



Australian Government



Nation Building

ECONOMIC STIMULUS PLAN

Building the Education Revolution:

National Coordinator's Implementation Report

February–September 2009



Australian Government

Department of Education, Employment and Workplace Relations

The Hon Julia Gillard MP
Deputy Prime Minister
Minister for Education
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

I am pleased to provide you with my report on the *Building the Education Revolution* (BER) program, covering the period February to September 2009.

BER is a key element of the Council of Australian Government's \$42 billion *Nation Building and Jobs Plan*. It aims to provide economic stimulus through the rapid construction and refurbishment of school infrastructure and to build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together.

The program has now moved from the Establishment Phase to Delivery, with construction underway in schools across Australia. Funding of \$16.2 billion has been approved for 24,382 projects in 9,526 schools. It is therefore timely to document BER implementation to date and I commend the attached *BER National Coordinator's Implementation Report, February–September 2009* to you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Wall'.

Catherine Wall
BER National Coordinator

16 October 2009



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The data in this report are correct as at 30 September 2009

Building the Education Revolution: **Implementation Report**

1. Economic Stimulus Plan

1.1 Response to the Global Financial Crisis

Over the past two years, the rapid and severe deterioration in global financial conditions has created significant challenges for Australia. On 12 October 2008, the Prime Minister stated that global financial conditions had the potential to slow Australian domestic activity¹.

In order to mitigate the impact of this economic crisis, the Australian Government has delivered substantial fiscal stimulus to support growth and provide the foundation for future prosperity.

On 5 February 2009, the Council of Australian Governments (COAG) agreed to the rapid delivery of the \$42 billion *Nation Building and Jobs Plan* (the Plan), which aimed to:

- stimulate the economy by supporting employment and growth; and
- foster a more resilient Australia².

The Plan incorporates elements of both the December 2008 Nation Building Package³ and the February 2009 Plan. It includes the following key elements:

- one-off cash payments to eligible families, single workers, students, drought-affected farmers and others;
- a temporary business investment tax break for small and general businesses buying eligible assets;
- funding to build or upgrade buildings in schools;
- increasing the stock of social and defence housing;
- significantly increasing funding for local community infrastructure and local road and rail projects; and
- an energy efficient homes package for Australian homes.

1.2 Key Parameters

The key parameters of the Plan were released publicly in the *National Partnership Agreement on the Nation Building and Jobs Plan: Building Prosperity for the Future and Supporting Jobs Now* (the National Partnership). The National Partnership establishes the:

- objectives of the Plan, and the outcomes and outputs to be achieved;
- roles and responsibilities of the Commonwealth and of the states and territories;
- governance and oversight arrangements for all elements of the Plan, including reporting and recognition of Commonwealth investment;
- parameters of each element; and
- other conditions, such as the maintenance of effort by the states and territories in the areas of the Plan, and state and territory responsibility for ongoing recurrent costs and maintenance of the new and refurbished infrastructure.

¹ Prime Minister's Media Release, *Global Financial Crisis*, 12 October 2008.

² COAG Communiqué 5 February 2009.

³ *Nation Building: Road, Rail, Education & Research and Business*, December 2009.

1.3 Roles and Responsibilities

The National Partnership established the roles and responsibilities of the Commonwealth and the states and territories in delivering the Plan.

- The Commonwealth is responsible for implementation of the National Partnership and providing funding to the states and territories, in accordance with its requirements.
- The states and territories are responsible for implementing the National Partnership, maintaining their planned expenditure and developing bilateral agreements and/or implementation plans for elements of the Plan.
- The Commonwealth and the states and territories will work in partnership to:
 - establish monitoring mechanisms, facilitate problem solving and ensure rapid and smooth development and implementation of the Plan;
 - agree on the nature and content of events, announcements and publicity relating to the Plan and acknowledge and recognise the roles and contributions of the relevant parties to the Plan; and
 - share best practice with other parties and participate in an evaluation of the outcomes of the Plan.

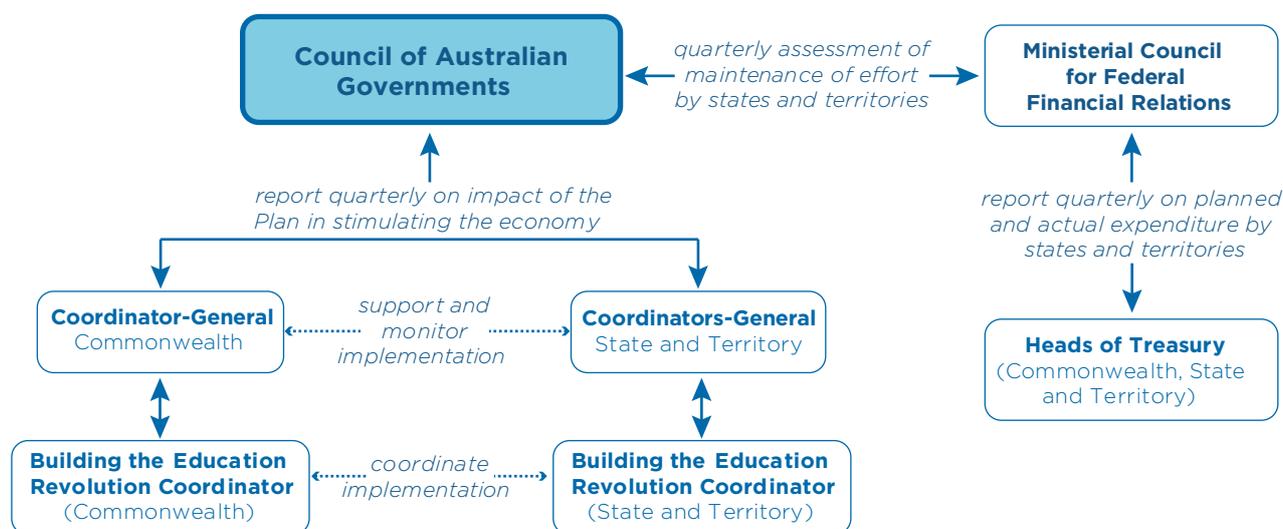
1.4 Governance

The Plan is unprecedented in the history of Commonwealth service delivery in that it combines the objective of providing short-term stimulus to the economy through rapid delivery of its elements with building the foundations for Australia’s future needs.

There are also many groups involved in the Plan’s formulation and delivery and in achieving its goals, including COAG, the Prime Minister, State Premiers and Territory Chief Ministers and each of the Commonwealth, state and territory departments responsible for delivery of elements of the Plan.

The Plan therefore needed governance arrangements designed to suit its distinctiveness and complexity. A web of interconnected groups is responsible for implementation and oversight of parts of the Plan. The governance arrangements for the Plan are outlined below. See section 2.4 for the governance arrangements of the education element, Building the Education Revolution.

Diagram 1: Governance Arrangements for the Plan



1.4.1 Coordinators-General

Coordinators-General have been appointed by the Commonwealth and by each state and territory. The Coordinators-General have been meeting fortnightly to support and monitor implementation of the key infrastructure and stimulus measures across all elements of the Plan.

The Coordinators-General report to COAG quarterly on implementation of the Plan. Their reports will include an analysis of economic indicators relating to the impact of the Plan in stimulating the economy by supporting employment and growth.

1.4.2 Coordinators

Within each element of the Plan, national, state and territory Coordinators ensure coordinated project management and delivery of that element.

1.4.3 Heads of Treasuries and Ministerial Council for Federal Financial Relations

The Heads of Treasuries, which existed prior to the development of the Plan, comprises the Secretaries and Under Treasurers of each of the Commonwealth, state and territory treasury departments.

One of the fundamental planks on which the Plan was developed was that states and territories would maintain effort in the areas covered by the Plan and that funding under the Plan would therefore be additional. This is critical to ensuring that the Plan provided additional stimulus to the economy.

Following the announcement of the Plan, the Heads of Treasuries' responsibilities were expanded to include monitoring state expenditure in all areas covered by the Plan.

2. Building the Education Revolution Policy Framework

2.1 Policy Objectives

The largest element of the Plan is the *Building the Education Revolution* (BER) program, which is delivering \$16.2 billion to:

- provide economic stimulus through the rapid construction and refurbishment of school infrastructure; and
- build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together⁴.

BER will deliver a range of additional benefits to the Australian community. For example, school libraries and multipurpose halls built with funding from the *Primary Schools for the 21st Century* element of BER will be available at no, or low, cost for use by the community. Where a school receives BER funding for something other than a library or multipurpose hall, they will make their equivalent buildings available for community use. In addition, all new buildings and refurbishments should incorporate sustainable building principles, wherever possible.

BER consists of three elements:

1. *National School Pride (NSP)* is providing \$1.29 billion for minor capital works and refurbishment projects in all eligible Australian schools to be completed by February 2010.
2. *Primary Schools for the 21st Century (P21)* is providing \$14.1 billion⁵ for Australian primary schools to build new iconic facilities, such as libraries and multipurpose halls or to upgrade existing facilities by 31 March 2011.
3. *Science and Language Centres for 21st Century Secondary Schools (SLC)* is providing \$821.8 million⁶ for the construction of new, or the refurbishment of existing, science laboratories or language learning centres in secondary schools by 30 June 2010.

BER is the largest school modernisation program in Australian history, and is being implemented within extremely short timeframes.

The Department of Education, Employment and Workplace Relations (DEEWR) is responsible for Commonwealth implementation of BER.

The National Partnership establishes the following key performance indicator for BER:

- The number of new or refurbished facilities, including libraries and multipurpose halls in primary schools and science and language laboratories in secondary schools.

4 *National Partnership Agreement on the Nation Building and Jobs Plan: Building Prosperity for the Future and Supporting Jobs Now*, 5 February 2009.

5 This funding allocation was increased from \$12.4 billion in August 2009.

6 This funding allocation was decreased from \$1 billion in August 2009 due to the target of 500 science and language centres being exceeded at lower than forecast cost.

2.2 Roles and Responsibilities

The roles and responsibilities of the Commonwealth and of the states and territories in delivering the Plan are outlined above. The National Partnership also established responsibilities for these parties in delivering BER. These were extended and clarified in the program guidelines.

Through the National Partnership, the states and territories are responsible for both government and non-government school participation in BER. However, it was agreed early in the implementation of BER that DEEWR would work directly with the Block Grant Authorities⁷ (BGAs) to manage the involvement of non-government schools in BER. This reflects existing funding arrangements for schools capital works programs.

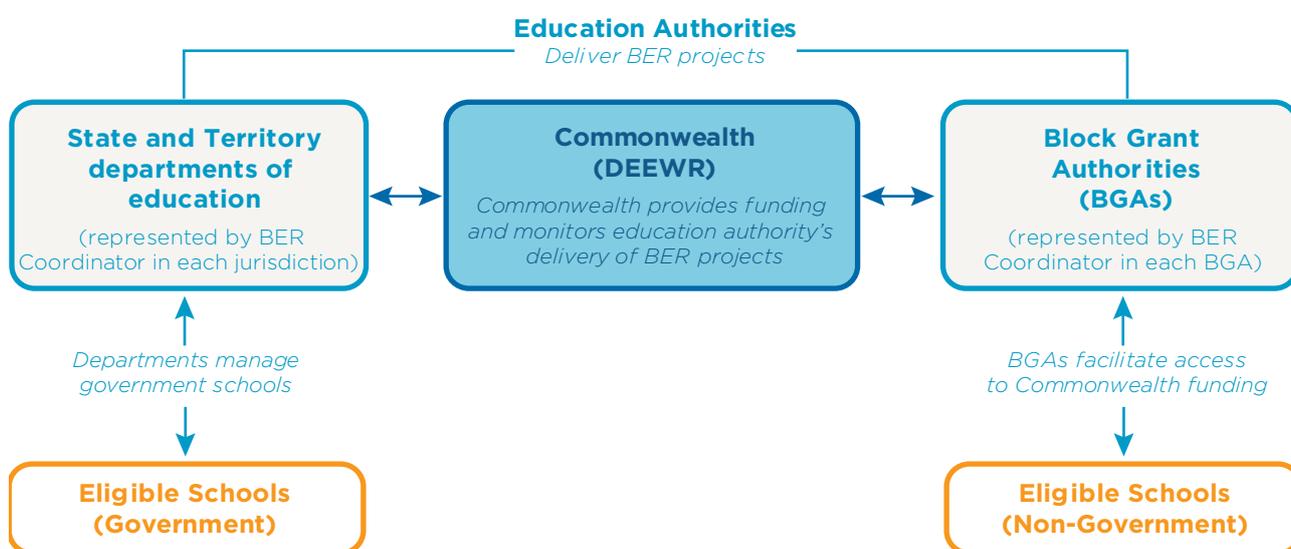
There are eight states and territories and 14 BGAs (education authorities) in Australia which directly deliver BER projects and funding to schools. DEEWR deals directly with the 22 education authorities, not with individual schools.

Education authorities work with schools and school communities to develop and submit proposals for BER projects to DEEWR and to manage the construction and refurbishment projects that are funded.

DEEWR authorises payment of approved Commonwealth funding by Commonwealth Treasury to states and territories, and through the states and territories to BGAs, who use it to deliver approved BER projects in their schools.

The following diagram shows the relationship between the Commonwealth and the 22 education authorities for BER implementation, and also the relationship of education authorities with their schools.

Diagram 2: Relationship of the Commonwealth, Education Authorities and Schools



⁷ Block Grant Authorities (BGAs) are bodies that represent non-government schools in the states and territories for capital funding purposes. There are 14 BGAs, one for each of the two territories that represents both the Catholic and Independent sectors, and two in each state (one for independent schools and another for Catholic schools).

The Commonwealth is responsible for managing BER at a national level. This involves:

- issuing guidance to education authorities in relation to the ongoing administration and delivery of BER, facilitating the sharing of design templates submitted by education authorities, and managing requests for project variations;
- assessing and recommending funding applications for projects under BER for the Minister for Education's approval;
- providing funding to the education authorities for all the school projects for which they are responsible, including a payment of 1.5 percent of the total funding allocation to cover administrative costs associated with running the application process and the associated administration and reporting under BER;
- developing an on-line reporting system to be used by all education authorities and schools for recording and reporting requirements;
- monitoring the implementation of BER by education authorities through their monthly reports;
- reporting on implementation of BER by education authorities to the Commonwealth Minister for Education⁸ and to the Coordinator-General; and
- developing a performance evaluation framework to evaluate BER against its objectives.

Education authorities are responsible for delivery of BER projects in schools. They liaise with schools and school communities about BER projects and oversee delivery of BER funding and projects on the ground in schools.

