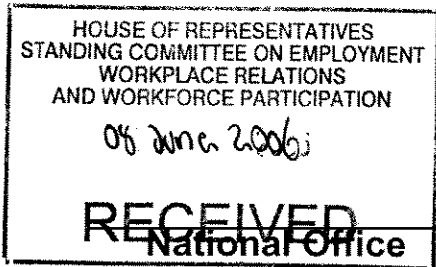




Australian Government
**Department of Employment and
Workplace Relations**



GPO Box 9879 CANBERRA ACT 2601

Committee Secretary
Standing Committee on Employment, Workplace Relations and Workforce Participation
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

re: Inquiry into Employment in the Automotive Component Manufacturing Sector

At the Committee's round table hearing in Adelaide on 1 May 2006, and in your letter to Ms Nicky Govan of 12 May, you asked for additional information on the Mitsubishi Labour Adjustment Package from Departmental witnesses.

Please find attached our summary of the questions asked and responses. I trust these will be of use to the Committee in its deliberations.

Yours sincerely

Chris Foster
A/g Group Manager
Labour Market Strategies

7 June 2006

1. *How many individuals accessed the Job Network support for training and/or recognition of prior learning including upgrading of trade qualifications?*

Recognition of Prior Learning is a South Australian State Government matter and current administrative data for the Mitsubishi Labour Adjustment Package does not record this activity.

As of 19 May 2006, 594 individuals have accessed training provided through their Job Network member. As can be seen from the following examples, individuals have pursued a wide range of training opportunities. Job Network members have determined that there is a reasonable prospect of employment in the local area before approving these training activities.

Some examples include:

- Job Search training;
- Certificate III in Electro-technology;
- Wiring Rules Refresher Course;
- Certificate I in Fabrication and Welding;
- Diploma of Engineering;
- Pre-vocational Automotive (Certificate I in Automotive) ;
- Mechanical Engineering Course;
- Cert IV in Assessment & Workplace Training;
- Senior First Aid Certificate;
- Certificate I in Spoken and Written English;
- Post-Graduate Diploma in Occupational Health and Safety;
- Certificate I in Transport and Distribution (Warehouse);
- Truck licence training (Heavy Combination, Heavy Rigid, Medium Rigid);
- Forklift Driver Licence;
- Civil Construction Plant Operator Training;
- Tow Truck Driver's Certificate;
- Front End Loader Training;
- Certificates II & III in Security;
- Certificate IV in Motor Vehicle Instructing;
- IT Diploma;
- Basic/Intermediate/Advanced Computing (Microsoft Office products);
- Certificate III/IV in Business;
- Certificate IV in Financial Services;
- MYOB for Business Managers course
- Certificate III in Tourism;
- Flight Attendant Career Training;
- Bar and Service of Drinks /Gaming training;
- Pool Lifeguard Certificate;
- Artistic Blacksmithing;
- Asphalt Industry Training;
- Certificate I in Property Management;
- Certificate II in Horticulture;
- Certificate III in Aged Care;
- Clerical Administration Course;
- Introduction to Pharmacy;
- Medical Reception and Terminology Course;

An additional twenty-two workers entered full-time study lasting for 12 months or more. Some examples are:

- Diploma of Systems Technology;
- Bachelor of Arts;
- Certificate IV in Music;
- Bachelor of Justice and Society;
- Certificate IV in Building;
- Post Graduate Registered Nursing

2. *What levels of support were provided and what have the outcomes been for individuals who have accessed further training.*

The average expenditure by Job Network members on training was \$1298 per individual.

Of the 594 individuals who accessed training through their Job Network member, 497 (84%) have been placed into employment.

3. *What is the current employment status of ex-Mitsubishi workers*

Up until 19 May 2006, 1337 workers have been made redundant from Mitsubishi (Lonsdale and Tonsley Park). Of these, 1161 (87%) registered for assistance with a Job Network member and 839 individuals (72%) have been placed in employment.

Only 73 of the workers who signed up for assistance in 2004-05 have not been placed into work.

As of 19 May, 763 claims for three-month employment outcome payments have been made by Job Network members. Eighty-seven per cent of these were for full-time positions.

4. *How redundancy payments affected benefits available from Centrelink.*

Newstart Allowance is subject to both an Income Test and an Assets Test.

Income Test

A personal income test applies for Newstart Allowance. Generally, the level of income support payment decreases with money earned during the payment period.

