



CATHOLIC ARCHDIOCESE OF MELBOURNE

***PLANNING, BUILDING & FINANCE
COMMITTEE (PBFC)
FOR CAPITAL WORKS***

PROJECT APPROVAL GUIDELINES

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PART ONE

THE FUNCTION OF THE PLANNING BUILDING & FINANCE COMMITTEE FOR CAPITAL WORKS (PBFC)

All capital works projects for new construction, refurbishment and major maintenance on Parish and School premises require approval by the Archbishop, provided that the value of the works is:

- \$50,000 or greater for Parish and Primary School projects.
- \$100,000 or greater for Secondary College projects.

The function of the PBFC is to consider all projects requiring Archbishop Approval and make a recommendation to the Archbishop.

The Committee also considers and makes a recommendation to the Archbishop on all proposals for the acquisition and sale of property.

The requirement for Archbishop Approval applies regardless of the proposed funding method, (e.g. Catholic Capital Grants, Supplementary Capital Funding, Parish or School cash reserves, Catholic Development Fund loan), and must be acquired prior to entering into any form of contract for the works.

The Committee is informed by reports from:

- the Diocesan Building Management Advisory Service (DBMAS)
- the Diocesan Property Office
- CAM Finance Department
- the Planning and Facilities Staff of the Catholic Education Office
- CEOM Finance Department

The Committee reviews:

- the financial feasibility of the project
- the longer term viability of the project in terms of the demographic profile of the school or parish
- the design and maintenance aspects of proposed buildings
- the link between the ‘educational brief’ for a school building and the proposed built form
- the comments of the Liturgical Commission about the liturgical aspect of proposed Church buildings and renovations.

Contact with PBFC

The initial formal contact, once the Regional Bishop has been advised of the proposed project, is through the Director of Catholic Education for School Projects, the Manager of the DBMAS for Church and Parish projects and the Diocesan Property Office for Property matters.

PART TWO

PROJECT ASSESSMENT

Once the Parish or School has advised of the intention to undertake a capital project or property proposal, a project group is established by the Assistant Director (Planning) Catholic Education Office to examine the proposal.

The group will investigate:

- The need for the project
- Long term feasibility
- Budget
- Financial plan
- Time frames
- Other relevant matters such as potential Statutory Planning issues

The group will draw on expertise from Diocesan and CEO departments as may be required to further investigate and determine:

- Town Planning issues
- Demographics
- Land requirements / availability
- Realisation of assets
- Funding

As the need arises the project group will consult with the client Parish or School about any significant issues.

Once a project group has completed its review, the project will be tabled at the PBFC as a “Project for Advice”.