Education authorities are responsible for:

- implementing BER in their jurisdiction or sector;
- consulting with schools and school communities about BER proposals for funding, and delivery of funding
- entering into funding agreements with the Commonwealth under which they will receive BER funding for their approved school projects;
- administering the funding paid to their schools in accordance with the funding agreement and guidelines;
- using a design for school building projects from the templates submitted to the Commonwealth for each element of BER, where appropriate;
- calling for and assessing project proposals from their schools for each BER element, in line with the guidelines;
- ensuring that the design, application and assessment processes for BER funding are fast-tracked, with minimal red tape;
- assessing and prioritising infrastructure proposals in accordance with the guidelines and preparing project lists for approval by the Commonwealth;
- ensuring that schools can begin and complete projects within the prescribed time frames;
- using their best endeavours to ensure that projects covered by the funding aim to secure that at least 10 percent of the total contract labour hours are undertaken by apprentices and trainees and those seeking to up-skill, where this does not result in unreasonable costs to business⁹;

⁸ The Hon. Julia Gillard MP, Deputy Prime Minister is referred to throughout this report as the Minister for Education as BER is part of her education responsibilities.

⁹ Data from previous economic downturns shows that apprentices have been among the first to become unemployed as employers cancel existing Australian apprenticeship training contracts when demand for goods and services declines. The impact of economic downturns on Australian Apprentices is also historically longer lasting than on other employees.

- endeavouring to identify and communicate opportunities in local areas for tradespeople and other small businesses at the earliest practicable stage;
- providing to the Commonwealth an Implementation Plan for BER within their jurisdiction that covers:
 - how projects will be developed, assessed, prioritised and managed;
 - arrangements for community consultation and availability of new and refurbished buildings¹⁰ for community use at no or low cost;
 - how sustainable building principles will be incorporated into construction and refurbishments; and
 - how applications from schools marked for closure or for merger will be managed;
- maintaining their current and planned level of investment for capital infrastructure in schools over the next four years, spending it concurrently with BER funding on school infrastructure¹¹ and
- accepting and adhering to the relevant reporting and branding requirements.

In addition, state and territory education authorities are responsible for:

- working with non-government schools, systems and BGAs in their jurisdiction to enable the full participation of the non-government school sector in all elements of BER; and
- passing on, in a timely manner, the nominated funding amounts to BGAs in their jurisdiction¹².

In recognition of the greater autonomy of BGA participant schools, BGAs must enter into funding agreements with participant schools. They must ensure that those agreements require BGA participant schools to meet the BER guidelines by:

- specifying that each BGA participant school or system provides evidence to DEEWR of its capital expenditure for the past four years and estimates for the next four years;
- specifying that, for projects covered by the funding, BGA participants use their best endeavours to give priority in contracting and tendering arrangements to local businesses;
- specifying that the BGA participant will accept and adhere to the relevant reporting and branding requirements as outlined in the guidelines; and
- containing provisions dealing with repayment of BER funds such that the Commonwealth's right to repayment will be the same as if BER projects were capital projects to which the *Administrative Arrangements for Block Grant Authorities Capital Grants Program for Non-Government Schools 2009* applied.

2.3 Key Documents

BER is being delivered within a framework of policy documents that govern the scope and delivery of the Plan. The major elements of the implementation framework are the:

- National Partnership;
- bilateral agreements with the eight state and territory education ministers responsible for government schools, and funding agreements with the 14 BGAs that represent non-government schools; and
- program guidelines.

¹⁰ *Primary Schools for the 21st Century* element of BER

¹¹ This requirement applies to BGA participant schools, rather than BGAs themselves. Participant schools provide the information on capital expenditure to the BGA for provision to DEEWR.

¹² In accordance with Schedule D of the Intergovernmental Agreement on Federal Financial Relations, the Commonwealth makes National Partnership payments to the states and territories, which are responsible for promptly passing on the proportion that applies to non-government schools.

The NP was negotiated between the Commonwealth and the states and territories and agreed by COAG on 5 February 2009. It sets out the scope, purpose and funding of BER and its three elements, and the respective roles and responsibilities of the Commonwealth and the states and territories.

In the first few weeks of BER, DEEWR developed funding agreements, in consultation with education authorities, which govern the use of Commonwealth funding by education authorities. The agreements were executed in March–April 2009, giving education authorities, and their member schools, access to BER funding.

Over this period, DEEWR also developed guidelines that set out in detail how the BER program would operate. The guidelines were developed in consultation with education authorities and drew on DEEWR's extensive experience with other schools capital works programs. The guidelines were released on 24 February 2009, just three weeks after the announcement of the Plan.

As BER implementation progressed, DEEWR worked with education authorities to provide clarification and guidance on implementation issues, as required. Education authorities were notified of these updates to the guidelines, as they occurred.

On 27 August 2009 and 21 September 2009, revised versions of the guidelines were released, incorporating the updates.

2.4 Governance Arrangements

BER has a National Coordinator, eight state and territory and 14 BGA Coordinators. Together they form the BER Coordinators Group. See Diagram 2.

This Group meets frequently to report on progress in each jurisdiction, share ideas and experience, and resolve issues and logistics. Each state and territory Coordinator also reports to the Coordinator-General in their jurisdiction to enable monitoring of the whole Plan in that jurisdiction.

The National Coordinator is a Group Manager within DEEWR, responsible for strategic policy decisions, issue resolution, strategic risk management, stakeholder management and quality control.

The National Coordinator reports to the Deputy Secretary of the Schools Cluster and to the Minister for Education, liaises with DEEWR's internal audit committee and implementation subcommittee, convenes the BER Coordinators Group and provides briefings to the Commonwealth Coordinator-General's office.

The National Coordinator is assisted by the Building the Education Revolution Taskforce, which is managed by a Branch Manager. DEEWR corporate areas also support the National Coordinator with expertise in audit, risk, legal, ICT and communications.

2.5 Program Management

BER is delivered in accordance with the Australian National Audit Office's best practice program management principles. DEEWR has extensive experience in the delivery of large funding programs and has utilised that expertise in developing BER program management policies. These policies were written within the framework of the roles and responsibilities and governance arrangements described above.

BER program management policies cover reporting obligations, risk and issues management, program assurance, communications and ICT support.

2.5.1 Reporting Obligations

The BER National Coordinator reports on status, outcomes and progress of BER implementation to stakeholders within the governance model detailed in Diagram 2:

The monthly reports provided by education authorities make the above reporting possible. Education authorities provide, by the 21st of the month, reports on the previous calendar month covering:

- the status of each BER project, identified by name and DEEWR school number—ranging from ‘not yet commenced’ to ‘commenced’, then ‘progressing’ and ‘completed’;
- expected timing of project milestones;
- actual expenditure and contracted commitment for each project;
- on commencement of a project, or at the time of contracting, average daily numbers of on-site workers for the duration of the project, broken down by Indigenous and non-Indigenous apprentices and trainees and Indigenous and non-Indigenous other workers¹³; and
- on completion of a project, the sustainability aspects incorporated in the building and community access¹⁴ details for the P21 element of BER.

The first monthly report was received from education authorities in June, covering the period to 31 May 2009.

2.5.2 Risk Management

In accordance with sound program management practice, DEEWR developed a risk management plan early in the life of BER. It identifies a range of risks that might be encountered in delivering the program, assesses the likelihood that they would occur and the consequence to the program, if they did occur, and gives each a rating. The plan then outlines the mitigation or management strategies DEEWR utilises to manage the risks.

The resulting risk management plan is captured in DEEWR’s *RiskMan* system and is overseen by the Business Management Committee. It is updated at regular intervals.

Risk management has been incorporated into the daily activities and procedures of the National Coordinator and BER Taskforce.

2.5.3 Complaints Process

It is recognised that complaints may be received about an element of the program or an individual project. Therefore, the BER guidelines provide that a complaint may be made to the National Coordinator, who investigates any concerns and responds in writing to all complaints.

DEEWR’s internal procedure has several steps:

1. register the complaint;
2. notify the National Coordinator of the details of a complaint;
3. investigate the complaint by reviewing the relevant project application and checking it against the guidelines, liaising with the relevant education authority for further information. Where necessary, the National Coordinator will contact the school principal; and
4. the National Coordinator responds in writing to the complainant.

As at 30 September 2009, the National Coordinator had received 55 complaints out of 25,489 applications received and 24,382 funded. This amounts to 0.22 percent of applications received and 0.23 percent of applications funded. The vast majority of the complaints made to the National

¹³ It is not possible to aggregate data at the state or national level as work crews may move between projects, between schools or work on more than one project at a particular school.

¹⁴ Primary Schools for the 21st Century element of BER.

Coordinator relate to negotiations that had been held, or were being undertaken, between the school and its education authority.

2.5.4 Corporate Support

Communications

The BER Taskforce includes a dedicated communications team to assist with implementation of the program. The work of the communications team is guided by a communication strategy which aims to support the effective delivery of BER. A key focus has been placed on schools that were eligible to apply for BER funding and their school communities.

The communications team's main activities have been to:

- develop and release the BER website, which includes fact sheets, frequently asked questions and other information about BER, including lists of schools that have been approved for funding;
- develop and distribute regular communications to stakeholders, including an e-bulletin;
- arrange and support BER funding announcements made by the Minister for Education;
- support the Economic Stimulus website managed by the Department of the Prime Minister and Cabinet by providing data on funded projects for the interactive map, fact sheets and other information;
- monitor media articles on BER and respond to information requests by the media; and
- assist schools to meet the recognition requirements of BER funding¹⁵.

Information and Communications Technology

The BER Taskforce also includes a dedicated ICT team to assist with the program. This was essential due to the challenging timeframes that had been set for the application rounds of NSP and P21 particularly.

The ICT team's main activities have been to:

- develop, test and deploy four new modules of the *Schools Entry Point* system (www.schools.deewr.gov.au) for NSP, P21, SLC and the monthly progress reports from education authorities;
- distribute user manuals and updates to education authorities to support their use of *Schools Entry Point*;
- provide often intensive support to education authorities to facilitate submission of funding applications and monthly progress reports into *Schools Entry Point*; and
- assist with automated and manual eligibility and assurance assessments conducted by DEEWR on submitted applications.

2.5.5 Quality Assurance

During July and August 2009, DEEWR developed a monitoring and performance information framework and plan. Its purpose is to monitor implementation of the BER program by education authorities and assess the extent to which it meets its identified priorities and achieves its objectives.

The framework details a range of quality assurance activities that DEEWR will undertake to assess the performance of education authorities in meeting their obligations under the program guidelines and their funding agreement. Assessment activities will include:

¹⁵ Consistent with other Commonwealth funding programs, there is a requirement to recognise and acknowledge the Commonwealth's contribution.

- analysis of monthly reports from education authorities (see section 2.5.1 above for information provided in the monthly reports) to monitor and assess BER implementation, including project progress and expenditure;
- desktop monitoring of a sample of documentation from education authorities, such as project contracts, invoices and payments to schools;
- analysis of information provided by education authorities annually via statements of income and expenditure and annual audits;
- on-site monitoring visits with education authorities to check that obligations under funding agreements are being met, such as management of funding and payments, recordkeeping, branding and recognition requirements; and
- on-site visits to a random sample of schools to monitor project progress.

Maintenance of Planned Capital Expenditure by Non-Government Schools

All recipients of funding under the Plan are required to maintain their planned levels of capital expenditure, so that the stimulus funding will be additional. For BER, this means that education authorities must maintain any planned capital expenditure in their schools, so that P21, NSP and SLC funding will be additional stimulus to the economy.

The Heads of Treasury Group is overseeing the maintenance of planned capital expenditure by the states and territories, while DEEWR is responsible for monitoring maintenance of planned capital expenditure by non-government schools, through its relationship with the BGAs.

2.6 Rapid Delivery

When the [Nation Building and Jobs] Plan implementation started in February 2009 there was no activity in many of [the] elements and in a matter of months, tens of thousands of proposals have been developed and planned, submitted, assessed and agreed¹⁶.

This quote refers to the whole of the Plan, including initiatives in social housing, defence housing, infrastructure and local government and energy efficient homes, as well as BER. However, the 20,696¹⁷ BER projects developed, planned, submitted, assessed and agreed between February and June 2009 accounted for the vast majority of the Plan's activity over this period. A further 3,686 projects have been approved since 30 June 2009.

DEEWR commenced work immediately following COAG's announcement of the Plan. The following several months were characterised by intense program development and implementation activity and the attainment of a series of goals necessary for successful implementation of BER.

2.6.1 February 2009

- The BER National Coordinator was appointed.
- The National Coordinator met with each of the eight state and territory education departments and the 14 BGAs to explain the purpose and scope of BER.
- The National Coordinator established fortnightly teleconferences with the BER Coordinators Group.
- A taskforce was established within DEEWR shortly after the announcement, and progressively staffed during February and March.
- The National Coordinator provided separate BER briefings to forums of parents associations, independent school authorities and national principals' groups.

¹⁶ Commonwealth Coordinator-General's Progress Report 3 February 2009–30 June 2009, p.32.
¹⁷ Commonwealth Coordinator-General's Progress Report 3 February 2009–30 June 2009, p.33.

- Implementation of the program was planned, drawing on DEEWR's extensive experience in program management, in particular of other infrastructure programs such as the *Capital Grants Program*, the former *Investing in Our Schools Program*, *Australian Technical Colleges Program*, *National Secondary School Computer Fund* and *Trade Training Centres in Schools Program*, to establish robust arrangements.
- Guidelines for the program were developed in consultation with education authorities and drawing on DEEWR's experience with other capital programs. The guidelines were released on 24 February 2009, just three weeks after the announcement of the Plan.
- Also on 24 February 2009, taskforce staff moved office locations in order to be co-located.
- An Implementation Plan template and guidance was developed and provided to education authorities for completion and submission to DEEWR.
- The BER website was created and launched and the Minister for Education wrote to all school principals on the launch of the guidelines.

2.6.2 March 2009

- Fortnightly teleconferences of the BER Coordinators Group were held.
- The National Coordinator convened the first face-to-face BER Coordinators Group meeting, prior to closure of the first BER funding round.
- The BER Taskforce Branch Manager attended a NSW BER industry briefing with a representative from the Office of the Coordinator-General.
- DEEWR, on behalf of the Commonwealth, entered into funding agreements with the education authorities.
- On 24 March 2009, the *Schools Entry Point* module for NSP applications was released, along with assessment functionality.
- Applications for the first BER funding round (NSP Round One) closed on 24 March 2009. 8,715 applications were developed by schools and education authorities and submitted through DEEWR's *Schools Entry Point* database.

2.6.3 April 2009

- Fortnightly teleconferences of the BER Coordinators Group were held.
- The National Coordinator convened the second face-to-face BER Coordinators Group meeting.
- On 1 April 2009, the *Schools Entry Point* module for P21 applications was released, along with assessment functionality.
- Discussions were held with the Office of the Chief Scientist about how to create science friendly learning environments.
- The first BER funding announcement was made on 5 April 2009. A total of 8,663 projects in 5,994 schools across every state and territory were approved for funding of \$828.16 million in NSP Round One.
- Applications for Round One of P21 closed on 10 April 2009. 2,041 applications were received from schools in all education authorities.

