

# INSULATION WORKERS' ADJUSTMENT PACKAGE

## 1. Overview

The \$41.2 million Insulation Workers' Adjustment Package includes:

- A \$10 million Insulation Adjustment Fund to help workers and firms in the insulation industry, including if they wish to diversify their businesses. It will be allocated on the recommendation of a team of existing Local Employment Coordinators and new dedicated Insulation Employment Coordinators.
- \$15 million for 3,000 Structural Adjustment Places to help retrain installers, and insulation manufacturing and assembly workers.
- \$14.7 million for 4,000 training places under current eligibility already announced to assist insulation installers:
  - 2,000 in the Australian Apprenticeship Access Program; and
  - 2,000 in the Language, Literacy and Numeracy Program.
- \$1.5 million for up to 25 dedicated Insulation Employment Coordinators. These new Coordinators will supplement the existing 21 Local Employment Coordinators and broker and facilitate a package of assistance, for eligible installers, manufacturing and assembly businesses, which could include access to training and employer incentives.

The \$10 million Insulation Adjustment Fund has three objectives. The first of these will provide assistance to support the retention and retraining of former insulation workers in the industry.

The second part of the fund provides assistance for affected workers to find alternative employment or access a relevant training place where appropriate employment opportunities are not available, such as diversification into broader construction work and jobs in the renewable energy sector. This assistance aims to increase the employment resilience of workers by increasing their skills sets, particularly in areas of high employment demand.

The third part of the fund covers small businesses to support operational diversification into the broader construction industry, and the purchase of business diagnostic services to help reposition themselves and to help identify new revenue opportunities.

The Australian Government previously announced that people who have become redundant will have access to intensive support through Job Services Australia, under the Government's Compact with Retrenched Workers.

## 2. Purpose of the Guidelines

The purpose of these Guidelines is to increase employment resilience within the insulation and related industries by:

- assisting eligible insulation installers, manufacturers and assemblers to gain assistance under the Insulation Workers' Adjustment Package;
- facilitating affected eligible workers to immediately access employment services and training places; and

- assisting small insulation firms to adapt their businesses to take advantage of opportunities in the broader construction industry.

### **3. Eligibility for Assistance**

The following groups are eligible to access the Insulation Workers' Adjustment Package:

- Insulation installing businesses
- Insulation manufacturing and assembly businesses
- Workers in insulation installing, manufacturing and assembly businesses, who have agreed to reduce their working hours as a result of the cessation of the Home Insulation Program
- Workers in insulation installing, manufacturing and assembly businesses, who have become unemployed as a result of the cessation of the Home Insulation Program.

### **4. Eligibility for Assistance**

Businesses applying to access the Insulation Workers' Adjustment Package must work with Insulation Employment Coordinators or Local Employment Coordinators and meet the following criteria:

1(a) Insulation installing businesses where:

- the installer business was a registered installer under the Home Insulation Program; and
- some or all of the employees or subcontractors of the installer business met the requirements that came into effect on 12 February 2010; and
- the installer business has no outstanding serious compliance matters under the Home Insulation Program.

1(b) Insulation installing subcontractors where:

- the installer business which they were subcontracting for was a registered installer under the Home Insulation Program; and
- the subcontractor met the requirements that came into effect on 12 February 2010; and
- the subcontractor can demonstrate they have a long-term, consistent pattern of work with the business; and
- the insulation installing subcontractor and the installer business which they were subcontracting for has no outstanding serious compliance matters under the Home Insulation Program.

OR

1(c) Insulation manufacture and assembly businesses where the insulation products manufactured or assembled by the business meet the insulation product standard—AS/NZ4859.1:2002 (incorporating Amendment 1, Dec 2006) 'Materials for the Thermal Insulation of Buildings'.

2. Businesses must show how the cessation of the Home Insulation Program would threaten the short to medium term viability of their business and the impact on the number of workers required.
3. Businesses must demonstrate a commitment to retrain workers to support the business to diversify.
4. Businesses must have met, and continue to meet, all their obligations under Commonwealth and State/Territory Workplace Relations and Occupational Health and Safety legislation. Businesses must also sign a declaration to that effect.

