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| Building Blocks  Grants  2024 CAPACITY BUILDING STREAM GUIDELINES |

## Minister’s Foreword

The Victorian Government continues to work closely with kindergarten services across the state to reform early learning − making it bigger, better, and fairer.

Because of new partnerships and record investment, all Victorian children can now get 2 years of Free Kinder.

We can all be enormously proud of that achievement, but that’s just the start of our Best Start, Best Life reforms.

Victorian 3-year-olds are now benefitting from at least 5 hours of kinder a week. We will increase that to 15 hours by 2029. Over the next decade, Four-Year-Old Kindergarten will transition to ‘Pre-Prep’ – doubling play-based learning for every 4-year-old child in Victoria to 30 hours a week.

We’re also building 50 Victorian government-owned and affordable Early Learning and Childcare Centres. We’ll build these in areas that have unmet demand, making it easier for families to get childcare. The first 4 centres will be open in 2025.

As we reform early learning, we are transforming communities. Children will get a better start to their education, families will save money, and parents will have greater flexibility to return to work if they choose.

Change of this scale does not happen overnight. It requires a lot of hard work, serious commitment and sensible planning. That’s where the Building Blocks grants come in.

Since launching in 2020, Building Blocks has funded new kindergarten buildings, expansions and improvements, supporting the sector to create additional kindergarten places across the state. It’s allowed us to expand early learning and work more closely with local government and not-for-profit providers to deliver more and better integrated, family and community services.

The results speak for themselves, but there’s still work to do to deliver these once in a generation reforms. That’s why in 2023, the Capacity Building grants offered further increases to State funding. These increases are substantial. In some cases, we’ve more than doubled the government support available for projects that add more kindergarten places in the communities that need them most.

The 2023–24 State Budget ensures these increased Building Blocks Capacity grants rates will continue. It also demonstrates our commitment to supporting local government and the early childhood sector to meet the needs of the community, well into the future.

I encourage all eligible organisations to embrace the life-changing potential of these reforms and consider applying for these grants. I look forward to seeing the exciting proposals and new partnerships they generate.

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Hon Lizzie Blandthorn MP

**Minister for Children**

[Minister’s Foreword 1](#_Toc536455779)

[WHAT TYPE OF GRANT CAN I APPLY FOR? 5](#_Toc803548186)

[Kindergarten Infrastructure and Services Plans 5](#_Toc1988667425)

[Purpose of grant 6](#_Toc4157093)

[Project requirements 6](#_Toc1430105101)

[Funding available 6](#_Toc1090249473)

[Project completion 6](#_Toc724454480)

[Purpose of grant 7](#_Toc1557366998)

[Project requirement 7](#_Toc1177843305)

[Funding available 7](#_Toc1557144805)

[Project completion 7](#_Toc999647203)

[Purpose of grant 7](#_Toc194944584)

[Eligibility Criteria 8](#_Toc1984133993)

[Purpose of grant 9](#_Toc2145319067)

[Project requirements 9](#_Toc1730987052)

[Funding available 9](#_Toc1929573636)

[Project completion 10](#_Toc1788235176)

[EXCLUSIONS 10](#_Toc53179985)

[WHO CAN APPLY? 11](#_Toc96751298)

[ASSESSMENT PROCESS 11](#_Toc514158165)

[FUNDING CONDITIONS 12](#_Toc1127622205)

[RELATIONSHIP WITH OTHER FUNDS 13](#_Toc141682863)

[LOCAL JOBS FIRST 13](#_Toc1173294320)

[FREE KINDER 13](#_Toc1839216118)

[PROJECT REPORTING REQUIREMENTS 14](#_Toc1497564178)

[ACQUITTAL REQUIREMENTS AND PROJECT VARIATIONS 14](#_Toc2146814912)

[HOW TO APPLY 14](#_Toc1702206661)

[REVIEW OF APPLICATION OUTCOME 15](#_Toc1174052926)

[INFORMATION PRIVACY 15](#_Toc2126168161)

**BUILDING BLOCKS OBJECTIVES**

The Victorian Government is delivering an unprecedented early childhood reform agenda.