PART THREE

PROJECT APPROVAL

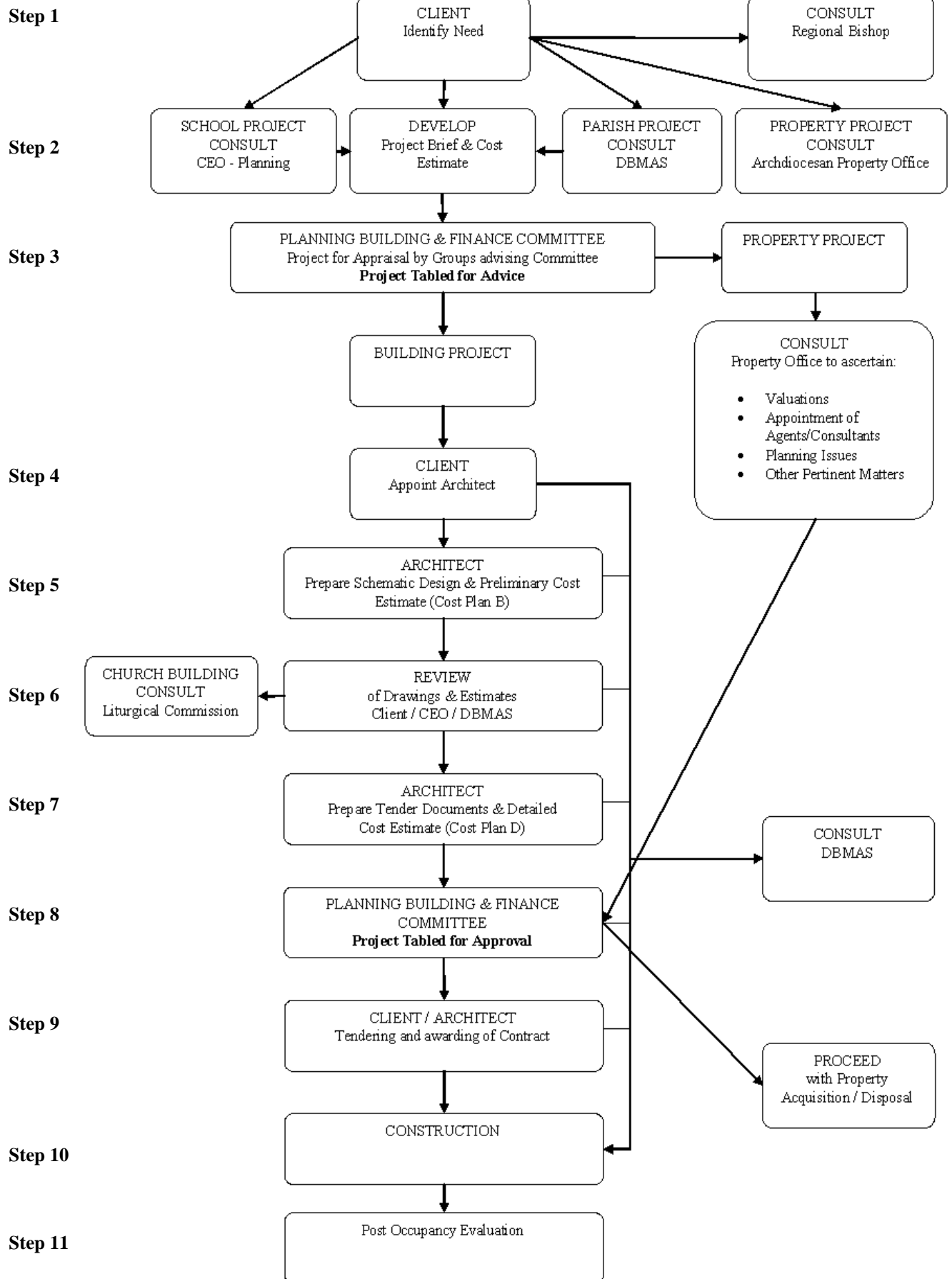
The flow chart below summarises the main steps that are to be implemented in the Project Appraisal Process.

Please note, to facilitate proper PBFC consideration, all projects are required to be first tabled for Advice. Therefore, the period between the PBFC first been notified of a project and the granting of Archbishop Approval is generally likely to be a minimum of 2 months.

One critical step in the process is that relating to the estimation of the project budget at the pre-tender stage. This budget is prepared by the architect on the basis of the Quantity Surveyor's advice ("Cost Plan D"). If this budget varies significantly from that provided when the project was tabled for Advice at the PBFC, the project will be reviewed by the DBMAS and the financial feasibility of the project reviewed, before the project can be tabled for approval at the PBFC and a recommendation made to the Archbishop.

See Project Appraisal Process Flowchart – next page.