2.6.4 May 2009

- Fortnightly teleconferences of the BER Coordinators Group were held.
- The BER Taskforce Branch Manager provided a briefing to the NSW/ACT Association of Development and Alumni Professionals in Education.

- Discussions were held with the Australian Institute of Architects on the provision of a sustainability fact sheet.
- Between 4 and 7 May 2009, the Minister for Education announced that 2,010 projects in 1,499 schools had been approved for funding of \$2.828 billion.
- Applications for NSP Round Two closed on 8 May 2009. 4,533 applications were received from schools in all education authorities.
- On 13 May 2009, the *Schools Entry Point* module for SLC applications was released.
- Round Two of P21 closed on 15 May 2009, with 5,047 applications submitted from all schools in education authorities.
- NSP funding for Round Two was announced on 21 May 2009. A total of 4,513 projects at 3,496 schools across every state and territory were approved for funding of \$439.67 million in NSP Round Two.
- The Monthly Reporting Guidelines for BER were approved by the Coordinator-General in May 2009. They have been used as the template for reporting under the other elements of the Plan.
- On 29 May 2009, the *Schools Entry Point* elements for SLC assessment and reporting were released, along with an interim system for NSP and P21 compliance data collection.
- Applications for SLC closed on 31 May 2009. 1,357 applications were developed by schools and education authorities and submitted through DEEWR's *Schools Entry Point* database.

2.6.5 June 2009

- Fortnightly teleconferences of the BER Coordinators Group were held.
- On 11 June 2009, the Minister for Education announced the inclusion of distance education students in the calculation of a school's full-time equivalent student enrolments for BER purposes, following an internal review by DEEWR.
- Between 9 and 14 June 2009, the Minister for Education announced that 4,973 projects in 3,716 schools had been approved for funding of \$6.362 billion in P21 Round Two.
- Between 15 and 18 June 2009, the SLC National Assessment Panel met.
- On 30 June 2009, the Minister for Education announced that \$810 million had been approved for 537 schools to build or refurbish 280 science centres, 179 language centres and 78 dual facilities.

2.6.6 July 2009

- Fortnightly BER Coordinators Group teleconferences were held.
- On 8 July 2009, an interim project variations database was released.
- Round Three of P21 closed on 10 July 2009.
- The BER Taskforce Branch Manager provided a briefing on BER at the Informa *School Planning, Design and Construction* conference.
- The National Coordinator provided input to the Commonwealth Coordinator-General's Progress Report.

2.6.7 August 2009

- Fortnightly teleconferences of the BER Coordinators Group were held.
- The supplementary Round 3.1 of P21 closed on 7 August 2009. A total of 3,796 applications were received from 2,824 schools in Rounds Three and 3.1.

- On 10 August 2009, an interim database to assist with school recognition arrangements was released.
- NSP Round Two was finalised on 11 August 2009 with approval of funding for an additional 12 projects in 11 schools, bringing total funding for NSP Round Two to \$441 million. These projects were approved primarily due to a change in the eligibility of distance education students to be counted in a school's funding allocation.
- *Nation Building—Economic Stimulus Plan: Commonwealth Coordinator-General's Progress Report 3 February 2009–30 June 2009* was released.
- The Government announced that additional resources (of up to \$1.515 billion over 2009–10 and 2010–11) would be made available for the P21 element of BER to ensure that all Australian primary schools that apply for funding are able to benefit from the program.
- Version 2 of the guidelines was released on 27 August 2009 reflecting this adjustment of BER funding.
- On 27 August 2009, it was announced that 3,718 projects in 2,746 schools across every state and territory were approved for funding of \$4.588 billion in Round Three of P21.
- The BER Taskforce Branch Manager provided an update to a parent association forum.
- A representative from the BER Taskforce provided a briefing at the IQPC *Educational Facilities Design and Development* conference.

2.6.8 September 2009

- Fortnightly teleconferences with the BER Coordinators Group.
- The National Coordinator convened the third face-to-face BER Coordinators Group meeting.
- The BER Taskforce Branch Manager spoke at the Council of Educational Facility Planners International (CEFPI) National Conference.
- The BER Taskforce Branch Manager provided briefings to Local Employment Coordinators.
- The Minister for Education approved the final round of P21 project variations with monetary impact and the final funding allocations for BER were determined.
- Version 3 of the guidelines was released on 21 September 2009. Due to a delay in announcement of the outcomes of P21 Round Three, the project timelines were modified to allow education authorities more flexibility around commencement of construction.

3. National School Pride

3.1 Scope

The *National School Pride* (NSP) element of BER is providing \$1.29¹⁸ billion for minor capital works and refurbishment projects in all eligible Australian schools. Projects could include:

- the refurbishment of buildings;
- the construction or upgrades of fixed shade structures, covered outdoor learning areas, sporting grounds and facilities;
- green upgrades, such as water tanks and insulation; or
- specialised infrastructure support for students with disabilities or special needs.

3.2 Eligibility

All Australian schools—primary and secondary, government and non-government—were able to apply for funding under NSP, with some exceptions:

- schools that do not have permanently enrolled students (that is, schools with transient student populations), for example prison and hospital schools;
- schools planned to close¹⁹;
- non-government schools that choose not to affiliate with a BGA; and
- schools that do not receive general recurrent grant funding under the *Schools Assistance Act 2008*.

In August 2008, there were 9,562 schools in Australia²⁰.

Further, there were several circumstances that may have affected schools and their eligibility to receive NSP funding:

- the funding allocations for schools that are planned to amalgamate over the next three years (to 2012) into either a new school site or an expansion of one of the existing schools were able to be combined and used for minor capital works or refurbishment (if applicable) at the new school;
- where a recently constructed school had no need for further buildings or refurbishment, its funding allocation was permitted to be reallocated to another school within the relevant education authority's membership; and
- schools that have multiple campuses²¹ were treated as a single school.

3.3 Funding Allocation

It was intended that all eligible Australian schools would receive a funding allocation under NSP. The total amount of notional funding available to an eligible school was calculated on the school's full-time equivalent student enrolments.

¹⁸ This funding allocation was increased from \$1,288,000,000 to \$1,288,900,000 in August 2009.

¹⁹ These schools were identified in the February census conducted by DEEWR.

²⁰ Australian Bureau of Statistics, *Schools Australia 2008*, 4221.0, page 3, released 7 May 2009. Of the 9,562 schools, 6,833 (71.5%) were government schools and 2,729 (28.5%) were non-government schools.

²¹ For non-government schools, this will be defined by whether a school is recognised separately under the *Schools Assistance Act 2008* (i.e. with a separate SES score and entitlement to General Recurrent Grants). For government schools, the state or territory will provide DEEWR with advice about which schools are separate school entities and not merely campuses.

Funding was initially appropriated by the Commonwealth based on the 2007 DEEWR school enrolment census, which was the most recent data available at the time. Subsequently, DEEWR sought verified February 2009 full-time equivalent enrolment data from each education authority in order to support BER.

Initially, distance education student enrolments were excluded from the calculation of a school's notional funding allocation, on the basis that they would not benefit directly from the school facilities to be constructed or refurbished under NSP. However, further information from schools with distance education students, and representations by stakeholders, showed that these students would directly benefit from BER facilities when they physically attend school premises a number of times throughout the year. As a result, the parameters of NSP were modified to include distance education student enrolments in the calculation of a school's notional funding allocation.

Table 1: Indicative Funding Allocation for Eligible Schools under NSP

School size	Indicative Caps (\$)
0 to 50	50,000
51 to 150	75,000
151 to 300	125,000
301 to 400	150,000
400+	200,000

3.4 Assistance for Education Authorities

Significant assistance was provided to education authorities in developing and submitting applications for NSP funding:

- Meetings of the BER Coordinators Group were used to ensure a shared understanding of NSP processes and the BER guidelines. Detailed presentations on NSP requirements were held on 17 March 2009, prior to the closing of Round One on 24 March 2009 and on 30 April 2009, prior to the closing of Round Two on 8 May 2009;
- A checklist was developed and provided to education authorities to help ensure that they submitted assessable applications. Also, before Round Two closed, education authorities were asked to advise DEEWR of any schools in their jurisdiction that would not be applying for NSP funding;
- Regular emails were sent to education authorities providing information and updates on BER, NSP and *Schools Entry Point*;
- Education authorities were encouraged to contact DEEWR individually with questions and other issues as they arose; and
- Education authorities were provided with an agreed timeslot to upload applications into *Schools Entry Point*, with the assistance of DEEWR IT staff.

3.5 Application and Assessment Process

Education authorities provided project applications to the Commonwealth for assessment and approval via DEEWR's online *Schools Entry Point* system. A module for NSP applications was rapidly developed and in place by 24 March 2009 to allow online uploads of applications in Round One.

Following receipt of application data from education authorities, DEEWR checked for missing or incorrect information. Where issues were identified, education authorities were given an opportunity

to correct and resubmit their applications. DEEWR then assessed each against eligibility and quality assurance criteria in accordance with the guidelines. Eligibility checks of applications were conducted electronically in *Schools Entry Point*. Applications that passed this check then moved into the manual quality assurance checking process. At each stage, where ineligibilities or assurance questions arose, DEEWR liaised with the relevant state, territory or BGA, which increased the number of schools recommended for funding. The checks were:

Eligibility Tests

- Will the school's project be completed within the required timeframes? The completion date had to be no later than:
 - 20 December 2009 for Round One projects²², or
 - 1 February 2010 for Round Two projects.
- If the school is a non-government school, is it a participant of one of the 14 BGAs?
- If the school is a non-government school, does it receive Commonwealth general recurrent grant funding?
- Is the school open and intending to remain open?
- Is this the school's first successful application²³?
- Is the project to undertake procurement²⁴?
- Is the facility type one of the approved options?
- Is the school a secondary school applying for computers, laptops or ICT²⁵?
- Is more than 4 percent funding for a project being sought for on-site project management?

Quality Assurance Tests

- Is the total funding sought less than 95 percent or more than 105 percent of the schools' indicative funding level? (See Funding Allocation section above for applicable bands.)
- A random sample of 5 percent of each education authority's eligible applications from schools with more than 400 full-time equivalent student enrolments was also identified for manual assessment.

Once the eligibility and quality assurance tests were complete, funding approval for successful projects was recommended to the Minister for Education.

3.5.1 Application Rounds

The National Partnership established that there would be two application rounds under the NSP component of BER.

Round One

Applications for Round One of NSP closed on 24 March 2009. 8,715 applications were received from all education authorities.

22 This eligibility check by the system did not operate as intended in Round One. Written assurance from all education authorities was sought that submitted projects with planned completion dates post-20 December 2009 would be completed by this date. A system fix ensured the check operated as planned for Round Two.

23 This check was only used for Round Two applications, the aim being to ensure a school applied in only one funding round.

24 The policy was to manually check all procurement projects to assure compliance with the guidelines.

25 Secondary schools receive Commonwealth funding for computers, laptops and other ICT and their deployment under the *National Secondary Schools Computer Fund* (the Fund). Schools cannot use NSP funding for items covered by the Fund.

Table 2: Round One Timelines

Month and Year	Action
Round 1: 60 percent of schools	
February-March 2009	Education authorities assess proposals
24 March 2009	Submit lists to Commonwealth for approval
April-May 2009	Commencement of projects
20 December 2009	Projects must be completed

The Minister for Education announced the successful schools, by state or territory, on 5 April 2009. A total of 8,663 projects in 5,994 schools across every state and territory were approved for funding of \$828.16 million in Round One.

Round Two

Applications for Round Two of NSP closed on 8 May 2009. 4,533 applications were received from all education authorities.

Table 3: Round Two Timelines

Month and Year	Action
Round 1: 40 percent of schools	
March-April 2009	Education authorities assess proposals
8 May 2009	Submit lists to Commonwealth for approval
July 2009	Commencement of projects
1 February 2010	Projects must be completed

The Minister for Education announced the successful schools, by state or territory, on 21 May 2009. A total of 4,513 projects at 3,496 schools across every state and territory were approved for funding of \$439.67 million in Round Two.

The Minister for Education decided on 11 June 2009 to allow distance education students to be included in the calculation of a school's full-time equivalent student enrolments for BER purposes. Following this, approval was given in August for eight NSP projects in seven schools with distance education students. Also in August, four new Victorian Catholic schools that had not been receiving general recurrent grant funding at the closure of Round Two had four NSP projects approved. The additional 12 projects in 11 schools were approved for \$1.3 million, bringing total funding for NSP Round Two to \$441 million.

3.6 Outcomes

A total of 9,497 schools will receive funding of \$1.27 billion for 13,148 projects²⁶ in NSP²⁷.

Education authorities also received 1.5% administration funding under NSP (see section 6.1.3). This amounts to \$19 million.

²⁶ The number of schools and projects is current as at 30 September 2009 and reflects all variations and changes up to that date.
²⁷ A complete list of NSP funded schools, and a national summary, is available on the BER website.

Table 4: NSP Funding Nationally by Education Authority

State	Education Authority	Number of Projects	Number of schools	Amount Funded (\$)	Percentage per sector per State/Territory
Australia	Government	9,558	6,818	883,390,615	69.57%
	Catholic	2,531	1,689	248,429,000	19.56%
	Independent	1,059	990	138,003,484	10.87%
	Total	13,148	9,497	1,269,823,099	100.00%
New South Wales	Government	2,181	2,181	287,525,000	69.28%
	Catholic	1,111	573	84,375,000	20.33%
	Independent	320	315	43,130,989	10.39%
	Total	3,612	3,069	415,030,989	100.00%
Victoria	Government	1,582	1,581	204,825,000	67.87%
	Catholic	528	484	67,000,000	22.20%
	Independent	213	212	29,949,362	9.92%
	Total	2,323	2,277	301,774,362	100.00%
Queensland	Government	3,118	1,259	165,462,900	69.69%
	Catholic	491	287	45,279,000	19.07%
	Independent	178	177	26,696,694	11.24%
	Total	3,787	1,723	237,438,594	100.00%
Western Australia	Government	1,320	773	97,727,715	70.90%
	Catholic	210	158	23,525,000	17.07%
	Independent	130	130	16,588,764	12.03%
	Total	1,660	1,061	137,841,479	100.00%
South Australia	Government	920	590	72,900,000	70.98%
	Catholic	105	105	15,850,000	15.43%
	Independent	147	93	13,957,443	13.59%
	Total	1,172	788	102,707,443	100.00%
Tasmania	Government	203	202	26,625,000	75.16%
	Catholic	37	37	5,375,000	15.17%
	Independent	33	29	3,424,950	9.67%
	Total	273	268	35,424,950	100.00%
Australian Capital Territory	Government	84	82	12,550,000	64.84%
	Catholic	30	30	4,950,000	25.57%
	Independent	14	14	1,855,282	9.59%
	Total	128	126	19,355,282	100.00%
Northern Territory	Government	150	150	15,775,000	77.90%
	Catholic	19	15	2,075,000	10.25%
	Independent	24	20	2,400,000	11.85%
	Total	193	185	20,250,000	100.00%

9,938 NSP projects had commenced and 722 were completed as at 31 August 2009, according to education authority monthly reports.