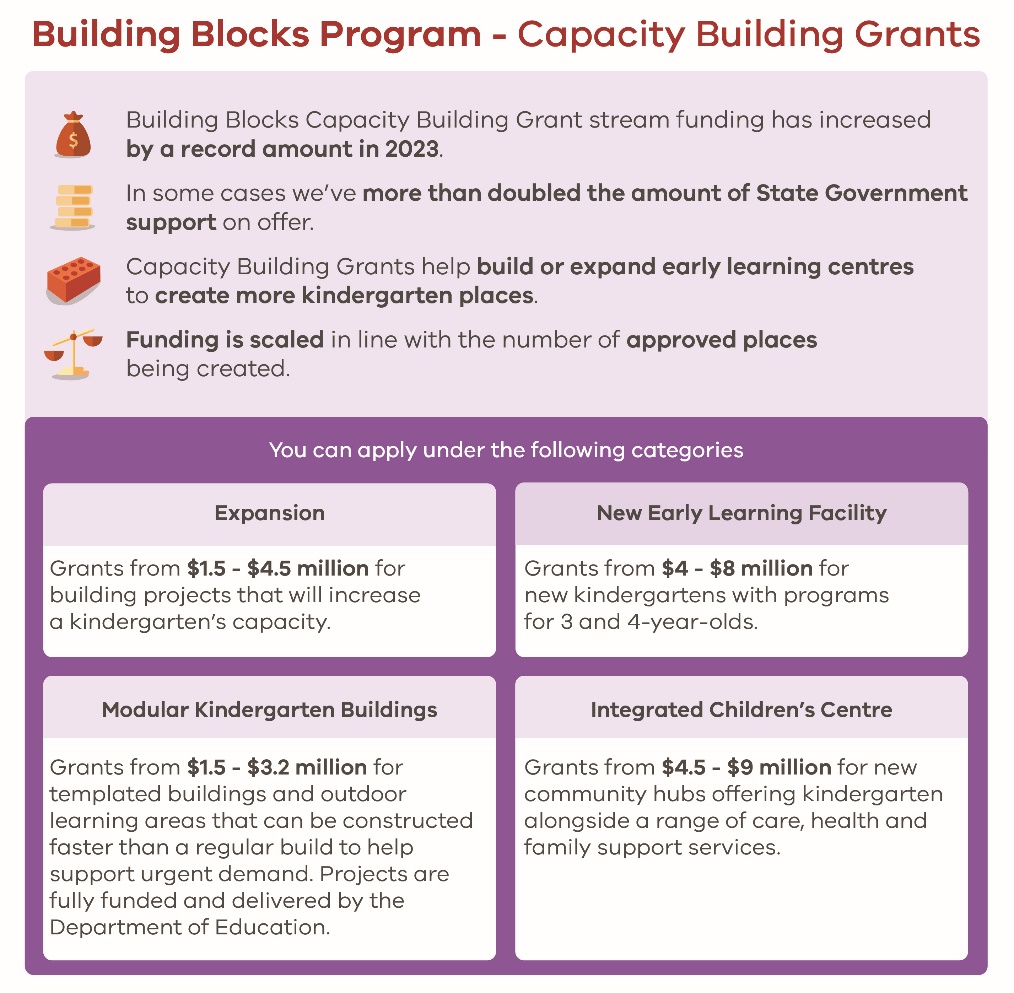
In June 2022, the Best Start, Best Life reforms were announced. A key component of these reforms, which will commence from 2025, is to increase Pre-Prep (Four-Year-Old Kindergarten) from 15 to 30 hours per week by 2036. This means that over the next decade Pre-Prep will increase to a universal 30-hour a week program of play-based learning for 4-year-old children across Victoria.

The Best Start, Best Life reforms include the government’s commitment of $1.68 billion, announced in 2018, to support the delivery of increased hours and the rollout of infrastructure expansion required for the Three-Year-Old Kindergarten reform.

Three-Year-Old Kindergarten is already rolling out across the state, expanding universal access to 15 hours of government-funded kinder every week. Three-Year-Old Kindergarten programs are gradually increasing, to reach 15 hours per week across Victoria by 2029. Four-Year-Old Kindergarten will [transition to Pre-Prep in stages](https://www.vic.gov.au/pre-prep) from 2025. From 2036 all children across Victoria will be eligible for 30 hours of Pre-Prep each week.

To support these major reforms the government is expanding kindergarten infrastructure. It has committed to introduce the Best Start, Best Life reforms over the coming decade and to co-invest with the early childhood sector to build and expand kindergartens across the state. The Building Blocks grant program is an integral part of that commitment and is critical to ensuring universal access to increased hours of Three and Four-Year-Old Kindergarten across Victoria over the next 10 years.

See *What Type of Grant Can I apply for?* below for further details on the funding streams and amounts available.



The Building Blocks Capacity Building stream offers grants to help increase capacity through new or expanded kindergartens.

Capacity grant funding has already increased significantly since the introduction of free Three-Year-Old Kindergarten, with grants now scaled in line with the number of new places created.

Further increases to grant rates were announced as part of the 2023–24 Victorian State Budget. These latest increases provide the sector with additional funds for infrastructure projects that will deliver the extra kindergarten places needed to support the Best Start, Best Life reforms.