Assets Test

Income support payments may also be affected by the level of assets an individual has. In particular, the value of a person's home and other assets is considered in establishing a payment rate.

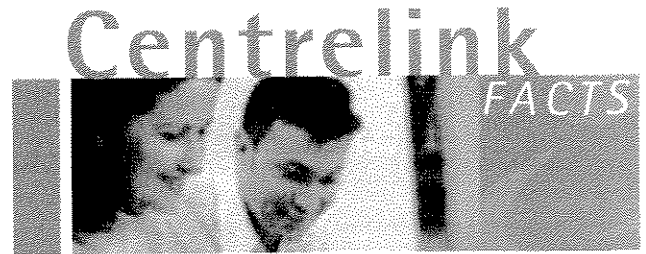
Payment may also be deferred from between one and thirteen weeks when liquid assets exceed \$2500 (single) or \$5000 (couple or single with dependents).

Liquid assets include some payments made or due to be made (within 28 days) by a former employer and redundancies or eligible termination payments that are not rolled over or cannot be rolled over. However, superannuation and termination payments which have been rolled over or are going to be rolled over directly from an employer are not considered liquid assets.

Centrelink officers determine the length of the waiting period. However, under the Mitsubishi Labour Adjustment Package, affected workers are able to access the full range of Job Network services immediately. For further information, please see the attached Centrelink brochure.



Australian Government



Financial Information Service

Retrenched or leaving your job

If you resign, are retrenched, or considering a redundancy package offered by your employer, you may be entitled to Social Security payments when you leave work.

In most cases people under Age Pension age should apply for Newstart Allowance.

(Age Pension age for men is 65 with Social Security and 60 with Veterans' Affairs. Age Pension age for most women is 56 with Veterans' Affairs and for Social Security view the table below.)

Qualifying ages for women to get the Age Pension

Date of Birth	Qualification Age
1 July 1935 to 31 December 1936	60.5
1 January 1937 to 30 June 1938	61
1 July 1938 to 31 December 1939	61.5
1 January 1940 to 30 June 1941	62
1 July 1941 to 31 December 1942	62.5
1 January 1943 to 30 June 1944	63
1 July 1944 to 31 December 1945	63.5
1 January 1946 to 30 June 1947	64
1 July 1947 to 31 December 1948	64.5
1 January 1949 and later	65

To receive Newstart Allowance

You must be:

- aged 21 or over
- unemployed
- actively seeking and willing to undertake suitable paid work, **and**
- an Australian resident.

How to claim Newstart Allowance

If unable to find work immediately, you should contact Centrelink as soon as possible to claim for Newstart Allowance.

You can do this by:

- phoning a Call Centre on the number at the end of this factsheet
- visiting your local Centrelink Office, **or**
- registering an intent to claim via the Centrelink website.

You need to provide Centrelink with:

- proof of your identity
- your Tax File Number, **and**
- a completed Employment Separation Certificate from your former employer.

Note: If you don't have these papers, still proceed with the application. You can take the papers in later.

If you have a partner, your partner will also need to complete a form and provide details.

How much will I be paid?

The amount you receive depends on your circumstances:

- you and your partner's total assets (apart from the home you live in)
- income, if any, you and your partner receive from other sources, **and**
- the amount of money you and your partner have in investments (not in superannuation and rollover funds).

(See factsheets: 'Assets'; 'Deeming'; and 'Rollover and Superannuation Investments'.)

How long before I receive payment?

You may not be able to be paid Newstart Allowance immediately because of your individual circumstances.

Ordinary Waiting Period

A one week waiting period applies to most people who claim Newstart Allowance. This may be in addition to any other waiting period, such as the Liquid Assets Waiting Period. There are circumstances in which you may not have to serve this waiting period. You should discuss this with Centrelink when you are making your claim.

Liquid Assets Waiting Period (LAWP)

The LAWP may vary from between one and 13 weeks and only applies if you are claiming Newstart, Youth Allowance, Austudy or Sickness Allowance. It is a waiting period you may be required to serve if you have liquid assets over the limit for your circumstances. The limits are:

- \$2 500—if you are single with no dependants, **or**
- \$5 000—if you are partnered, or single with dependent children.

What are liquid assets?

