

## TREASURY EXECUTIVE MINUTE

Minute No. 20131010

17 December 2013

Minister for Small Business

### HOLDEN CLOSURE: ASSISTANCE FOR EMPLOYEES AND SMALL BUSINESS

**Timing:** As requested.

**Recommendation:** That you note:

- assistance available to automotive component manufacturers;
- assistance available to small businesses generally; and
- assistance available to redundant workers in the automotive manufacturing sector.

**Noted**

Signature: ..... /...../2013

### KEY POINTS

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This briefing provides information on existing programs that might assist affected small businesses and their employees. Further information is provided at [Additional Information](#).

- The Automotive New Markets Program is designed to assist automotive supply chain companies broaden their customer and product base, both domestically and internationally, with the end goal of removing their dependency on domestic vehicle manufacturers. It provides grants of up to \$1 million over two years; grant recipients must contribute at least an equal amount towards the project.
  - The program provides a total of \$30 million over four years from 2012-13, jointly funded by the Commonwealth and Victoria and delivered in collaboration with South Australia.

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- The Small Business Advisory Services provide information and advice related to establishing, sustaining or growing a small business. Advisory services include business and financial management skills, business planning and mentoring. Services are provided through funded service providers such as Business Enterprise Centres.
- The Automotive Industry Structural Adjustment Program provides intensive employment services to workers made redundant from automotive manufacturing firms. These services include job search and career advice, skills assessment and development, and training relevant to the local labour market.

- Motor vehicle dealerships are considered franchise agreements. The Office of the Franchising Mediation Adviser may be able to assist parties whose franchises are affected by the decision, including those wishing to exit agreements,
- The following areas have been consulted in the preparation of this minute: Employment and Education Unit; Small Business, Competition and Consumer Policy Division; Department of Industry

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Manager  
Industry, Regional and Agriculture Unit

## **ADDITIONAL INFORMATION**

### **AUTOMOTIVE NEW MARKETS PROGRAM**

The Automotive New Markets Program provides funding for the following activities:

- research and development activities undertaken in Australia;
- retooling activities undertaken in Australia;
- proof-of-concept activities undertaken in Australia;
- early-stage commercialisation activities undertaken in Australia;
- pre-production development activities undertaken in Australia;
- improving employee capabilities, including leadership and management capabilities, undertaken in Australia;
- imbedding of Australian automotive design and engineering employees with customers or joint-venture partners to develop manufacturing or engineering solutions for a project that is to lead directly to increasing the applicant's Australian based capabilities; or
- other activities that the Assessment Panel regards as being necessary for broadening a company's customer or product base.

### **SMALL BUSINESS ADVISORY SERVICES**

Under the Small Business Advisory Services program, there are nine business advisory and skills development projects funded in South Australia, ten projects in Victoria and one national project (assisting women in small business). The program is delivered by AusIndustry and these contracts are scheduled to end in December 2014.

The next competitive merit based funding round under the program is scheduled to be held in the first quarter of 2014-15, with funded services expected to commence in January 2015. Contracts normally run for a period of two years, and service providers applying for these grants could consider providing low cost business advisory services to small businesses across Australia affected by Holden's decision.

The closest service provider to Holden's Elizabeth facility in South Australia is the Northern Adelaide Business Enterprise Centre. Due to lack of demand for their services (other than those funded through the Small Business Advisory Services program), the Centre made a decision at their 11 November 2013 Annual General Meeting to wind-up the organisation as soon as practical.

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The closest service provider in Victoria and in close proximity to Holden's Port Melbourne facility is the Kangan Batman Institute of Technical and Further Education Board.

Further details on Small Business Advisory Services in South Australian and Victoria is at [Attachment A](#).

## **Office of Franchising Mediation Adviser**

The Office of the Franchising Mediation Adviser provides low cost dispute resolution services to the franchising sector, including a free early intervention dispute service. The Office may be contacted on 1800 150 667 or by email at [office@franchisingmediationadviser.com.au](mailto:office@franchisingmediationadviser.com.au).

## **EMPLOYEE SUPPORT**

### **Automotive Industry Structural Adjustment Program**

Retrenched workers from eligible automotive manufacturing companies in Australia are eligible for immediate access to intensive employment support at the Stream 3 level with a Job Services Australia provider under the Automotive Industry Structural Adjustment Program. This program is demand driven.

- Job Services Australia is the Government's national employment services network with providers located across Australia and redundant workers can contact their nearest Job Services Australia provider to talk about the support available to them.

This support can include help to develop a résumé and job applications, advice on searching for a job, interview skills and presentation techniques that will help redundant workers find a new job.

