

12-Jun-99

RE: Review of employment possibilities for Mature Aged Persons

I would like to state my case in circumstances surrounding this review being conducted by the Honourable Dr. Nelson MP.

Preamble:

(1)

I was a Public Servant for 16 years employed in the capacity of Management Consultant. My role was to advise agencies and the Department with impartial advice to encourage a business like operating environment existed. I was successful in my work, which is borne out by a number of testimonials received from client organisations and some of the Department's senior officers.

At all times I treated my position in a responsible and business like manner, and at no time did I take unreasonable advantage of my entitlements as I felt it was a privilege to be a Public Servant at that time. During this period a Code of Conduct for Victorian Public Servants was in place and the requirements of this document became an integral part of my code of conduct.

There were significant cost savings, running into millions of dollars, for the State of Victoria as a direct result of my work and many innovative work place changes were implemented. Unfortunately for me I conducted a consultancy for another government department. This consultancy identified a number of poor business practices as well as breaches to the Health Regulations. This client department, after the state elections of 1992, became the major player and absorbed the Health Department of Victoria. This situation ultimately lead to me being forced to resign my position in the public service through the vindictive and spiteful situation which existed and without the opportunity for an appeal mechanism as the Public Service Board had been disbanded.

(1.1)

In 1988 there were alterations made to the Superannuation Act, which had a major impact on future outcomes for Public Servants. At this time I was enrolled in the Hospitals Superannuation Fund and had been for a number of years and I was invited to join the 'Old Revised Scheme'. I sought a number of assurances from the Department, which included continuity of service etc. etc. before committing myself. These assurances were duly given by the Departments' officers and I made the commitment to change funds.

In June 1989 after paying contributions for almost 12 months I was informed that due to an error I and a number of other staff, (20), were not entitled to belong to the 'Old Revised Scheme'. This was a major blow to me, as it was one of the major reasons that I had agreed to change funds and this benefit had now evaporated before my eyes. The impact of this change was that my spouse would no longer be entitled to a pension on my demise. At this stage I made it clear to the Departments' officers that as a direct consequence of this situation I would need to continue employment at least until age 65 in order to make up the shortfall in the difference between the lump sum and the superannuation.

I fought this situation diligently for the next 6 years using every means open to me with the exception of taking the Department to court for not taking due care. The reason that I did not take this legal step was to avoid the Department using public money in a court case unnecessarily. In hindsight this was a foolish move on my part given the final outcome and the total lack of consideration that I received in the end. I was successful in a submission to the State Treasurer the Hon Tom Roper who agreed to make an *ex gratia* payment in place of the calculated sum lost.

After being forced from Department, I pursued this matter legally and was duly informed that the State and the Department would not agree to a settlement. The lawyers for the State also stated they that if they won the court case then, they would pursue me to recover all of their legal costs. I believe this was a particularly spiteful statement which, was clearly designed to discourage me from pursuing the matter further as there was no guarantee that I would win the case.

As a direct result of this statement, my solicitor requested a \$40,000 fee up front to continue with the case. I of course am in no position to commit this level of funding given my present financial circumstances. The State Government through the Department of Health & Community Services also did not honour the commitment regarding the *ex gratia* payment.

It is my opinion that this denial of my superannuation entitlements also played a significant part in my redundancy as the financial liability of the Department was significantly reduced as a result.

(1.2)

Since being forced to resign my position with the Department in 1995 at the age of 54 years I have found it extremely difficult to get anything more than a survival income. I have applied for probably more than 250 positions and I have also had a number of interviews. It is quite clear however, that as soon as one attends the interview process the interview panel quickly forms the opinion that one is too old. In one interview for a position in the Police Department, as soon as the door opened for my entry, the panel were quite clearly turned off because of the age factor.

It is also surprising the number of reasons that can be found for not employing an older person, even though the selection criteria have been met or exceeded, I am sure that many younger people who conduct interviews feel threatened by the more experienced person, (older). Attending interviews has therefore become quite a disillusionment, to the point where one wonders whether it is still worth trying, but one does continue to try in an effort to maintain a level of dignity within the community and to maintain ones self esteem.

I have also started a small Management Consulting business but this has not been too successful either. I continue to seek full time employment even though I have a small business in an attempt to maintain my wife and myself without taking money from the public purse.

2.0 Issues

(a)

Persons aged around 50 years do not have sufficient opportunity generally to become employees again and as a result have to start a small business in order to generate an income. Often, as in my case these businesses only provide sufficient funds for an existence, if you are lucky.

