



**Australian Government**

**Department of Infrastructure, Transport,  
Regional Development and Communications**

**The Hon Barnaby Joyce MP (for decision)**

cc: Mr Simon Atkinson, Secretary

cc: Dr Rachel Bacon, Deputy Secretary

cc: Mr Joe Castellino, Acting First Assistant Secretary

**COMMUNITY DEVELOPMENT GRANTS – MELBOURNE INDIGENOUS  
TRANSITION SCHOOL (MITS) ALUMNI BOARDING HOUSE FOR BOYS,  
RICHMOND, VIC (2020 GOVERNMENT COMMITMENT)**

Action required by: 1 December 2021

**Recommendations:**

1. That, for the purposes of section 71 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), you **agree** with the Department of Infrastructure, Transport, Regional Development and Communications' assessment at **Attachment A** that expenditure of relevant money as a grant for funding of up to \$10,000,000 (GST exclusive) from the Community Development Grants Programme to the Melbourne Indigenous Transition School (MITS) for the Melbourne Indigenous Transition School Alumni Boarding House for Boys project would be a proper use of relevant money.

**Agreed / Not Agreed**

2. That you **approve** the expenditure of relevant money as a grant for funding of up to \$10,000,000 (GST exclusive) from the Community Development Grants Programme to the Melbourne Indigenous Transition School (MITS) for the Melbourne Indigenous Transition School (MITS) Alumni Boarding House for Boys project, subject to the Department imposing the risk treatments identified at **Attachment A** and any conditions requested by you in writing.

**Approved / Not Approved**

3. That you **sign** the attached letters to the grantee, Mr Edward Tudor, Senator James Paterson, Senator for Victoria, and the Hon. Ken Wyatt MP advising of your decision at **Attachment B**.

**Signed / Not Signed**

**The Hon Barnaby Joyce MP**

Date: 3-12-21

**Comments:**

**Key Points:**

Date the project was committed and by whom	<p>The project is a 2020 Government commitment. A joint media release by the Treasurer, the Hon Josh Frydenberg MP, with the then Deputy Prime Minister, the Hon Michael McCormack MP, the Hon Ken Wyatt MP, Minister for Indigenous Australians, and Senator the Hon Jane Hume, Senator for Victoria, on 5 February 2021, states the Melbourne Indigenous Transition School will receive \$10 million to construct a boarding house which will accommodate 40 Melbourne Indigenous Transition School Alumni boys.</p> <p>Official correspondence on 15 March 2021 from the then Deputy Prime Minister, the Hon Michael McCormack MP, to the grantee, Melbourne Indigenous Transition School, confirms the \$10 million commitment towards the Melbourne Indigenous Transition School Alumni Boarding House for Boys project.</p> <p>On 8 September 2021 the grantee advised they had purchased a property at 364 Church Street and intend to renovate the property to accommodate 20 students. This decision was taken to meet the grantee's expected accommodation requirements at the beginning of 2022. The costs for this renovation are being met solely by the grantee, and subsequently the grantee is unable to contribute to the CDG project. The purchase and renovation project also means the immediate need for 40 beds at 371 Church Street is reduced and therefore the grantee has proposed to construct the building at 371 Church Street, but to delay the fit-out of the top floor of the building meaning that 30 beds would be available at the completion of the CDG project.</p> <p>On 22 October 2021, your office agreed to this request and that the Department should undertake an assessment of the re-scoped project proposed by the grantee as described.</p>
Brief project description	<p>The project will construct a boarding facility for up to 30 Indigenous Australian secondary school students. The facility will include student dormitories, communal living and study spaces, a commercial grade kitchen, recreation spaces, a medical room, and staff accommodation. The project will also include native landscaping outdoors, with both active and reflective spaces.</p>
Project timeline	<p>The project is expected to commence in September 2021 and be completed in March 2023.</p>
Value with relevant money?	<p>Yes</p>
Sensitivities	<p>Nil</p>

**s47C - deliberative processes**

# s47C - deliberative processes

GST	The grantee is registered for GST. The project GST inclusive amount is \$11,000,000
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## Stakeholder Implications:

Following your approval, the Department will commence negotiation of an Agreement with the Melbourne Indigenous Transition School (MITS) for the Melbourne Indigenous Transition School Alumni Boarding House for Boys project.