This support comprises the standard credit into the Employment Pathway Fund of \$1100 plus supplementary credit of \$1780 (making a total available credit of \$2880).

On 22 March 2012, the then Government announced an additional allocation of \$15.6 million to extend this program by four years from 2012-13 to 2016-17.

### **Support for mature age job seekers**

Any redundant workers aged 45 years and over have access to free, professional career counselling through the *Experience+* Career Advice service. The Career Advisers will help mature age workers make informed decisions about their future career, such as identifying their transferrable skills, exploring appropriate career options and preparing a plan to help them find a job.

### **Support to relocate for new work**

Recently retrenched workers with a letter of redundancy and registered with a Job Services Australia provider may also be eligible for relocation support under *Move 2 Work*. This program provides practical and financial assistance to participants looking to relocate for ongoing work or an apprenticeship. *Move 2 Work* is very flexible and can be used for a range of relocation related purposes. This includes removalist and travel costs, accommodation assistance and some employment related expenses.

### **Local Employment Coordinators and Priority Employment Areas**

The Government has designated Priority Employment Areas in areas of greatest disadvantage across Australia. The Elizabeth factory is in the Northern and Western Adelaide Priority Employment Area. The Port Melbourne facility is near the North Western Melbourne Priority Employment Area.

- This initiative ceases on 30 June 2014.

Local Employment Coordinators are working closely with employers, service providers, community organisations and all levels of government in each of these areas to develop local responses to local labour market issues.

Where redundancies are located in Priority Employment Areas, the Local Employment Coordinator works closely with local stakeholders to support these workers and local employers. Local Employment Coordinators also respond through:

- collaborating with the Department of Human Services and State government departments;
- providing workers with information and advice on the range of services available to them, including assistance from employment services providers;
- linking retrenched workers with new employment projects or employers, where suitably skilled workers are made redundant and projects are available for placement;
- contacting employers within the same industry as the retrenchments to identify job vacancies for retrenched workers, with a view to support them into alternative employment; and
- identifying skills in demand in the region, facilitating access to training courses and matching opportunities with candidates who have been retrenched.

### **Entitlements guarantee**

Employees who are owed certain employee entitlements after losing their job because their employer went bankrupt or into liquidation may be able to get financial help from the Australian Government.

This help is available through the Fair Entitlements Guarantee if their employer went bankrupt or entered liquidation on or after 5 December 2012 or through the General Employee Entitlements and Redundancy Scheme if their employer went bankrupt or entered liquidation before 5 December 2012.

Fair Entitlements Guarantee is a legislative scheme of last resort, with assistance available for:

- unpaid wages (up to 13 weeks);
- unpaid annual leave;
- unpaid long service leave;
- unpaid payment in lieu of notice (maximum of 5 weeks); and
- unpaid redundancy pay (maximum of 4 weeks per full year of service).

### **SKILLS AND TRAINING SUPPORT**

There are also a range of mechanisms in place to support skills development and training, a number of which can be accessed through the Skills Connect portal, which provides industry with a single point of access for skills and workforce development support. These include:

- the National Workforce Development Fund, which operates on an industry driven model that enables business to co-invest with the Government to train, re-skill and up-skill workers in areas of identified skills needs, using fully accredited qualifications and skill sets;
- Industry Skills Councils, which are working with industry to identify projects that will respond to workforce training needs in areas of highest demand. This effort covers all sectors, from construction and logistics to manufacturing, aged care and hospitality. Training ranges from Certificate III to Diploma level.

The Accelerated Australian Apprenticeships initiative, where funding is available for industry-led partnerships to develop and implement innovative models that extend the reach of competency-based progression in Australian Apprenticeships in their sector. This is available in the form of one-off grants to Industry Skills Councils, peak industry bodies or other organisations.