Chart 1: NSP Projects in Progress (as at 31 August 2009)

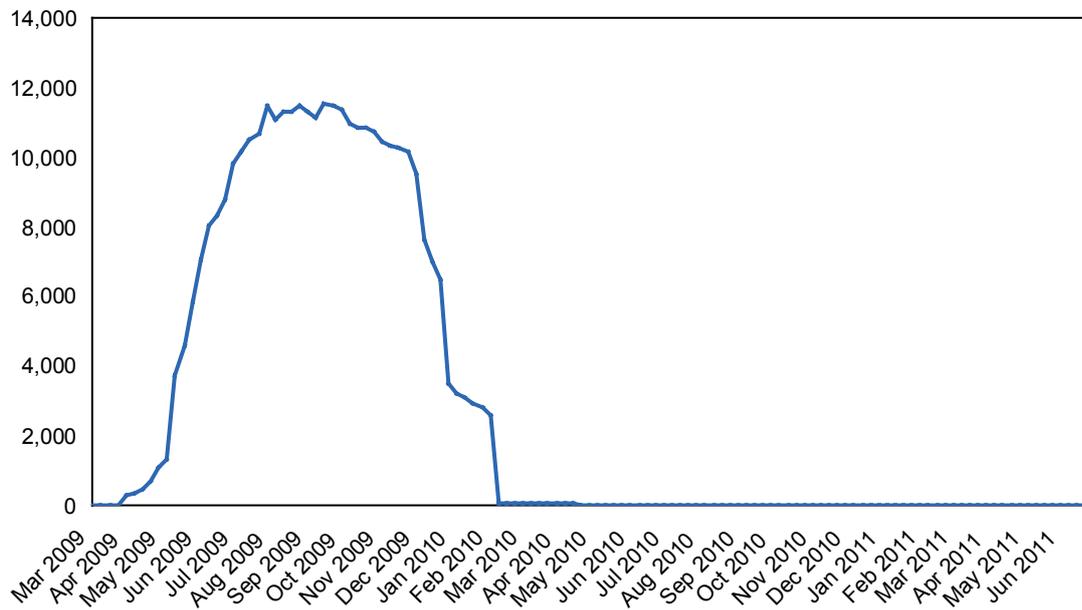
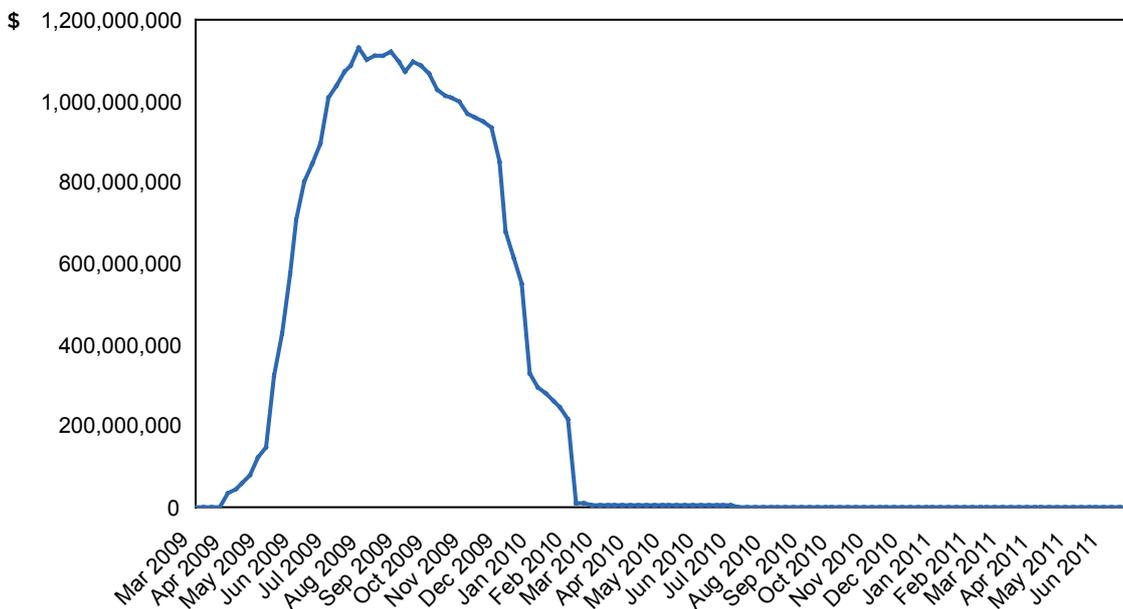
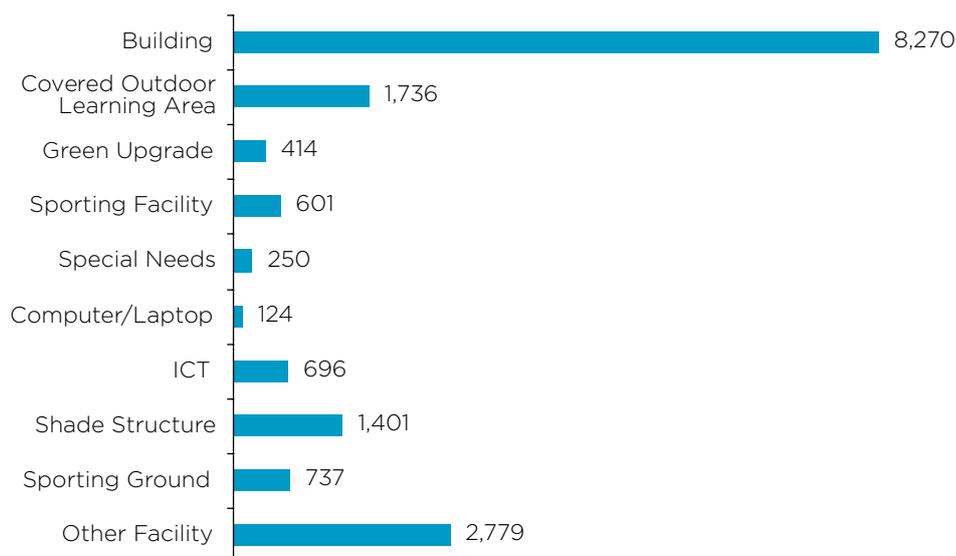


Chart 2: Value of NSP Projects in Progress (as at 31 August 2009)



Note: Start and finish dates are based on monthly reports by education authorities, where available. Progress to 31 August 2009 reflects actual project progress reported by education authorities. When monthly reporting data are not available, start and finish dates provided on the project application are used. All progress after 31 August is *estimated* only. All approved projects to end August 2009 are included.

Chart 3: NSP Projects by Facility Type (to 31 August 2009)



Note: Some projects involve work to more than one facility type. Therefore, total number of projects does not equal total number of facilities.

3.7 Current and Future Activity

The focus of NSP implementation by DEEWR now is on project monitoring, making funding payments in accordance with project milestones, managing variations to the scope of approved projects and receiving acquittals as projects are completed.

3.7.1 Variations to Approved NSP Projects

A variations process was developed by DEEWR in May to ensure an appropriate level of flexibility in project implementation by education authorities and to underpin the objective of providing economic stimulus through rapid delivery of BER.

The process was approved by the Minister for Education, and sent to education authorities via an Email Advisory on 1 June 2009. The variations process was included in version 2 of the BER guidelines, released on 27 August 2009.

Any project variation that has an impact on the scope of a project must be approved by DEEWR prior to any work on the project variation commencing, thus ensuring that DEEWR maintains good program management controls on funded projects. Approved variations are required where a funded project is:

- to be cancelled and replaced with a new project²⁸; or
- varied in some way without impacting on the overall BER approved funding for that project.

As at 30 September 2009, 854 variations to NSP projects have been approved.

Education authorities have the flexibility to manage underspends and overspends on projects in their schools within their total NSP funding allocation. However, DEEWR's prior approval is required in instances where the quantum of funding to be moved from one school to another is five percent or more of the approved project. Approval will not be given unless the school principal agrees to the unspent funding for their school's project being moved to another school within the same jurisdiction.

28 All funding rounds of BER have now been completed. No new projects will be approved.

4. Primary Schools for the 21st Century

4.1 Scope

The *Primary Schools for the 21st Century* (P21) element of BER is providing \$14.1 billion²⁹ to Australian primary schools for, in priority order:

- construction of new libraries;
- construction of new multipurpose halls (for example, gymnasias, indoor sporting centres, assembly areas or performing arts centres) or, in the case of smaller schools, covered outdoor learning areas;
- construction of classrooms, replacement of demountables or other buildings as approved by the Commonwealth; or
- refurbishment of existing facilities.

Where a school and its community determined that a school had no need for construction of any of the above, and had identified a need for an early learning centre³⁰, it could apply for funding under P21.

4.2 Eligibility

Any government or non-government³¹ school delivering primary education³² was eligible to apply for P21 funding, including special schools and the primary school component of K-12 schools. In August 2008, there were 6,448 primary schools in Australia and 1,241 combined primary and secondary schools³³. With special and special assistance schools included, 8,098 schools were eligible to apply for P21 funding.

However, there were several exceptions. The following school types were ineligible for P21 funding:

- schools that do not have permanently enrolled students (that is, schools with transient student populations), for example prison and hospital schools;
- schools planned to close³⁴;
- non-government schools that choose not to affiliate with a BGA; and
- schools that do not receive general recurrent grant funding under the *Schools Assistance Act 2008*.

The same special circumstances that may have affected schools and their eligibility to receive NSP funding also applied to P21 funding:

- The funding allocations for schools that are planned to amalgamate over the next three years (to 2012) into either a new school site or an expansion of one of the existing schools were able to be combined and used for minor capital works or refurbishment (if applicable) at the new school;

²⁹ This funding allocation was increased from \$12.4 billion in August 2009.

³⁰ An early learning centre is a place where students are in the process of transitioning from pre-school to kindergarten and where the curriculum is integrated with the primary school curriculum. The early learning centre had to be an integrated part of the primary school campus and childcare activities could not be the main function of the centre. If any component of childcare was envisaged at the early learning centre, the school had to provide evidence for the demand for childcare in that location.

³¹ Non-government schools must be a participant in a Block Grant Authority (BGA) (that is, a school in respect of which the Minister has determined a BGA under the *Schools Assistance Act 2008*) and be in receipt of General Recurrent Grant Funding under that Act.

³² As defined under the *Schools Assistance Act 2008* or by the particular state or territory.

³³ Australian Bureau of Statistics, *Schools Australia 2008*, 4221.0, page 8, released 7 May 2009. Special schools were not counted.

³⁴ These schools were identified in the February census conducted by DEEWR.

- Where a recently constructed school had no need for further buildings or refurbishment, its funding allocation was permitted to be reallocated to another school within the relevant education authority's membership; and
- Schools that have multiple campuses³⁵ were treated as a single school.

Finally, a school applying for P21 funding had to meet agreed commencement and completion dates for building works, as prescribed for each funding round. This was to meet the objective of the Plan to provide economic stimulus through the rapid construction and refurbishment of school infrastructure.

4.3 Funding Allocation

It was intended that all eligible Australian primary schools would receive a funding allocation under P21. The total amount of notional funding available to a primary school was calculated based on the school's full-time equivalent primary level student enrolments. In special schools, special assistance schools and maximum Indigenous schools³⁶, all full-time equivalent student enrolments (not just primary level enrolments) counted towards the funding allocation available to that school.

As with NSP, funding was initially appropriated by the Commonwealth based on the 2007 DEEWR school enrolment census, which was the most recent data available at the time. Subsequently, DEEWR sought verified February 2009 full-time equivalent enrolment data from each education authority in order to support BER.

Initially, distance education student enrolments were excluded from the calculation of a school's notional funding allocation, on the basis that they would not benefit directly from the school facilities to be constructed or refurbished under P21. However, further information from schools with distance education students, and representations by stakeholders, showed that these students would directly benefit from BER facilities when they physically attend school premises a number of times throughout the year. As a result, the parameters of P21 were modified to include distance education student enrolments in the calculation of a school's notional funding allocation.

Table 5: Indicative Funding Allocations for Schools under P21

Primary school size	Indicative Caps (\$)
0 to 50	250,000
51 to 150	850,000
151 to 300	2,000,000
301 to 400	2,500,000
400+	3,000,000

4.4 Assistance for Education Authorities

Considerable assistance was provided to education authorities in developing and submitting applications for P21 funding:

- Meetings of the BER Coordinators Group were used to ensure a shared understanding of P21 processes and the BER guidelines. Detailed presentations on P21 requirements were held on 17 March 2009, prior to the closing of Round One on 10 April 2009 and on 30 April 2009, prior to the closing of Round Two on 15 May 2009;

³⁵ For non-government schools, this will be defined by whether a school is recognised separately under the *Schools Assistance Act 2008* (that is, with a separate SES score and entitlement to General Recurrent Grants). For government schools, the state or territory will provide DEEWR with advice about which schools are separate school entities and not merely campuses.

³⁶ Schools with more than 80 percent full-time Indigenous enrolments.

- Checklists were developed and provided to education authorities to help ensure that they submitted assessable applications;
- Regular emails were sent to education authorities providing information and updates on BER, P21 and *Schools Entry Point*;
- Education authorities were encouraged to contact DEEWR individually with questions and other issues as they arose; and
- Education authorities were provided with an agreed timeslot to upload applications into *Schools Entry Point*, with the assistance of DEEWR IT staff.

4.5 Application and Assessment Process

Education authorities provided project applications to the Commonwealth for assessment and approval via DEEWR's online *Schools Entry Point* system.

Following receipt of application data from education authorities, DEEWR checked it for missing or incorrect information. Where issues were identified, education authorities were given an opportunity to correct and resubmit their applications. DEEWR then assessed each application against eligibility and quality assurance criteria in accordance with the guidelines. Eligibility checks were conducted electronically in the *Schools Entry Point*. Applications that passed this check then moved into the manual quality assurance checking process. At each stage, where ineligibilities or assurance questions arose, DEEWR liaised with the relevant education authority, which increased the number of projects recommended for funding. The checks were:

Eligibility Tests

- Is the school a primary school, a special school, a special assistance school or a maximum Indigenous school?
- Will the school's project be completed within the required timeframes? The completion date had to be no later than:
 - 18 months from commencement for schools with 150 full-time equivalent student enrolments or more, or
 - seven months from commencement for schools with fewer full-time equivalent student enrolments.
- If the school is a non-government school, is it a participant of one of the 14 BGAs?
- If the school is a non-government school, does it receive Commonwealth general recurrent grant funding?
- Is the school open and intending to remain open?
- Is the facility type acceptable?
- Is this the school's first successful application?
- Is this application one of two or less projects for this school in this round?
- Does the school have fewer than 401 full-time equivalent student enrolments?
 - The school is therefore eligible for a covered outdoor learning area (COLA).
- Is more than 4 percent funding for a project being sought for on-site project management?