All new and eligible Building Blocks applications will be able to access increased funding rates at up to double the rates previously available.

All applications must address unmet demand as identified in the relevant Kindergarten Infrastructure and Services Plan (KISP). KISPs will be updated *a*s part of the Best Start, Best Life program and while this process is underway, we encourage you to apply based on the information currently available to you. Please refer to the KISP section below for further information regarding KISPs and [the rollout of the Pre-Prep reform](https://www.premier.vic.gov.au/pre-prep-begin-rolling-out-regional-victoria).

Making the best use of existing facilities and resources can help many services to offer more places to local families. Before progressing with an infrastructure solution, consider how you can maximise your enrolments and make best use of your existing facilities.

Your project must be for a facility in Victoria that is, or will be, approved to provide a funded Three and Four-Year-Old Kindergarten/Pre-Prep program and **must** offer or **intend** to offer both programs.

Grant applicants are required to provide a funding co-contribution if a proposed project will offer long day care for early years children (for example non-kindergarten aged children), which therefore require additional rooms to standard kindergarten rooms, rather than sessional kindergarten.

## WHAT TYPE OF GRANT CAN I APPLY FOR?

Four categories of grants can be applied for

* Integrated Children’s Centre
* New Early Learning Facility
* Modular Kindergarten Facility
* Expansions.

Through these grant categories, the Building BlocksCapacity Building stream will:

* create additional infrastructure capacity for funded Three-Year-Old and/or Four-Year-Old Kindergarten, including the early years of the rollout of Pre-Prep
* address unmet demand as identified in the relevant KISP
* promote integrated service delivery, so families can access early childhood education and care, health and development and family services at one location
* improve access to local and responsive early childhood services for children from vulnerable and/or disadvantaged families
* establish early childhood infrastructure at or near school sites.

Note applications require a cost plan prepared by a licensed quantity surveyor (excluding modular kindergarten grants) which includes a minimum cost contingency of 15%.

#### Kindergarten Infrastructure and Services Plans

Kindergarten Infrastructure and Services Plans (KISPs) were agreed with all local governments to support the infrastructure expansion required for Three-Year-Old Kindergarten. KISPs set out agreed estimates of kindergarten supply and demand, and unmet demand over the implementation of the reforms. Collectively, they provide a consistent, state-wide planning framework designed to support sector planning and help ensure investment is targeted where it is needed to support the reforms.

While a KISP is not a funding document and does not commit any party to funding specific projects, future investment requests through Building Blocks and decisions about local government or not-for-profit projects must address unmet demand identified in the relevant KISP. We will consider the entire KISP to fully understand the data regarding the demand for kindergarten and the local context of service delivery, demographics, and geography. This information is included in the ‘Local Context’ section of the KISP and may be referenced by the applicant when addressing criteria as part of a Building Blocks grant application.

KISPs will be updated to incorporate the additional demand generated by Pre-Prep and other up to date data as required, however this process will extend beyond this coming grant round. Your application for this grant round should align with forecast unmet demand in the existing KISP for the area, and/or demonstrate that the project will support demand in the early years of the rollout of Pre-Prep. Please refer to [details of the rollout schedule for Pre-Prep](https://www.vic.gov.au/pre-prep#roll-out-year-across-lgas).

For the local government area (LGA) where a project is located, applicants to the Capacity Building stream must refer to the published KISP or, because KISPs are being updated throughout 2024 and 2025 to respond to Pre-Prep demand, other evidence to demonstrate that the project is in an area with infrastructure need based on the Pre-Prep rollout is required. Please refer to [Published KISPS](https://www.education.vic.gov.au/childhood/providers/funding/Pages/capitalprogram.aspx) and [details of the rollout schedule for Pre-Prep](https://www.vic.gov.au/pre-prep#roll-out-year-across-lgas).

Additionally, where enrolments are drawn from outside an applicant’s immediate LGA, **applicants must** **demonstrate where forecast enrolments are drawn** **from** to illustrate alignment to KISP demand.

**INTEGRATED CHILDREN’S CENTRE**

#### Purpose of grant

Integrated Children’s Centres are hubs for the community, bringing together a range of services working together to deliver education, care, health and support services to children and their families.

#### Project requirements

Integrated Children’s Centres funded through Building Blocks must provide or intend to provide:

* a funded kindergarten program for 3 and 4-year-old children. This can be sessional and/or integrated with long day care kinder services
* **must be** **a new building** and cannot be an extension or refurbishment of an existing facility
* Long Daycare (unless there is no projected demand in the local area)
* flexible, multi-purpose spaces and other services that meet the needs of the local community, including one or more of the following services:
  + - Maternal and Child Health services
    - allied health services for early years (e.g. early childhood intervention services)
    - family services
    - supported playgroups or community parent-led playgroups
    - parenting groups or programs
    - occasional care
    - family day care program coordination
    - counselling services
    - community meeting spaces
    - outside school hours care
    - adult education programs.

