

13B. LABOUR AND EMPLOYMENT AFFAIRS

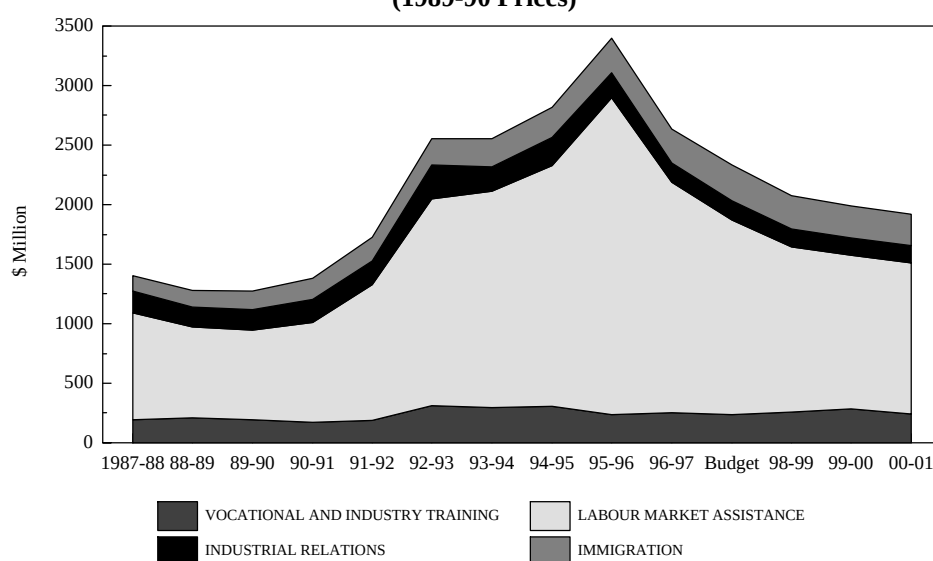
NATURE OF OUTLAYS

Outlays on Labour and Employment are mainly for training and employment assistance, facilitation of migration and temporary entry into Australia, industrial relations and the operation of associated Commonwealth agencies. Labour and Employment affairs of a particular industry are generally classified to the function which the industry serves.

This function includes outlays of the following portfolios:

- Employment, Education, Training and Youth Affairs;
- Industrial Relations; and
- Immigration and Multicultural Affairs.

Chart 1. Overview of Commonwealth Outlays on Labour and Employment Affairs (1989-90 Prices)



TRENDS IN LABOUR AND EMPLOYMENT OUTLAYS

Chart 1 shows that outlays on Labour and Employment rose between 1989-90 and 1995-96. The increase in expenditure reflects a number of policy initiatives implemented in response to the increase in unemployment at the beginning of the 1990s.

The decline in outlay trends from 1996-97 and over the budget and forward years reflects a reduction and tighter targeting of outlays on labour market assistance to the unemployed, in the light of evaluation evidence that a large proportion of expenditures were not very effective in reducing unemployment. The tighter targeting is being combined with greater emphasis on other strategies for reducing unemployment,

including improved economic management, economic settings which encourage small business, structural reform and changed industrial relations arrangements.

1997-98 AND FORWARD ESTIMATES

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
13B.1 Vocational and Industry Training	\$m	290.6	276.3	311.3	351.3	306.8
	%		-4.9	12.7	12.8	-12.7
13B.2 Labour Market Assistance to Jobseekers and Industry	\$m	2240.2	1936.3	1681.9	1601.9	1612.9
	%		-13.6	-13.1	-4.8	0.7
13B.3 Industrial Relations	\$m	189.5	186.5	183.8	184.7	185.5
	%		-1.6	-1.4	0.5	0.4
13B.4 Immigration	\$m	331.4	356.2	334.7	329.4	339.9
	%		7.5	-6.0	-1.6	3.2
TOTAL	\$m	3051.7	2755.2	2511.8	2467.3	2445.0
	%		-9.7	-8.8	-1.8	-0.9

13B.1 VOCATIONAL AND INDUSTRY TRAINING

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
Entry Level Training	\$m	240.1	223.3	266.3	307.1	264.5
	%		-7.0	19.3	15.3	-13.9
Skills Training	\$m	50.5	53.0	45.0	44.2	42.3
	%		5.0	-15.1	-1.8	-4.3
TOTAL	\$m	290.6	276.3	311.3	351.3	306.8
	%		-4.9	12.7	12.8	-12.7

Outlays cover support for training in skills aimed at improving the productivity and competitiveness of Australian industry. They relate to the Department of Employment, Education, Training and Youth Affairs (DEETYA). Outlays on vocational education and training (mainly relating to the national Technical and Further Education (TAFE) system) are recorded under *4. Education*.

Entry Level Training

These programmes aim to develop vocational skills and improve access to training by providing wage subsidies and incentive payments to employers and allowances to individuals. They also provide funding for pre-apprenticeship/traineeship training, group training arrangements, and activities to increase links between schools, TAFE and employers.

Skills Training

Outlays under these programmes are directed at furthering the professional development of teachers and trainers in the vocational education sector, increasing the level and quality of skills training undertaken by industry and promoting training reform. They also provide funding for language and literacy training in the workplace, the national network of tripartite Industry Training Advisory Bodies and training reform projects.

13B.2 LABOUR MARKET ASSISTANCE TO JOB SEEKERS AND INDUSTRY

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
Assistance to Job seekers and Industry	\$m	2181.6	1886.7	1636.1	1568.8	1586.6
	%		-13.5	-13.3	-4.1	1.1
Aboriginal Employment Assistance	\$m	58.6	49.6	45.8	33.1	26.3
	%		-15.4	-7.7	-27.7	-20.5
TOTAL	\$m	2240.2	1936.3	1681.9	1601.9	1612.9
	%		-13.6	-13.1	-4.8	0.7

Outlays cover a range of activities to improve the employment prospects of unemployed people, including running costs for the Commonwealth Employment Service (CES) and its case management arm, Employment Assistance Australia (EAA), and the fees provided to Contracted Case Managers which are paid through the Employment Services Regulatory Authority (ESRA).

