

**CENTRELINK
AREA OFFICE
AREA HUNTER, N.S.W.**

SUBMISSION TO THE

**HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND WORKPLACE
RELATIONS**

**INQUIRY INTO ISSUES SPECIFIC TO OLDER WORKERS SEEKING
EMPLOYMENT, OR ESTABLISHING A BUSINESS, FOLLOWING
UNEMPLOYMENT.**

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INTRODUCTION

The BHP closure was significantly different from many of the closures Centrelink has experienced in the Hunter. In particular the closure was announced over two years before the closure date, an incentive program was introduced to retain the workforce up to closure and transition arrangements were developed to assist the workforce impacted by the closure.

Section 170CL of the Workplace Relations Act 1996 requires an employer to notify Centrelink of any situations where fifteen or more employees are to be retrenched or there is to be a closure. It is more often the case that Centrelink learns of a closure or workforce

downsizing via the media shortly before or just after it has occurred. In these instances Centrelink contacts the human resources manager of the company or the liquidator and offers the services of the Financial Information Service Officers to advise employees/former employees on their Social Security entitlements and the impact of any redundancy, leave and/or separation payments on these entitlements. Centrelink also advises on claiming assistance and how individuals can register for work. The response to the offer varies according to the size of the firm and its workforce, the number of staff impacted and the reason for the downsizing. Contact is also made with any Unions representing the workforce and the same offers of assistance are made. The response has varied.

THE ANNOUNCEMENT OF CLOSURE

The announcement on 29 April 1997 that BHP would cease making steel in Newcastle at the end of September 1999 was not unexpected. There had been community speculation over a number of years about BHP's future in Newcastle. The announcement ended the speculation and clarified the future for a large part of the Newcastle community.

FIRST CONTACT WITH BHP

Following the announcement by BHP, Centrelink contacted the Human Resource group in the Long Products Division and a meeting was arranged in late May 1997 to gain a better understanding of the closure process and to determine what areas Centrelink could be of assistance to both BHP and the employees in the transition process and with the Pathways Program established by BHP. Centrelink had already commenced Financial Information Service Seminars for employees and their partners. The immediate need for seminars was to explain to employees and their partners the treatment of the redundancy in assessing their entitlements. This information was seen as being important to people making decisions about their future. The nature of the other services Centrelink could provide would be determined by the demographics and personal circumstances of the employees.

WORKFORCE CHARACTERISTICS

The information supplied by BHP which aided our planning was that: -

- 2400 employees worked in areas affected by the decision to close;
- there was to be a gradual reduction in staff numbers up to September 1999;
- there would be a minimum of 1500 employees at the time of closure;
- about 400 employees would remain for a period after September to close down plant and equipment and clean up the site; and
- the skill base of the workforce was approximately 550 trades staff
600 clerical/supervisory/management staff, and 1100 non-trades staff.

As part of the Pathways Program BHP had conducted surveys of employees to determine the post closure employment options they were intending to pursue. The survey results were that:-

- 50 were interested in full-time study/education;
- 150 were seeking employment with BHP in other locations;
- 150 were seeking employment with BHP in the remaining operations in Newcastle;
- 150 intended to go into small business;
- 400 were considering retirement;
- 400 would be seeking employment in the restructured business; and
- 1200 would be seeking other employment.

Centrelink was also advised that

- there would be a number of employees who had compensation issues;

-a number of employees were from diverse cultural and linguistic backgrounds: and

-the average age of employees was 40 years.

BHP also had announced that it intended to establish an Employment Centre which would offer employees a range of job seeking assistance and would continue to operate for twelve months after closure.

SERVICE REQUIREMENTS

In Centrelink's view there were three levels of service required. There would be a continuing need for the Financial Information Service Seminars to provide information to employees about the impact of their redundancy, leave entitlements and other payments on the assistance available as well as any new assistance that they may now qualify for because of their changed circumstances. Seminars would need to be conducted over the next two years and also needed to cover the partners of employees.

Assistance would need to be provided to people who left employment with BHP between the announcement and the closure. The numbers in this group could reasonably be absorbed in Centrelink's existing service delivery network as the employees would not all be seeking assistance. Some would be moving to other employment.

With such a large group of people with potential requirements across all Centrelink services, special service arrangements would be required to process applications and establish entitlements at around the time of closure. An on-site Centrelink Office was seen as the preferred option. Assistance would be required from BHP in the form of office space and some limited infrastructure to make this a reality.

SERVICES OFFER

On 11 June 1997 a proposal was forwarded to BHP offering these services and seeking their assistance in establishing the on-site office. Because the closure was still some two years

away, the planning for the site office proceeded with BHP accordingly. Meanwhile the seminar program continued.

By the time of closure 47 seminars had been conducted on and off site with over 1000 employees and their partners attending. Seminars were conducted during working hours to meet the requirements of some of the work groups and after working hours at community venues to enable partners to attend. The seminars were specifically targeted at the impact of redundancy, leave, long service leave and bonus payments on employees entitlements from Centrelink. Family payments and employment issues were also addressed. Attendance at the seminars was not compulsory but was encouraged by BHP.

One group which was not covered by the BHP arrangements were the contractors employed on the BHP site. Centrelink was keen to ensure that employees of the contractors were given appropriate information as soon as possible but Centrelink was not aware of the likely impact of the closure on this group. A series of public seminars on retirement and retirement planning were being conducted and were widely advertised. Access for this group would be through the seminars or direct to a Centrelink Office.