#### Funding available

|  |  |  |
| --- | --- | --- |
| **Previously Available funding** | **Currently Available funding** | **Kindergarten Places Created** |
| $2,000,000 | $4,500,000 | 2 x 33 place rooms |
| $3,000,000 | $6,750,000 | 3 x 33 place rooms |
| $4,000,000 | $9,000,000 | 4 x 33 place rooms |

Funding support available through this program more than doubled in 2023 to provide additional support to the sector to invest in new capacity in areas of demand. For example, the grant available for a facility that delivers two new 33-place rooms of kindergarten increased from $2 million in 2022, to $4.5 million in 2023.

Funding amounts are scalable. This means that funding is increased, and decreased pro-rata based on the number of Approved Places being created. For further information regarding scalability please refer to [**Building Blocks Capacity Building Assessment Factsheet**.](https://www.schoolbuildings.vic.gov.au/building-blocks-grants-capacity-building)

We will only consider project costs relating to the early childhood infrastructure element of an Integrated Children’s Centre. For example, if a proposed project also includes a library or sport and recreation facilities then the costs for these elements cannot be included in the application.

#### Project completion

Integrated Children’s Centres **must** be completed and acquitted within **24 months** of the funding being announced by the Minister for Children.

**NEW EARLY LEARNING FACILITY**

#### Purpose of grant

New Early Learning Facilities provide high-quality early learning programs, including funded kindergarten programs for 3 and 4-year-old children.

The location and design of new early learning facilities should respond to the needs of local families and support partnerships with other local services for children and families.

#### Project requirement

New Early Learning Facilities funded through Building Blocks must provide or intend to provide:

* a funded kindergarten program for 3 and 4-year-old children and support the delivery of other services, including Long Daycare, Maternal and Child Health Services, or playgroups.

The funding **must** be for a new building and cannot be an extension or refurbishment of an existing facility.

#### Funding available

|  |  |  |
| --- | --- | --- |
| **Previously Available funding** | **Currently Available funding** | **Kindergarten places Created** |
| $1,500,000 | $4,000,000 | 2 x 33 place rooms |
| $2,250,000 | $6,000,000 | 3 x 33 place rooms |
| $3,000,000 | $8,000,000 | 4 x 33 place rooms |

Funding support available through this program more than doubled in 2023 to provide additional support to the sector to invest in new capacity in areas of demand. For example, the grant available for a facility that delivers two new 33-place rooms of kindergarten increased from $1.5 million in 2022, to $4 million in 2023.

Funding amounts are scalable. This means that funding is increased and decreased pro-rata, based on the number of Approved Places being created.

#### Project completion

New Early Learning Facilities **must** be completed and acquitted within **18 months** of the funding being announced by the Minister for Children.

**MODULAR KINDERGARTEN FACILITIES**

#### Purpose of grant

Modular kindergarten facilities are a templated, modern, and efficient solution for delivering quality infrastructure in shorter timeframes. Modular kindergarten facilities can be located on both Department of Education (DE)-owned land and non-DE-owned land.

**Modular templates**

The Modular Kindergarten program is a templated design program and does not accommodate structural changes to the designs.

Modular kindergarten buildings are self-contained and include all the fixed features necessary to obtain service approval and to deliver a kindergarten program.

There are 3 **standard** templated options:

* a 1-room building with 33 approved places
* a 2-room building with 66 approved places,
* a 3-room building with 99 approved places,

In addition, there are 2 **compact** options available (1-room and 2-room) which can be allocated to projects where the ‘standard’ templates are deemed unviable.

Available templates can be found on [the VSBA website](https://www.schoolbuildings.vic.gov.au/modular-kindergarten-facilities) or copies can be requested by emailing the VSBA Early Childhood Grants team building.blocks@education.vic.gov.au.

**Funding information (*what can and cannot be funded*)**

Funding for modular kindergartens does not require a co-contribution to deliver the standard scope. The standard scope includes the manufacture, delivery and installation of **a *pre-designed and templated*** modular kindergarten facility, outdoor learning, non-fixed Fixtures, Furniture and Equipment and required car parking.

A co-contribution will only be required where grant applicants opt to extend the scope of the project. This must be discussed with the VSBA during the application process and would be formalised on approval of the project through a Development Agreement on DE’s standard terms and conditions.

The VSBA will determine which pre-designed templated option the applicant is eligible for, based on the local demand context and site constraints. The VSBA can provide detailed items and specs to further assist with understanding the scope of the project (and what can and cannot be funded).

