must occur at least once in every calendar year and each CAA must notify the approved authorities listed with it of this date by 30 September of the previous year.
- (2) The following information must be contained in or accompany an application for capital assistance:
  - (a) the school's name and address;

- (b) a description of the proposed project identifying the major facilities to be provided;
  - (c) the purpose for which the facilities will be used;
  - (d) the estimated total project cost;
  - (e) the amount of capital assistance sought;
  - (f) other proposed sources of funding for the project, including any Commonwealth grants that have been approved or applied for;
  - (g) the year the facilities are needed;
  - (h) the address, or proposed address, of the proposed capital project; and
  - (i) information about how the proposed capital project aligns with the school's plan for development.
- (3) An application must demonstrate that proposed projects:
- (a) align with the school's plan for development; for example the school's master plan;
  - (b) are consistent with the objectives of the capital assistance scheme; and
  - (c) are intended for one or more of the purposes set out in section 8 (1) and (2).

## **10. Assistance parameters**

- (1) Capital assistance will be provided within the following parameters:
- (a) unless otherwise determined by the Minister, all funds available in a financial year will be allocated to the applications approved in that year or the preceding year;
  - (b) all applications received by a CAA by the due date by which applications can be lodged will be assessed for assistance;
  - (c) the maximum amount of assistance possible for any application will be the total of actual expenditure minus any assistance received from any other State or Commonwealth agency;
  - (d) large projects may be split into discrete applications for assistance and, provided each meets all other conditions, each of these will be considered separately;
  - (e) the provision of capital assistance to a project which is one stage of a larger project does not imply a commitment to fund other stages in the same year or subsequent years;
  - (f) the provision of capital assistance for one application does not imply a commitment to fund other applications in subsequent years; and

- (g) unsuccessful applications may be re-submitted by approved authorities in subsequent years provided the conditions for assistance continue to be met.

## **11. Assessment of applications**

- (1) In considering an application for capital assistance, a CAA must have regard to the following criteria:
  - (a) the condition and extent of the school's existing facilities; and
  - (b) the facilities that are, or are likely to be, needed to provide the school's curriculum or proposed curriculum; and
  - (c) how many students, other than overseas students, attend the school in the year of application; and
  - (d) how many students, other than overseas students, are expected to attend the school in the 2 years after the year of application; and
  - (e) the characteristics of the students who attend, or are expected to attend, the school including, for example, the ages of the students and whether they have particular needs because of disabilities or a requirement for special learning support; and
  - (f) the school's financial position; and
  - (g) the school community's capacity to obtain financial resources for capital projects including, for example, through donations, fundraising, loans and payment of fees; and
  - (h) whether the school is in a remote area of the State; and
  - (i) whether the proposed capital project aligns with the school's plan for development.
- (2) Assessment of applications in accordance with section 11 (1) is intended to ensure that all funds are allocated on the basis of educational and financial need. Not all eligible applications will receive assistance as a matter of course.

## **12. Submission to Minister**

- (1) Annually, each CAA will provide to the Minister by 30 September:
  - (a) and the final day of March, July and December as required, a list of applications received that year, a brief description of the project associated with each application, the level of recommended assistance for each application and reasons for the recommended level of assistance including reasons for recommending that assistance not be granted for any applications; and
  - (b) a cash flow schedule showing the expenditure requirement for the previous, current, and subsequent financial years that flow

from previous approvals and current recommendations including the relationship between forward commitment and the level of funding for the current year.

### **13. Agreement between school and CAA**

- (1) To be eligible to receive approved assistance, the approved authority of an eligible non-state school must enter into a written agreement with the CAA with which it is listed. The agreement must include the following conditions:
  - (a) in respect of grants greater than \$75,000, the approved authority of the non-state school must undertake to use the approved project for educational purposes for a period of 20 years. Failure to use the project for educational purposes could result in a liability of assistance repayment equal to 5% of assistance for each year of the 20 year period during which the building is not used for educational purposes. In the case of furniture and equipment, the approved authority must undertake to use items for educational purposes for the economical life of the item;
  - (b) the approved authority must agree to return monies to the CAA under the conditions outlined in sections 13 (1) and (2) and 14;
  - (c) unless otherwise approved by the Minister in exceptional circumstances, assistance received by approved authorities or schools for approved projects under this scheme must be expended as soon as possible but within six months of the date of payment to the school. Any funds not expended by this time must be returned to the CAA; and
  - (d) if project expenditure on the approved works is less than the assistance provided, the difference must be returned to the CAA. Any funds so returned may be available to increase the amount of funds available for future applications for capital assistance.
- (2) For the purposes of meeting requirements under the Act and the Regulation, CAAs should ensure that legally binding agreements are executed with schools or school systems for any financial assistance for capital expenditure made payable under the Act.
- (3) A CAA must not provide funding to an approved authority until the CAA and the approved authority have entered into a written agreement for the project in a form approved by the Minister.
- (4) The approved authority of a school or school system must sign all agreements with the CAA, unless it has delegated its authority to



another person (e.g. a school or a diocese). Each agreement should be properly executed and constitute a legally binding contract between the CAA and the approved authority or school.

