

Guidelines for Agency Adjustment Fund

1. Overview

1.1. Introduction

The Agency Adjustment Fund (AAF) is a temporary fund established to provide transitional support for employment services providers who were not awarded business, or were awarded a much reduced level of business, under the Job Services Australia tender. Assistance will be targeted towards those not for profit, community based organisations that have expertise, a track record and a desire to continue to provide community based services in their local communities. \$3.5 million has been provided over the 2008-09 and 2009-10 financial years.

The AAF will support organisations to reposition themselves and identify new revenue opportunities. These opportunities could be within Job Services Australia (under subcontracting or partnership arrangements), the training system, in other Government programs or through the \$650 million Jobs Fund.

Grants under the AAF will be administered by the Department of Education, Employment and Workplace Relations (DEEWR).

1.2. Structure of the Agency Adjustment Fund

The AAF has two elements:

- 1) Adjustment Grants (\$3 million): available to not-for-profit organisations which are significantly impacted by the outcomes of the Job Services Australia tender. Grants will be for up to a maximum of \$100,000 per organisation to help them continue to operate beyond 30 June 2009 while they seek to identify and secure alternative funding sources and ensure their longer term viability.
- 2) Specialist Business Advisors (\$0.5 million): available to both not-for-profit and for-profit organisations that require business advice. The Specialist Business Advisors will work with organisations to develop a business model that repositions the organisation and identifies revenue opportunities and potential areas for growth. The proposed amount of funding available is \$15,000 per organisation.

1.3. The Objective of the Agency Adjustment Fund

The AAF will primarily assist community based not for profit organisations who deliver specialist services to disadvantaged members of the community including young people, people from cultural and linguistically diverse backgrounds, the homeless, ex-offenders, etc.

The objectives of the AAF include:

- Provision of financial assistance up to \$100,000 to enable eligible not for profit organisations to continue to operate / deliver services after the cessation of their employment services contracts on 30 June 2009 until new funding is secured.
- Provision of financial and business expertise to assist both not for profit and for profit organisations reorient their operations and identify alternative funding sources to enable the organisation to be viable into the future.

2. Eligibility to apply for funding

2.1 Eligibility for Adjustment Grants:

Organisations applying for funding must agree to work with a Specialist Business Advisor (to be funded by DEEWR) and meet all of the following criteria to DEEWR's satisfaction:

- 1) Must be not-for-profit; currently deliver one or more employment services (including as a sub-contractor or member of a consortium) and have submitted a tender to the Job Services Australia tender (including as a sub-contractor or as a member of a consortium):
 - (a) Organisations **must** as of 1 April 2009 have been delivering one or more of the following employment services:
 - i) Job Network;
 - ii) Work for the Dole (as a Community Work Coordinator);
 - iii) Personal Support Programme;
 - iv) Job Placement, Employment and Training Programme; or
 - v) Green Corps.
 - (b) Organisations that did not submit a tender (either in their own right or in partnership with another tenderer) are **not** eligible for funding.
- 2) Must satisfactorily demonstrate that they have been significantly impacted by the results of the Job Services Australia tender and as a result:
 - (a) are at significant risk of becoming unviable beyond 30 June 2009; or
 - (b) will be unable to continue to deliver the community services currently delivered.
- 3) Must satisfactorily demonstrate a track record of performance in the delivery of employment or community based services. That track record will be demonstrated from:
 - (a) DEEWR using a range of administrative program data relating to program delivery, including information and evidence submitted by organisations as part of their application to the Job Services Australia tender, to substantiate the organisations track record in the delivery of employment services; and/or
 - (b) where appropriate or requested by DEEWR, the organisation providing evidence of their track record in the delivery of community based services.
- 4) Must demonstrate a commitment to continuing to deliver community based services within their local community, and need to secure new revenue streams to do so.

2.2 Eligibility for Specialist Business Advisors:

The following organisations are eligible to apply for assistance from Specialist Business Advisors:

- 1) Not-for-profit organisations eligible to receive funding under the Adjustment Grants. Organisations who do receive funding must utilise the services of a Special Business Advisor.
- 2) For-profit organisations that have been significantly impacted by the outcomes of the Job Services Australia Contract 2009-12 tender and who require professional business advice to help them plan for the future and to seek new opportunities that will ensure their longer term viability. These organisations must have a proven track record and demonstrate to DEEWR's satisfaction that they have been significantly impacted by the results of the Job

Services Australia tender and as a result are at significant risk of becoming unviable beyond 30 June 2009.

In relation to the Specialist Business Advisors, organisations please note that DEEWR is not responsible for any action an organisation takes following receipt of advice, assistance, a business plan or the report from its SBA. The relationship is solely between the organisation and its Specialist Business Advisor.

3. Submitting Applications

3.1. Process for Submitting an Application for Funding

Applications must be lodged by submitting the AAF Application for Funding form (Attachment A) and any required supporting documents to DEEWR.

Electronic copies are preferred, accompanied by one complete hard copy with a signed Legal Authorisation form which is included in Part A of the AAF Application for Funding Form. Receipt of proposals will be acknowledged. The Australian Government reserves the right to contact the applicant and seek further information about the application and to undertake consultations with other relevant parties regarding the application.