The VSBA has a team dedicated to the delivery of approved modular kindergarten facility grants. Projects are delivered by the VSBA in collaboration with the applicant, providing an end-to-end delivery process, including project management services throughout the modular kindergarten process. This can significantly reduce the resourcing requirements on applicants compared with independently designed and managed projects.

**Further details on funding inclusions and exclusions can be requested by emailing** [building.blocks@education.vic.gov.au](mailto:building.blocks@education.vic.gov.au).

#### Eligibility Criteria

Modular kindergarten facilities are funded by the VSBA where demand, as identified by an agreed KISP, is clearly demonstrated and where the templated buildings can be accommodated on site.

Modular kindergarten facilities funded through Building Blocks must provide or intend to provide:

* a funded kindergarten program for 3 and 4-year-old children.
* Proposals may also support the delivery of other related services, including Long Daycare, Maternal and Child Health Services, or playgroups.

**Applicants seeking a modular kindergarten must contact the VSBA Early Childhood Grants team to discuss the application before it is submitted.** The team will work through site suitability, budget, and delivery elements to ensure the modular kindergarten building can fit on site and is an appropriate solution for the site.

**Funding available**

* Projects eligible for a modular kindergarten facility funding will be able to apply for a grant to deliver the manufacture, delivery and installation of the modular kindergarten facility, outdoor learning areas, non-fixed Fixtures, Furniture and Equipment and required car parking.

Organisations can apply for:

* a 1-room (33 approved places) standard modular kindergarten facility and associated works, and have an average project budget of $1.5 million
* a 2-room (66 approved places) standard modular kindergarten facility and associated works, and have an average project budget of $2.3 million
* a 3-room (99 approved places) standard modular kindergarten facility and associated works and have an average project budget of $3.5 million
* a 1-room (33 approved places) **compact** modular kindergarten facility and associated works, and have an average project budget of $2.0 million
* a 2-room (66 approved places) **compact** modular kindergarten facility and associated works, and have an average project budget of $3.2 million

**Applying for Funding**

Potential modular kindergarten projects undergo a pre-application process with the VSBA. This will support and enable a streamlined application process. The assessment process will take into account the fact that modular buildings are a templated design and are delivered by the VSBA.

For further information regarding modular grant merit assessment criteria, please refer to the **Building Blocks Capacity Building Assessment Factsheet.**

For more information about delivery options, average project costs, and other modular considerations. Please see the **Modular Grant webpage** and FAQs on the [VSBA website](https://www.schoolbuildings.vic.gov.au/early-childhood-grants).

Examples of modular kindergarten projects can be found on the [VSBA website](https://www.schoolbuildings.vic.gov.au/modular-kindergarten-facilities).

**Conditions of Funding**

The applicant will be required to sign a letter of intent that will record the proposed arrangement of the grant funding under the Building Blocks capacity stream for the delivery, installation, and operation of the modular kindergarten facility.

At the completion of the project, the buildings will be leased to the applicant on DE’s standard terms and conditions. Lease terms are, on average, 20 years plus two additional terms (of ten years). The modular building will remain the property of DE for the duration of the lease. Buildings can be sub-leased by the applicant to not-for-profit early years’ service providers.

**Project Delivery and Reporting Requirements**

Modular kindergarten facilities will be delivered in collaboration with the applicant and the VSBA and are delivered ready for service approval within approximately 14 months. Project approvals (including planning, environmental, cultural heritage, and building), site conditions and service connections may impact this timeline.

A Project Control Group (PCG) representing key stakeholders will be established at the commencement of the project. The applicant will be required to nominate a representative/s from their organisation. The PCG will meet throughout the project life cycle to report on project progress discuss and decide on key decisions and issues.

**Expansion Grant**

#### Purpose of grant

Expansion grants increase the number of Approved Places of existing facilities that are already approved to provide a funded kindergarten program for 3 and 4-year-old children.

#### Project requirements

Expansion grants must provide or intend to provide an increase to Approved Places at existing facilities delivering funded kindergarten programs for 3 and 4-year-old children.

#### Funding available

|  |  |  |
| --- | --- | --- |
| **Previously Available funding** | **Currently Available funding** | **Kindergarten Places Created** |
| $900,000 | $1,500,000 | 1 x 33 place room |
| $1,800,000 | $3,000,000 | 2 x 33 place rooms |
| $2,700,000 | $4,500,000 | 3 x 33 place rooms |

Funding available through this program increased substantially in 2023 to better support the sector to create new capacity in areas of demand. For example, the grant available for an expansion that creates additional capacity of 33 places increased from $900,000 in 2022 to $1.5 million in 2023.