## ATTACHMENT A: SMALL BUSINESS ADVISORY SERVICE PROVIDERS IN SOUTH AUSTRALIA AND VICTORIA

### SERVICE PROVIDERS DELIVERING SERVICES IN SOUTH AUSTRALIA

Organisation	Project Title	Project Description	Delivery Locations
City of Salisbury (Salisbury Business and Export Centre), Salisbury	Northern Adelaide Mentoring for Success.	The Salisbury Business Export Centres' project will establish and train a panel of mentors to provide mentoring services to businesses across northern Adelaide and deliver a program focusing on improving management skills of program participants.	LGAs of Salisbury, Playford, Gawler, Light and Mallala.
Eastside BEC, Payneham	Eastern Adelaide Business Assistance Service.	The Eastside BEC will work with the Small Business Support Line and the Eastern Regional Alliance of councils to deliver face-to-face, low-cost business advisory services to businesses and business intenders primarily in the eastern Adelaide area. The service will also have an extensive suite of on-line and face-to-face services supported by a range of workshops.	Burnside, Campbelltown, Norwood, Payneham, St Peters, Walkerville, Prospect, Unley, and close Council boundary areas of Tea Tree Gully, Adelaide & Mitcham.
North West Business Development Centre (Adelaide Business Hub), Port Adelaide	Productivity and Growth; Action for Small Business.	The Adelaide Business Hub will support small businesses in Adelaide to increase productivity and assist them to implement strategies to sustain business growth.	Adelaide
Inner West BEC, Thebarton	Social Media - Practical Strategies for Small Business.	An integrated, flexible and practical program to assist small business owners and operators to utilise social media and new technologies in their businesses and use them to develop digital business strategies leading to increased brand awareness, sales and profits. Workshops, individual exercises, mentoring, supporting workbooks and templates will be used to reinforce and expand the learning experience.	Inner South West Region of Adelaide
Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island, Victor Harbor	South Coast Small Business Skills Development and Reignite Strategy.	The Regional Development Australia, Adelaide Hills, Fleurieu and Kangaroo Island program will deliver a high quality, low cost advisory service to the small business sector in the Southern Fleurieu region. This will be achieved by the delivery of general, business management and financial skills followed up with mentoring and networking.	Fleurieu region of SA including Alexandrina, City of Victor Harbor and Yankalilla region

Organisation	Project Title	Project Description	Delivery Locations
Regional Development Australia Far North, Port Augusta	RDA Far North SA - Business Advisory Services.	Regional Development Australia Far North will deliver a comprehensive low cost business advisory service to participating small business in the northern region of SA. The primary objective of this service is to enable business to maximise their full potential. The state's Far North is on the cusp of an exciting growth phase. This project will ensure business is ready to capture maximum benefits of this exciting opportunity.	Far north SA
Regional Development Australia Limestone Coast Inc, Mount Gambier	Mid to Upper Limestone Coast Business Advisory Service.	Regional Development Australian Limestone Coast will provide a free advisory, assistance and referral service to regional small businesses; the home-based business sector; business networks and prospective small business start-ups throughout the Mid to Upper Limestone Coast region.	Mid to Upper Limestone Coast
Regional Development Australia Whyalla and Eyre Peninsula Inc., Port Lincoln	Eyre Peninsula Small Business Training and Mentoring Program.	The Regional Development Australia Whyalla and Eyre Peninsula's Training and Mentoring program which will target regional small businesses, will offer tailored business advisory services to business owners at a time where they are facing many challenges including on-line competition. The program will also equip them with the practical skills required to meet the requirements of emerging industries of mining and renewable energy.	Port Lincoln, Whyalla, Wudinna, Ceduna.
Southern Success Business Enterprise Centre Inc, Morphett Vale	The Onkaparinga Triage Small Business Advisory Service	The SSBEC offer clients a unique triage process to case manage identified issues to outcome. The process is tailored to provide practical and immediate advice to overcome barriers to starting and running a small business	City of Onkaparinga

## SERVICE PROVIDERS DELIVERING SERVICES IN VICTORIA

Organisation	Project Title	Project Description	Delivery Locations
Ballarat BEC	Eureka BEC Small Business Advisory Services.	The project will provide specific Small Business Advisory Services covering business management, financial management, business planning, marketing, mentoring and networking and general business advice and will include a follow up service after initial consultation. The project will be delivered in the City of Ballarat, Ararat Rural City and the Shires of Pyrenees, Golden Plains, Moorabool,	City of Ballarat, Ararat Rural City, Pyrenees Shire, Golden Plains Shire, Shire of Moorabool, Hepburn Shire, Central Goldfields Shire.



