



# ANGLICAN DIOCESE OF GRAFTON POLICIES AND PROCEDURES

<b>SUBJECT: CAPITAL DEVELOPMENT AND EXPENDITURE - SCHOOLS</b>		<b>REFERENCE NUMBER</b> GASC-002
<b>DATE APPROVED</b> 2 May 2024 by Bishop-in-Council		<b>VERSION 4</b> replacing version dated 23 February 2023
<b>IMPLEMENTATION DATE</b> Immediate	<b>REVIEW FREQUENCY</b> As required but at least 3 yearly	<b>RESPONSIBLE FOR REVIEW</b> Grafton Anglican Schools Commission

## 1. PURPOSE

The purpose of this policy and procedure is to define and document the process required for the approval and monitoring of capital development projects and any associated leases, mortgages or borrowings at Diocesan Schools.

## 2. SCOPE

This policy and procedure applies to all Diocesan Schools in the Anglican Diocese of Grafton, however the Bishop-in-Council may, from time to time, determine different classifications and thresholds in Clause 5 for specific schools.

## 3. DEFINITIONS

“**BiC**” – Bishop-in-Council.

“**BGA**” – Block Grant Authority.

“**Borrowings**” – any liability associated with financing the CAPEX project. Funding within pre-existing facilities is considered borrowings for the purpose of this policy.

“**CAPEX**” – Capital Expenditure (eg. new buildings, facilities, property).

“**Commission**” – Grafton Anglican Schools Commission (GASC).

“**Council**” – a School Council (SC) in the Diocese of Grafton which has been incorporated under the Anglican Church of Australia (Bodies Corporate) Act 1938.

“**Facility**” – any pre-approved access to funds from a lender irrespective of whether the funds have been drawn down or not.

“**Lease**” – any contract involving the grant of rights to use property, equipment or services for an agreed amount of time or payment.

“**Liability**” – any financial obligation, either current or non-current.

“**Real property**” – encompasses interests in land and fixtures or structures upon the land.

**“School”** – a Diocesan School governed by a School Council in the Diocese of Grafton, excluding the Lismore Parish Centre Preschool.

**“Strategic Asset Management Plan”** – a plan for acquisition, development, maintenance and disposal of assets in line with the strategic objectives of the School.

**“Master Plan”** - a dynamic long-term planning document that provides a conceptual layout to guide future growth and development of the school’s infrastructure and site.

## 4. PRINCIPLES

- 4.1 That Schools will carefully consider and document the strategic, educational and operational basis for individual projects, when applying for approval, and that the Commission will do the same in providing advice and recommendations on these matters to the Bishop-in-Council.
- 4.2 The Schools Commission Ordinance 1997 requires the Commission to assess a School’s capacity to fund and manage proposed capital works and subsequently make recommendations to the Bishop-in-Council where required. The Commission must also review and make recommendations to the Bishop-in-Council on any proposed acquisition (by purchase, lease, licence, exchange or otherwise) or disposal (by way of sale, mortgage, exchange, lease or otherwise) by a School of rights or interests in real property.
- 4.3 Schools will ensure, as far as possible, that all applications for CAPEX projects reflect their Master Plan and are consistent with their Strategic Asset Management Plan.
- 4.4 Parties shall maintain open communication on capital expenditure plans to facilitate smoother approval processes.
- 4.5 Schools will inform the Commission when they approve capital development projects that only require School Council approval as outlined in Clause 5.1.

## 5. REQUIREMENTS

### 5.1 CLASSIFICATIONS AND THRESHOLDS

- 5.1.1 The governing body responsible for the final approval of CAPEX projects varies, depending on the size of the School, the amount of borrowing required and the project’s overall value.
- 5.1.2 The table below outlines the relevant values and approval bodies for Schools with a K-12 student enrolment up to 750.

School borrowing required to fund project	CAPEX Project up to \$500,000 in Value	CAPEX Project over \$500,000 in Value
Borrowings over \$250,000	GASC makes recommendation to BiC	GASC makes recommendation to BiC
Borrowings up to \$250,000	School Council	GASC makes recommendation to BiC
Nil Borrowings	School Council	GASC (on delegation from BiC)

5.1.3 The table below outlines the relevant values and approval bodies for Schools with a K-12 student enrolment over 750.

School borrowing required to fund project	CAPEX Project Under \$1,000,000 in Value	CAPEX Project over \$1,000,000 in Value
Borrowings over \$500,000	GASC makes recommendation to BiC	GASC makes recommendation to BiC
Borrowings up to \$500,000	School Council	GASC makes recommendation to BiC
Nil Borrowings	School Council	GASC (on delegation from BiC)

## 5.2 PROPOSAL DOCUMENTS

5.2.1 Projects submitted to the Commission for either direct approval or recommendation to the Bishop-in-Council, as defined in 5.1.2 and 5.1.3, must complete a CAPEX Application for Approval (Schedule A) and provide the required documents for consideration. Schedule A is available for download on the website of the Diocese.

5.2.2 The proposal package is to include:

- an analysis of all relevant risk factors such as changes in student enrolment numbers, enrolment fees, government funding and interest rate rises; and
- a clear statement of the assumptions that underlie the analysis; and
- a clear demonstration of the impact on cash flow and on the key ratios set out in GASC-003 Reporting and Accountability Framework - Schools.
- An updated copy of the School's Strategic Asset Management Plan-including the anticipated total cost of maintaining and re-furbishing the proposed asset throughout its useable life.
- a Capital Plan showing a true and fair estimate of future plant and building investments over the next 5 year period.