The funding level for an expansion is scalable based on proposed services expanding to create **33 Approved Places.** This means that funding is increased, and decreased pro-rata based on the number of Approved Places being created.

Expansion stream applicants must provide a condition report of the existing buildings in their application. This report should confirm the buildings are fit for their intended purpose. Providing this information helps give a full understanding of the current state of the site and the proposed work.

#### Project completion

Expansion projects must be completed and acquitted within **12 months** of the funding being announced by the Minister for Children.

**WHAT CAN (AND CANNOT) BE FUNDED FOR CAPACITY BUILDING PROJECTS?**

|  |  |
| --- | --- |
| **CAN BE FUNDED** | **CANNOT BE FUNDED** |
| * `project management costs * planning and design costs * soil hygienist reports * site preparation, including clearing or demolition (if the project will be on Department land, please contact VSBA before applying to confirm how these costs can be funded) * construction and commissioning * landscaping and car parking * removal of contaminates on project sites (e.g. asbestos/arsenic), as long as it is within scope of the State’s financial contribution to the project. * non fixed fixtures, furniture and equipment (FF&E) * fixed fittings and program equipment | * site acquisition and lease costs * routine or cyclical maintenance works * purchase of cars, buses, and other vehicles * ongoing administration or operational costs * staff salaries and training * consumables * cosmetic upgrades that do not increase capacity * removal of contaminates on projects sites (e.g. asbestos/arsenic), following announcement of the grant * additional funding due to project cost overruns. |

### **EXCLUSIONS**

The Building Blocks Capacity Building stream **will not fund** projects that:

* do not create additional kindergarten capacity and do not address unmet demand as identified in the relevant KISP;
* are not at facilities that offer (or intend to offer) both Three and Four-Year-Old funded Kindergarten programs;
* are located outside Victoria
* do not align with the program objectives
* do not meet the requirements outlined in these guidelines
* do not meet the assessment criteria
* have already started or been completed (i.e. retrospective funding)
* are further stages of existing or completed projects.

### **WHO CAN APPLY?**

Your organisation can apply if it is:

* a Victorian local government (Council)
* a not-for-profit community organisation that is a legal entity (for example an incorporated association, incorporated cooperative or Indigenous corporation)
* a Victorian non-government school registered with the Victorian Registration and Qualifications Authority or Victorian Catholic Education Authority.

**For-profit organisations cannot apply** for any grant streams within Building Blocks.

For further information regarding grant eligibility, please refer to the **Building Blocks Capacity Building Assessment Factsheet.**

**VICTORIAN GOVERNMENT SCHOOLS**

Victorian Government schools are being assessed for suitability for a kindergarten aligned to demand data estimates. Schools are being prioritised based on agreed demand in the relevant Kindergarten Infrastructure Services Plan. Should a kindergarten be required in your area, the Kindergarten on School Sites team will be in contact to discuss further assessment.

All requests from Victorian government schools for new or expanded early childhood infrastructure on department owned land should be made to the Kindergarten on School Sites team at [KOSS@education.vic.gov.au](mailto:KOSS@education.vic.gov.au)

### **ASSESSMENT PROCESS**

A [**Building Blocks Capacity Building Assessment Factsheet**](https://www.schoolbuildings.vic.gov.au/sites/default/files/2024-10/241001_Building-Blocks-Capacity-Building-Assessment-Fact-Sheet-Sept-2024.docx) is available to help you understand the Capacity Building assessment process. ￼

This factsheet explains the type of information you need to include in your application. Please make sure that you refer to this factsheet when preparing your application.

*The Minister reserves the right to provide strategic investment to projects. The Minister may also, on advice from DE, provide funding to partners, in exceptional circumstances to support the provision of funded Three- and Four-Year-Old Kindergarten services across the state.*

### **DECANTING ARRANGEMENTS**

*Applicants must provide as part of their application decanting arrangements for the service if required throughout project delivery.*

### **DIVISION 6 ASBESTOS AUDIT REPORT**

Division 6 Asbestos Audit Report is project site specific and is requiredforany project that involves work to a building where the fabric of the building will be disturbed.

**Division 6 Asbestos Audit Reports must:**

* be performed by a trained professional such as an Occupational Hygienist
* contain the results of a visual and invasive inspection of a building to monitor and identify Asbestos Containing Material (ACM).
* include the logged results of the asbestos audit in an asbestos register, which is to be updated following all subsequent audit reports and removal works.

Please note that a Division 5 Asbestos Audit Report will not be accepted.

If ACM is discovered in a building or site, an asbestos management, removal, and disposal plan must be developed and provided as part of your grant application.

