

The Secretary
House of Representative Standing Committee on Employment, Education and Workplace Relations
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Parliament House
CANBERRA ACT 2600

INTRODUCTION

My name is Susan DOYE, and I am 54 years old. I was employed by the Federal Government from February 1962 until July 1993, when I took voluntary redundancy. My employment history consisted of six years in the Army and just under twenty-five years in the Department of Foreign Affairs and Trade. I entered the Department as a Communications Operator. In 1983 I was redeployed as a result of RSI, and spent the next ten years in varying administration and policy positions. Between 1981 and 1988 I undertook, and successfully completed, an Honours degree at ANU.

I applied for a redundancy in 1993 for a number of reasons. I was unhappy in the Department, where I was a squeaky wheel. I had a dream of what I would like to do with my life, which I could not do within the Department and without retraining. I wished to become an alternative therapist/counsellor.

When I left the Public Service, I spent some of my payout on clearing my mortgage and paying off other personal loans/debts. I also immediately began my planned program of retraining. I spent several thousand dollars of my payout on courses in alternative therapies. I also went back to University for Graduate Studies. **This is the first area that has a negative impact on mature unemployed people.** People undertaking graduate studies, or second degrees (in other words, high-level retraining) are not eligible for Austudy. Even if they were, they would not be able to receive it because of their high assets (lump sum payout). Therefore, we have to spend some or all of our payout on our education.

By July 1995, I had spent my payout, and gone onto unemployment payments. I spent the next twelve months unsuccessfully seeking employment. I did manage three months temping between September and November. In 1996 I applied for and was accepted onto the NEIS program. My proposal was to start up a private practice as an alternative therapist/counsellor.

NEIS is another good idea that has not been adequately thought through. Participants get full time training in basic small business practices, followed by twelve months income support equivalent to the dole, during which time they are supposed to get their business up and running. Unfortunately, participants have already been on income support for twelve months, so by definition their efforts are grossly undercapitalised. Despite this, the training is of such high standard that the failure rate is much lower than for people who start up a small business without it. Nonetheless, the banker mentor on my program considered that participants should get a start-up grant and two years income support if the Government was really serious about it.

Having done the NEIS program and spent twelve months trying to market my business without adequate funds, I then went back onto the Newstart program. Despite being committed to my dream, I was required to seek full-time employment at a rate of ten applications per fortnight for three months, and then two applications per fortnight thereafter. I have been doing this since November 1997 – you can work out how many applications this means for yourselves. This does not even include the umpteen part-time jobs for which I have applied because my priority is my own practice. Until a few

months ago, I had received the grand total of two interviews. I hardly ever got reasons for not being shortlisted – usually it was just a form letter saying that there were lots and lots of high quality applicants and tough about that. If I did inquire, the reason was usually either that I was overqualified (Newspeak for too old), or that the job was so mundane that I would be bored. I really felt that was my decision to make – as a mature and intelligent person I had already considered that before applying. I found it very annoying that potential employers would, in affect, parent me and make my decisions for me.

Following the creation of the Job Network, I signed up with six agencies – as well as maintaining registration with the four temp agencies with whom I was already signed. **This was, effectively, a waste of my time and effort.** Of those six agency, one provided a single job interview, one submitted my resume to a single firm, and one allowed me to use its fax and other equipment. That is the full level of support that I have received in my job search. I was interviewed about twelve months ago by Centrelink and told that I was eligible for re-training and skills updating. However, the agencies said there were no funds available. I certainly can't afford to pay for computer up-skilling.

All my job-seeking has been through newspaper Situations Vacant advertisements, networking and so forth. It is finally coming to fruition, in that I have three part-time/casual opportunities starting up in June, two of which are related to counselling. I am also starting to become known through volunteer work and clients are starting to trickle in to my private practice.

SOCIAL ISSUES

As a single person, I have found being unemployed possibly something less of a social problem than would a person with a family. My circle of friends has been very loyal, and I am often shouted a lunch by one or another of them. I have developed a new network of business acquaintances through my efforts to start up a business; many of these people have provided mentoring and networking opportunities for free, out of the goodness of their hearts. It has, in fact, been a good developmental opportunity for me, learning such skills as negotiating delayed payment of bills, etc. I have also had the time to become more actively involved in the community with volunteer work and suchlike. Nonetheless, it is frequently a strain. I have to do things like plan and juggle activities in order to do several things in one trip to save petrol. I find it frustrating that I can't buy books (I am on the fourth time round – my estimation – of the books I want to read from the Public Library), or records, or go to the movies without a lot of saving and doing without other things. I have not bought any new clothes for years (I am fortunate that I can make clothes and had a stock of fabrics and knitting yarns from my working years, but shoes and underwear are another matter). I have not visited my relations in Western Australia for years, and don't know when I will do so again – **and my mother is 83.** Generally speaking, budgeting is very tight and nothing is bought which is not essential. However, at least I don't have dependent children – or, even worse, dependent adult children.

That said, I have to say that, for myself, my health and stress levels are much improved since I took the redundancy. It may be a struggle, but I am focussing on doing what I want with my life rather than working in a boring job in an unpleasant workplace just to survive. I have learned a great deal about what is important, about letting go of non-essentials, and about real friendship and unconditional kindness. But for people who are not open to finding something positive from the experience, it has a devastating impact.

ECONOMIC ISSUES

Being unemployed has had a major impact on my economic situation. For a start, I have no savings at all – although that need not be an issue if I can only get my practice working. **I see no reason, then, why I should retire at 65 if I am doing what I enjoy and physically and mentally capable of continuing.** I did almost lost my home, but one of the new people in my life (an accountant) renegotiated my finances at no charge. I am, however, in serious financial circumstances, in that I was forced by circumstances to take out financing (which said accountant organised at part of the process), and am therefore paying interest on an overdraft out of the Newstart allowance. As a result, **I have considerable difficulty in covering essential expenses** such as Electricity and Water, and frequently have to negotiate an extension. I am also unable to undertake such things as computer up-skilling, as already discussed in the introduction to this submission. I cannot afford to buy the essential text-books for the graduate studies which I am doing (though, at least I can do the studies as the course is one of the last of the HECS graduate courses).

CONCLUSION

My experience as an unemployed person has led me to one fixed conclusion. That is, **that the Newstart allowance is very badly structured, encourages the cash economy and discourages part-time work. My reasons are as follows :**

A single person on Newstart receives approximately \$327 per fortnight – not enough to live on. S/he is permitted to earn another \$60 per fortnight without penalty (apart from possible tax) – a total of \$390 plus or minus. If s/he earns more than \$60 a fortnight – and declares it – Centrelink starts deducting 50 cents in the dollar from the excess. This, combined with at least 20 percent tax, means that the person is effectively paying a levy of 70 percent on every dollar received over \$387 per fortnight. No-one in Australia pays that much taxation : and these are people who are way below the average weekly wage – even way below the poverty line. But it gets worse. Should the person received in earning and allowances more than \$447 per fortnight – still way below the average weekly wage – s/he will be levied 90 percent on every dollar over that amount! This is ludicrous. And it is even more ludicrous that politicians and bureaucrats express surprise and dismay at the size of the cash economy. Without prejudice, I will say that I am certainly unwilling to undertake any employment that does not take me off the Newstart allowance completely – I have no desire to work long and hard for, effectively, ten cents in the dollar. The Allowance needs to be restructured with a much slower gradient and a much lower rate of levy.

That is all I have to say at the moment. Should you wish to go into greater detail, I would be happy to appear as a witness.

Susan Doye