Quality Assurance Tests

- Is the total funding sought less than 95 percent or more than 105 percent of the schools' indicative funding level? (See Funding Allocation section above for applicable bands.)
- Is the school's total full-time equivalent student enrolment greater than 400?
- Has the school's full-time equivalent student enrolment between August 2007 and February 2009 increased from funding band two to funding band three or four?
- Is the school planning to charge more than \$45 per hour for community use of its facility?
- Has the school advised that there will be fit out costs?
- Does the school wish to build an early learning centre?
- A random sample of 5 percent of each education authority's eligible applications was also identified for manual assessment.
- For the final round, a check was conducted on all distance education students to ensure that any facilities built under P21 would be directly utilised by students as part of their learning environments.

Once the eligibility and quality assurance tests were complete, funding approval of successful projects was recommended to the Minister for Education.

4.5.1 Application Rounds

The National Partnership established that there would be three application rounds under the P21 component of BER.

Round One

Applications for Round One of P21 closed on 10 April 2009. 2,041 applications were received from all education authorities.

The majority of schools that applied under Round One proposed the adoption of existing building design templates and had to demonstrate readiness and capacity to commence the project immediately.

Table 6: Round One Timelines

Month and Year	Action
Round 1: 20 percent of schools	
February–March 2009	Education authorities assess proposals
By 10 April 2009	Submit lists to Commonwealth for approval
May–June 2009	Commencement of projects
20 December 2010	Projects must be completed no later than 20 December 2010 <ul style="list-style-type: none">○ 18 months for schools larger than 150 students; or○ 7 months for smaller schools

Education authorities were encouraged to submit project proposals to DEEWR ahead of the 10 April 2009 closing date. Eligibility checks were completed on 15 April 2009 and, where additional information was necessary, the relevant education authorities were notified and allowed to modify and resubmit proposals by 17 April 2009.

Assurance tests were completed by 19 April 2009 and, once again, where additional information was required, the relevant education authorities were given the opportunity to respond. Lists of recommended schools and projects were generated and the Minister for Education's approval of funding sought on 30 April 2009.

The Minister for Education announced the successful schools, by state or territory, between 4 and 7 May 2009.

A total of 2,010 projects at 1,499 schools across every state and territory were approved for funding of \$2.828 billion in Round One.

Round Two

Round Two closed on 15 May 2009, with 5,047 applications received from all education authorities.

Table 7: Round Two Timelines

Round 2: 40 percent of schools	
April 2009	Education authorities assess proposals
By 15 May 2009	Submit lists to Commonwealth for approval
June–July 2009	Commencement of projects
31 January 2011	Projects must be completed no later than 31 January 2011 <ul style="list-style-type: none"> ○ 18 months for schools larger than 150 students; or ○ seven months for smaller schools

Eligibility checks occurred between 18 and 21 May 2009. Education authorities were advised where additional information was required and resubmitted those proposals by 22 May 2009. A second eligibility check was conducted by 25 May 2009 and the assurance process was complete by 28 May 2009. Where projects required further clarification, the relevant education authorities were notified and given the opportunity to respond by 29 May 2009.

Lists of recommended schools and projects were generated and the Minister for Education's approval of funding sought on 5 June 2009. The Minister announced the successful schools, by state or territory, between 9 and 14 June 2009.

A total of 4,973 projects at 3,716 schools across every state and territory were approved for funding of \$6.362 billion in Round Two.

Round Three

DEEWR communicated with education authorities in June 2009 regarding the schools that had not yet applied for funding under P21 and therefore were anticipated to apply in this final round.

Applications for Round Three closed on 10 July 2009 and Round 3.1 on 7 August 2009. A total of 3,796 applications were received from 2,824 schools.



Table 8: Round Three Timelines

Month and Year	Action
Round 3: 40 percent of schools	
June 2009	Education authorities assess proposals
By 10 July 2009	Submit lists to Commonwealth for approval
September–October 2009	Commencement of projects
31 March 2011	Projects must be completed no later than 31 March 2011 <ul style="list-style-type: none">○ 18 months for schools larger than 150 students; or○ 7 months for smaller schools

Eligibility checks on Round Three applications were completed on 15 July 2009 and relevant education authorities provided corrections where necessary by 23 July 2009. Assurance tests were completed by 24 July 2009 and, once again, the relevant education authorities were notified and given the opportunity to clarify proposals by 28 July 2009. Lists of recommended schools and projects were generated on 29 July 2009.

Applications in the final extra Round 3.1 closed on 7 August 2009, eligibility tests were performed by 23 August 2009 and a list of final recommended schools generated.

The Minister for Education’s approval of funding for Rounds Three and 3.1 was sought on 25 August 2009. The Minister announced the successful schools, by state or territory, on 27 August 2009.

A total of 3,718 projects in 2,746 schools across every state and territory were approved for funding of \$4.588 billion.

Additional Round for Monetary Variations

A final additional round was held in September 2009 for monetary variations to approved projects. This only applied to schools whose approved funding was less than their notional allocation under the funding bands. These schools could apply to increase their funding by increasing the scope of their approved project or adding a second project. This round also included one school that had been found ineligible in Round Three because it had not been identified by the relevant BGA as a special school.

This round ensured that schools were given the greatest opportunity to participate fully in BER and to help support the economic stimulus measures by maximising construction and refurbishment activity around Australia.

A total of 176 applications were received and 161 were assessed as eligible, including the one school that had not been approved in Round Three, for approved funding of \$73 million.

There will be no further opportunity for approval of additional funding under P21. However, education authorities are able to reallocate funding between projects or schools to manage underspends and overspends according to the guidelines.

4.6 Outcomes

All three funding rounds of P21 have been completed.

- 1,499 schools received funding under Round One for 2,010 projects, which are expected to be completed by 20 December 2010.
- 3,716 schools received funding under Round Two for 4,973 projects, which are expected to be complete by 31 January 2011.
- 2,746 schools received funding under Round Three (and 3.1) for 3,718 projects, due for completion by 31 March 2011
- Of these, 160 schools were approved in September 2009 to increase their funding within their notional funding band, and one additional school was approved for P21 funding.

A total of 7,962 schools will receive funding of \$13.85 billion for 10,697 projects in P21³⁷. Of these schools:

- 77 percent received their full notional funding allocation as determined by the BER guidelines based on their February 2009 audited census data;
- 14 percent received more than their full notional funding allocation; and
- 9 percent received less than their full notional funding allocation.

Education authorities also received 1.5% administration funding under P21 (see section 6.1.3). This amounts to \$207.8 million.

37 The number of schools and projects is current as at 30 September 2009 and reflects all variations and changes up to that date.

Table 9: P21 Funding Nationally by Education Authority

State	Education Authority	Number of Projects	Number of schools	Amount Funded (\$)	Percentage per sector per State/Territory
Australia	Government	7,497	5,675	9,508,054,501	68.64%
	Catholic	2,102	1,370	2,754,328,560	19.88%
	Independent	1,098	917	1,590,099,643	11.48%
	Total	10,697	7,962	13,852,482,704	100.00%
New South Wales	Government	2,426	1,784	2,985,100,000	68.62%
	Catholic	732	445	888,200,000	20.42%
	Independent	329	293	477,218,764	10.97%
	Total	3,487	2,522	4,350,518,764	100.00%
Victoria	Government	1,253	1,253	2,202,580,000	67.26%
	Catholic	563	396	749,500,000	22.89%
	Independent	217	195	322,600,000	9.85%
	Total	2,033	1,844	3,274,680,000	100.00%
Queensland	Government	1,660	1,080	1,789,000,259	68.29%
	Catholic	359	228	495,940,935	18.93%
	Independent	217	166	334,701,725	12.78%
	Total	2,236	1,474	2,619,642,919	100.00%
Western Australia	Government	1,008	673	1,126,555,600	69.99%
	Catholic	225	139	282,737,625	17.57%
	Independent	161	122	200,350,104	12.45%
	Total	1,394	934	1,609,643,329	100.00%
South Australia	Government	720	517	824,150,000	69.19%
	Catholic	111	92	198,150,000	16.64%
	Independent	102	84	168,829,050	14.17%
	Total	933	693	1,191,129,050	100.00%
Tasmania	Government	217	168	269,518,642	74.79%
	Catholic	47	32	59,650,000	16.55%
	Independent	32	27	31,200,000	8.66%
	Total	296	227	360,368,642	100.00%
Australian Capital Territory	Government	68	66	138,100,000	61.83%
	Catholic	45	25	55,350,000	24.78%
	Independent	18	13	29,900,000	13.39%
	Total	131	104	223,350,000	100.00%
Northern Territory	Government	145	134	173,050,000	77.55%
	Catholic	20	13	24,800,000	11.11%
	Independent	22	17	25,300,000	11.34%
	Total	187	164	223,150,000	100.00%

6,302 P21 projects had commenced and four were completed as at 31 August 2009, according to education authority monthly reports.

Chart 4: P21 Projects in Progress (as at 31 August 2009)

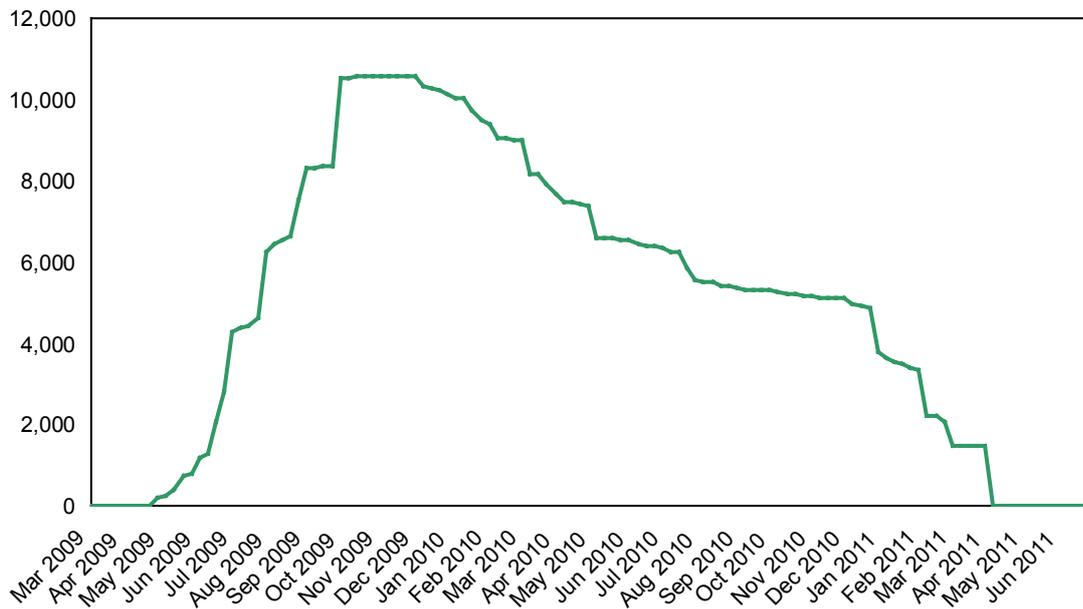
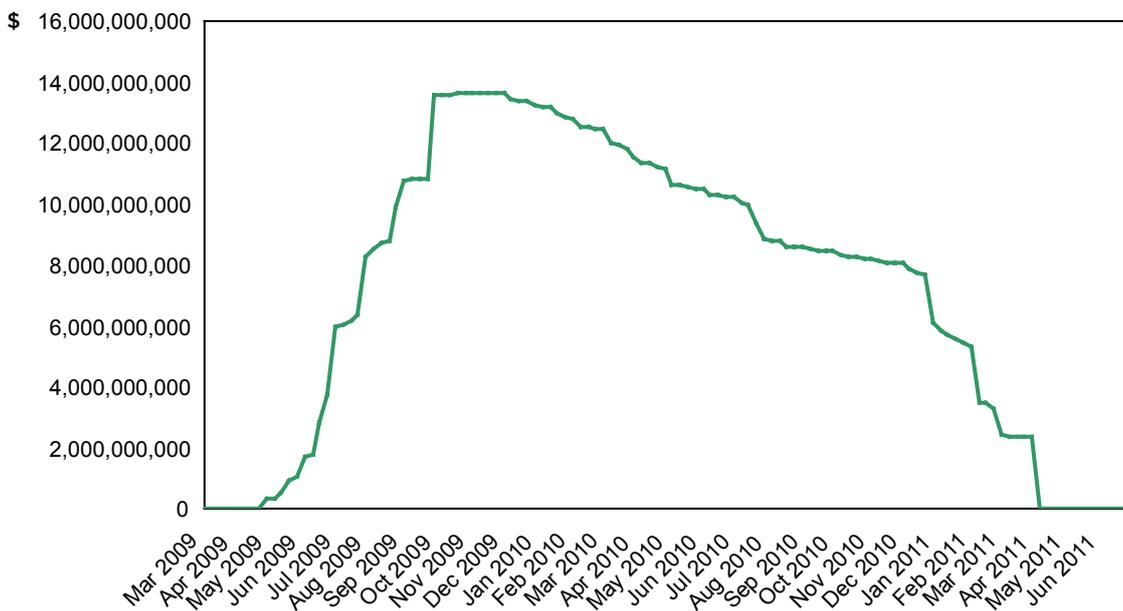
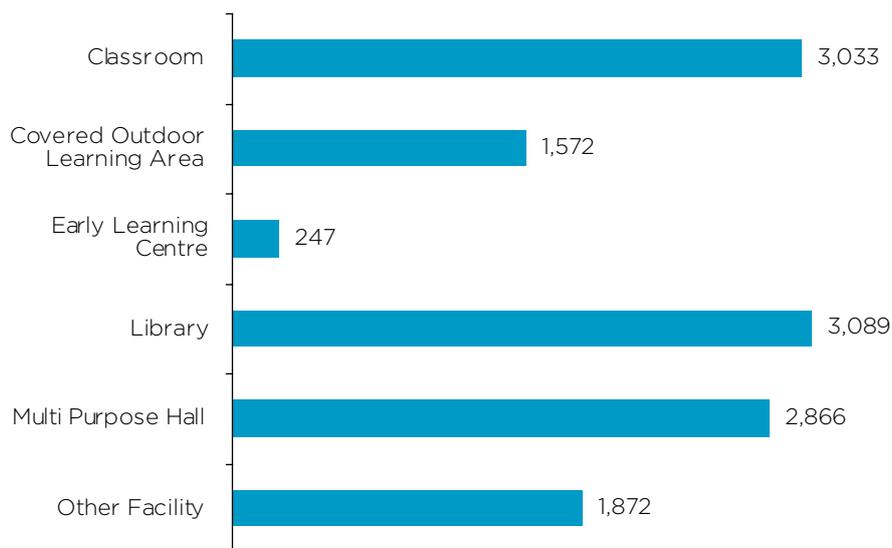


Chart 5: Value of P21 Projects in Progress (as at 31 August 2009)



Note: Start and finish dates are based on monthly reports by education authorities, where available. Progress to 31 August 2009 reflects actual project progress reported by education authorities. When monthly reporting data are not available, start and finish dates provided on the project application are used. All progress after 31 August is estimated only. All approved projects to end August 2009 are included.