PROJECT APPRAISAL PROCESS – FLOWCHART



PART FOUR

PROJECT PLANNING

1. Early Planning Stage

(a) Useful References

- “Planning for Catholic Schools in the Archdiocese of Melbourne” contains advice about area guidelines for schools, for example. It is particularly useful when new schools are being considered, or major extensions. Copies have been sent to all parishes and schools.
- For projects where government capital grant support is to be sought, the Procedures Manual of Catholic Capital Grants (Victoria) Ltd. is a useful guide. This is available on the Capital Grants area of the CEVN.
- Where property acquisition, development or disposal is proposed, the “Property Resource Manual” of the Archdiocese of Melbourne, should be consulted. Copies are available from the Property Office.
- For Church construction or renovation the 1 March 2001 circular “Construction and Renovation of Churches” from the Diocesan Liturgical Commission should be consulted.
- The Statues for Parish Finance Committees of the Archdiocese of Melbourne in terms of protocols for financial administration.
- CEO, Property Office and DBMAS staff are available to assist with any points of clarification.

(b) Development of a Brief

- With schools, for example, it is crucial that an educational brief is developed to inform the architect, once one is appointed, about what functions the proposed building is to provide. In its simplest form a brief is a list of the proposed educational features (e.g. “information technology capability in each classroom”) and a list of what is to be avoided (e.g. “decentralised staff rooms”).

(c) Review/Provision of a Master Plan

- It is important that the longer term planning of the whole site is considered. For example for a parish primary school, the whole parish site may need to be considered. The underlying principle is that the master plan should consider all possible alternative options for the site. It is useful to file a brief summary of the options and the decisions made about them with the master plan to inform later administrators.
- A Section 173 Agreement is a restriction placed on a title with the intention to regulate the development and/or use of land. In recent years some local government planners have sought to use such agreements to limit the number of students at an existing school, when the school has sought Town Planning approval for a building project. That strategy has been strongly contested by the Archdiocese.

It is essential that those involved in the development of master plans and applications for Town Planning approval are aware of the possibility that this situation could arise. The advice of the Archdiocesan Property Office should be sought especially where master plans show longer term development, or provide any indication that enrolment growth on the site may occur.

It is important to note that the only body with the legal authority to enter into an S173 Agreement is the Roman Catholic Trusts Corporation as the common law owner of Archdiocesan property. Canon Law rights and obligations have no bearing on the status of S173 Agreements.

2. Appointment of Architects

- The Archdiocese has developed a register of architects. The DBMAS should be consulted before an architect is contracted. The expertise is there to assist with review of fee proposals, responsibility for consultants and so forth.
- It is a requirement that Architects be appointed under the RCTC Building Design Services Agreement.

3. Regulatory Requirements

There is a long list of items which need to be considered in terms of impact on cost in both new buildings and refurbishment proposals. For example

- Access for people with disabilities
- Hazardous materials removal (such as asbestos)
- Occupational Health and Safety
- Provisions for amenities
- Car parking
- Fire service upgrade/provision

4. Property Matters

It is strongly recommended that all contact with potential vendors or purchasers is handled initially through the Diocesan Property Office.

The Property Office can also assist with matters of leasing/rental of buildings with a view to protecting the interests of the parish and observing the legalities in terms of the Roman Catholic Trust Corporation's responsibilities.

The Property office has produced *The Properties Resources Manual 2008* detailing all matters relating to acquisitions, disposals, leases and other property issues.

Financial Considerations

(a) School Projects

Interest Subsidy

Through the Grants Allocation Committees of the Catholic Education Commission of Victoria Limited (CECV Ltd), an interest subsidy is available for school capital projects. The subsidy is normally available for ten years and covers the full interest for primary school projects. For secondary school projects the interest subsidy covers up to 6% of the interest rate on the loan. (For example, an interest rate of 8% would mean 2% would be met by the school).

Benchmarks

The Catholic Education Office assesses a school's capacity to fund capital borrowings against two main benchmarks.

- As a general rule a school should preserve a minimum reserve equal to 5% of its turnover.
- The amount of funds dedicated annually to capital repayments should not exceed 20% of the amount the school collects in fees.

(b) Church/Parish Projects

The Archdiocese Office assesses a Parish's capacity to fund capital borrowings by reviewing the following:

- The Parish Annual Report
- The five (5) year cashflow report supplied by the parish with the project application

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