

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2004-2005 BUDGET ESTIMATES HEARING

Outcome: 2
Output Group: 2.1 - VET

DEST Question No. E049_05

Senator Carr asked on 3 June 2004, EWRE Hansard page 20.

Question:

With respect to the \$50 million Mitsubishi structural adjustment package that was announced recently:

- (a) Is there a training component to the \$10 million Labour Market Adjustment Program
- (b) How many places are proposed
- (c) What is the unit cost of these places

Answer:

Training component of the \$10 million Labour Market Adjustment Program

The Department of Employment and Workplace Relations (DEWR) is responsible for the implementation of the labour adjustment program.

(a) DEWR advises assistance provided by the Job Network will vary depending on the needs of individual workers. However it will be possible for the Job Network to provide training through the use of the Job Seeker Account. Job Network members will purchase vocational training from training organisations based on their assessment of the individual needs of the worker. Job seekers can also be referred to DEST programmes for specific training needs such as literacy and numeracy (the Language, Literacy and Numeracy Programme) and pre-vocational training through the New Apprenticeship Access Programme. Training may also be provided through DEWR paying for the industry specific training where a group of workers require retraining to take up employment opportunities with another employer.

(b) Mitsubishi Motor Australia Limited (MMAL) has advised DEWR that 670 workers will be retrenched as a result of the closure of the Lonsdale Plant. MMAL also advised DEWR they anticipate offering 350 voluntary redundancies at their Tonsley Park plant. The package is also available to workers of MMAL suppliers who lose their jobs because of MMAL's restructuring. DEWR estimates include affected workers from suppliers but exclude MMAL workers who do not wish to take advantage of the package. This will result in just over 1000 workers being assisted.

(c) DEWR determined the value of the package by costing the individual components and estimating the number of workers both within MMAL and its suppliers likely to take advantage of the package. The cost of each component of the package is set out in the table at Attachment A.

LABOUR MARKET ADJUSTMENT PROGRAM

Assistance to workers		\$5.077m
Job seeker account	\$0.918m	
Additional contribution to the JSKA announced as part of the package	\$0.459m	
Relocation assistance both intra and inter State	\$1.0m	
Wage subsidies	\$2.0m	
Self employment opportunities	\$0.7m	
 Assistance to be provided to JNMs		 \$3.902m
Service Fee to JNMs for assisting workers*	\$0.816m	
Interim outcome fee**	\$1.683m	
Final outcome fee**	\$0.842m	
Job placement fee**	\$0.561m	
 Industry specific training		 \$0.6m
Departmental Items		\$0.421m
 TOTAL		 \$10.00m

* the standard fee provided to Job Network members for assisting job seekers while they are looking for employment

** The standard fee paid to Job Network members for placing job seekers into sustainable employment