3.2. Time frames

Applications for funding can be lodged with DEEWR any time after the release of these AAF Guidelines and Application for Funding form. Applications for funding close at 4.30 pm (Eastern Standard Time) on Friday 1 May 2009. DEEWR will assess applications against the selection criteria over the period Monday 4 May to Wednesday 13 May 2009. Applicants will be advised of the outcome of their application for funding and Funding Deeds will be sent to successful applicants from 13 May 2009. First payments will be made to successful applicants from 20 May 2009. The key dates are as follows:

Guidelines and Application for Funding form available	Friday 17 April 2009
Applications close.	Friday 1 May 2009 (4.30 pm EST)
Assessment period.	Monday 4 May to Wednesday 13 May 2009
Applicants advised of outcome. Funding deeds sent to applicants for Adjustment Grants. Business Advisors engaged.	From Wednesday 13 May 2009
Signed Funding Deeds to be returned to DEEWR by applicant.	Wednesday 20 May 2009
First payments commence.	From Wednesday 20 May 2009

Where to submit applications

It is preferred that applications are submitted electronically by the above deadline to:
agencyadjustmentfund@deewr.gov.au

AND are also submitted in paper hard copy to:

The Manager
Agency Adjustment Fund
Employment Reform Taskforce
Location Code: 10M61
DEEWR
PO Box 9879
Canberra ACT 2601

4. Conditions of proposal lodgement

4.1. Confidential information

Applicants must identify any information contained within their application which they consider should be treated as confidential and provide reasons for the request. The Australian Government reserves the right to accept or refuse a request to treat information as confidential.

4.2 Conflict of interest

Where an applicant identifies that a conflict of interest exists or might arise in relation to activities funded, the applicant must identify the actual, apparent or potential conflict of interest and inform the Manager of the AAF immediately.

A conflict of interest may exist, for example, if the applicant, or any of its personnel:

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the assessment or approval process (such as a DEEWR staff member), or
- has a relationship with, or an interest in, an organisation, which is likely to interfere with or restrict the applicant in carrying out the proposed activities fairly and independently.

Each applicant will be required to declare in the Legal Authorisation section of the Application for Funding form that, to the best of its knowledge, there is no conflict of interest that would prevent the applicant from proceeding or entering into a Funding Agreement with the Australian Government.

4.3 Further contact

The applicant or its referees may be contacted to seek further clarification or negotiate modifications to the application's scope or budget.

5. Assessment of project proposals

5.1. Probity

The Australian Government is committed to ensuring that the process for funding organisations under the AAF is fair and in accordance with these published Guidelines, as may be varied by the Australian Government from time to time.

5.2. No undertaking

Applicants should be aware that there is no guarantee of funding, even where an organisation has been approached by DEEWR to submit an application for funding.

Applicants should also be aware that none of the funds provided to a successful applicant under the AAF, whether via Adjustment Grants or Specialist Business Advisor funds, are to be applied to the organisation's costs or expenses of preparing its application for AAF funding. This exclusion includes any fees, costs or expenses payable by the applicant organisation to a third party which assists the applicant organisation in preparing its application, e.g. an accountancy firm.

5.3. Assessment of and approval process for Applications for Funding

All applications for funding will be assessed on their merits and against the selection criteria and information provided by the organisation in Attachment A. Teams of DEEWR staff with appropriate expertise and knowledge will assess each application and make recommendations to the delegate, the Minister for Employment Participation .

DEEWR reserves the right to seek independent expert assistance as appropriate to the AAF, including from other Commonwealth agencies and other relevant agencies or expert bodies.

Organisations determined as suitable to receive funding under the Adjustment Grants will also receive funding under the Specialist Business Advisor element of the AAF.

The Minister for Employment Participation is the delegate responsible for approving all AAF successful bids. DEEWR will make recommendations to the Minister for Employment Participation.

6. Assessment of financial position

The onus is on the organisation to demonstrate in their application for funding that, as a result of the outcomes of the Job Services Australia 2009-12 tender, the organisation is no longer viable or at significant risk of becoming unviable. This could take the form of (but is not limited to):

- audited financial statements submitted by the applicant;
- bank statements;
- reports from a qualified business professional (for example an accountant);
- evidence on the cost and resources required to deliver community services currently and into the future.

DEEWR may also conduct independent investigations from external sources and may also seek from the organisation verification of claims made in their application for funding.

7. Funding Model

7.1 Adjustment Grants

Successful applicants will receive grants of up to a maximum of \$100 000 per organisation. It is anticipated that applicants will be paid in two tranches, proposed as follows:

Payment	Proportion of funding	Requirement
---------	-----------------------	-------------

1 st payment	50 per cent	On DEEWR's execution of a Funding Agreement signed by the applicant.
2 nd payment	50 per cent	4 months after 1 st payment and dependent upon receipt of report from Specialist Business Advisor that organisation is viable or likely to be viable in the longer term if funding is secured as per the business plan. Payment will only be made if the organisation has not received or entered into an agreement for additional funding at this time.

7.2 Specialist Business Advisors

Once funding has been approved, Specialist Business Advisors may be selected by the organisation. Organisations will be required to obtain a quotation from their chosen Business Advisor for advice and assistance in developing and implementing a business plan up to a maximum of \$15 000 over a 12 month period, and submit that quotation to DEEWR for approval. The quotation must also be accompanied by a copy of the Business Advisor's credentials.

8. Reporting Requirements

Organisations will be required to submit a short Progress Report prior to the second payment, submitting the report from the Specialist Business Advisor. The Progress Report will outline the steps the organisation has taken to reengineer its business, including any funding applied for and the outcome, if known. The Progress Report should also outline the start date and amount for any successful funding bids.

9. Costs that are not to be Funded

The AAF cannot fund the following:

- the redundancy or other termination entitlements of staff;
- debts accrued;
- the purchase of assets;
- servicing existing job seekers under employment services contracts or funding deeds where funding is provided before 30 June 2009; and
- professional education costs for staff not linked to the organisation's business plan.

10. Funding Arrangements

A draft Funding Deed is provided as Attachment B (*not yet attached*).