

Building Early Education Fund – Queensland

FEDERATION FUNDING AGREEMENT – EDUCATION AND SKILLS

Table 1: Formalities and operation of schedule																															
Parties	Commonwealth Queensland (the State)																														
Duration	This Schedule is expected to expire on 30 June 2029, or on completion of the initiative (whichever is later), including completion of construction, final performance reporting and processing of final payments against milestones.																														
Purpose	This Schedule will support the delivery of capital infrastructure projects through the Building Early Education Fund (the Building Fund) to build new early childhood education and care (ECEC) centres or services (used interchangeably) and increase the capacity of existing ECEC centres or services, to be operated by high-quality not-for-profit providers, Aboriginal and Torres Strait Islander Community Controlled Organisations (ACCOs) and state or local governments. All funding must be used to increase total ECEC capacity or to bring forward planned increases in total ECEC capacity, additional to current capacity.																														
Estimated financial contributions	<p>The Commonwealth must provide a capped total financial contribution to the State of up to \$44.93 million in respect of this Schedule to establish new or expanded ECEC centres on or near school sites, where possible. This funding is expected to support the creation of around 277 ECEC places, plus a yet to be determined number of places at [REDACTED]. Co-contributions from the State or third parties may also be used to support projects funded under this Schedule. Funding in each financial year will be contingent on the cost of projects, and milestones reached by each project.</p> <table border="1"> <thead> <tr> <th colspan="6">Table 1a</th> </tr> <tr> <th>(\$ million)</th> <th>2025-26</th> <th>2026-27</th> <th>2027-28</th> <th>2028-29</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>19.965</td> <td>2.500</td> <td>15.503</td> <td>6.962</td> <td>44.930</td> </tr> <tr> <td><i>Less estimates National Partnership Payments</i></td> <td><i>19.965</i></td> <td><i>2.500</i></td> <td><i>15.503</i></td> <td><i>6.962</i></td> <td><i>44.930</i></td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table>	Table 1a						(\$ million)	2025-26	2026-27	2027-28	2028-29	Total	Estimated total budget	19.965	2.500	15.503	6.962	44.930	<i>Less estimates National Partnership Payments</i>	<i>19.965</i>	<i>2.500</i>	<i>15.503</i>	<i>6.962</i>	<i>44.930</i>	Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0
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Additional Terms																															
1.	Allocation and Use of Funding																														
a)	<p>Subject to agreement between the parties on project scope and funding allocation, \$5.0 million of this funding must be used to implement the following 'Australian Government commitment':</p> <ul style="list-style-type: none"> \$5.0 million for an ECEC centre in [REDACTED] noting delivery of this commitment will be subject to final agreement between the State and the Commonwealth. <p>Final information (including ECEC places) on the [REDACTED] commitment will be updated in Appendix A by the Parties' delegates following written agreement by the Parties, once further scoping is complete, to occur no later than 30 June 2026.</p>																														