Chart 6: P21 Projects by Facility Type (to 31 August 2009)



Note: Some projects involve work to more than one facility type. Therefore, total number of projects does not equal total number of facilities.

4.7 Current and Future Activity

The focus of P21 implementation by DEEWR is now on project monitoring, making funding payments in accordance with project milestones, managing variations to the scope of approved projects and acquittals as projects are completed.

4.7.1 Variations to Approved P21 Projects

A variations process was developed by DEEWR in May to ensure an appropriate level of flexibility in project implementation by education authorities and to underpin the objective of providing economic stimulus through rapid delivery of BER.

The process was approved by the Minister for Education, and sent to education authorities via an Email Advisory on 1 June 2009. The variations process was included in version 2 of the BER guidelines, released on 27 August 2009.

Any project variation that has an impact on the scope of a project must be approved by DEEWR prior to any work on the project variation commencing, thus ensuring that DEEWR maintains sound program management controls on funded projects. Approved variations are required where a funded project is:

- to be cancelled and replaced with a new project³⁸; or
- varied in some way without impacting on the overall BER approved funding for that project.

As at 30 September 2009, 564 variations to P21 projects have been approved.

Education authorities have the flexibility to manage underspends and overspends on projects in their schools within their total P21 funding allocation. However, DEEWR's prior approval is required in instances where the quantum of funding to be moved from one school to another is five percent or more of the approved project. Approval will not be given unless the school principal agrees to the unspent funding for their school's project being moved to another school within the same jurisdiction.

38 All funding rounds of BER have now been completed. No new projects will be approved.

5. Science and Language Centres for 21st Century Secondary Schools

5.1 Scope

The *Science and Language Centres for 21st Century Secondary Schools* (SLC) component of BER is providing \$821.8 million³⁹ for the construction of new or refurbishment of existing science laboratories or language learning centres in secondary schools by 30 June 2010.

5.2 Eligibility

All secondary schools were eligible to apply for SLC funding, with some exceptions:

- schools that do not have permanently enrolled students (that is, schools with transient student populations), for example prison and hospital schools;
- schools planned to close⁴⁰; and
- non-government schools that choose not to affiliate with a BGA.

In addition, schools with multiple campuses⁴¹ were treated as a single school.

Unlike NSP and P21, SLC funding was allocated to schools on a competitive basis. As at August 2008, there were 1,455 secondary schools and 1,241 combined primary and secondary schools in Australia⁴².

5.3 Assistance for Education Authorities

Once again, assistance was provided to education authorities with the application process:

- An application guide was developed during March-April 2009 in consultation with education authorities. This guide provided detailed assistance to education authorities in developing and submitting applications from their schools for SLC funding;
- Meetings of the BER Coordinators Group were used to ensure a shared understanding of SLC processes and the BER guidelines;
- Regular emails were sent to education authorities providing information and updates on BER, SLC and *Schools Entry Point*;
- Education authorities were encouraged to contact DEEWR individually with questions and other issues as they arose; and
- Education authorities were provided with an agreed timeslot to upload applications into *Schools Entry Point*, with the assistance of DEEWR IT staff.

39 This funding allocation was decreased from \$1 billion in August 2009 as the target of 500 science and language centres had been exceeded at lower than forecast cost.

40 These schools were identified in the February census conducted by DEEWR.

41 For non-government schools, this will be defined by whether a school is recognised separately under the *Schools Assistance Act 2008* (i.e. with a separate SES score and entitlement to General Recurrent Grants). For government schools, the state or territory will provide DEEWR with advice about which schools are separate school entities and not merely campuses.

42 Australian Bureau of Statistics, *Schools Australia 2008*, 4221.0, page 8, released 7 May 2009.

5.4 Application and Assessment Process

5.4.1 Timeline

There was only one round of funding for SLC.

Table 10: SLC Round Timeline

Month and Year	Action
March–May 2009	Education authorities call for and assess applications and create a prioritised and ranked short list
31 May 2009	Submit applications to Commonwealth for assessment
August–September 2009	Commencement of projects
30 June 2010	Projects completed

5.4.2 Assessment Criteria

Applications for funding under SLC were assessed against five assessment criteria:

- Demonstrated level of disadvantage—each application needed to build a strong case for the school’s disadvantage, drawing on both quantitative and qualitative data. The case for disadvantage was to include a profile of the school that could include the numbers and proportion of students from low socio-economic backgrounds, students with a language background other than English, geographically isolated students, Indigenous students or students with a disability. The case needed to be built upon a strong evidence base, which could include the use of existing indices such as the Index of Relative Social-Economic Disadvantage or the DEEWR-determined Socio-Economic Status score;
- Identified and demonstrated need for the specified building—the school does not already have a contemporary science building/laboratory or a language learning centre, or any existing facilities of that kind, or they are inadequate for the school’s current or emerging needs;
- Capacity to complete construction or refurbishment of the facility by 30 June 2010;
- Effective and efficient use of Commonwealth funding; and
- Extent to which the project incorporates sustainable building principles.

5.4.3 Assessment Phases

There were three assessment phases:

1. Education authorities assessed applications from their schools against the above criteria, prioritised them into the top 25 percent, middle 50 percent and bottom 25 percent, then ranked them and submitted them to DEEWR by 31 May 2009;
2. DEEWR tested the 1,357 submitted applications for eligibility for SLC funding, assessed the eligible applications against the criteria, and ranked the applications;
3. Applications were then assessed a third time against the criteria on 15, 17 and 18 June 2009 by the National Assessment Panel (the Panel). The Panel paid additional attention to several subsets of applications:
 - The ten percent of applications which fell above the line in the rankings where available funding would be expended and the ten percent that fell below that line;
 - All applications marked as high priority by education authority but which fell below the available funding line after the second phase of assessment;

- All applications marked as low priority by the education authority but which fell above the available funding line after the second phase of assessment; and
- Potentially contentious applications, for example applications from schools that could be perceived as being advantaged.

5.4.4 National Assessment Panel

The Panel comprised representatives from independent organisations relating to schooling and science and language education, and was chaired by the BER Taskforce Branch Manager:

1. Mr Andrew Blair, President of the Australian Secondary Principals' Association, representing principals of government secondary schools;
2. Mr Steve Carter, President of the Australian Council of State School Organisations, which represents parents of students attending government schools;
3. Mr Bill Daniels, Executive Director of the Independent Schools Council of Australia, representing independent non-government schools;
4. Ms Angelo Scarino, Director of the Research Centre for Languages and Cultures, University of South Australia; and
5. Dr James Peacock AC, former Chief Scientist and past President of the Australian Academy of Science.

The Panel recommended 537 projects for SLC funding. It also recommended that a further 141 projects were suitable for SLC funding, but that more detailed costings were required.

The Minister for Education's approval of funding for the SLC projects assessed as successful by the Panel was sought on 24 June 2009. The Minister announced the successful schools on 30 June 2009.

On 27 August 2009, the Nation Building—Economic Stimulus Plan was adjusted to respond to the very strong demand for P21 funding. As the 537 approved SLC projects had already exceeded the target of 500 science or language centre constructions or refurbishments for a lower than expected cost, uncommitted SLC funding was moved to support P21.

5.5 Outcomes

A total of 537 schools⁴³ were approved for SLC funding of \$810 million. The 537 projects will construct or refurbish 280 science centres, 179 language centres and 78 dual facilities.

Education authorities representing these schools will also receive 1.5 percent administration funding to support the management of these building and refurbishment projects. This amounts to \$12.1 million.

⁴³ A complete list of SLC funded schools, and a national summary, is available on the *Building the Education Revolution* website

Table 11: SLC Funding Nationally by Education Authority

State	Education Authority	Number of Projects and Schools	Amount Funded (\$)	Percentage per sector per State/Territory
Australia	Government	377	571,656,207	70.60%
	Catholic	94	147,960,703	18.27%
	Independent	66	90,072,374	11.12%
	Total	537	809,689,284	100.00%
New South Wales	Government	118	150,808,043	70.68%
	Catholic	29	49,333,188	23.12%
	Independent	12	13,228,095	6.20%
	Total	159	213,369,326	100.00%
Victoria	Government	70	137,130,000	69.79%
	Catholic	19	30,475,000	15.51%
	Independent	20	28,879,867	14.70%
	Total	109	196,484,867	100.00%
Queensland	Government	94	155,260,000	77.71%
	Catholic	21	24,801,168	12.41%
	Independent	12	19,726,001	9.87%
	Total	127	199,787,169	100.00%
Western Australia	Government	25	34,060,000	63.59%
	Catholic	9	15,168,817	28.32%
	Independent	3	4,336,400	8.10%
	Total	37	53,565,217	100.00%
South Australia	Government	40	47,747,764	61.23%
	Catholic	8	15,253,000	19.56%
	Independent	13	14,982,023	19.21%
	Total	61	77,982,787	100.00%
Tasmania	Government	22	30,890,400	71.13%
	Catholic	5	8,880,000	20.45%
	Independent	3	3,660,728	8.43%
	Total	30	43,431,128	100.00%
Northern Territory	Government	8	15,760,000	62.87%
	Catholic	3	4,049,530	16.15%
	Independent	3	5,259,260	20.98%
	Total	14	25,068,790	100.00%

69 SLC projects have commenced, as reported by education authorities at 31 August 2009.

Chart 7: SLC Projects in Progress (as at 31 August 2009)

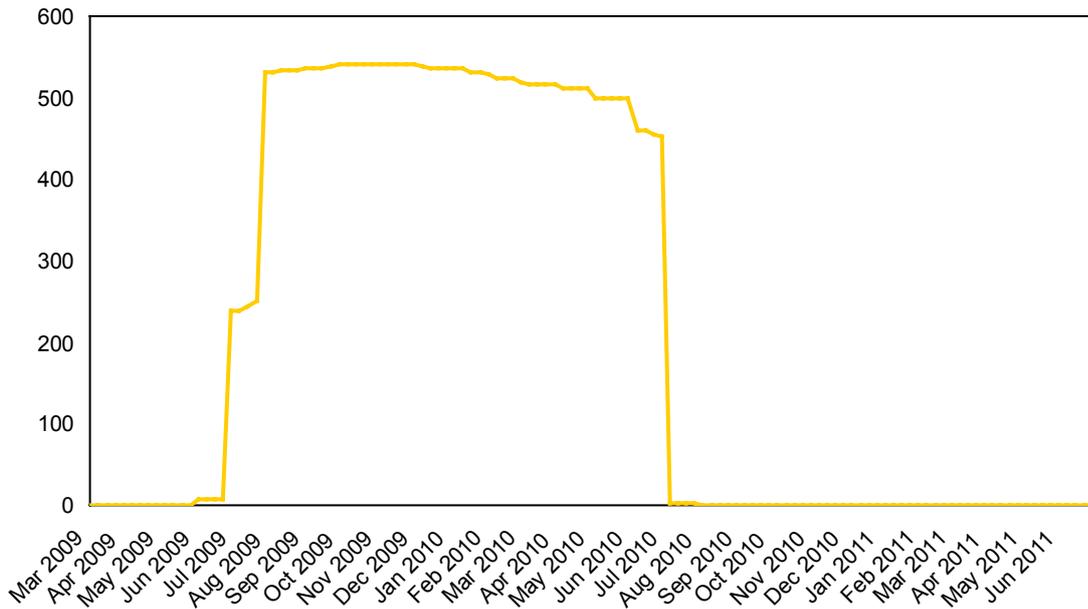
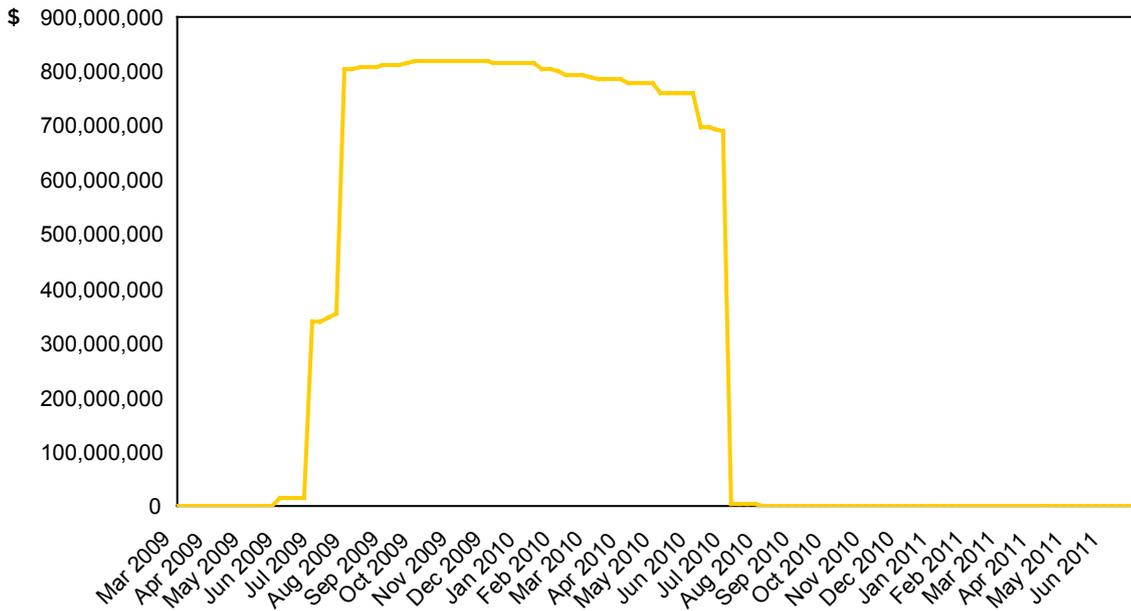
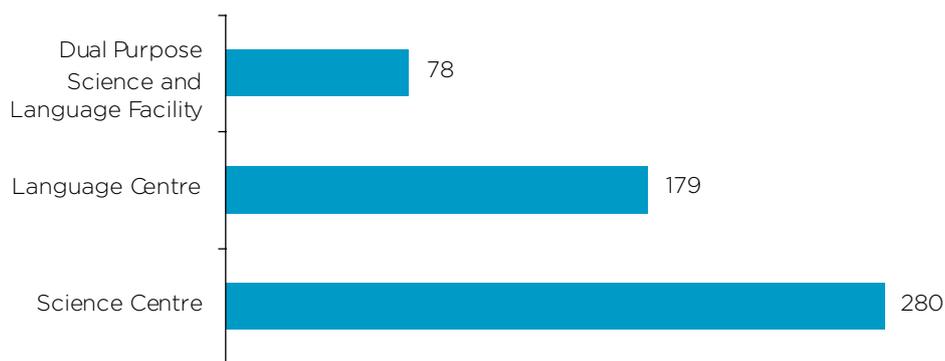


Chart 8: Value of SLC Projects in Progress (as at 31 August 2009)



Note: Start and finish dates are based on monthly reports from education authorities, where available. Progress to 31 August 2009 reflects actual project progress reported by education authorities. When monthly reporting data are not available, start and finish dates provided on the project application are used. All progress after 31 August is estimated only. All approved projects to end August 2009 are included.

