

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2004-2005 BUDGET SENATE ESTIMATES HEARING
31 MAY AND 1 JUNE 2004**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 1: An effectively functioning labour market

Output Group 1.1: Labour market policy and analysis

Output 1.1.2: Research, evaluation and reporting

Question Number: W057-05 **Cross reference: DEST E299_05**

Question:

Senator Carr asked in writing:

What area of the department will design and manage the Labour Adjustment program (LAP) for Mitsubishi workers announced by the Government? What areas of government will administer the program?

- (a) Is the same area managing the textile, clothing and footwear LAP?
- (b) Will the department be running consultations/workshops with workers to determine what assistance is required in order to design the LAP?
- (c) Will the relevant union be involved in designing and administering the LAP?
- (d) What will be the key components of the program?
- (e) Will it include vocational training? If so, will this be undertaken as part of the existing programs? Which ones? If not, what new programs or subprograms will be created? Who will deliver the training? Will the Commonwealth directly purchase the training under tendering arrangements? Will the training be the responsibility of State TAFE or VET systems? How will it be funded and administered?
- (f) Will it include access to English language training?
- (g) Will workers be managed by case workers?
- (h) Will workers be required to approach the Department/case workers for assistance?
- (i) How was the \$10 million arrived at? Is there a standard dollar figure per worker calculation? How many people will be assisted through the program?
- (j) What is the number of jobs losses anticipated at Mitsubishi over the next year, 2 years and 3 years?
- (k) When will the first workers be able to access the program? When will the first workers be unemployed at Mitsubishi?

- (l) How long will the program run for?
- (m) Please provide a breakdown of planned expenditure under the program, by department, program and sub-program.

Answer:

The Industry Strategy Taskforce within Outcome 1 is coordinating the development and management of the Labour Adjustment Package for Mitsubishi workers but a range of areas within Outcome 1, including the South Australia State office are providing input.

- (a) Yes
- (b) The labour adjustment package will be delivered by Job Network members. Job Network members will deliver flexible intensive assistance, customised to the needs of each worker who wishes to take advantage of the package.
- (c) The Department has discussed the package with Mitsubishi Motors Australia Ltd (MMAL). Because the assistance will be flexible and customised to the needs of individual workers and delivered by Job Network members no discussions have occurred with unions.
- (d) The package includes
 - i. Designating all workers at the Lonsdale Plant and those who accept voluntary redundancy at Tonsley Park immediately eligible for Intensive Support Customised Assistance delivered through the Job Network. This results in \$900 per worker being provided to the Job Seeker Account;
 - ii. In addition to the standard \$900 for the Job Seeker Account, a further \$450 per worker is to be provided to the Job Seeker Account;
 - iii. Relocation assistance to enable workers to move to another location in South Australia or inter state to take up an employment opportunity;
 - iv. Wage subsidies of up to \$4000 for an employer who engages an ex Mitsubishi worker;
 - v. Assistance with self employment opportunities;
 - vi. Industry specific training for cases where a group of workers require retraining to take up employment opportunities with another employer;
 - vii. Provision of Australian Job Search (AJS) kiosks at the Lonsdale plant to enable workers to access job vacancies lodged on AJS.
- (e) 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 vocational 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. Vocational training may also be provided through the Department paying for the industry specific training referred to in answer (diii)
- (f) Depending on the needs of individual workers it will be possible to provide access to English language training.
- (g) Each Job Network members involved in delivering this package will determine how they will best meet the needs of workers
- (h) Workers will be advised about the package, provided with details of Job Network members and assisted with making an appointment with a Job Network member of their choice

- (i) The cost of the package was determined by costing the individual components and estimating the number of workers both within MMAL and its suppliers likely to take advantage of the package. Mitsubishi Motor Corporation advise that 670 will be retrenched as a result of the closure of the Lonsdale Plant closing. MMAL also advise 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 the Mitsubishi Motor Corporation decisions. It is estimated that including affected workers from suppliers but excluding MMAL workers who do not wish to take advantage of the package will result in just over 1000 workers being assisted.
- (j) MMAL have indicated they expect to offer the 350 voluntary redundancies at Tonsley Park plant in July 2004. MMAL have not yet advised when the workers from the Lonsdale Plant will be retrenched.
- (k) All Tonsley Park employees once they accept a voluntary redundancy and all workers at the Lonsdale plant, even while they remain employed, will have immediate access to the package through Job Network members.
- (l) The package will be available for workers who register with a Job Network member for as long as they remain looking for employment. It will also be available for those workers who register or re-register with a Job Network Member up to 6 months after leaving MMAL.
- (m) Based on current advice from Mitsubishi Motor Corporation about the likely numbers of affected workers the package is currently allocated on the following basis:

Assistance to workers.

➤ 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

Sub total **\$5.077m**

Assistance to be provided to JNMs

➤ Service Fee to JNMs for assisting workers*	\$0.816m
➤ Interim outcome fee**	\$1.683m
➤ Final outcome fee**	\$0.842m
➤ Job placement fee**	\$0.561m

* 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

Sub total **\$3.902m**

Industry specific training **\$0.6m**

DEPARTMENTAL ITEMS

- Touch screen installation and connectivity \$0.012m
- Other (including staffing, systems \$0.409m
- and manual processing)

Sub total \$0.421m

TOTAL \$10.00m