

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE
SUPPLEMENTARY ESTIMATES 2009-10**

Outcome/Agency **4**

DEEWR Question No. **This submission brings together answers to the following questions on the Jobs Fund:**

EW457_10

EW458_10

EW459_10

EW460_10

EW461_10

EW462_10

EW463_10

EW464_10

EW466_10

EW467_10

EW474_10

EW475_10 see Table at Attachment A

EW476_10 see Table at Attachment A

EW478_10 see Table at Attachment A

EW523_10

EW525_10

EW681_10

EW683_10 see Table at Attachment A

EW684_10 see Table at Attachment A

EW687_10 see Table at Attachment A

Number of submissions received

Jobs Fund Assessment

The Jobs Fund has three streams:

- Local Jobs (including Bike Paths and Heritage projects)
- Get Communities Working (including Temporary Financial Assistance)
- Infrastructure Employment Projects

Unless otherwise stated, responses relating to the Jobs Fund cover the Local Jobs stream (excluding Bike Paths and Heritage projects) and the Get Communities Working stream (excluding Temporary Financial Assistance) as these components are solely the responsibility of DEEWR.

A total of 2500 applications were received for Round 1 with 1600 being for DEEWR Get Communities Working and Local Jobs streams. A total of 1,234 applications were received under the Get Communities Working component.

A total of 426 Jobs Fund applications initially met the relevant gateway criteria.

283 Get Communities Working applications were assessed as meeting the relevant gateway criteria.

198 Get Communities Working applications which were assessed as meeting the relevant gateway criteria were in Priority Employment Areas.

Selection of Projects under Round 1

The First Round of Jobs Fund had a common set of gateway criteria which needed to be met for funding under any of the three streams:

1. Projects in areas experiencing high unemployment, a significant rise in unemployment or vulnerability;
2. Projects were required to be viable and ready to start; and
3. Funding will not extend past 2010-11. Projects were expected to be self sufficient and/or not require Australian Government funding beyond 30 June 2011.

Projects also needed to address at least one of the following four target areas:

- create jobs or retain people in jobs at risk due to the downturn
- build skills for the future
- build community infrastructure or improve community amenity which generates local jobs, or
- provide seed funding for social enterprises to start up, maintain or expand services, generating jobs and improving community services.

Proponents submitted their applications to the Department of Education, Employment and Workplace Relations (DEEWR) for assessment. A joint committee comprised of staff from the departments of Environment Water Heritage and the Arts, Infrastructure, Transport, Regional Development and Local Government and chaired by DEEWR determined projects suitability for funding under the various streams and directed applications to the appropriate departments for assessment.

DEEWR staff conducted the assessments of Local Jobs and Get Communities Working projects and these were reviewed by a moderator to ensure consistency. Assessors received assessment and probity training prior to commencement. Assessments were also subject to quality assurance and consistency checks by senior departmental officers.

A DEEWR Assessment Review Committee was established to consider matters relating to the assessment of proposals for funding and provide recommendations to the Delegate with respect to all applications for funding. State Managers and Local Employment Coordinators were consulted regarding projects in their areas, however, they did not recommend projects.

The Assessment Review Committee ensured that the assessment process was conducted in a consistent and objective manner in line with Commonwealth Grant Guidelines and Commonwealth Grant Approval Processes and with regard to probity considerations.

Delegates for approving projects

The Delegate for the Local Jobs stream with the exception of the bike path and heritage components is the Minister for Employment Participation or their Delegate (which, for Round 1, was the Deputy Secretary, Employment and Participation, in the Department of Education, Employment and Workplace Relations). The Minister for Employment Participation delegated this to the Deputy Secretary. The Minister was advised of the outcomes once the delegate had made his decision.

- The Delegate for the heritage component of the Local Jobs stream is the Minister for Environment, Heritage and the Arts or their Delegate.
- The Delegate for the bike path component of the Local Jobs stream is the Minister for Infrastructure, Transport, Regional Development and Local Government or their Delegate.

The Delegate for the Get Communities Working stream with the exception of the Temporary Financial Assistance component is the Minister for Employment Participation or their Delegate (which, for Round 1, was the Deputy Secretary, Employment and Participation, in the Department of Education, Employment and Workplace Relations). The Minister for Employment Participation delegated this to the Deputy Secretary. The Minister was advised of the outcomes once the delegate had made his decision.

- The Delegate for the Temporary Financial Assistance component of the Get Communities Working stream was the Deputy Prime Minister and the Minister for Families, Housing, Community Services and Indigenous Affairs or their delegates.

The Delegate for the Infrastructure Employment Projects stream is the Minister for Infrastructure, Transport, Regional Development and Local Government or their Delegate.

Probity

Clayton Utz was appointed to undertake an audit of the Jobs Funds assessment process. The final report of their findings was delivered to the Department on 10 November 2009.

The report's findings are that overall the audit has not identified any fundamental flaws with the probity or the integrity of the Jobs Fund program. Particularly, there is nothing to suggest that there has been any unfair treatment of any applicant nor has there been any political interference or influence regarding the funding decisions made by the Department.

Successful Round 1 projects

A total of 172 Jobs Fund projects worth \$132 million were successful in Round 1:

- 64 projects under the Local Jobs stream
- 108 projects under the Get Communities Working stream (originally 109, one project was withdrawn by the applicant)

126 of the successful Round 1 Jobs Fund Projects were in Priority Employment Areas.

An additional \$11m was approved for Temporary Financial Assistance.

As at 6 November 2009, DEEWR has made payments of \$6,632,183 (GST exclusive). A further \$6,585,291 is currently being processed.

Nationally, projects approved by DEEWR in Round One of the Jobs Fund under the Get Communities Working and Local Jobs Streams are expected to create or retain 6,181 jobs.

Nationally, projects approved by DEEWR in Round One of the Jobs Fund under the Get Communities Working and Local Jobs Streams are expected to provide benefits for:

- 1,875 trainees; and
- 3,675 work experience participants.

Funding Agreements

All Jobs Fund projects are bound by executed funding agreements which define the obligations of the Australian Government and the proponent. Projects will be managed by contract managers in DEEWR State Offices who will work with proponents to ensure that they are meeting their contractual obligations.

Should a proponent fail to satisfy one or more of their contractual obligations specified in the funding agreement, this would be considered a breach of contract. This would include breaches of any law of the Commonwealth or of a State or Territory.

Proponents are required to rectify any omissions or breaches in their contractual obligations within 10 business days of being notified by the Australian Government.

The funding agreement contains a number of provisions for withdrawal and/or recovery of funding if a proponent has breached their contractual obligations.

The funding agreement also makes provision for a dispute resolution process before any legal proceedings are commenced. Depending on the severity of the breach the funding agreement allows for the Australian Government to terminate the agreement.

Further Jobs Fund Rounds

Of the funding administered by the Department of Education, Employment and Workplace Relations and subject to application, for the Local Jobs and Get Communities Working streams, there will be two rounds.

The second and final round opened on 5 November 2009 and closed 11 December 2009.

Changes have been made to the Jobs Fund Round 1 guidelines as a result of the final Keep Australia Working report, released on 16 October 2009. The Jobs Fund was retargeted to include a number of broader initiatives and align with the recommendations from the final Keep Australia Working report and will still focus on job creation.

As a result, separate guidelines have been developed for the Local Jobs stream and the Get Communities Working stream. The Local Jobs stream will now focus on green jobs and training outcomes and the Get Communities Working stream will focus on Intermediate Labour Market models, including social enterprises.