Businesses will be subject to due diligence and risk assessment by the Department of Education, Employment and Workplace Relations (DEEWR) as appropriate.

In order to prioritise which businesses will receive funding, consideration will be given to factors including the:

- total number of staff in a business prior to 19 February 2010;
- percentage of staff working on delivering the Home Insulation Program as at 19 February 2010;
- proportion of business lost as a consequence of the cessation of the Home Insulation Program as at 19 February 2010;
- potential for Australian employment outcomes;
- length of time in the insulation industry, including the scope of activity prior to participation in the Home Insulation Program; and
- viability of the business.

If an insulation business no longer complies with any of the conditions in these Guidelines for any reason, they will become ineligible for any further assistance under the Insulation Workers' Adjustment Package from that time forward.

## **5. Insulation Adjustment Fund**

The Insulation Adjustment Fund is a \$10 million fund to assist workers and firms affected by the cessation of the former Home Insulation Program. Applicants should be aware that there is no guarantee of funding under the Insulation Adjustment Fund.

### **5.1 Incentives to Retain and Retrain Existing Workers**

Incentives may be available for any eligible insulation installer, manufacturer and assembly businesses to assist them retain their staff including while they diversify, and/or to support training for retained workers to remain in the industry.

The incentive payment is available to the business to assist them to retain workers and support them while they engage in appropriate training. The incentive payment must be used by the business to provide benefits to their workers. Casual workers will be eligible for assistance where it can be demonstrated they have a long-term, consistent pattern of work with the

business. Workers must be Australian citizens or permanent residents to be eligible for the incentive. Workers in receipt of other Australian Government incentive payments will not be eligible for the incentive.

An incentive payment of \$4,000 (GST exclusive) per worker is available for businesses who meet the eligibility requirements set out in Sections 3 and 4, subject to consideration of the factors set out in Section 4. Total incentives paid to a business under this element will not exceed \$100,000. Generally, where the package of training has been agreed the full \$4,000 will be paid.

Incentive payments will be available to a business that retains its workers on a short work week complemented by approved training during the balance of the week (for example, where workers are engaged and paid wages for a minimum of two days full time per week, with the balance or part of the balance of the week being taken up with appropriate training). Approved training will include courses approved to be delivered under the Productivity Places Program or specific units which are directly related to working in the insulation installing industry. The business may also propose a training plan of a substantial nature that leads to significant upskilling which will be considered and approved on a case by case basis by DEEWR. Details on further training assistance available is set out in Section 5.2.

The incentive payments will be paid in up to three instalments, at 4 weeks (after approval of application), 12 weeks and 16 weeks (or upon completion of the training course if course duration was less than 16 weeks). All payments under the program must be made no later than 31 December 2010. Each payment will be made on receipt of an invoice, and a statement that incentive payments have been made to workers and indications of what training has been undertaken.

The \$10 million Insulation Adjustment Fund will also be available for other assistance to reimburse expenses up to the value of \$1,000 per worker for a training plan of a substantial nature that leads to significant upskilling. The total amount paid to a business under this element will not exceed \$25,000. This plan may include training modules (such as English as a second language, licences and part qualifications), training related expenses and ancillary costs (such as travel, accommodation, and equipment required under course outlines) as considered appropriate. The payment excludes wage subsidies. In seeking approval for these expenses, it must be demonstrated:

- that the expenditure meets the objectives of the Insulation Workers' Adjustment Package;
- that the training is of substantial nature and leads to significant upskilling; and
- that the cost of training per worker, including ancillary costs, is reasonable, compared with the cost of a training place under the Productivity Places Program.

## **5.2 Other Assistance for workers**

In addition to the above, Productivity Places Program—Structural Adjustment Places will be available to insulation installers, manufacturing and assembly who have agreed to work

reduced hours. These will help retrain eligible workers in either the same or alternative industries in Certificate II and above qualifications.

Insulation Employment Coordinators and Local Employment Coordinators will broker access to the Productivity Places Program—Structural Adjustment Places for affected workers who have agreed to work reduced hours and who are eligible for assistance under this package. Access to these places will be through the Insulation Employment Coordinators or Local Employment Coordinators who will make the necessary arrangements with participating Registered Training Organisations under contract with DEEWR.