Liquid assets is money readily available to you, which includes:

- cash on hand
- shares, debentures and term deposits
- money held in banks, building societies and credit unions
- other money available to you at short notice
- managed investments such as insurance bonds and investment trusts, **and**
- payments you or your partner are expecting from your last paid employment.

What are not liquid assets?

Liquid assets do not include superannuation and termination payments which have been rolled over or are going to be rolled over.

Calculation of the liquid asset waiting period

Single, no dependants

<i>Amount of liquid assets you have in dollars</i>	<i>Liquid Assets Waiting Period (weeks)</i>	<i>Partnered, or single with dependants</i>
3000–3499	1	6000–6999
3500–3999	2	7000–7999
4000–4499	3	8000–8999
4500–4999	4	9000–9999
5000–5499	5	10 000–10 999
5500–5999	6	11 000–11 999
6000–6499	7	12 000–12 999
6500–6999	8	13 000–13 999
7000–7499	9	14 000–14 999
7500–7999	10	15 000–15 999
8000–8499	11	16 000–16 999
8500–8999	12	17 000–17 999
9000+	13	18 000+

Hardship Provisions

You may not have to serve a Liquid Assets Waiting Period if you can show that serving this waiting period will cause you undue long term disadvantage or significant hardship. If you believe this may apply to you, please discuss this with Centrelink.

What happens if I spend my money?

If you spend money on expenses that are not considered to be unavoidable or reasonable you will still have to serve the waiting periods. Example of these include:

- lump sum payment on a Mortgage or Rent
- holidays

If you have to spend money on expenses that are considered unavoidable or reasonable, your waiting period may be reduced. Example of these include:

- Essential repairs to a person's car or home
- One off payments to Credit Cards, personal loans.

Income Maintenance Period (IMP)

An IMP may be imposed if you receive leave entitlements after ceasing work or take paid leave from employment.

Under the IMP, leave payments are treated as income for a period equal to that which the leave was paid.

This is the period covered by:

- annual leave
- sick leave
- maternity leave
- long service leave
- personal leave
- carers leave
- rostered days off, **and**
- can also include other payments received on termination of employment.

An IMP is worked out only for Newstart Allowance, Partner Allowance, Parenting Payment, Sickness Allowance, Youth Allowance, Austudy, Widows Allowance and Mature Age Allowance.

An IMP does not apply to Employer Termination Payments (ETPs) which include:

- 'golden handshakes'
- employer bonus or profit sharing schemes, **or**
- ETPs that are rolled over, such as sick leave and rostered days off.

If your IMP income is below a certain level, you may be eligible to receive a part payment of your allowance from Centrelink during the IMP.

Note: Do not hold off lodging a claim while waiting for your leave payments from your former employer. This could mean you will have a longer than necessary wait to receive your payments.

Serving multiple waiting periods

You may need to serve multiple waiting periods however an Income Maintenance Period can be served concurrently with a Liquid Assets Waiting Period. For Example: If you have a 15 week Income Maintenance Waiting Period and a 13 week Liquid Assets Waiting Period you will only need to serve 15 weeks as the 13 weeks Liquid Assets Waiting

Period and the first 13 weeks of the Income Maintenance Period are served at the same time.

What should I do with my employment termination payment (ETP)?

Centrelink has a free and confidential Financial Information Service (FIS). A FIS officer can assist you to understand the different parts that make up your termination payment, the taxation treatment, investment options and effects of each on your Social Security or Veterans' Affairs payment. It is advisable to speak to a FIS officer before you make any decision about retrenchment or a voluntary redundancy offer.

For more information

If you have any questions about how these rules affect you, visit your local Centrelink Office or ring our Call Centres on the numbers below.

Newstart and other allowances

and Job Network services **13 2850***

Youth Allowance **13 2490***

Austudy Payment **13 2490***

ABSTUDY **13 2317***

Family Assistance Office **13 6150***

Retirement **13 2300***

Disabilities and Carers **13 2717***

Appointments **13 1021***

Languages other than English **13 1202***

For Customer Relations Freecall™1800 050 004*
(complaints, compliments and suggestions)

TTY payment enquiries Freecall™1800 810 586*

Only for people who are deaf or have a hearing or speech impairment. A TTY phone is required to use this service.

* Calls to 13 numbers cost 25 cents from anywhere within Australia. Calls to 1800 numbers are free of charge. Calls from mobile phones and pay phones may be charged at a higher rate.