

TO: [REDACTED]

FROM: [REDACTED]

DATE: **NOVEMBER 2018**

SUBJECT: **AFFORDABLE CARS FOR EMPLOYMENT (ACE)**

PURPOSE:

To provide ASIC with an update on the Affordable Cars for Employment (ACE) program for information and reporting purposes.

BACKGROUND:

The ACE initiative has been developed in response to the capital barrier low income Australians face when seeking functional vehicle access (safe, reliable, insured and registered). Large numbers of Australians live in outer suburban and regional areas where cars are vital for full economic and social participation. The capital barrier makes functional vehicles unaffordable, leading many to rely on unsafe and unreliable vehicles which are often uninsured, exposing drivers to serious financial loss in the event of an accident.

ACE PILOT:

The ACE pilot will involve BSL providing no-interest loans of up to \$10,000 to Western Port Secondary College and Rosebud Secondary College school leavers intending to seek full time work. The pilot audience was targeted because of the high car dependency in the areas of Hastings and Rosebud. The loans will be conditional as borrowers will be required to undertake financial literacy and car care familiarization training. Participants will only be able to purchase cars that meet a safety and reliability criteria set down by BSL and only once they have secured a full-time employment offer. Co-contributions from participants and their families will be encouraged and loans will run for three years. The first ACE loans are anticipated in 2019.

The pilot aims to show that functional car access improves a school leaver's capacity to find work through the expanded accessible employment catchment.

REPORTING:

1. Purpose of the Community Benefit Payment

a. Application of funding towards the ACE Program

As at 1 October 2018, the Community Benefit Payment has been used to fund \$31,476 of operational expenses incurred by BSL's ACE program. This leaves \$122,285 of residual funds from the original payment. Break-down of the expense allocation has been provided as an attachment to this report.

b. Application of funding towards financial literacy development

The development of financial literacy modules and associated materials is currently in progress, Consequently, no funds from the Community Benefit Payment have been used as at 1 October 2018 for the purposes of financial literacy development. Future reporting will reflect funding allocation towards this initiative.

2. Recent Developments

Over recent months, progress has been made with regards to the ACE program with the following developments:

- Signed Memorandum of Understandings and ongoing collaboration and engagement with both Western Port Secondary College and Rosebud Secondary College.
- Development of draft loans agreements has commenced.
- Development of financial literacy workshop content and associated materials has commenced.
- Discussions and ensuing commitments from other program partners including CBA, RACV, and LeasePlan.
- Development of an operational plan.
- Recruitment of a Youth Development Coach who will be responsible for ascertaining school leavers employment goals and aspirations and for liaising with local employers to identify potential full-time employment opportunities for ACE participants.

3. Other

No risks or challenges or any other matters which may impact upon BSL's ability to deliver on agreed outcomes within the agreed timeframe have been identified.



██████████, Project Manager ACE

CBP UNDER ASIC EU

ACE Financials as at 1st October 2018

		Commentary
DTGV funding	153,761	Received 30th April 2018
Staffing	22,183	[REDACTED] salary
Rent	3,804	Johnston Street apportionment
Senior Management overheads	1,137	SM FI cost centre apportionment inc. [REDACTED] Salary
Shared Services	4,352	
Total Expenses	<u>31,476</u>	
Residual as at 1/10/2018	<u><u>122,285</u></u>	