Information and examples of consultants who specialises in asbestos and site assessment, are listed at:

* The State Government[**Construction Supply Register**](https://www.dtf.vic.gov.au/construction-supplier-register)under Contamination Testing category under Contamination Testing category
* [**WorkSafe**](https://www.worksafe.vic.gov.au/)Victoria
* For further information about asbestos safety, including how to find and identify asbestos, asbestos management and asbestos disposal visit [Asbestos Victoria](https://www.asbestos.vic.gov.au/).

**SOIL HYGIENIST REPORT**

A Soil Hygienist Report is requiredfor any project that disturbs the soil (including installation of outdoor shade sails) to determine the suitability of the site for the proposed purpose of an early learning centre.

It is important that an environmental professional is engaged to provide a Soil Hygienist Report – and not a geotechnical report. If applicable to your project, a Soil Hygienist Report **must** be included in your grant application.

**Soil Hygienist Reports must:**

* be performed by a qualified environmental professional
* align with standards such as the National Environmental Protection (Assessment of Contaminated Sites) Measure (NEPM)
* involve a desktop review of past site history and soil investigation samples for analysis of contaminants such as arsenic, asbestos, and heavy metals with particular focus on where project soil works are proposed
* compare contamination results against NEPM human health and ecological investigation levels as well as Victoria EPA Industrial Waste thresholds
* include a statement to indicate if the site is suitable for the intended use as an early learning centre and/or potential project risk
* specify if contaminated soil is identified above the levels specified for the intended use as an early learning centre
* if contaminated soil is identified above the levels specified for the intended use as an early learning centre, a Soil Management Plan (SMP)must be developed for safe management or removal and disposal of the contaminated soil. The SMP must also be provided as part of your grant application

Examples of consultants who specialise in soil hygienist testing and site assessment, are listed below:

* **The Australian Contaminated Land Consultants Association**
* **The State Government Construction Supply Register** under Contamination Testing category.

### **FUNDING CONDITIONS**

Organisations that receive a grant must:

* agree to the requirements outlined in these guidelines (failure to do so may result in funding being withheld)
* enter into a formal Common Funding Agreement with DE or a Letter of Intent for Modular Kindergarten Facility grants
* agree to deliver [Free Kinder](https://www.vic.gov.au/free-kinder-english) for at least 10 years after the completion of the grant project
* co-contribute to construction costs if a proposed project will include an early years Long Daycare Centre rather than sessional kindergarten, on a non-government school site
* where applicable, follow the Building Blocks Acknowledgement and Publicity Guidelines, including liaising with the Department and holding events on request, such as sod turns and openings, and erecting signage for projects
* submit an acquittal form and the required supporting evidence for approval by DE upon completion of the project
* agree that no additional Department of Education state funding will be allocated to the proposed project and if additional costs arise, they must be met by the applicant
* agree that any leasing arrangements of facilities developed through the grant will not be used to yield commercial or near-commercial rents, and that the longstanding practice of charging services peppercorn or low rents is continued, with any rent charged to be applied to maintenance costs of the service
* appoint a not-for-profit (NFP) service provider, if they do not intend to run the service themselves. If an appropriate EYM or other NFP provider cannot be identified, applicant must discuss possible exceptions with the VSBA.

To remain eligible for funding, you **must not** enter into a contract or commence any works proposed in your application before we inform you of the application outcome.

Before submitting your application, we encourage you to review the following documents which further clarify your obligations for receiving *Building Blocks* funding.

* [Acknowledgement and Publicity Guidelines](https://www.schoolbuildings.vic.gov.au/building-blocks-acknowledgement-and-publicity-guidelines)
* Common Funding Agreement Terms and Conditions

**NON-GOVERNMENT ORGANISATIONS**

The Betrayal of Trust report found that survivors of institutional child abuse were sometimes unable to identify an appropriate legal entity to sue.

The Royal Commission into Institutional Responses to Child Sexual Abuse also recommended that governments consider requiring organisations they fund to be insured against child abuse.

**From 1 July 2019**, non-government organisations funded by the Victorian Government to deliver services to children will be required, as a condition of funding, to be:

* **incorporated separate** legal entities that can be sued in their own right in child abuse proceedings
* **appropriately insured** against child abuse.

The new requirements will improve the ability of child abuse survivors to bring a legal claim for compensation and ensure that successful claims can be paid.

**RELATIONSHIP WITH OTHER FUNDS**

There are other grant programs that provide funding for the development of early childhood facilities and services. DE must be advised of other funding applications for your project. We reserve the right to consider grant applications made for other programs, offered by DE or other government departments and to submit Capacity stream applications to other department agency led grant programs for consideration for funding under those programs where appropriate.