Organisation	Project Title	Project Description	Delivery Locations
Box Hill Institute (Kinglake BEC )	BEC Kinglake Ranges.	The Kinglake Ranges Business Enterprise Centre will build the business skills and organisational capability of participants in a flexible, practical manner suited to the needs of participating small businesses. The project will deliver high quality, low cost practical and flexible business advisory services to small businesses, either one on one or in groups through a free initial meeting and a series of low cost seminars/workshops on relevant topics. The project will focus on providing business advice to small businesses owners and intenders and will provide on-going advisory services and assistance to businesses affected by the Black Saturday bushfires. The project will be delivered in the Shires of Murrindindi, Nillumbik, Mitchell, Yarra Ranges and the City of Whittlesea.	Shire of Murrindindi, Shire of Nillumbik, Shires of Mitchell, Shire of Yarra Ranges, City of Whittlesea.
Geelong Chamber of Commerce	Small Business, Smart Business: A one stop shop for small business excellence.	Small Business, Smart Business provides a comprehensive 'one stop shop' with information and services for small business. It provides access to a suite of local advisory services tailored to meet the needs of new, emerging and established small business including mentoring and peer to peer support. The project will be delivered in the City of Greater Geelong, SurfCoast Shire, Borough of Queenscliffe and the Golden Plains Shire.	City of Greater Geelong, SurfCoast Shire, Borough of Queenscliffe, Golden Plains Shire.
Holmesglen Institute of TAFE	Interactive, Intensive, Entrepreneurial Services for Small Businesses in Melbourne's south east.	The project will provide the following services to the south east region of Melbourne: Performance Group Coaching - an outcome based, high intensity group mentoring program; Brand Enterprise - an interactive two day program that specialises in brand management at the company level; and the KAM Strategy - a three day, outcome focused strategic account/sales management program.	South East Region of Melbourne: City of Port Phillip, City of Stonnington, City of Kingston, City of Glen Eira, City of Monash, City of Greater Dandenong.
Horsham Rural City Council (Wimmera Business Centre and Horsham BEC)	Wimmera Business Centre / Horsham Business Enterprise Centre Business Advisory Service.	Cost-effective consultations for start-up businesses; a range of informative workshops delivered across the region to increase flexibility of services; specific tailored advice for individuals and businesses; support and guidance for those in isolated parts of the Wimmera.	Horsham Rural City Council, Hindmarsh Shire Council, Yarriambiack Shire Council, West Wimmera Shire Council, Northern Grampians Shire Council, Buloke Shire Council, Southern Grampians Shire Council.

Organisation	Project Title	Project Description	Delivery Locations
Kangan Batman Institute of Technical and Further Education Board	ON TRACK - Support for Micro and Small Businesses.	The project will deliver business advisory services one on one to both intending and established micro and small businesses (MSBs) covering starting, planning, marketing and operational issues for business; mentoring services one on one to existing MSBs with various packages to suit each business' needs and a management skills program of workshops and seminars both face to face and online (webinars) for management skill development. Services will be delivered in the northern, western, central and inner eastern suburbs of Melbourne.	Melbourne - Northern and Western suburbs and central and inner-Eastern suburbs
Murray Hume BEC Inc	Helping to Build Resilient and Sustainable Businesses.	"Helping to Build Resilient and Sustainable Businesses" Program will provide small business at all stages of the business cycle with the opportunity to access personalised subsidised business advice in difficult trading circumstances, as well as assisting in mitigating the effects of the Murray Darling Basin Plan across the region by providing skills and advice to manage the pending uncertainty..	Central Murray Region - Wentworth, Balranald, Barnham, Moama, Jerilderie, Deniliquin, Wodonga, Albury, Tocumwal, Holbrook
North Central Rural Financial Counselling Service	Small Business Advice and Support - Regional and Rural North Central Victoria.	This project will provide free, one-on-one, customised and confidential advisory services for small business in regional and rural North Central Victoria. Provided at home or place of business, the service will provide strategies to help clients improve and grow their enterprise.	North Central Victoria
Sunraysia Rural Counselling Service Inc	Small Business Advisory Service - Murray Mallee	The project will offer a local face-to-face service and will include travel to the business premises to provide low cost advisory and support services to small businesses located in the Wentworth Shire (NSW) and the Mildura, Swan Hill and Buloke Shires (VIC).	Wentworth Shire NSW
			Mildura Shire VIC
			Swan Hill Shire VIC
			Buloke Shire VIC
Wodonga Institute of TAFE	North East Small Business Advisory Service.	The Wodonga TAFE project will provide advisory services to existing businesses and small business intenders in north-east Victoria. Services will include identifying the technical and business skills needed to start and grow a business, providing advice and guidance about business planning, legal issues, preparing feasibility studies of business ideas or business diversification strategies, and developing marketing, operational, financial, and workforce development plans.	Albury LGAs, Wodonga LGA, Indigo LGA, Wangaratta LGA, Alpine LGA, Towong LGA.

**SERVICE PROVIDERS DELIVERING SERVICES ACROSS AUSTRALIA**

<b>Organisation</b>	<b>Project Title</b>	<b>Project Description</b>	<b>Delivery Locations</b>
Belmont BEC Inc.	BPW Business Incubator ONLINE Women in Business Training and Mentoring Project.	In collaboration with the Australian Federation of Business & Professional Women (Western Australia division), Belmont BEC will provide quality training, workshops/Online Webinars, business improvement mentoring, networking events discussing business management, financial management, business and marketing planning and general business advice to women owner/managers in small businesses across Australia.	Western Australia, Australia wide