

Building Early Education Fund

FEDERATION FUNDING AGREEMENT – EDUCATION AND SKILLS

Table 1: Formalities and operation of schedule

Parties	Commonwealth Western Australia (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 services, to be operated by high-quality not-for-profit providers, Aboriginal Community Controlled Organisations (ACCOs) 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. For the Derby Early Learning and Family Centre (ELFC), co-investment will also support delivery of capital infrastructure for other integrated ECEC services.																																		
Estimated financial contributions	The Commonwealth must provide a capped total financial contribution to the State of up to \$27.910 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 more than 140 ECEC places, plus 35 Out of School Hours Care (OSHC) places. Co-contributions from the State or third parties may also be used to support projects funded under this Schedule. The State will provide a combination of financial and non-financial contributions (land). Funding in each financial year will be contingent on the cost of projects, and milestones reached by each project. <table> <tr> <td>Table 1</td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>(\$ million)</td><td>2025-26</td><td>2026-27</td><td>2027-28</td><td>2028-29</td><td>Total</td></tr> <tr> <td>Estimated total budget</td><td>TBC</td><td>TBC</td><td>TBC</td><td>TBC</td><td>██████</td></tr> <tr> <td><i>Less estimated National Partnership Payments</i></td><td>0.000</td><td>19.519</td><td>6.500</td><td>1.891</td><td>27.910</td></tr> <tr> <td>Balance of non-Commonwealth contributions</td><td>TBC</td><td>TBC</td><td>TBC</td><td>TBC</td><td>██████</td></tr> </table>					Table 1						(\$ million)	2025-26	2026-27	2027-28	2028-29	Total	Estimated total budget	TBC	TBC	TBC	TBC	██████	<i>Less estimated National Partnership Payments</i>	0.000	19.519	6.500	1.891	27.910	Balance of non-Commonwealth contributions	TBC	TBC	TBC	TBC	██████
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Additional Terms																																			
1.	Allocation and Use of Funding																																		
a)	\$10.000 million of this funding must be used to implement the following 'Australian Government commitments': - o \$5.000 million for a new ECEC centre at Maarakool Primary School - o \$5.000 million for a new ECEC centre at Greenmount Primary School, within Mundaring Shire. These projects must be delivered as a priority.																																		

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b)	\$9.000 million of funding must be used to deliver the Derby ELFC. The Derby ELFC is a partnership between the Australian Government and the Western Australian Early Years Partnership made up of the Government of Western Australia and Minderoo Foundation, under the Building Fund Co-investment with the Investment Dialogue for Australia's Children (IDAC).
c)	Funding of up to \$8.910 million for the delivery of 'Eligible Projects' 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).
d)	Ten percent of project funding across 'Australian Government commitments' and 'Eligible Projects' (up to \$1.891 million) to be provided to the State as contingency to reflect unique infrastructure and inflation conditions in WA, in particular delivery in remote areas of the State (see Appendix B). This contingency is within the capped total financial contribution.
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, environmental assessments, flooding, bush fire or cyclone damage, cost escalation due to industry factors 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 commitments', Derby ELFC and other 'Eligible Projects') must meet the relevant requirements outlined in Appendix B . Any underspends on 'Australian Government commitments' and 'Eligible Projects' must be redirected to other capital projects to increase ECEC supply. For 'Australian Government commitments', where there are expected overspends or significant underspends (greater than \$0.500 million), the State must write to the Commonwealth to seek a resolution.
2.	Milestones
a)	Commonwealth funding 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 quarterly in arrears, based on evidence provided in

Table 1: Formalities and operation of schedule

	quarterly reports, for any project milestones met in the quarter. 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, updates on the proposed operator, and plans for upcoming announcements. The State will be provided a template to support reporting. The Parties' delegates will meet regularly, to support the governance of this Schedule, including to discuss any shared risk. In consultation with the State, the Commonwealth may visit the site, including with third party representatives. The purpose of these visits is to provide Commonwealth departmental officials with the opportunity to view progress of individual projects. Conduct of a visit will not be a condition of milestone payments for an individual project. The State is expected to alert the Commonwealth to any material issues as they arise.
5.	Acquittal of funds 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.
6.	Variations 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. Notwithstanding clause 1(f), the State may adjust the scope or deliverables 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 'Australian Government commitments' and 'Eligible Projects', without requiring prior approval from the Commonwealth in line with Appendix B.