Chart 9: SLC Projects by Facility Type (to 31 August 2009)



5.6 Current and Future Activity

These projects are due to be completed by 30 June 2010. The focus of SLC implementation by DEEWR now, as with NSP and P21, is on project monitoring, making funding payments in accordance with project milestones and receiving acquittals as projects are completed.

5.6.1 Variations to Approved SLC Projects

It is anticipated that there may be a requirement to vary details of approved SLC projects to accommodate unforeseen circumstances. For example, there may be a significant impact on an approved project if a project design submitted as part of the application and approval process needs to be changed to enable the project to be delivered within the specified timeframe.

A variation will also be required if the final contracted price for the project exceeds approved BER funding and the school wishes to contribute its own funding to ensure the scope of the project is not reduced.

6. State, Territory and BGA Implementation of BER

6.1 BER Implementation

State and territory governments are signatories to the National Partnership that governs the delivery of the Plan and sets the parameters for BER. They are responsible for developing and submitting, in conjunction with their schools and school communities, project proposals for BER funding and managing the day to day delivery of funded BER projects in schools. BGAs perform similar functions on behalf of their participant schools.

The diagram included in section 2.2 illustrates the relationship between the Commonwealth and the education authorities for BER implementation, and the relationship of the education authorities with their schools.

6.1.1 Implementation Plans

Education authorities were required to provide to DEEWR Implementation Plans for BER, which form part of the funding agreement between the education authority and the Commonwealth. Implementation Plans explained how each education authority intended to:

- call for, assess, prioritise and select school infrastructure projects under NSP, P21 and SLC for submission to DEEWR;
- fast track application and assessment outcomes;
- manage applications from schools marked for closure or merger;
- manage each project;
- ensure every school could maximise its opportunities under BER, and assist smaller or less resourced schools to participate;
- use design templates;
- incorporate sustainable building principles into construction, refurbishments and maintenance;
- achieve broad community consultation; and
- ensure new and refurbished buildings in primary schools would be available for community use at no or low cost.

Education authorities developed these plans in February-March 2009 and they differ according to existing administrative structures in each jurisdiction and the delivery model engaged for the BER program. Implementation arrangements also differed in the non-government sector, with Catholic education systems adopting a more centralised approach, and independent BGAs coordinating the activities of participant schools which operate independently.

6.1.2 Governance Arrangements

Each education authority has developed a structure to implement BER in its education sector. In general, this involved establishment of a BER project office or project team or enlarging an existing team. The project office or team is usually headed by a senior executive of the education authority who reports to the senior executive group of the organisation, whether to an executive staff member or to a committee/oversight board.

This governance structure is complemented by the education authority's implementation arrangements, which include policies governing tendering and procurement arrangements, project approvals and value for money, school liaison and the handling of any complaints.

Education authorities have also tended to engage additional staff to manage the liaison between BER project offices or project teams and schools and their communities in their education sector. These staff are generally called Principal Liaison Officers or Project Officers who are available to help individual schools and their communities to engage with the BER program and the education authority's project office or project team.

For example, the Victorian Catholic Education Office has engaged 11 project officers to assist parish priests, school principals and school communities with BER. The project officers report to the Victorian Catholic Education Office's Assistant Director of Planning and Infrastructure.

6.1.3 Administration Funding

The National Partnership recognised the cost of BER administration to the education authorities, on top of their existing operations and that education authorities had not budgeted for BER.

COAG agreed in the National Partnership to allocate education authorities 1.5 percent of the BER funding approved for their schools to administer the BER program on behalf of their schools. Administration funding is provided on the same basis to all education authorities.

Table 12: Administration Funding for Education Authorities under BER

State	Education Authority	NSP Administration Funding (\$)	P21 Administration Funding (\$)	SLC Administration Funding (\$)	Total Administration Funding (\$)
Australia	Government	13,250,860	142,620,818	8,574,843	164,446,521
	Non-Government	5,797,986	65,166,423	3,568,996	74,533,405
	Total	19,048,846	207,787,241	12,143,839	238,979,926
New South Wales	Government	4,312,875	44,776,500	2,262,121	51,351,496
	Catholic	1,265,625	13,323,000	739,998	15,328,623
	Independent	647,715	7,158,281	197,671	8,003,667
	Total	6,226,215	65,257,781	3,199,790	74,683,786
Victoria	Government	3,072,375	33,038,700	2,056,950	38,168,025
	Catholic	1,005,000	11,242,500	457,125	12,704,625
	Independent	449,240	4,839,000	433,198	5,721,438
	Total	4,526,615	49,120,200	2,947,273	56,594,088
Queensland	Government	2,481,944	26,835,004	2,328,900	31,645,848
	Catholic	679,185	7,439,114	372,018	8,490,317
	Independent	400,450	5,020,526	295,890	5,716,866
	Total	3,561,579	39,294,644	2,996,808	45,853,031
Western Australia	Government	1,465,916	16,898,334	510,900	18,875,150
	Catholic	352,875	4,241,064	227,532	4,821,471
	Independent	249,581	3,005,252	64,296	3,319,129
	Total	2,068,372	24,144,650	802,728	27,015,750
South Australia	Government	1,093,500	12,362,250	716,216	14,171,966
	Catholic	237,750	2,972,250	228,795	3,438,795
	Independent	209,362	2,532,436	224,730	2,966,528
	Total	1,540,612	17,866,936	1,169,741	20,577,289
Tasmania	Government	399,375	4,042,780	463,356	4,905,511
	Catholic	80,625	894,750	133,200	1,108,575
	Independent	51,374	468,000	54,911	574,285
	Total	531,374	5,405,530	651,467	6,588,371
Australian Capital Territory	Government	188,250	2,071,500	0	2,259,750
	Joint BGA	102,079	1,278,750	0	1,380,829
	Total	290,329	3,350,250	0	3,640,579
Northern Territory	Government	236,625	2,595,750	236,400	3,068,775
	Joint BGA	67,125	751,500	139,632	958,257
	Total	303,750	3,347,250	376,032	4,027,032

6.1.4 BER Coordinators Group

The BER Coordinators Group provides a forum for discussion and resolution of issues encountered by education authorities and DEEWR in BER management and delivery and it is regularly used for this purpose.

Education authorities have considerable experience in developing and delivering school infrastructure projects. Like the Commonwealth, education authorities had to rapidly prepare to take on BER delivery at short notice. To do this, generally they leveraged off operating methods and processes for similar programs. For many state and territory Governments, this included their own infrastructure departments.

BGAs have been assisting with the assessment of non-government school applications for Commonwealth infrastructure funding for over twenty years and therefore have extensive experience in managing infrastructure projects. This knowledge and experience provided solid background to deliver the much larger BER program across a compressed timeframe.

The BER Coordinators Group develops business rules to respond to the needs of the BER program, as policy questions arise. The following two sections describe the development of business rules for two policy areas—ensuring value for money in procurement and setting an appropriate budget for on-site project management costs.

6.1.4.1 Value for Money in Procurement

On 3 March 2009, the BER Coordinators Group discussed management of procurement processes that sought to achieve rapid delivery of BER infrastructure projects in schools. On 6 March 2009, DEEWR distributed an Email Advisory to BER Coordinators providing guidance on procurement processes and in particular balancing the need to obtain value for money with the objective of rapid delivery.

This email advised that the tendering and procurement processes currently in place for the Capital Grants program would also apply to the BER program. It reminded education authorities of the need to fast track all design, application and assessment processes while also ensuring that the processes complied with applicable financial and administrative arrangements as set out in the funding agreements and guidelines.

Education authorities must ensure that tendering and procurement arrangements for BER funded projects require the projects to demonstrate:

- value for money;
- compliance with any relevant planning requirements; and
- the project is able to be delivered within the required timeframes.

6.1.4.2 Project Management Costs

The question of an appropriate budget for management of school projects by on-site project managers was discussed by the BER Coordinators Group on 17 March 2009. Following a detailed discussion, DEEWR provided email advice that the industry standard for project management fees was four percent, although it could be expected to vary according to the size of a project.

This advice was obtained by DEEWR from the Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government on 11 March 2009 and was promptly conveyed to education authorities. DEEWR advised that four percent was the maximum percentage of BER funding that could be allocated for on-site project management in funding proposals. Many proposals bid for less than this, and other proposals did not include a project management funding bid at all.

6.2 Accountability and Reporting to the Commonwealth

As described in section 2.5.1, education authorities report to DEEWR monthly on their schools' BER projects, including expenditure, milestones and jobs supported. These reports form the basis of DEEWR's reports to Commonwealth and intergovernmental stakeholders.

Education authorities also have requirements under their funding agreements for which they must be accountable. They range from the appropriate management, and acknowledgment of, Commonwealth funding to intellectual property, privacy, recordkeeping, and compliance with relevant legislation and policies, particularly around the construction industry.

7. BER Outcomes

BER is the largest school modernisation program in Australian history. It is being implemented by the Commonwealth and the 22 education authorities within extremely short timeframes. An enormous amount has been achieved since the announcement of the Plan and BER on 5 February 2009. These achievements are summarised below. Implementation of BER is on track and will continue to be diligently implemented until its conclusion in March 2011.

7.1 Outcomes for Schools

BER has been operating for eight months and has achieved the following outcomes for schools:

1. 25,489 applications for funding have been received and assessed, and 24,382 approved. This represents a 96 percent success rate for schools.
2. 9,526 schools will receive BER funding of \$15.9 billion for maintenance, refurbishment or construction projects⁴⁴.

⁴⁴ The number of schools and projects is current as at 30 September 2009 and reflects all variations and changes up to that date. This represents 99.78% of all eligible schools.

Table 13: Number of Schools in Education Authority with BER projects

State	Education Authority	Total Project Funding			Total Projects	Total Administration Funding (\$)	Total BER Funding (\$)
		NSP (\$)	P21 (\$)	SLC (\$)			
Australia	Government	883,390,615	9,508,054,501	571,656,207	17,432	164,446,521	11,127,547,844
	Catholic	248,429,000	2,754,328,560	147,960,703	4,727	48,231,492	3,198,949,755
	Independent	138,003,484	1,590,099,643	90,072,374	2,223	26,301,913	1,844,477,414
	Total	1,269,823,099	13,852,482,704	809,689,284	24,382	238,979,926	16,170,975,013
New South Wales	Government	287,525,000	2,985,100,000	150,808,043	4,725	51,351,496	3,474,784,539
	Catholic	84,375,000	888,200,000	49,333,188	1,872	15,328,623	1,037,236,811
	Independent	43,130,989	477,218,764	13,228,095	661	8,003,667	541,581,515
	Total	415,030,989	4,350,518,764	213,369,326	7,258	74,683,786	5,053,602,865
Victoria	Government	204,825,000	2,202,580,000	137,130,000	2,905	38,168,025	2,582,703,025
	Catholic	67,000,000	749,500,000	30,475,000	1,110	12,704,625	859,679,625
	Independent	29,949,362	322,600,000	28,879,867	450	5,721,438	387,150,667
	Total	301,774,362	3,274,680,000	196,484,867	4,465	56,594,088	3,829,533,317
Queensland	Government	165,462,900	1,789,000,259	155,260,000	4,872	31,645,848	2,141,369,007
	Catholic	45,279,000	495,940,935	24,801,168	871	8,490,317	574,511,420
	Independent	26,696,694	334,701,725	19,726,001	407	5,716,866	386,841,286
	Total	237,438,594	2,619,642,919	199,787,169	6,150	45,853,031	3,102,721,713
Western Australia	Government	97,727,715	1,126,555,600	34,060,000	2,353	18,875,150	1,277,218,465
	Catholic	23,525,000	282,737,625	15,168,817	444	4,821,471	326,252,913
	Independent	16,588,764	200,350,104	4,336,400	294	3,319,129	224,594,397
	Total	137,841,479	1,609,643,329	53,565,217	3,091	27,015,750	1,828,065,775
South Australia	Government	72,900,000	824,150,000	47,747,764	1,680	14,171,966	958,969,730
	Catholic	15,850,000	198,150,000	15,253,000	224	3,438,795	232,691,795
	Independent	13,957,443	168,829,050	14,982,023	262	2,966,528	200,735,044
	Total	102,707,443	1,191,129,050	77,982,787	2,166	20,577,289	1,392,396,569
Tasmania	Government	26,625,000	269,518,642	30,890,400	442	4,905,511	331,939,553
	Catholic	5,375,000	59,650,000	8,880,000	89	1,108,575	75,013,575
	Independent	3,424,950	31,200,000	3,660,728	68	574,285	38,859,963
	Total	35,424,950	360,368,642	43,431,128	599	6,588,371	445,813,091
Australian Capital Territory	Government	12,550,000	138,100,000	-	152	2,259,750	152,909,750
	Catholic	4,950,000	55,350,000	-	75		
	Independent	1,855,282	29,900,000	-	32	1,380,829	93,436,111
	Total	19,355,282	223,350,000	-	259	3,640,579	246,345,861
Northern Territory	Government	15,775,000	173,050,000	15,760,000	303	3,068,775	207,653,775
	Catholic	2,075,000	24,800,000	4,049,530	42		
	Independent	2,400,000	25,300,000	5,259,260	49	958,257	64,842,047
	Total	20,250,000	223,150,000	25,068,790	394	4,027,032	272,495,822

Table 14: Breakdown of BER Projects by School and Education Authority

State	Education Authority	Number of Schools with BER projects			Funding Amount (\$)
		1 project	2 projects	3 or more projects	
Australia	Government	728	3340	2770	10,963,101,323
	Catholic	176	539	974	3,150,718,263
	Independent	83	652	264	1,818,175,501
	Total	987	4531	4008	15,931,995,087
New South Wales	Government	304	1,229	653	3,423,433,043
	Catholic	59	94	420	1,021,908,188
	Independent	35	239	48	533,577,848
	Total	398	1,562	1,121	4,978,919,079
Victoria	Government	270	1,307	7	2,544,535,000
	Catholic	65	228	191	846,975,000
	Independent	14	163	35	381,429,229
	Total	349	1,698	233	3,772,939,229
Queensland	Government	18	108	1,135	2,109,723,159
	Catholic	26	68	193	566,021,103
	Independent	10	105	62	381,124,420
	Total	54	281	1,390	3,056,868,682
Western Australia	Government	55	205	516	1,258,343,315
	Catholic	11	43	104	321,431,442
	Independent	11	81	40	221,275,268
	Total	77	329	660	1,801,050,025
South Australia	Government	24	180	387	944,797,764
	Catholic	8	76	21	229,253,000
	Independent	8	27	58	197,768,516
	Total	40	283	466	1,371,819,280
Tasmania	Government	25	128	53	327,034,042
	Catholic	2	18	17	73,905,000
	Independent	2	19	8	38,285,678
	Total	29	165	78	439,224,720
Australian Capital Territory	Government	17	63	3	150,650,000
	Catholic	5	5	20	60,300,000
	Independent	1	8	5	31,755,282
	Total	23	76	28	242,705,282
Northern Territory	Government	15	120	16	204,585,000
	Catholic	-	7	8	30,924,530
	Independent	2	10	8	32,959,260
	Total	17	137	32	268,468,790

3. 16,309 BER projects had commenced and 726 were completed as at 31 August 2009, according to monthly reports by education authorities.