Name: Meghan Hibbert  
Position: Assistant Secretary  
Branch: Regional Programs Branch  
Division: Regional Development, Local Government and Regional Recovery  
Ph: 02 6393 4030  
Date: 16 November 2021

Contact Officer: Dr Laga s47F - personal privacy  
Section: Regional Programs Branch  
Ph: 02 6393 4057

## Attachments

- A: Assessment of project proposal and grantee organisation
- B: Letters advising of your decision
- C: Public Governance, Performance and Accountability Act 2013, Commonwealth Grants Rules and Guidelines 2017 requirements.

**ASSESSMENT OF COMMUNITY DEVELOPMENT GRANTS PROJECT**

<b>Project ID:</b>	CDG1614
<b>Project Title:</b>	Melbourne Indigenous Transition School Alumni Boarding House for Boys
<b>Project Description:</b>	The project will construct a state-of-the-art boarding facility for up to 30 Indigenous Australian secondary school students. The facility will include student dormitories, communal living and study spaces, a commercial grade kitchen, recreation spaces, a medical room, and staff accommodation. The project will also include native landscaping outdoors, with both active and reflective spaces.
<b>Grantee/Organisation Name:</b>	Melbourne Indigenous Transition School (MITS)
<b>Grantee/Organisation Type:</b>	Australian Public Company
<b>Project Location:</b>	371 Church Street, Richmond, VIC
<b>Primary Electorate:</b>	Melbourne
<b>Total Cash Project Value:</b>	\$10,000,000 (GST exclusive)
<b>Funding Cash Commitment:</b>	\$10,000,000 (GST exclusive)

**Project Funding Cash – Total Cash Project Cost**

Name of Partner	Value of Contribution GST Excl. (\$)	Status of Contribution	Cash	% of Total Project Cost
Australian Government	10,000,000	Sought	Cash	100
<b>Total</b>	<b>10,000,000</b>		<b>Cash</b>	<b>100</b>

**Project Cost Estimates Breakdown**

Item	Cost (\$)	Cash/In-kind
Building works	7,733,000	Cash
External works	623,000	Cash
Design and Construction Contingency	545,000	Cash
Consultant fees, including drawings, town planning, documentation, and contract administration	734,000	Cash
Building permit and headwork fees	120,000	Cash
Furniture, fittings, and equipment, including ICT and AV	245,000	Cash
<b>Total cash</b>	<b>10,000,000</b>	<b>Cash</b>

**Project Assessment**<sup>1</sup>

A value for relevant money assessment of the project has been undertaken against the equally weighted criteria:

- project benefits
- project viability and sustainability, and
- funding grantee viability.

The Department considers the project aligns with the Outcome of the Community Development Grants (CDG) Programme and fully meets the programme appraisal criteria.

**Value with Relevant Money**

On the basis of the information provided by the grantee and further enquiries made by the Department as part of the assessment process:

- the project meets the criteria of the CDG Programme
- the project meets the intent of the Government's announcement, and
- project costs and benefits are reasonable.

On this basis the project is considered value with relevant money.

s47C - deliberative processes

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<sup>1</sup> A full project assessment has been recorded in the project file and is available if required.

Risk Analysis Summary Table<sup>2</sup>

# s47C - deliberative processes

**Recommendation**

Under Section 71 of the *Public Governance, Performance and Accountability Act 2013*, you must not approve the grant without first receiving written advice on the merits of the proposed grant. Based on the assessment undertaken by the Department as outlined above, the Department recommends grant funding of up to \$10,000,000 (GST exclusive) be made available on the basis the project, in its current form and after making reasonable enquiries, is not inconsistent with Government policy and represents efficient, effective, economical and ethical use of relevant money.