### **5.3 Small Business Assistance**

In addition, the \$10 million Insulation Adjustment Fund will also be available for other assistance up to the value of \$10,000 for small businesses to cover costs such as:

- Operational enhancements to enable diversification into the broader construction industry. The enhancements could include: business, accounting or logistic systems. Demonstrated direct employment outcomes will be required. and/or
- Specialist Business Advisors for small insulation businesses to support them gain professional business advice to help them plan for the future and to seek new opportunities that will ensure their longer term viability.

A small business is defined as per the Fair Work Act (Cth) 2009; that is, an employer who employed fewer than 15 employees as at 19 February 2010. A casual employee is not to be counted unless they have a long-term, consistent pattern of work with the business.

‘Specialist Business Advisor’ means a professional business advisor who is appropriately qualified, including:

- (a) members of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants;
- (b) employees of Business Enterprise Centres Australia Inc or equivalent state or territory based business advisory services; or
- (c) other professionals as agreed by DEEWR on a case-by-case basis.

Small Business Assistance cannot fund the following:

- the redundancy or other termination entitlements of staff;
- debts accrued;
- the purchase of assets.

In relation to the Specialist Business Advisors, 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 Specialist Business Advisor. The relationship is solely between the organisation and its Specialist Business Advisor.

Once funding has been approved, a Specialist Business Advisor may be selected by the organisation. The business must submit to DEEWR a receipt for the services obtained which must also be accompanied by a copy of the Specialist Business Advisor’s credentials.

## 5.4 Assessment of Applications

Insulation Employment Coordinators or Local Employment Coordinators within DEEWR will work with businesses to develop a tailored package of assistance for workers or for the business detailed in the appropriate application form. The proposals will be considered by and may be approved by the appropriate DEEWR State or Territory Manager. Applications may be submitted electronically or in paper copy.

DEEWR will make decisions in accordance with the eligibility requirements on funding eligible businesses and will administer the Fund. These decisions would be made on the recommendations of the Insulation Employment Coordinators or Local Employment Coordinators following consideration of the eligibility criteria outlined in Section 4. The Government reserves the right to contact the applicant and seek further information about applications and to undertake consultations with other relevant parties regarding applications.

## 5.5 Time Frames

Applications for assistance under the Package can be lodged with DEEWR any time after the release of these Guidelines. The last date for submitting applications is 4.30 pm (Australian Eastern Standard Time) 31 August 2010. Note that workers accessing Structural Adjustment training places must be enrolled by 30 June 2010.

The key dates are as follows:

Guidelines and the Application for Assistance Forms available and Applications Open	March/April 2010
Last date for applications under Incentives to Retain and Retrain Existing Workers Close	4.30pm (AEST) 31 August 2010
Last date for applications for small business assistance	4.30pm (AEST) 31 August 2010
First payments commence	On approval from March/April 2010
Last day to enrol in training under Productivity Places Program—Structural Adjustment Places	30 June 2010
Last Payments made under the Incentives to Retain and Retrain Existing Workers	31 December 2010
Last Payments made for small business assistance	31 December 2010

## 6. Insulation Employment Coordinators

Insulation Employment Coordinators and Local Employment Coordinators will broker and put in place tailored packages of assistance, utilising the \$41.2 million Insulation Workers' Adjustment Package for eligible installers, manufacturing and assembly businesses which could include access to training and business incentives.

Insulation Employment Coordinators and Local Employment Coordinators will work with businesses, where needed, to develop tailored packages of assistance for submission.

The Insulation Employment Coordinators and Local Employment Coordinators will assist insulation, manufacturing and assembly workers to find alternative employment with other employers or other industries. This assistance will complement and draw on existing support provided through Local Employment Coordinators and the resources of the Job Services Australia network.

Contact details of Insulation Employment Coordinators and Local Employment Coordinators will be provided by DEEWR State and Territory Offices and on the Keep Australia Working website [www.keeppaustraliaworking.gov.au](http://www.keeppaustraliaworking.gov.au).