ESTABLISHING SERVICES AND THE ON-SITE CENTRELINK OFFICE

Centrelink offered the services of a senior officer to establish the Centrelink site office and manage arrangements with BHP. Access to interpreters for interviews, on site medical examinations for people claiming disability assistance, new claim processes and a range of infrastructure issues were discussed. The establishment of the office was to proceed through the Centrelink and BHP liaison officers.

On 18 February 1999 a meeting was held with BHP and representatives of the Department of Employment, Workplace Relations and Small Business to discuss a range of issues relating to the Job Network, the Employment Centre and the assistance available to employees, including groups requiring special assistance. The Department of Employment, Workplace Relations and Small Business agreed to install a touchscreen which provided access to the Job Market.

Regular meetings occurred between the Centrelink and BHP liaison officers. The meetings resulted in an improved understanding of the operations of both organisations and facilitated improved processes which addressed the requirements of Centrelink in establishing an employees eligibility. As an example BHP produced statements of employee payments which enabled speedy determination of entitlements by Centrelink without needing to enquire of or verify details with BHP. In understanding Centrelink operations BHP staff at the Employment Centre were able to make referrals to Centrelink.

Arrangements were made by Centrelink with Health Services Australia for a doctor to attend the site to conduct medical examinations for Disability Support Pension claims. Interpreters would be booked for people who required this assistance during interviews. Claim packs were prepared for the various types of assistance available.

Access to Centrelink computer systems was arranged via the Centrelink Remote Access Services using portable computers in the site office. This was used as the test site for the Remote Access Service. Staff volunteers were called for to work in the BHP site office.

BHP provided office space, furniture and some office equipment for the site. A BHP staff member was the Office receptionist and operated the appointment booking service.

CENTRELINK ON-SITE

The Centrelink office opened on 16 August 1999. It was staffed by nine Customer Service Officers, a supervisor and the project manager. Access to specialist services was available as required. While staff were still setting up the office, BHP employees were calling at the office to collect forms and make appointments for interviews.

Office hours were 7.00am to 5.00pm for the first seven weeks when the demand for services was at a maximum. The hours covered the shifts at the plant. Minor adjustments were made in the opening and closing times over the last three weeks as demand stabilised and then decreased following the closure of the plant. The office closed on 22 October 1999.

BHP employees were able to access the full range of claims for financial assistance administered by Centrelink. They were able to receive advice about the types of assistance available, collect claim packs which had been prepared specifically for the BHP situation, obtain assistance with completing claim forms, attend an interview to establish their eligibility with access to an interpreter if required and lodge any additional information without having to leave the BHP site and before their employment was terminated.

Medical examinations were conducted by Health Services Australia on site three days per week for people claiming Disability Support Pension. Health Services Australia is employed by Centrelink as its medical advisors. A total of one hundred and nineteen medical examinations were conducted on site.

Centrelink also arranged for the Child Support Agency to attend the office two days per week to provide advice on child support issues. Twenty-seven interviews were conducted by the Agency.

Centrelink conducted over two thousand interviews during the ten week period the office was on site at BHP. Some nine hundred and fifty new claims were lodged and one thousand and seventy-five payments processed. Interpreters were used for fifty-two interviews. Processing of all claims was conducted on site using the portable computers accessing the Centrelink mainframe systems via the Remote Access Services.

The on-site presence also assisted in establishing the eligibility of the employees partner for assistance following the change in employment status of the employee. Examples include claims for carer payments, age pensions, and disability pensions by employees partners. There was as expected a high number of employees or their partners qualifying for Family Assistance payments from 1 October 1999 for qualifying children and in some cases dependants qualifying for Youth Allowance in their own right.

BHP employees who accessed the site and sought advice or lodged claims were provided with detailed information about their entitlements and eligibility and the date they would become eligible for that assistance. In some cases, such as Family Payments, eligibility

commenced on 1 October 1999. In other cases, such as Newstart, eligibility was subject to various waiting periods. All claims were processed on site and the employees advised by notices of their eligibility and entitlement.

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ON-SITE OUTREACH

Centrelink site staff also attended meetings of the various departments at BHP, displayed information on notice boards and arranged for messages to be put on payslips about the services available. Liaison between the Employment Centre and Centrelink ensured that employees were assisted appropriately.

Centrelink staff also contacted contractors at BHP to ensure that they were aware of the office and to encourage their employees to access the available services. The service offer was taken up by three contractors on site. Forty contractor employees accessed the office and received assistance.

ACCESS TO SERVICES AFTER THE CLOSURE

BHP employees were advised that when the Centrelink site office closed on 22 October 1999 they could access further services through their local Centrelink office. In some cases this would be necessary with the expiration of waiting periods. Customer records were annotated accordingly.

CONCLUSION

The Centrelink response to the BHP closure demonstrates that Centrelink has the flexibility and capacity to arrange and deliver services which are tailored to the circumstances of particular groups in the community in transition.

The seminar program provided early advice to employees of the impact of their redundancy payments on income support payments. Options, such as retirement where the employee was of retirement age or other employment, were also discussed.

The Centrelink Office at BHP provided a one stop shop for BHP employees who were to be retrenched at the end of September 1999. It provided an opportunity for employees to lodge claims and establish eligibility for assistance prior to becoming unemployed and to access other forms of assistance for which they would become eligible because of their changed personal or family circumstances.