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<sup>2</sup> A full project assessment has been recorded in the project file and is available if required.



**The Hon Barnaby Joyce MP**

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**Deputy Prime Minister  
Minister for Infrastructure, Transport and Regional Development  
Leader of The Nationals  
Federal Member for New England**

Ref: MS21-001080

**03 DEC 2021**

Senator James Paterson  
Senator for Victoria  
Ground floor, 63 York Street  
South Melbourne VIC 3205

Via: [senator.paterson@aph.gov.au](mailto:senator.paterson@aph.gov.au)

Dear Senator ,

I am writing to advise that I have approved funding of up to \$10,000,000 (GST exclusive) under the Community Development Grants Programme to the Melbourne Indigenous Transition School for the Alumni Boarding House for Boys project. This funding approval delivers on a 2020 Government commitment.

Provision of funding is dependent on the preparation and execution by both parties of an Agreement that sets out the terms and conditions under which the funding is provided, and the settling of other details, including confirmation of final costs, final designs and lease arrangements.

The Community Development Grants Programme is administered by the Department of Infrastructure, Transport, Regional Development and Communications which will contact Melbourne Indigenous Transition School shortly to discuss the details of the Agreement.

I enclose details of the project for your information.

Yours sincerely



Barnaby Joyce

## Community Development Grants Programme – Approved Project

<b>Project ID:</b>	CDG1614
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<b>Funding Cash Commitment:</b>	\$10,000,000 (GST exclusive)
<b>Project Contact:</b>	s47F - personal privacy





**The Hon Barnaby Joyce MP**

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**Deputy Prime Minister  
Minister for Infrastructure, Transport and Regional Development  
Leader of The Nationals  
Federal Member for New England**

Ref: MS21-001080

03 DEC 2021

Mr Edward Tudor  
Executive Director  
Melbourne Indigenous Transition School (MITS)  
16 The Vacluse  
RICHMOND VIC 3121  
edward.tudor@mits.vic.edu.au

Dear Mr Tudor

I am pleased to advise you that I have approved funding of up to \$10,000,000 (GST exclusive) under the Community Development Grants Programme to the Melbourne Indigenous Transition School (MITS) for the Melbourne Indigenous Transition School Alumni Boarding House for Boys project. This approval delivers on a 2020 Government commitment.

I would ask that you keep the details of this letter confidential until a Funding Agreement is signed.

Provision of funding is dependent on the preparation and execution by both parties of a Funding Agreement that sets out the terms and conditions under which the funding is provided, and the settling of other details, including final costs, designs and confirmation of lease agreements. You will shortly be contacted by an officer from the Department of Infrastructure, Transport, Regional Development and Communications to discuss the Funding Agreement.

Please be aware you must enter into a Funding Agreement within four weeks of the project being approved otherwise the offer of funding will be reviewed and may be withdrawn. You may wish to seek guidance from the Australian Taxation Office or your tax adviser on the impact of Community Development Grants funding on your organisation's taxation liabilities.

I have written to Senator James Paterson, Senator for Victoria, advising of the approval for the Melbourne Indigenous Transition School Alumni Boarding House for Boys project.

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The Hon Barnaby Joyce MP  
Parliament House Canberra | (02) 6277 7520 | [minister.joyce@infrastructure.gov.au](mailto:minister.joyce@infrastructure.gov.au)  
PO Box 963, Tamworth NSW 2340

Your Funding Agreement outlines your obligations regarding acknowledgement and publicity for this project. Should you hold an event to celebrate a milestone for your project, please contact the Department via the project officer you normally deal with. I would appreciate it if you could provide three non-parliamentary sitting dates for your event at least eight weeks prior to the earliest date, so I can do my best to make arrangements to attend. If I am unavailable, I will organise a representative to attend on behalf of the Australian Government and my Department will liaise directly with you.