### **LOCAL JOBS FIRST**

The Local Jobs First (LJF) Policy issued under the *Local Jobs First Act 2003* supports businesses and workers by ensuring that small and medium size enterprises are given a full and fair opportunity to compete for both large and small government contracts, helping to create job opportunities, including for apprentices, trainees, and cadets. The LJF Policy is implemented by Victorian Government departments and agencies to help drive local industry development.

The LJF Policy applies to grant projects where the value of the grant is above the threshold values of:

* $3 million or more in metropolitan Melbourne:
* $1 million or more in regional Victoria:
* any grant for a project valued at less than $3 million that the Minister has declared to be a significant project.

Projects funded through Building Blocks Capacity Building stream will have to comply with the Local Jobs First Policy.

### **FREE KINDER**

All early childhood education and care providers that deliver a funded kindergarten program in Victoria are eligible to receive Free Kinder funding from 2023, subject to meeting terms and conditions.

Applicants to the Building Blocks Capacity grant stream must agree to deliver [Free Kinder](https://www.vic.gov.au/free-kinder-english) for at least 10 years after the completion of the grant project. You may find out more about Free Kinder [here](https://www.vic.gov.au/early-childhood-update-october-2022/setting-free-kinder-2023).

### **PROJECT REPORTING REQUIREMENTS**

Note: the following does not apply to modular kindergarten grants.

As a condition of grant funding for the **Capacity Building** stream, successful applicants must comply with project monitoring and reporting requirements, including:

* monthly status reports through an online reporting system to provide an update on progress, updating proposed, forecast, and actual dates for project milestones, flagging risks and issues, and providing the required evidence when payment milestones have been met
* advising DE in advance of key milestones including architect appointment, design completion, sod turn and construction completion and providing opportunities for public communication of these milestones
* advising DE of scope changes (relating to time, cost, and project scope) by completing and submitting a Request for Variation (RFV) form via the online reporting system
* If the project is delayed by more than a year since the original completion, provide the VSBA with updated audited financial statements
* site inspections, meetings, and teleconferences with Department staff or representatives if required, this may include more frequent updates as your project nears completion;
* production of building contracts, receipts and/or invoices when requested; and
* acquittal through an online reporting system.

### **ACQUITTAL REQUIREMENTS AND PROJECT VARIATIONS**

All successful applicants are required to upload information into DE’s reporting system to complete their acquittal.

Recipient organisations must contact DE immediately if they:

* Require a project extension
* Propose a change in project scope
* Propose a change in project costs which results in either an overspend or underspend.

Applicants will be required to complete a Request for Variation form (submitted through an online reporting system), together with detailed evidence that explains the reason for the variation. The applicant will be asked to allocate any underspend towards additional eligible items in line with the guidelines before an acquittal is accepted. Overspends remain the responsibility of the organisation.

Further information about Acquittal Requirements and Project Variations can be found in the [Frequently Asked Questions.](https://www.schoolbuildings.vic.gov.au/building-blocks-frequently-asked-questions)

### **HOW TO APPLY**

Applications to Building Blocks Capacity Building stream are open all year round, and an outcome is anticipated approximately three months from submission. Visit [Building Blocks Capacity Building Grants](https://www.schoolbuildings.vic.gov.au/building-blocks-grants-capacity-building) for more information.

For Modular Kindergarten Grants, please contact VSBA Early Childhood Grants team by emailing [building.blocks@education.vic.gov.au to arrange a pre application meeting and site assessment.](mailto:building.blocks@education.vic.gov.au)

Application forms can be accessed online through [SmartyGrants](https://vsba.smartygrants.com.au/). Applicants must complete a free registration to use the Smarty Grants application system. For assistance with the online application system, please email the [Smarty Grants Support Desk](mailto:service@smartygrants.com.au) or call 03 9320 6888 between 9am and 5pm Monday to Friday. You can also consult the [help guide](http://applicanthelp.smartygrants.com.au/).

### **REVIEW OF APPLICATION OUTCOME**

If you are unsuccessful in obtaining funding for a *Building Blocks* Capacity grant you may:

* contact the Early Childhood grants team for feedback on your application and outcome
* seek a review into the assessment of your application.

The VSBA Early Childhood Grants team can be contacted by emailing [building.blocks@education.vic.gov.au](mailto:building.blocks@education.vic.gov.au).

**FURTHER INFORMATION**

Before applying, please refer to the **Building Blocks Capacity Building Assessment Factsheet**. This factsheet contains important information about your grant application.

Please also read the[Frequently Asked Questions.](https://www.schoolbuildings.vic.gov.au/building-blocks-frequently-asked-questions)

If you have any queries, contact the VSBA Early Childhood Grants team at [building.blocks@education.vic.gov.au](mailto:building.blocks@education.vic.gov.au).

### **INFORMATION PRIVACY**

The information you provide will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*.