- (5) CAAs should determine the most appropriate agreement arrangements to put in place with their members. CAAs must ensure that agreements are consistent with the provisions of the Act, the Regulation and the Guideline.

#### **14. Payment process**

- (1) Payment will be made to the approved authority of an eligible non-state school for approved projects on the following basis:
  - (a) an approved authority of a non-state school, or a delegated representative of the approved authority, that has signed a written agreement as described in section 13 applies to a CAA for payment in respect of the approved project;
  - (b) a CAA must determine that at least one-quarter of the value of the works relating to the project has been completed;
  - (c) if the CAA is satisfied with the application, the CAA will proceed with payment. Upon request by the Minister, CAAs must provide details of all payments made in any specified period.

#### **15. Applications for an extension of time**

- (1) An approved authority must either make an initial application for funding to the relevant CAA or apply for an extension of time before the due day for the relevant project. The due day, for an initial application for payment of the amount, or part of the amount, granted for a capital assistance project, means either:
  - (a) the day that is two years after the day of the Minister's grant of the application for capital assistance for the project; or
  - (b) if the approved authority has applied for an extension of time for making the initial application for payment, the later day decided by the Minister.
- (2) A grant will be revoked if an approved authority does not make an initial application for funding or an application for extension of time before the relevant project due day, or if an application for an extension of time is refused. If the capital assistance is still required by the school, a fresh application must be made.
- (3) If approved, the extension of time will be valid for two years following the date of approval, unless otherwise specified by the Minister.

## **16. Additional capital assistance**

- (1) A CAA may provide additional capital assistance to the amount paid to the approved authority of an eligible non-state school for an approved project where the variation is required because of a change in the costs of the approved project that was not foreseeable at the time of the approval of the project.
- (2) If the additional assistance to be paid is less than 10% of the originally approved grant, the Minister is not required to approve the increase in funding. However, if a CAA provides additional capital assistance to an approved authority, it must give the Minister a written notice, including the amount of additional capital assistance provided. Additional capital assistance of this type can only be paid using uncommitted funds, including interest earned, held by a CAA.
- (3) If an approved authority wishes to apply for an increase in funding of more than 10% of the originally approved grant, the approved authority must apply to the Minister following the process outlined in section 17 of this Guideline.

## **17. Review of application**

- (1) If capital assistance has been granted to a school for a capital project, the approved authority of the school may apply to the Minister, through the CAA, for the amount of assistance to be increased. The application must specify the amount of the increase sought and give reasons for seeking the increase.
- (2) The CAA must assess the application for review on the same criteria on which it assesses applications for assistance. After assessment of the application, the CAA must make a recommendation to the Minister.
- (3) The Minister may approve that the amount of capital assistance be increased or refuse the application, and will inform the school and the CAA of the decision and the amount of any increased assistance granted.

## **18. Accountability**

- (1) Each CAA must establish a Capital Assistance Fund (the fund) into which it pays:
  - (a) all amounts paid by the State Government under the scheme;

- (b) interest on administrative funds which it intends to use for capital assistance;
  - (c) amounts of capital assistance returned by schools; and
  - (d) interest earned on amounts in the fund.
- (2) A CAA must keep funds standing to the credit of the fund with a bank or another institution approved by the Treasurer and keep those funds separate from any other funds.
- (3) The CAA must make all records of approved projects available for inspection to a person approved by the Minister for the purpose. The person may make a copy of, or take extracts from such records for the purpose and may retain it in the person's possession for a reasonable period.
- (4) A CAA must, by 30 June each year, give to the Minister a written return for the previous calendar year. The return must:
- (a) contain an audited statement of the amounts received by it for administration in the previous year, interest received on the amounts and the expenditure of the amounts;
  - (b) contain an audited statement of the fund showing details of the amounts paid to and from the fund in the previous year and the financial position of the fund at the beginning and end of the previous year;
  - (c) give the following details for all capital projects for which an approved authority received or retained capital assistance in the previous calendar year:
    - (i) a description of the project;
    - (ii) whether or not the project was completed in the previous year;
    - (iii) the amount spent on the project as at the end of the previous year;
    - (iv) the amount, if any, held on account of the project at the end of the previous year; and
    - (v) the amounts, and sources of the amounts, used to fund the project; and
  - (d) contain an assessment of the scheme including the effectiveness of the assessment criteria.
- (5) The audit specified in section 18 (4) (a) and (b) must be carried out by a person registered as an auditor under Part 9.2 of the *Corporations Act 2001* and approved by the Minister.

## **19. Recognition of assistance**

- (1) CAAs should ensure that approved authorities and their schools are aware of their obligations concerning recognition and should monitor compliance with it.
- (2) For projects assisted with State Government funds, recognition of the source of the funding is to be provided in any publicity associated with the project including any plaque recording the event.
- (3) Unless otherwise agreed by the State Government:
  - (a) there must be acknowledgement of State Government funding on building plaques where the State has contributed \$100,000 or more to a project; and
  - (b) there must be an official opening ceremony of funded facilities where the State Government has contributed \$500,000 or more to a project
- (4) If there is to be an official opening ceremony, the Minister or a representative must be invited to attend and speak at the ceremony.