

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

**2005-2006 BUDGET SENATE ESTIMATES HEARING
30 ,31 MAY and 3 JUNE 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 1: Efficient and effective labour market assistance

Output Group 1.2: Labour market programme management and delivery

Outputs 1.2.3: Indigenous employment programmes

Question Number: W118-06

Question:

Senator Carr provided in writing:

In evidence to the committee, officials indicated that the Department had a STEP agreement with Seawind covered the period 9 January 2003 to 8 November 2004. They advised that the contract was terminated because the company asked to end the contract and the Department agreed.

- a) Can the Department confirm that the STEP contract number was 5663402?
- b) Under the STEP contract, how many Indigenous trainee positions were to have been provided by Seawind?
- c) How many training positions were actually provided?
- d) Was the Department aware that the contracts of the Indigenous trainees were cancelled on 23 June 2003? If so, why was the STEP contract not terminated at that time? Did DEWR take any action to assist the trainees who lost their jobs and training places at Seawind?
- e) Is the Department aware that none of the Indigenous trainees actually completed the Certificate 2 Seafood Industry (Seafood Processing) Traineeships because their contracts were cancelled prior to completing those traineeships?
- f) What did DEWR do to examine the capacity of the company to provide the training as agreed?
- g) Officials stated in oral evidence to the committee that at least one monitoring visit to the site would have occurred. Please provide dates of any monitoring visits.
- h) What is the standard frequency of monitoring visits for STEP projects? If visits to the Seawind project were less frequent than is standard, please explain why.

- i) Were the facilities and equipment available to trainees examined as part of the monitoring visit(s)? Please provide details of what any monitoring visit(s) found.
- j) Was the Department aware of any concerns about the viability of the seafood processing venture?
- k) Is the Department now aware that the seafood processing factory appears to have ceased operating in December 2003?
- l) The Department stated in evidence that a payment of \$17,000 was made to Seawind for the period 9 January 2003 to 18 November 2004. Please provide details of any payments made after 23 June 2003.
- m) Can employers who receive funding under STEP also receive incentive payments under the New Apprenticeship Incentive Scheme (NAIS) administered by DEST? If so, are you aware of whether Seawind also obtained funding through the NAIS and, if they did, how much funding the company received?
- n) In general, are recipients of STEP funding eligible for employer incentives through any other scheme operated by DEWR? What programs might they be able to access? Did Seawind access any of these programs? If so, how much funding did it receive?

Answer:

The Department would like to correct the record: the contract actually went from 28 January 2003 and was terminated by agreement with effect 20 August 2003.

- a) Yes.
- b) Up to ten.
- c) Five participants started on 28 January 2003.
- d) The employer advised the Department that the contracts of three of the participants were terminated on 23 June, one on 26 June & one on 28 June 2003. It was advised that due to SARS and a downturn in tourism, there was a drop in export orders and a stockpile of product. The employer requested that the contract be terminated on 23 July 2003 as business had not improved. A Deed of Termination of Contract was prepared and sent to the employer on 5 August 2003 and was signed and returned to the Department by Seawind dated 20 August 2003.

The STEP contract was not terminated at that time as, under the terms of the contract, further placements would have been available.

DEWR was not asked for special assistance with the five individuals. Eligible persons would have access to employment services as required.

- e) No.
- f) The Department conducted a financial viability check of the business and completed a Risk Assessment of the proposal. A Risk Management plan was also developed.
- g) An initial visit was made to the site in February and a monitoring visit on 14 May 2003.

- h) The frequency of monitoring visits varies for individual contracts.
- i) The Department's records show that all staff observed had plastic boots, apron, gloves and hairnets.
- j) No.
- k) No.
- l) No payments were made after 23 June 2003.
- m) Yes, employers who receive funding under STEP can also receive payments under NAIS. The department is not aware whether Seawind received NAIS funding.
- n) Yes. If STEP participants are registered with a Job Network member (JNM) and/or an Indigenous Employment Centre (IEC), their JNM or IEC could either use the Job Seeker Account or the Job Search Support Account for additional employment related assistance. The Department is not aware of Seawind attracting such assistance in respect of the five individuals assisted under the STEP project.