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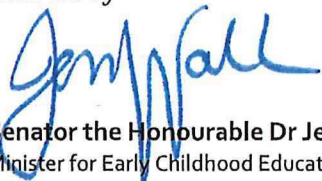
Table 2: Performance requirements, reporting and payment summary		
Performance milestones	Report due	Payment*
Agreement to FFA schedule Upon signing of this FFA, including acceptance of key activities, reporting and milestones. Payment: 50% of 'Australian Government commitment' + 50% of 'Eligible Projects'	July 2026 or on execution, whichever is later	\$9.455 million
Quarterly reports 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	March, June, September, December (until project completion, including where that is after 30/06/2029)	Nil
WA2 EOI process commence The Commonwealth approves evidence of commencement of an EOI process to secure a high-quality, Child Care Subsidy approved provider to construct the project. Payment: 40% of funding	2026-27	\$2.000 million
WA1, WA3, WA4 Construction commences on a project(s) OR Builder of project is contracted The Commonwealth approves evidence of commencement or contractual relationship provided by the State, which may include Contract and photos of construction commencement. Payment: 40% of funding for 'Australian Government commitments' (WA1) and for 'Eligible Projects' (WA4). \$2.500 million for Derby ELFC (WA3). Estimated project milestone dates are included in Appendix A	2026-27	\$8.064 million
WA3 practical completion OR building is watertight The Commonwealth approves evidence of practical completion (OR) that the building is watertight and ready to receive internal finishes. The State must re-confirm that the proposed operator is Ngunga Group Womens Aboriginal Corporation or a high-quality, not-for-profit Child Care Subsidy approved provider. Payment: \$6.500 million for Derby ELFC (WA3).	2027-28	\$6.500 million
Final report The final report should also include the Building Completion certificates/reports, and evidence a high-quality, Child Care Subsidy approved provider has been selected to operate the service. Where this information is not available by 30 June 2029, evidence should include a plan for reporting to the Commonwealth until all projects are completed (for example, continuation of quarterly reporting). Payment: Remaining funding for each project (10% for 'Australian Government commitments' and 'Eligible Projects').	2028-29	\$1.891million

*Note: These amounts represent the total funding to be paid for each milestone for all projects in a given financial year. Payment will be made on a per-project basis.

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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

[Day] [Month] [Year]

18/8/26

Signed for and on behalf of the State of
Western Australia by



The Honourable Sabine Winton BA BPS
MLA

Minister for Education
Minister for Early Childhood

[Day] [Month] [Year]

21/8/26

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Appendix A – List of Funded Projects

Project number	Project Title	Location	Project Description	Target construction commences on a project or builder of project is contracted or an EOI process is commenced	Target construction completion (WA1-WA2, WA4) or practical completion (WA3)	ECEC places	Commonwealth Funding Approved	State Funding	Third Party Funding
WA1	Maarakool Primary School	46 Groundspe ed Ave, Brabham WA 6055	New build ECEC service on school site	2026-27	2028-29	50-53	\$5,000,000	\$1,815,000 in-kind for land	N/A
WA2	Greenmount Primary School (Shire of Mundaring)	50-68 Innamincka Rd, Greenmoun t WA 6056	New build ECEC service on school site	2026-27*	2028-29	38-39	\$5,000,000	\$840,000 in-kind for land	N/A
WA3	Derby Early Learning and Family Centre	Derby – West Kimberley (WA)	New early learning and family centre to meet the needs of the Aboriginal community in Derby, including the towns of Mowanjum & Pandanus Park	March 2027	June 2028	48 places and 35 Outside School Hours Care places	\$9,000,000	\$7,500,000	Minderoo Foundation: \$3,700,000
WA4	[REDACTED]	[REDACTED]	New build ECEC service on school site	[REDACTED]	2028-29	[REDACTED]	\$8,910,000	[REDACTED]	N/A

*EOI commencement

Appendix B – Building Early Education Fund – Criteria

'Eligible Projects' (applies to remaining funding of up to \$8.910 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 project funding across 'Australian Government commitments' and 'Eligible Projects' (up to \$1.891 million) to be provided to the State as contingency to reflect unique infrastructure and inflation conditions in WA, in particular delivery in remote areas of the State.
- Any additional cost increases/overruns must be met by the State.
- Notwithstanding clause 1(f), where 'Australian Government commitments' or 'Eligible Projects' face a cost overrun, the State may redirect funding from 'Australian Government commitments' and 'Eligible Projects' with underspends to cover that cost overrun.

	• 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 Child Care Subsidy. • 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 or 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
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	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 Building 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. Collaboration with co-funding IDAC partners (Minderoo Foundation) • The State will be required to fulfil all reporting requirements of this Schedule for Derby ELFC (WA3), in line with the approach to the other State projects. • The State will be responsible for liaising with other investing parties and reporting back on behalf of both the State and investing parties, noting there are existing Early Years Partnership arrangements whereby the State manages the project.
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