Table 1: Formalities and operation of schedule	
b)	Remaining funding of up to \$39.93 million must be allocated to 'Eligible Projects' (see Appendix A) jointly agreed by the Parties (or delegates), to build or expand the capacity of quality ECEC centres, prioritising areas where the State and the Commonwealth agree there is both an undersupply of ECEC (current or projected), and relative socio-economic disadvantage (as outlined in the criteria in Appendix B).
c)	Ten percent of 'Eligible Projects' funding (up to \$3.993 million) to be provided to the State as 'contingency funding' (see Appendix B).
d)	Up to two per cent of 'Eligible Projects' funding allocation (\$0.7986 million) may be utilised for administration costs.
e)	'Eligible Projects' will be recorded in Appendix A , to be updated by the Parties' delegates following written confirmation of agreement to the 'Eligible Projects' by the Parties (or delegates). Should any agreed 'Eligible Project' be precluded from progressing by emergent or unforeseeable factors, including site contamination, flooding, bush fire or cyclone damage, or a prohibitive change in regulation, project funding may be withdrawn, or reallocated to a new 'Eligible Project' with the written agreement by the Parties (in line with Table 1 clause 6).
f)	Projects (meaning 'Australian Government commitment' and 'Eligible Projects') and allocation of contingency funding must meet the relevant requirements outlined in Appendix B . Any underspends on 'Eligible Projects' must be redirected to other capital projects to increase ECEC capacity. For the 'Australian Government commitment', where there are expected overspends or significant underspends (greater than \$0.5 million), jurisdictions must write to the Commonwealth to seek a resolution.
2.	Milestones
a)	Commonwealth funding for projects will be provided upon achievement of the milestones outlined at Table 2 .
3.	Announcement and recognition
a)	The Commonwealth will engage with the State to identify potential opportunities for joint announcement of projects between the Australian Government and the State. For the purposes of Clause 21 of the Federation Funding Agreement – Education and Skills, announcement and recognition requirements for the Commonwealth's financial contributions are set out at Appendix B .
4.	Quarterly reporting and payment on performance milestones The State must provide quarterly reporting on the program by twenty Business Days after the end of each March, June, September and December, including evidence of achievement of performance milestones until all projects are delivered and operational. With the exception of the first payment, the Commonwealth will approve and make payments based on project-based payment model as outlined in Table 2 . Quarterly reports will contain updates on project activity, any material changes to scope, budget or delivery schedule, evidence for project milestones achieved in the relevant period against agreed milestone descriptions, total expenditure on projects and achievement of policy targets, use of contingency funding, updates on the proposed operator, and plans for upcoming announcements. The State will be

Table 1: Formalities and operation of schedule

	<p>provided a template to support reporting.</p> <p>The Parties' delegates will meet regularly, to support the governance of this Schedule, including to discuss any shared risk.</p> <p>In consultation with the State, Commonwealth departmental officials may visit the site of a project supported under this Schedule, including (no more than once per year) when the State conducts building inspections.</p> <p>The purpose of these visits is to provide Commonwealth departmental officials with the opportunity to view progress of individual projects. During these visits, Commonwealth departmental officials will not direct or instruct State contractors. Conduct of a visit will not be a condition of milestone payments for an individual project.</p> <p>The State is expected to alert the Commonwealth to any material issues as they arise.</p>
5.	<p>Acquittal of funds</p> <p>States must maintain records of the acquittal of all funds received from the Commonwealth under this Schedule sufficient to verify that such funds have not been used in a manner contrary to agreed fund usage.</p>
6.	<p>Variations</p> <p>For the purposes of Part 6 of the Federation Funding Agreement –Education and Skills variations to this Schedule, including to projects, project milestones, and project budgets, may, by written agreement, be made by the Parties from time to time. Following written agreement by the Parties, the Parties' delegates will update Appendix A.</p> <p>The State may adjust the scope or deliverables (e.g. infrastructure works required to meet Ministerial Infrastructure Designation (town planning approval) conditions) of the program (with the exclusion of changes to number of projects, project sites, delivery timeframes, and/or delivered number of places) to align with the available funding, including reallocating funds between projects within the program, without requiring prior approval from the Commonwealth in line with Appendix B.</p>

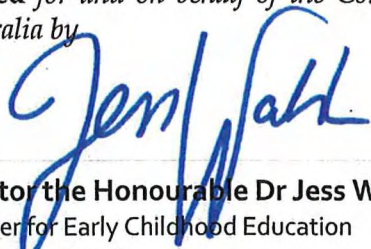
Table 2: Performance requirements, reporting and payment summary

Performance milestones	Report due	Payment
<p>Agreement to FFA schedule</p> <p>Upon signing of this FFA, including acceptance of key activities, reporting and milestones.</p> <p>Payment – ‘Eligible Projects’ formula = 10% Contingency for ‘Eligible Projects’ + 40% of ‘Eligible Projects’ projects (includes administrative funding allowance).</p>	On execution	\$19.965 million
<p>Agreement to delivery of [REDACTED] commitment</p> <p>Paid on agreement of delivery method for the ‘Australian Government commitment’ for a new child care centre in [REDACTED] (in line with Table 1 clause 1a).</p> <p>Payment – 50% of Australian Government Commitment.</p>	2026-27	\$2.500 million
<p>Quarterly reports</p> <p>March will be for the period 1 January to 31 March June will be for the period 1 April to 30 June September will be for the period 1 July to 30 September December will be for the period 1 October to 31 December</p>	Due twenty business days after the end of March, June, September and December (until project completion, including where that is after 30/06/2028).	Nil
<p>Planning is completed on a project and project is put out-to tender</p> <p>The Commonwealth approves evidence that Queensland has completed schematic design and project is put out-to tender.</p> <p>Payment – 30% of the Australian Government Commitment + 30% of funding available for ‘Eligible Projects’ projects</p>	2027-28	\$13.479 million*
<p>Final report</p> <p>The final report should also include the Building Completion certificates/reports, and evidence a high-quality, not-for-profit Child Care Subsidy approved provider has been selected to operate the service. Where this information is not available by 30 June 2028, evidence should include a plan for reporting to the Commonwealth until all projects are completed (for example, continuation of quarterly reporting).</p> <p>20% for the Australian Government Commitment and 20% of funding available for ‘Eligible Projects’ projects.</p>	2027-28 2028-29	\$2.024 million* \$6.962 million*