5.2.3 In all instances, information should be submitted to [schools@graftondiocese.org.au](mailto:schools@graftondiocese.org.au)

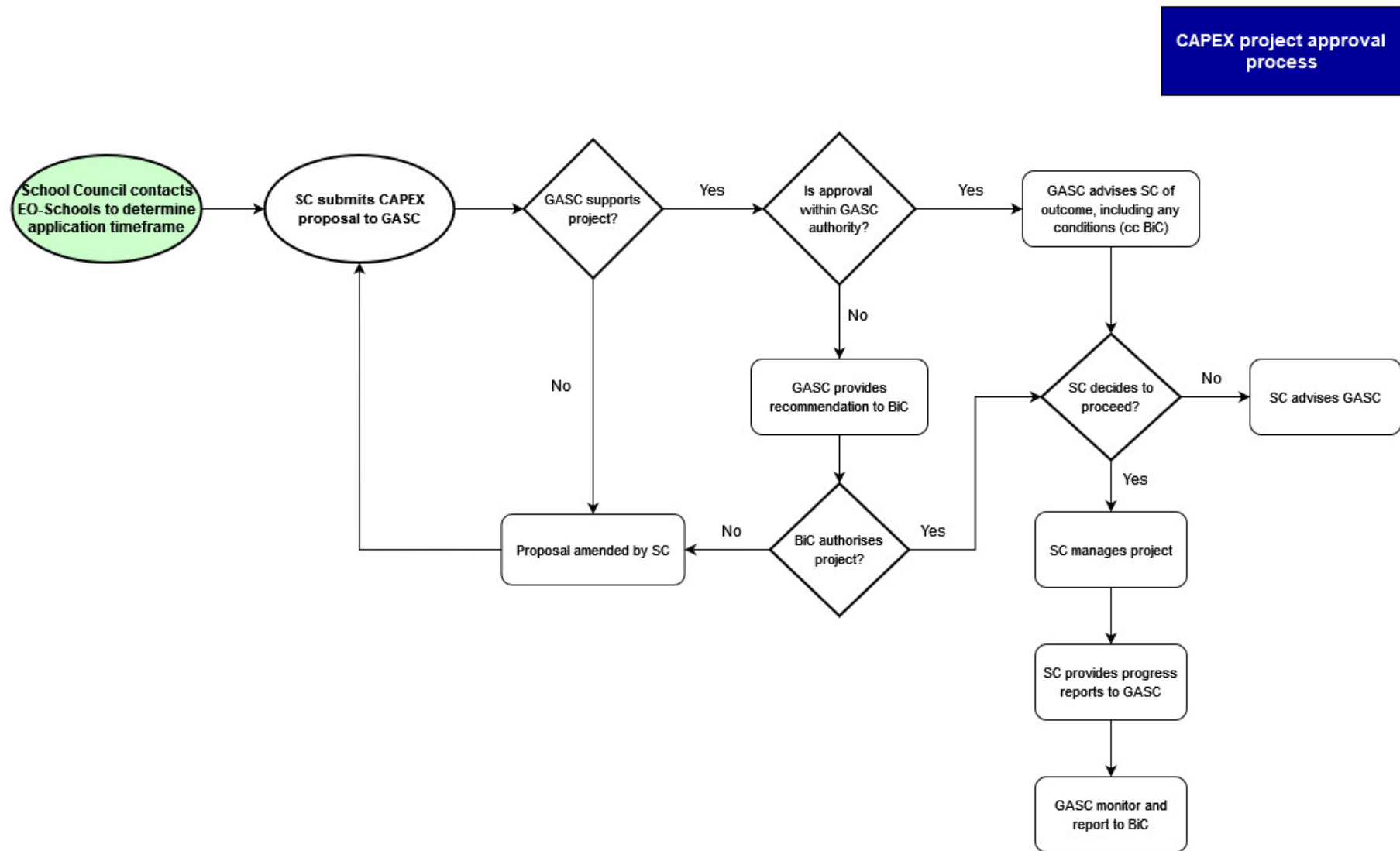
## 5.3 TIMING OF APPLICATIONS

5.3.1 Schools, where possible, are to submit CAPEX applications for approval with sufficient notice before a scheduled meeting of the Commission.

5.3.2 Schools should contact the Executive Officer – Schools as early as possible, to consult on the timing of applications.

## 6. APPROVAL PROCESS

6.1 The approval process for CAPEX Projects is outlined below.





## SCHEDULE A

### CAPITAL DEVELOPMENT AND EXPENDITURE APPLICATION FOR APPROVAL

#### EXECUTIVE SUMMARY

<b>School</b>		
<b>Project Title</b>		
<b>Project Description</b>		
<b>Strategic/Educational/Operational Significance of the Project</b>		
<b>Anticipated Timing of the Project</b>		
<b>Anticipated Total Cost</b>		
<b>Source(s) of Funds</b>	<b>BGA Grant</b>	
	<b>Borrowing</b>	
	<b>School Funds</b>	
	<b>Other (please specify)</b>	

#### Project for Noting

- BGA Application – for noting by GASC
- School Council approved project

#### Approval Sought (as outlined in Clause 5.1 of GASC-002 Capital Development and Expenditure – Schools)

- Project Approval – no borrowings (GASC approval)
- Project approval - with borrowings (GASC recommendation to Bishop-in-Council)

#### Documents Provided:

- Master Plan (relevant extract)
- Strategic Plan (relevant extract)
- Strategic Asset Management Plan
- Capital Plan (5 year forward plan)
- Copy of BGA application (if relevant)
- Copy of BGA funding approval (if relevant)
- Copy of business case/briefing provided to School Council
- Copy of School Council Resolution approving the project
- Copy of approval from lender of facility or additional borrowings.
- Evidence of costings
- Risk analysis as per Clause 5.2.2 GASC-002 Capital Development and Expenditure - Schools if not already included in business case/briefing to School Council.