## **7. Eligibility for Assistance—Retrenched Workers**

Insulation workers who are made redundant as a direct result of the cessation of the Home Insulation Program will be able to immediately access Stream 2 or higher intensive employment assistance through Job Services Australia, under the Compact with Retrenched Workers. Insulation workers made redundant will receive immediate personalised assistance, career advice, referral to available training places and job search help. They will have access to a personal Employment Pathway Plan that will set out the services and training that will assist them to find and keep a job.

This includes all workers previously employed in insulation manufacturing, assembly, and installing businesses—including, subcontractors (and their employees) and sole-traders, are eligible for assistance under the Compact with Retrenched Workers.

Subject to eligibility these workers<sup>1</sup> are also eligible to receive training through the following programs:

- Productivity Places Program—Structural Adjustment Places
- Australian Apprenticeships Access Program (Access Program)
- Language, Literacy and Numeracy Program (LLNP)

Centrelink will assess eligibility for these specialised services and make an appointment for the worker with their local Job Services Australia, Access Program or LLNP provider. Redundant workers should call 132 850 for assistance.

### **7.1 Productivity Places Program—Structural Adjustment Places**

Productivity Places Program—Structural Adjustment Places will be available to help retrenched insulation workers to access training in either the same or alternative industries.

Structural Adjustment Places will also be available to sub-contractors and sole traders who were previously directly employed in manufacturing, assembly or installation of insulation products. This excludes contractors and subcontractors involved in delivering associated services, such as transportation.

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<sup>1</sup> Please see paragraphs 7.2 and 7.3 for further information on Access Program and LLNP eligibility.

For retrenched workers, sub-contractors and sole traders training will be a full qualification at Certificate II level or above.

## **7.2 Australian Apprenticeships Access Program**

The Australian Apprenticeships Access Program will support 2,000 eligible former ceiling insulation installers (including sub-contractors). The Australian Apprenticeships Access Program will provide tailored pre-vocational training, job search assistance and post-placement support to assist these workers to move into skilled employment through an apprenticeship pathway once they have finished their work as insulation installers.

## **7.3 Language, Literacy and Numeracy Program**

The Language, Literacy and Numeracy Program aims to assist job seekers improve their English language, literacy and numeracy skills so that they can obtain secure employment or undertake further training. Two thousand places are available for eligible job seekers previously employed as ceiling insulation installers (including sub-contractors).

Language, Literacy and Numeracy Program provides up to 800 hours of tailored language, literacy and numeracy training for eligible job seekers whose language, literacy and numeracy skills are below the level considered necessary to secure sustainable employment or pursue further education and training.

# **8. Conditions of Lodgement and Funding**

## **8.1 Confidential information**

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

## **8.2 Conflict of interest**

Where an Eligible Business identifies that a conflict of interest exists or might arise in relation to an application, the business must identify the actual, apparent or potential conflict of interest and inform the Government immediately.

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

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the project assessment 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 proponent in carrying out the proposed activities fairly and independently.

Each Eligible Business will be required to confirm to the Insulation Employment Coordinator that to the best of its knowledge there is no conflict of interest that would prevent the business from proceeding with the project or any Funding Agreement it may enter into with the Government.

### **8.3 Approval processes**

The Insulation Employment Coordinator or Local Employment Coordinators will submit individual packages of assistance to the Relevant State or Territory Manager for approval.

Successful businesses will be informed by letter and will receive the relevant Funding Agreement and details of the Grant will be published on the DEEWR website as per the Commonwealth Grant Guidelines.

Applicants will be able to seek feedback on unsuccessful applications from DEEWR.

### **8.4 Probity**

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

### **8.5 Terms and conditions**

If a State or Territory Manager approves a funding package for a business, and the business accepts the offer of funding this will be documented in a Funding Agreement. The relevant Funding Agreement is a legally enforceable document which defines the obligations of both parties.

### **8.6 Funding**

Businesses should not assume approval of a package before a relevant Funding Agreement has been signed between both parties. Funding will not be provided for activities that breach occupational health and safety legislation or risk public safety.

Action may be taken by the Government to terminate a Funding Agreement where requirements have not been met.

Businesses must have an Australian Business Number.