

Recoverable Amount of Grants

With regard to:

Sale or Disposal of Property

When an approved authority of a non-state school enters into agreement with the Queensland Independent Schools Block Grant Authority, and has received capital grants for an approved Australian and/or State Government Capital Project, the following conditions apply (The following are extracts from the Australian and State Government Guidelines – see footnote):

Australian Government Requirements

Section 3. (xiv)

In the case of projects with grants greater than \$75,000 –

- (a) *notify the QIS BGA if the Participant ceases to use the Facilities principally for the Approved Purpose or sells or otherwise disposes of the facilities within the Designated Period specified in Table 1 attached;*
- (b) *in accordance with clause 12.3a of the funding Agreement, to repay to the QIS BGA or the Commonwealth, the Calculated portion of the Grant, calculated in accordance with Table 1 and in the circumstances where the:*
 - *Facilities ceased to be used principally for the Approved Purpose; or*
 - *Facilities are sold or otherwise disposed of.¹*

Queensland State Government

12.(1)

- (a) *in respect of grants greater than \$75 000, the approved authority of the non-state school must undertake to use the approved project for educational purposes for a period of 20 years. Failure to use the project for educational purposes could result in a liability of assistance repayment equal to 5% of assistance for each year of the 20 year period during which the building is not used for educational purposes. In the case of furniture and equipment, the approved authority must undertake to use items for educational purposes for the economical life of the item;²*

Please read the attached tables as follows:

Table 1 is to be used for schools that entered into an agreement with the Australian Government for a Capital Grant after the beginning of 2009

Table 2 is to be used for schools that entered into an agreement with the Australian Government for a Capital Grant before the end of 2008 and for **all** Queensland State Government Capital Grant agreements.

Note to the Financial Statements

To ensure that the approved authority remains aware of the above agreement requirements, a note to the Financial Statements each year (during the life of the agreement as per the table) outlining the Contingent Liability to the Australian and/or Queensland State Government should be included, with the following or similar wording:

“Pursuant to the conditions attached to Commonwealth and State Government capital grants, the school is contingently liable to repay, based on a formula, all or part of the grants received if the project to which the funds are applied ceases to be used for the purpose approved, or is sold or otherwise disposed of within 20 years of the completion of the project.”

¹ Department of Education, Employment and workplace Relations, *Administrative Arrangements For Block Grant Authorities (BGAs) 2009-2012*, (2010 Edition) page 28sect. 3(xiv), Canberra

² Queensland State Government, *Capital Assistance Scheme Guideline, Education (Capital Assistance) Act 1993*, (pg 7), 11 February, 2005

Australian Government Capital Programs Amortisation Table

Table 1

Grant Funds Amount	Designated Use Period from Date of Project Completion	Recoverable Amount	Example
\$75,001 to \$500,000	2 years plus additional year for each \$50,000 over \$100,000 (Rounded to the nearest full year)	Full amount will be recoverable up to half way through period then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$475,000: retain interest for 2 years plus 7.5 years (total rounded up to 10 years), full amount recoverable up to 5 years then the amount to be recovered would be reduced by 20% of the total amount each year until \$0 is owing after the 10 years from date of project completion.
\$500,001 to \$1.5M	10 years plus additional year for every \$100,000 over \$500,000 (Rounded to the nearest full year)	Full amount will be recovered up to half way through period then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$1m: retain interest for 10 years plus 5 years (total 15 years). Full amount recoverable up to 7.5 years then would reduce by 13.33% of the total amount each year to the end of 15 yrs.
Over \$1.5M	20 years	Full amount will be recovered up to half way through period then reduced by equal proportions of the total amount over the remaining period.	Grant amount \$2m: retain interest for 20 yrs. Full amount recoverable for 10 years and then would reduce by 10% of the total amount each year to the end of the 20 years.

Australian Government Capital Programs Amortisation Table & State Capital Assistance Scheme

Table 2

Grant Funds Amount	Designated Use Period from Date of Project Completion	Recoverable Amount	Example
\$75,001 and above	20 years	5% reducing per year	Grant of \$200,000 for project completed in 2006 – school would have contingent liability with QIS BGA reducing by \$10,000 per year until 2025.