

Senate Select Committee on Australia's Food Processing Sector

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into Australia's food processing sector

15 May 2012

Senator EDWARDS: [I will not go there.] Treasury mentioned in its evidence earlier in December—I am pretty sure it was in December—that it had a responsibility to transition labour and to reskill and retrain. I mentioned this earlier: 300 workers were put off at Murray Goulburn last Friday. Then there was the announcement by the federal government that there were up to 400 new jobs created by the NBN in Victoria. I just thought that here was a nice segue to ask you people—given that you say that the government has a responsibility to transition labour and to reskill and retrain them—to revisit that statement. How do we actually put that on the ground? There are 300 people out of work. Government statements say up to 400 jobs. This is nirvana, isn't it? Three hundred people go out of work and there are 400 new jobs. I put the comment out on Facebook and got an avalanche of people saying, 'We're all saved!' How do we get them from the Murray Goulburn Co-operative—a fruit packing sector—to be whiz kids in the modern age?

Answer:

Despite ongoing global weakness and uncertainty, Australia's unemployment rate has remained low and stable and is well below rates in most advanced economies. However, aggregate employment outcomes hide the ongoing transition in employment that is occurring at a sectoral level. Resources-related sectors (such as mining and mining-related construction) and public, social and some service-related sectors all recorded significant increases in their shares of employment over the past three years. In contrast, other sectors (such as manufacturing and retail trade) recorded declines in their shares over the same period.

The solid growth in the services sector and other sectors benefiting from the resources boom is expected to continue to and be partly offset by the continued movement of resources out of some of the labour-intensive sectors such as retail manufacturing. Nevertheless, overall employment growth is expected to strengthen, though remain modest.

A range of Government assistance is available for those made redundant.

Whilst they are searching for employment, an individual made redundant may be eligible for income support. In the 2012-13 Budget, the Government announced that the liquid assets test thresholds to qualify for income support will be doubled. From 1 July 2013, newly unemployed people can access income support without waiting up to 13 weeks if they have liquid assets of up to \$5,000, for singles without children, and \$10,000 for others.

Job Services Australia is the national employment services system and provides jobseekers with personalised support to find and retain a job, with the level of assistance available dependent on the characteristics and needs of the jobseeker. Assistance might include assistance with the costs of training, or providing relocation support for ongoing work or apprenticeships through the Connecting People with Jobs program. Over the four years from 2012-13, the Government expects to spend \$5.9 billion on Job Services Australia.

Workers who have lost their job because their employer entered into bankruptcy or liquidation, and are owed certain employee entitlements yet there are insufficient funds to pay these entitlements, may be eligible to receive assistance under the General Employee Entitlements and Redundancy Scheme.

Senate Select Committee on Australia's Food Processing Sector

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into Australia's food processing sector

15 May 2012

Redundant workers are able to contact Centrelink's Financial Information Services, who provide free, unbiased financial information about their redundancy package and Government assistance.

In a limited number of specific circumstances relating to large firm closures or structural adjustment, the Government has also provided more targeted support to individuals and communities. A recent example of this targeted approach is the support to workers and the Illawarra region when Bluescope Steel announced a large number of redundancies.