**Note: This amount represents the total funding to be paid on this milestone for all projects in a given financial year. Payment will be made on a per-project basis.*

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of
Australia by



Senator the Honourable Dr Jess Walsh
Minister for Early Childhood Education
Minister for Youth

3 / 3 / 2026

Signed for and on behalf of the State of
Queensland by



The Honourable John-Paul Langbroek MP
Minister for Education and the Arts

13 / 3 / 2026

Appendix A – List of Funded Projects

Project number	Project Title (new or upgrade)	Location	Project Description	Estimated planning completion and project is put out to tender**	Estimated Contract Awarded*	Estimated building completion**	ECEC places	Commonwealth Funding Approved	State Funding	Third Party Funding
[QLD] 1		TBD	TBD	TBD	TBD	TBD	TBD	\$5.000 m	N/A	N/A
[QLD] 2	Rosewood State School (NEW)	17 School St, Rosewood QLD 4340	New build ECEC service on school site.	Jun 2027	Aug 2027	Jun 2028	75	\$9.130 m	N/A	N/A
[QLD] 3	Yarrabilba State School (NEW)	1-35 Darnell St, Yarrabilba QLD 4207	New build ECEC service on school site.	Jun 2027	Aug 2027	Jun 2028	75	\$9.790 m	N/A	N/A
[QLD] 4	Chinchilla South DoE Site (NEW)	28 Sherriff St, Chinchilla QLD, 4413	New build ECEC service on school site.	Jun 2027	Aug 2027	Jun 2028	75	\$10.890 m	N/A	N/A
[QLD] 5	Clermont State School (UPGRADE)	5 Hetherington St, Clermont QLD 4721	Expansion to existing service on school site.	Jun 2027	Aug 2027	Mar 2028	52	\$10.120 m	N/A	N/A

*Subject to detailed programming by the State to be completed in November 2026

**Milestones completed in June will be paid in the next financial year

*** Commonwealth funding approval subject to agreement to project details.

Appendix B – Building Early Education Fund – Criteria

'Eligible Projects' (applies to remaining funding of up to \$39.93 million)

- Projects funded through this Schedule will be prioritised based on one or more of the following. These are not strict criteria as flexibility is required to provide services in areas of need based on other factors (e.g. community consultation demonstrating need).
 - a. Be located on or near school sites;
 - b. Be in areas of ECEC undersupply, including consideration of projected population growth;
 - c. Be in areas of relative socioeconomic disadvantage;
 - d. Maximise the number of ECEC places;
 - e. Consider existing or pending development approvals in the location to avoid crowding out other ECEC providers;
 - f. Prioritise projects that can increase ECEC supply as soon as practical; and
 - g. Prioritise modular builds, where this expedites delivery, reduces cost, or increases the number of ECEC services that can be constructed.

Agreement to projects

- All 'Eligible Projects' to be funded through this Schedule must be jointly agreed by the Parties (or delegates).
- Ministers may delegate decision-making for agreement to proposals under this FFA Schedule to officials.
- To support project selection, the State will provide evidence of:
 - a. assurances that projects are eligible for funding under this Schedule, including data, project plans, project budgets, and construction timelines;
 - b. value-for-money (including the number of ECEC places supported by the project and what due diligence and assurance processes will be undertaken);
 - c. Increased ECEC capacity in a timely fashion (such as projects that increase supply in underserved areas as quickly as possible with a focus on communities experiencing vulnerability and disadvantage);
 - d. Broad community support for the project (such as details of community consultation undertaken or planned, and/or a letter of support from the relevant local government or school); and
 - e. appropriate probity arrangements being used to deliver projects.