Assistance to Job seekers and Industry

As announced in the 1996-97 Budget, new arrangements for delivering labour market assistance to job seekers will be introduced during 1997-98. These will incorporate a new Commonwealth Services Delivery Agency (CSDA) to be established on 1 July 1997 within the Social Security portfolio, and a competitive employment services market in which providers will be paid to place job seeker clients in jobs.

The CSDA will deliver income support payments, childcare assistance, student assistance and the registration, assessment and referral services currently provided by the Commonwealth Employment Service (see 6.8 *General Administration*). The Department of Employment, Education, Training and Youth Affairs will purchase services on behalf of job seekers from the market and the CSDA.

In the competitive employment services market, the Public Employment Placement Enterprise Limited (a wholly owned Commonwealth company) will compete alongside private and community sector providers to place clients in jobs. Providers will be able to tailor assistance to suit the employment needs of particular clients and their payment will be heavily dependent on placing clients in real jobs. The changes in outlays reflect the new arrangements to apply during 1997-98 when the CES, EAA and ESRA will cease operations and their functions will be largely undertaken by providers in the competitive employment services market, and the CSDA.

Certain labour market programmes such as the New Enterprise Incentives Scheme (NEIS) will continue to be provided to eligible clients and regional assistance programmes will be retained (in addition to assistance provided through the competitive employment services market).

Aboriginal Employment Assistance

The Training for Aboriginals and Torres Strait Islanders programme provides subsidies for work experience and on-the-job training in the public and private sectors and formal training through vocationally oriented courses, with the aim of increasing the level of permanent employment for Aboriginals and Torres Strait Islanders.

The apparent decline in funding over the forward years is due to a portion of Aboriginal Employment Assistance funding being redirected into the employment services market, which will also provide assistance to indigenous Australians.

13B.3 INDUSTRIAL RELATIONS

		1996-97	1997-98	1998-99	1999-00	2000-01
		Estimate	Budget	Estimate	Estimate	Estimate
Industrial Relations Development and Advice	\$m	62.0	66.3	64.0	64.3	64.7
	%		6.9	-3.5	0.5	0.6
Industrial Relations Conciliation and Arbitration	\$m	40.9	40.6	41.0	41.4	41.7
	%		-0.7	1.0	1.0	0.7
Special Industry Services	\$m	72.1	67.0	65.0	65.0	65.0
	%		-7.1	-3.0	-	-
Trade Union Training	\$m	0.2	-3.1	-	-	-
	%		na	-100.0	na	na
Occupational Health and Safety	\$m	14.3	15.6	13.9	13.9	14.1
	%		9.1	-10.9	-	1.4
TOTAL	\$m	189.5	186.5	183.8	184.7	185.5
	%		-1.6	-1.4	0.5	0.4

Industrial Relations Development and Advice

Most of the outlays of this subfunction are costs incurred by the Department of Industrial Relations in providing policy advice and assistance on industrial relations matters to departments and agencies and in advising the Government on and promoting and implementing its industrial relations policies.

Industrial Relations Conciliation and Arbitration

This subfunction covers the operation of the Australian Industrial Relations Commission which provides the institutional framework, machinery and resources for the prevention and settlement of industrial disputes and facilitates the making of agreements at the workplace or enterprise level.

Special Industry Services

This subfunction covers special funding and levy arrangements for employee entitlements in the stevedoring and coal mining industries. The reduction in funding under this subfunction from 1996-97 is due to the cessation of Stevedoring Industry levy collections following the discharge of loan obligations. The winding up of the Stevedoring Industry Finance Committee is expected to be completed in 1997-98.

Trade Union Training

This subfunction covers the operation of the Australian Trade Union Training Authority (ATUTA). ATUTA was formally abolished on 5 December 1996 when Schedule 18 of the *Workplace Relations and Other Legislation Amendment Act 1996* was proclaimed. The 1997-98 Budget figure represents receipts from the sale of ATUTA assets expected to be realised in 1997-98.

Occupational Health and Safety

This subfunction covers the operation of the National Occupational Health and Safety Commission which provides a national forum for consultation between employers, unions and State and Commonwealth Governments on occupational health and safety and develops related policies, strategies and standards.

13B.4 IMMIGRATION

Outlays on this subfunction cover those activities of the Department of Immigration and Multicultural Affairs (DIMA) concerned with management of the Migration and Humanitarian Programmes, temporary entry, entry facilitation, compliance activity and citizenship. Other DIMA outlays associated with migrant settlement are covered under *4.4 Student Assistance* and *6.6 Other Welfare Programmes*.

The Migration Programme covers settler arrivals entering Australia on the basis of family reunion or contribution to the economic development of Australia. Temporary residence policy seeks to facilitate the entry, for a maximum stay of four years, of people who can contribute to the economic and cultural development of Australia. This allows for the entry of, amongst others, skilled persons, sports men and women, entertainers and working holiday-makers. Other entry of people for short periods is for purposes such as tourism, business and family visits.

Australia also considers applications for refugee status from people in other countries (the Humanitarian Programme) and from people already in Australia. Australia also responds to humanitarian concerns about, and the special needs of, people suffering discrimination or displacement.

People entering Australia whether temporarily or permanently are expected to comply with Australian migration laws. To encourage compliance a range of actions are taken to encourage voluntary compliance, investigate malpractice and, where necessary, to remove unlawful non-citizens who have no claim to remain in Australia.