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By: MR GRAHAM MALONEY Standing Committee on Community Affairs

Date: 24 February 2011 SUPPLEMENTARY ESTIMATES – 21 OCTOBER 2010
ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Tasmanian Freight Equalisation Scheme – Student Works

Question reference number: HS 9

Senator: Abetz

Type of question: Hansard CA page 125

Date set by the committee for the return of answer: 10 December 2010

Number of pages: 2

Question:

Senator ABETZ - You have sweet-talked me now. I will keep on with my questions. In relation to Student Works—and that is where I started with this line of questioning—can we have a copy of the assessment in relation to Student Works? I understand there was a written assessment undertaken by a Centrelink officer in relation to the business Student Works which, might I add, is a not-for-profit business that helps kids who are disengaged from schools, and they are genuinely engaged in manufacturing furniture. They supply Amcor, ACL, Hudson Projects. It is a very worthwhile business. It was nearly seen as a school type project, as I understand it, by the assessors rather than a genuine business that is doing a real social good along the way and has the genuine business activity of manufacturing. I have a wealth of photographs showing the machinery and the bits and pieces that are imported to Tasmania that have been manufactured to make finished products, which are then sold into the marketplace. They were assessed as ineligible. So that is it in a nutshell. Would there be any difficulty in our getting a copy of that assessment?

Mr Maloney - It is not a case that I am familiar with specifically, but could I take that on notice?

Answer:

Under the Australian and New Zealand Standard Industrial Classification, Studentworks is an Institute of Technology operation, which falls under Division P (Class 8101) - Education and Training, rather than being engaged primarily in activities listed under Divisions A, B and C of the Australian and New Zealand Standard Industrial Classification. As a consequence of making this decision, it was also determined that Studentworks was ineligible to claim Tasmanian Freight Equalisation Scheme assistance under the southbound provision of the scheme.

The content of the Recommendation Report by Centrelink's Tasmanian Transport Programs team in relation to Studentworks follows.

Customer visit Student Works

Assessor [name omitted] and Project Officer [name omitted] of the Tasmanian Transport Programs team (TTP) met with Ms Justine Hill, the co-ordinator (Manager) of Student Works, on-site, at 199 Georgetown Road, Rocherlea, on 8 July 2010. Also in attendance was Dr John Ralph, Sales & Marketing Manager, Net Sea Freight - Tasmania (NSF).

Student Works have 2 other supervisors (in addition to Justine Hill) employed by the organisation to train and supervise the trainees. In addition to their training and supervisory responsibilities these staff also conduct any activities and use the tools which the trainees are not qualified or approved to use.

Clearly their most successful recent enterprise is the 'castle'. This is a kit form split level portable studio apartment which was designed in Tasmania. It clips together with mortice and tongue joints and is then screwed for strength. It can then be either assembled on location or assembled elsewhere and transported by truck to the final site. The intention of this structure is that it can be used in areas where emergency housing is required. Another intended purpose is to provide semi independence to young people who otherwise may decide to 'live on the streets'. The price for this unit was around \$35,000.00. Student Works manufactures both wood and metal products with their most famous product, a cot for Princess Mary's son Christian.

Metalwork wise, they manufacture garden seats for commercial sale and have a contract with a boutique garden shop in Hobart for the garden seats, also manufacture grates/grills for a Launceston engineering company, and are also making metal bench seats for Launceston Grammar School.

When asked what the establishment was actually registered as, Justine advised that they were registered as a training establishment. She also advised that Student Works are also registered as a not for profit organisation and an incorporated body.

Funding wise, Justine indicated that they receive grants for all their staffing and administration. They are required to charge the 'going' rate when selling the products that they manufacture. All sales proceeds are utilised in the purchase of raw materials.

Findings

- There is no doubt that their primary purpose is as a training/educational establishment.
- Student Works do manufacture and sell their manufactured products at commercial rates.
- However, the quantities of these products appear to be limited.

Recommendation

Based on the following information:

- Site visit;
- Manufacturers and Miners application;
- Internet website details.

It is recommended that this organisation be considered to be a training/educational institution, classified under Division P – Education and Training in ANZSIC under category 8101 (Institute of Technology operation) and, therefore, not eligible for TFES assistance.

Report written by [name omitted], TTP Project Officer, on 15 July 2010