Use of funding

- *Contingency funding* - Ten percent of total funding for 'Eligible Projects' (\$3.993 million) must be reserved by the State as contingency.
- The purpose of this contingency funding is to mitigate cost increases/overruns of 'Eligible Projects' that cannot be met with available funding. Any additional cost increases/overruns must be met by the State.
 - Where a project faces a cost overrun, the State will give consideration to either (i) changes of project scope with any such adjustment to ensure that the agreed number of places, agreed locations and proposed delivery timeframes are maintained and remain consistent with the objectives and intended outcomes of this Agreement, and/or (ii) redirection of funding from projects with underspends.

- The State would only access contingency funding where changes in scope or redirection are not sufficient.
- There is no requirement to seek prior agreement from the Commonwealth for these redirections of funding or changes in scope.
- The details of the use of contingency funding must be monitored and provided to Commonwealth officials. This must include the amount of funding accessed, the project being supported with this funding, and the reasons for using this funding.
- If any 'contingency funding' is not used to cover cost increases of 'Eligible Projects,' it must be reallocated to future capital works to build or expand ECEC centres.
- All funding is for capital works, and cannot be used to purchase land or support operational or maintenance costs of services.

Use of ECEC Centres to support effective service provision

- Centres funded through this Schedule must be used as premises for the delivery of long day care services for children (in the age range of 0 to 5), for operation by quality not-for-profit or government providers, or ACCOs which successfully apply to receive Child Care Subsidy (CCS). The State must provide information about the ECEC provider and delivery model to be used in each centre.
 - a. A high-quality provider is an organisation that has a strong track record of meeting the requirements under the National Quality Framework for the delivery of early childhood education and care. The provider's track record of administering CCS with integrity will also be considered.
 - b. Long day care services may also offer outside of school hours care to support operational viability, but standalone outside of school hours care services are not eligible.
 - c. Integrated services to be run by ACCOs may be supported, where the State can support non-ECEC components of the build.
 - d. These organisations must not be listed by the National Redress Scheme on the list of 'Institutions that have not joined or signified their intent to join the Scheme.'
- All funded centres must be approved under National Law, and eligible to receive the CCS.
- The Commonwealth will not own any centre funded through this FFA Schedule.
- All centres built or expanded using the Building Fund must be used to provide ECEC for the designated use period of 30 years unless otherwise agreed in writing by the Commonwealth e.g. the service becomes unviable where local demand is insufficient or Commonwealth policy shifts result in the service becoming unviable (e.g. through changes to the CCS).
- Unless agreed by the Commonwealth, any lease/rental costs charged to service providers must be no more than is reasonably required to cover maintenance and other operational costs.

Application of policy targets

The State will be required to consider applying relevant policy targets through procurement of

the projects, such as:

- a. Targets for apprentices, including targets for women and First Nations people, in line with their own policies or the Australian Skills Guarantee;
- b. Targets to maximise opportunities for Australian businesses, in line with their own policies or consistent with the Buy Australian Plan; and
- c. Environmentally sustainable building materials and practices, and contributing to net zero.

Project Management

- The State will be responsible for administration of funding, project management and the due diligence and assurance processes for projects. This includes for funding allocated to projects on both government and non-government school sites.
 - a. This includes ensuring work is undertaken in accordance with relevant legislation and consistent with clause 20 of the Federation Funding Agreement – Education and Skills.

Announcements and recognition

- All announcements regarding projects funded by this Schedule will be made in consultation with the Parties and jointly.
- For the purposes of Clause 21 of the Federation Funding Agreement – Education and Skills, all public materials in relation to projects supported under the Fund must acknowledge the contribution of the Commonwealth.
- For all centres that receive funding under this Schedule, an official opening ceremony must be arranged within six months of the completion of the project, unless otherwise agreed by the Commonwealth.
- The Commonwealth Minister must be invited to officially jointly open all facilities funded under this Schedule.