

April 22, 1999

Paul McMahon, Esq
The Committee Secretary
House of Representatives Standing Committee on
Employment, Education and Workplace Relations
Suite RI
116 Parliament House
Canberra ACT 2600

**Business
Enterprise
Centre**
Northside

*Business Enterprise
Centre Northside
Limited
A.C.N. 050 210 136*

Dear Mr McMahon,

I am responding on behalf of Business Enterprise Centre Northside Limited (BECN), to your letter of March 26, 1999 requesting written submissions relative to:

"The social, economic and industrial issues specific to workers over 45 years of age seeking employment, or establishing a business following on employment."

BECN has been operating for some eight years. Our charter is to provide small business start up advice to those in the community seeking such advice. Many of our clients are unemployed or "about to be" unemployed. I attach copies of recent extracts from Annual Reports, Newsletters and the like concerning our activities. BECN's operating "catchment area" in Sydney's north and near west, is from the Hawkesbury River to North Sydney, east to Roseville Bridge and west to Carlingford/Ermington. Since we opened our doors eight years ago, in Chatswood, Hornsby and Eastwood/Ryde, the locations of our three offices, we have provided small business start up advice to approximately 8,200 clients. We became a New Enterprise Incentive Scheme provider (NETS) in 1994; included in the figures are approximately 700 NETS participants.

The breadth in the age, ethnicity, employment status of our clients is wide and has remained consistently so over the duration of our operations to-date. However, our records disclose that in BECN's cross section of the community clientele 60% of our clients are over 45 years of age, of which the overwhelming proportion are male.

Relative to our reports, clients files, records there are a number of comments which can be made relative to social, economic and industrial issues, specific to over 45 years old workers.

SOCIAL

A common thread amongst virtually all 45 plus year olds, is a desire to feel fulfilled and worthwhile, undertaking something useful primarily in a profit and to a lesser extent community sense. The longer unemployment continues. the harder it is to translate attitude into achievement. This from our experience is why my organisation considers the NETS program so valuable. It provides an updated practical small business start up framework, with good ongoing support via mentoring for a full year. This program greatly contributes to those undertaking it, and is of immeasurable assistance to motivating long term unemployed people and indeed those who commence it, in a not highly motivated frame of mind.

There is overwhelming statistical and anecdotal evidence to show that the importance in self esteem and morale by over 45's in undertaking this course is the biggest factor in the subsequent success of the business

they propose undertaking, or even regaining paid employment after a long time lay-off because of morale and confidence improvement. In my opinion it is a labour employment, investment creating program of the highest value which should be not only maintained, but further developed and refined to ensure as many as possible relevant members of the community receive (or get) the opportunity to participate.

Australia wide education for over 45's (particularly 50 plus) in a user friendly way to assist computer literacy, would be from our experience a valuable tool to facilitate employment and morale for such a segment of our population.

ECONOMIC

The NEIS training can help directly and importantly as already stated. It is also BECN's view that the broadest and earliest application of compulsory contributory superannuation across businesses of all sizes not for accessing until at least the age of 60 is of much importance -hopefully as this develops across over 45's in the Australian community as it has in Singapore and Switzerland, the pensionable burden on the Australian taxpayer will progressively diminish and to the extent manageable will provide a component of income contributing to small business operations for those interested.

Finally, there are three models of small business capital sources which we strongly suggest your committee study as a potential for application for the Australian community for NEIS and traditional BEC small business activities., started with business planning and advisory services. The three are:

- i) South African Small Business Development Fund
- ii) Prince of Wales Small Business Fund
- iii) The Bangladeshi Grameen Bank

The current and ongoing problem for so many small business start ups is the unavailability of small loans (500 - \$20,000) at commercial rates, when there is virtually no security available. All three funds mentioned above have approached this issue in different ways. This is in our opinion a high priority for the Government to address. The current Australian banking system does simply not cope with or address this requirement. The current moves to establish Peoples Bank in outback Australia and Local Government moves to assist a Community Bank to make up for suburban closures are also symptoms.

INDUSTRIAL ISSUES

Other than normal occupational health and ageing issues. we have no particular comment to make - other than the important psychological one of self esteem, morale, customarily engendered by undertaking of being involved in an interesting constructive small business activity in contrast to the demoralising features of long term unemployment.

We trust these comments are helpful to your committee.

Yours faithfully,

John W Laurie
Chairman