I wish you every success with the Melbourne Indigenous Transition School Alumni Boarding House for Boys project.

Yours sincerely

A handwritten signature in black ink, appearing to read 'BJ', with a stylized flourish at the end.

Barnaby Joyce MP



**The Hon Barnaby Joyce MP**

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**Deputy Prime Minister  
Minister for Infrastructure, Transport and Regional Development  
Leader of The Nationals  
Federal Member for New England**

Ref: MS21-001080

The Hon. Ken Wyatt AM, MP  
Shop 10-12 Forrestfield Forum, 80 Hale Road  
Forrestfield WA 6058

03 DEC 2021

Via: ken.wyatt.mp@aph.gov.au

Dear Senator *Ken*

I am writing to advise that I have approved funding of up to \$10,000,000 (GST exclusive) under the Community Development Grants Programme to the Melbourne Indigenous Transition School for the Alumni Boarding House for Boys project. This funding approval delivers on a 2020 Government commitment.

Provision of funding is dependent on the preparation and execution by both parties of an Agreement that sets out the terms and conditions under which the funding is provided, and the settling of other details, including confirmation of final costs, final designs and lease arrangements.

The Community Development Grants Programme is administered by the Department of Infrastructure, Transport, Regional Development and Communications which will contact Melbourne Indigenous Transition School shortly to discuss the details of the Agreement.

I enclose details of the project for your information.

Yours sincerely

Barnaby Joyce

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**REQUIREMENTS OF THE *PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY ACT 2013*, RULES, AND THE COMMONWEALTH GRANTS RULES AND GUIDELINES 2017.**

Any decision by a Minister to approve expenditure of relevant money must be undertaken in a manner that is consistent with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), Rules, and the Commonwealth Grants Rules and Guidelines 2017 (CGRGs).

The PGPA Act, Rules and CGRGs requirements relevant to the approval of funding for this proposed expenditure of relevant money under the Community Development Grants Programme are:

**Requirements under the PGPA Act**

**Section 71(1)** – Approval of proposed expenditure by you requires that you must not approve the proposed expenditure of relevant money unless you are satisfied, after making reasonable enquiries that the expenditure would be a “proper” use of relevant money. “Proper” when used in relation to the use or management of public resources means efficient, effective, economical and ethical use.

**Section 71 (2a)** requires where you agree with the Department’s recommendation to approve or not approve the expenditure of relevant money for this project, that you must record the terms of approval in writing as soon as practicable after giving your approval. This brief and any attachments, including annotations or conditions recorded by you on these documents, satisfies the requirements of Section 71 (2a) of the PGPA Act.

**Section 71 (2b)** requires that if you approve a proposed expenditure of relevant money, that you must comply with any other requirements prescribed by the Rules in relation to the approval.

**Requirements under the CGRGs – Section 4 – Grants specific Processes and Requirements**

The CGRGs contain a mandatory requirement that Entity Staff must provide written advice to you, where you exercise the role of an approver. These requirements are outlined under item 4.6 of the CGRGs and include:

- (a) That the proposed expenditure of relevant money for this project is for purposes of a “grant” as described in item 2.3 of the CGRGs;
- (b) That you are advised of any applicable requirements of the PGPA Act and Rules and the CGRGs relating to any ministerial reporting obligations, including the legal authority of the grant;
- (c) Outlining the application and selection process, including the selection criteria, that were used to select potential grants recipients; and
- (d) The merits of the proposed grant or grants relative to the grant guidelines and the key consideration of achieving value with relevant money.

In addition, item 4.11 of the CGRGs provides that where a Minister approves a proposed grant in his/her own electorate, the Minister must write to the Finance Minister advising of the details. For this purpose it is sufficient to provide the Finance Minister with a copy of correspondence to the grantee (except where the Minister has approved a grant which the relevant official has recommended be rejected).

These requirements are addressed under “Key Points” in the covering brief.