My preference would be to be employed rather than operating a small business, as this would then permit me to concentrate more on the outcomes of my work for my employer. Remuneration could still be performance based but I feel that there would be more personal job satisfaction. I am sure many other people feel the same at this stage of their life.

(b) All incomes for people who have generally taken care of their savings over the years are considered when being considered for welfare, without exception. In my case I receive no benefit from the welfare system and I consider this wrong as the public record shows that I have never abused the system and yet now I am at a disadvantage because I have taken care to save. This means of course that my savings will diminish at a faster rate than planned and I will unfortunately, end up on the welfare system.

(c) Unemployment benefits should be paid to people in similar circumstances to me. The alternative is for us to use up most of our savings to survive whereas, others who have had the high life and spent freely get supported through unemployment and other benefits.

(d)

There is not equal opportunity in the employment field for people over 50 years of age, even though we have a lot of skills and experience to offer prospective employers.

(e)

State Governments should be held accountable for putting people onto the Federal welfare system. The State Government should fund the unemployment of these people when there is a clear case of victimisation.

(f) State Governments should be made accountable for the future income of Public Servants and others who are put out of work as a result of payment of bonus systems, (blood money?) to senior staff where Consultants or others are subsequently employed to carry out similar duties of the retrenched persons. In these cases the State Governments should be made to maintain salary levels until re-employment is achieved.

(g) Performance bonuses are paid to senior public servants for reducing direct operating costs such as labour. However, there is no measure of the real cost of the loss of expertise, which is often replaced through the use of external Consultants, at a much inflated cost. In addition to this the external Consultant does not have the responsibility or accountability and commitment of in-house staff.

In these cases, the cost of the Consultants should be deducted from the performance bonus of the relevant. senior public servant.

(h)

There should be a real incentive for employers to take on staff over the age of 50 years. This incentive could be by way of payroll tax benefits, or other similar means.

(i)

The manner in which the current state and national unemployment figures are determined means that people in my situation are not included. As a result of this the unemployment figures are far from being a true representation of the current employment trends.

This matter needs to be addressed as these excluded people often put in as much effort, maybe more, than some of the other unemployed who currently take the dole money and other welfare payments.

There is also the issue of costs associated with job seeking. As we all have to use the same mail and phone service then the cost of job application is similar for all.

If one is a recognised unemployed person then there are a lot of free benefits open to you, such as, mail, phone and sometimes clerical services of the employment agency. For people in my situation we have no support at all and in addition we have to bear all of our own costs for all of these services.

2.0 Conclusion

It would appear reasonable that after the effort that I have put into my career in the public service that I could expect to have reaped the benefits from my position. (In the private sector my rewards would have been far greater and based on performance.) My philosophy in the career in the public sector was, what I could do for the State agencies and the public of Victoria. A sighting of my personal records will provide evidence of my commitment to my work. It would seem that if I had adopted an attitude of self preservation and self interest and indulged in ego trips, then, I would probably have been better thought of.

Unfortunately however, not only have I been denied a full career I have also been denied my rightful superannuation entitlements through, what I believe, are particularly spiteful and vindictive acts of others.

In addition to this I am missing out on a relaxed period of my life, as I have unfortunately, become a self funded unemployed/low paid person. This is not what I went into the Public Service for, nor what I, or others in similar circumstances, should reasonably expect.

I believe that. there needs to be some equity in the system so that where people are retrenched at the later stages of their working career then, there should be special allowances made for them to receive basic unemployment entitlements regardless of their assets. This special allowance should be selective and based on past employment performance in terms of sick days punctuality and loyalty etc.

There must be many other people in similar circumstances to me who have carried out their duties in a responsible and diligent manner for the benefit of the public and who have subsequently been disadvantaged through a vindictive act. Under these circumstances then special attention needs to be given when assessment of welfare entitlements is made.

The outcome of the present situation is that as my funds are limited it is only a matter of time before I am forced to seek support from "the system". I am of the view that a little financial support will ultimately pay dividends in the longer term.

As the population of the nation is ageing then people in similar circumstances to me need some consideration to maintain ourselves, rather than to go on welfare. The alternative is that when our own funds have diminished completely there will be many more people having to use the welfare system than there otherwise would be if we had a little assistance.

Thank you for the opportunity to air my concerns, and, I wish you success in carrying out this project. I would be interested to receive advice when the conclusions are made and published.

Yours sincerely,

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