Chart 10: BER Projects in Progress (as at 31 August 2009)

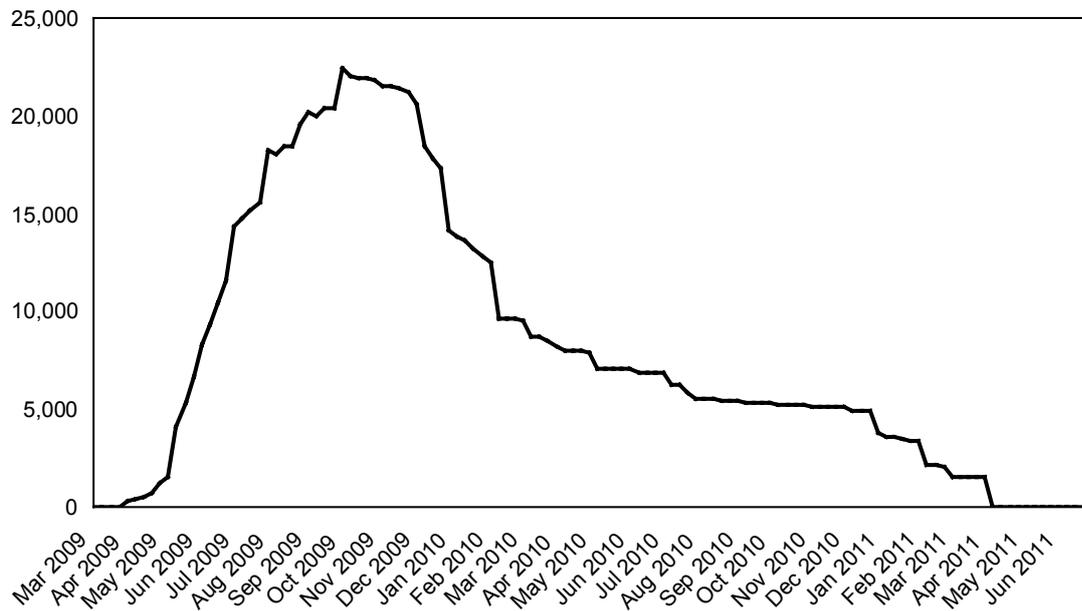
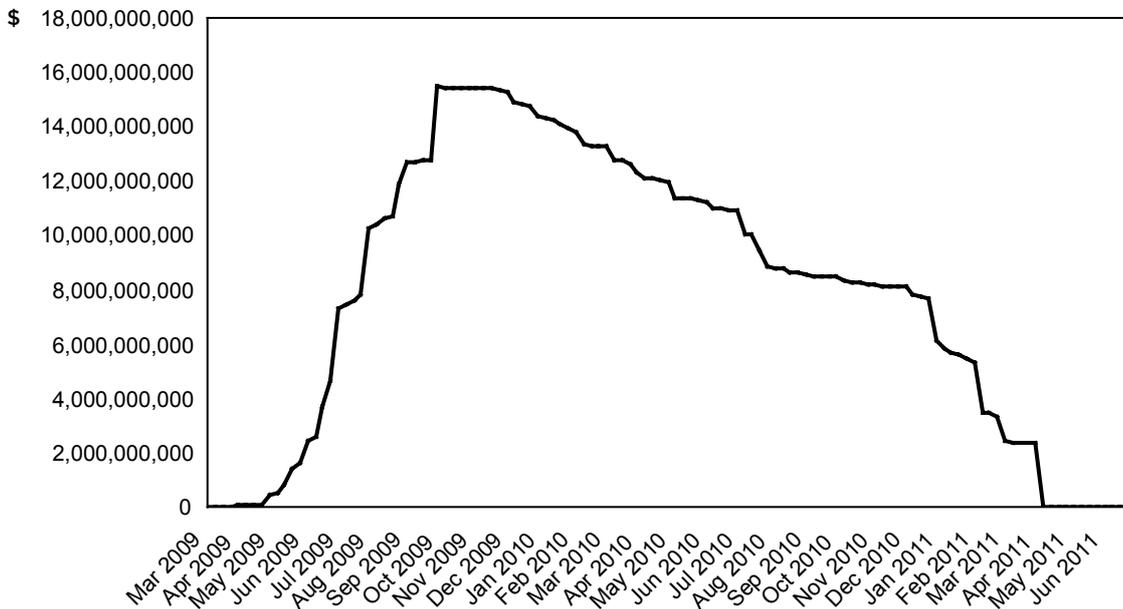


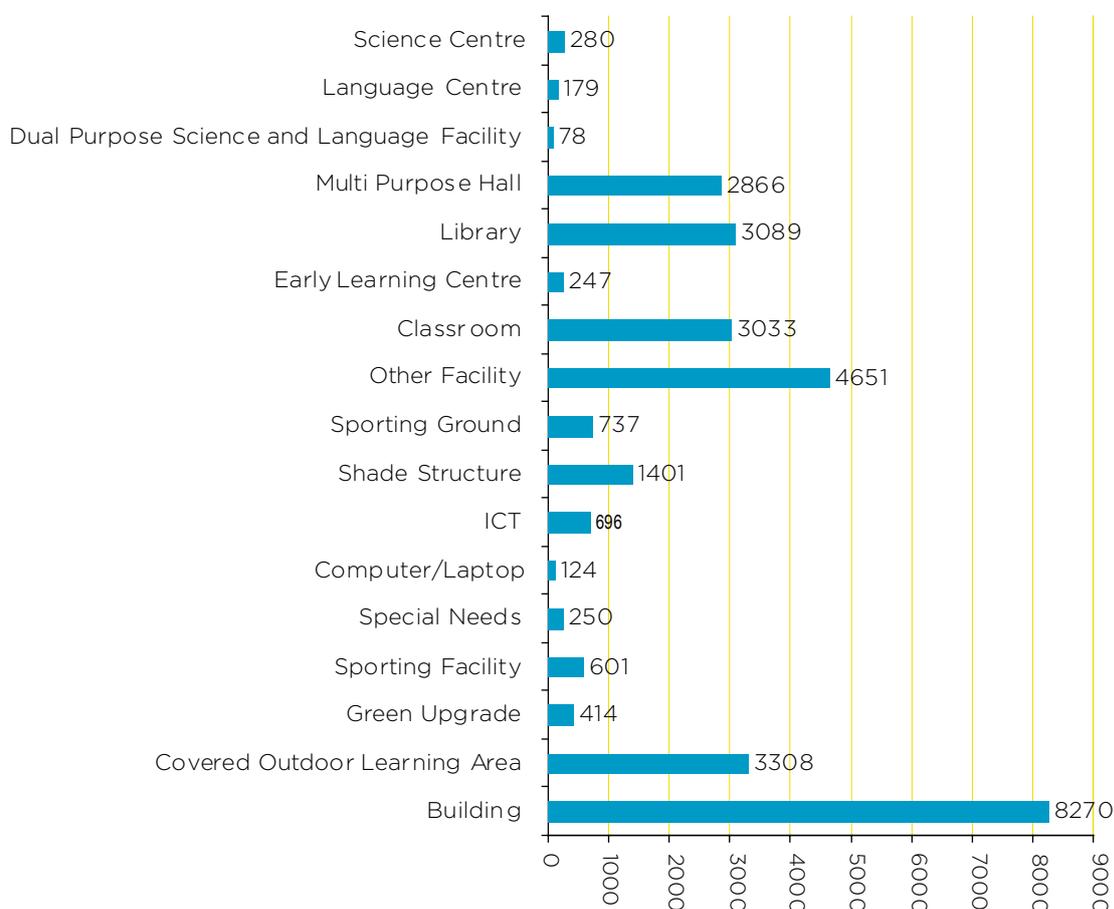
Chart 11: Value of BER Projects in Progress (as at 31 August 2009)



Note: Start and finish dates are based on monthly reports from education authorities, where available. Progress to 31 August 2009 reflects actual project progress reported by education authorities. When monthly reporting data are not available, start and finish dates provided on the project application are used. All progress after 31 August is estimated only. All approved projects to end August 2009 are included.

4. 30,224 buildings and facilities are being maintained, refurbished or constructed to meet the needs of 21st century students and teachers.

Chart 12: All Buildings and Facilities, by type, funded under BER for refurbishment or construction



7.2 Budget Outcomes

In February 2009, the following funding was appropriated for BER, based on 2007 full-time equivalent student enrolment data and the assumption that 90 percent of schools would take up the opportunity to apply for funding under the P21 element and 100 percent of schools would take up the opportunity for NSP funding.

Table 15: Original Appropriation

BER Element	2008-09 (\$)	2009-10 (\$)	2010-11 (\$)	Total (\$)
NSP	386,400,000	901,600,000	0	1,288,000,000
P21	600,800,000	6,612,000,000	5,219,000,000	12,431,800,000
SLC	0	1,000,000,000	0	1,000,000,000
BER Total	987,200,000	8,513,600,000	5,219,000,000	14,719,800,000

Note: Changes to 2009-10 and 2010-11 amounts will be appropriated at 2009-10 Additional Estimates

In August 2009, the original appropriation was adjusted to reflect the recalibration of the Nation Building Economic Stimulus Plan, as detailed in Table 16 below.

Table 16: Updated Appropriation

BER Element	2008-09 (\$)	2009-10 (\$)	2010-11 (\$)	Total (\$)
NSP	386,400,000	902,521,195	0	1,288,921,195
P21	776,671,399	7,436,552,701	5,908,368,485	14,121,592,585
SLC	0	821,833,123	0	821,833,123
BER Total	1,163,071,399	9,160,907,019	5,908,368,485	16,232,346,903

Note: Changes to 2009-10 and 2010-11 amounts will be appropriated at 2009-10 Additional Estimates.

All eligible applications for BER funding have now been assessed and approved. The following table shows the total approved BER funding per element and the total uncommitted funds which will be returned to the Commonwealth Treasury.

Table 17: Final BER Budget Outcome

BER Element	Total Project Funding Approved (\$)	Total Administration Funding Approved (\$)	Total Funding Approved (\$)	Appropriation (\$)	Total Uncommitted (\$)
NSP	1,269,823,099	19,048,846	1,288,871,945	1,288,921,195	49,250
P21	13,852,482,704	207,787,241	14,060,269,945	14,121,592,585	61,322,640
SLC	809,689,284	12,143,839	821,833,123	821,833,123	-
BER Total	15,931,995,087	238,979,926	16,170,975,013	16,232,346,903	61,371,890

8. Next Steps

The Establishment Phase of BER program implementation is now complete. It focussed on program design, the development of business rules and the assessment and approval of projects.

BER has moved to the next phase of operations—the ‘Delivery Phase’—where the focus will shift from planning and approval of projects to construction activity in schools throughout Australia.

The Delivery Phase will extend over the next 18 months to 31 March 2011, when the final BER projects (P21) are due to be completed.

For education authorities, the Delivery Phase will involve:

- Tendering and contract negotiation
- Project management during construction
- Liaison with schools and school communities
- Financial management and reporting
- Development of project variations as necessary
- Risk management and compliance monitoring
- Management of any underspends or overspends
- Regular reporting to the Commonwealth.

For DEEWR, the Delivery Phase will involve:

- Analysis of monthly (and other) reporting by education authorities
- Assessment and approval of project variation requests, and tracking of project variation notifications
- Making payments in accordance with the funding agreements
- Program assurance and regular review of risk plans
- IT development and support
- Organisation of ceremonies in schools to mark the completion of projects
- Ongoing communication activities
- Regular reporting to the Minister for Education and the Office of the Coordinator-General.

Within the context of the National Partnership, DEEWR will continue to work with education authorities to identify and address implementation risks and to streamline reporting arrangements.

8.1 External review

DEEWR is currently monitoring and providing input where relevant to three external review processes:

- The Inquiry of the Senate Economics Committee of the Australian Parliament into the Government’s economic stimulus initiatives is due to report on 27 October. The Inquiry is looking at:
 - the efficacy of the spending measures to date;
 - the anticipated costs and benefits of continuing the spending measures;
 - consequent change in the stimulus ‘roll out’ that ought to be entertained given the changed economic circumstances;
 - anticipated impact of the stimulus spending on future interest rate movements and taxpayer liabilities; and

- an evaluation of the environmental impacts of the spending to date⁴⁵.
- The Inquiry of the Senate Committee on Education, Employment and Workplace Relations into the P21 element of BER. There is no reporting date yet for this inquiry, although written submissions are due by 30 October 2009. The Inquiry is looking at:
 - the conditions and criteria for project funding;
 - the use of local and non-local contractors;
 - the role of state governments;
 - timing and budget issues, including duplication;
 - requirements for school signs and plaques;
 - the management of the program; and
 - other related matters⁴⁶.
- The performance audit of the P21 element of BER by the Commonwealth Auditor-General. It is examining:
 - arrangements for administering P21 in accordance with government policy;
 - the selection and approval of P21 projects; and
 - monitoring and reporting of the progress of P21 projects and the achievement of broader BER program outcomes⁴⁷.

45 Senate Economics Committee, *Inquiry into the Government's economic stimulus initiatives*

46 Senate Committee on Education, Employment Workplace Relations, *Inquiry into Primary Schools for the Twenty First Century*

47 Australian National Audit Office, *Announcement of a Performance Audit of the Building the Education Revolution program—Primary Schools for the 21st Century*

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