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EMP Inquiry
Submission No. 40

26 August 2003

Inquiry Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

**PAVING THE WAY TO PAID WORK - REQUEST FOR
SUBMISSIONS**

Thank you for the consultation paper, *Building a Simpler System to Help Jobless Families and Individuals (BSSHJI)* and the *Intergenerational Report 2002-03 (IR)*.

In this submission I wish to address several questions connected with issues related to income support and related assistance for working age people. I am particularly interested in this inquiry as it is essential that we have policies in place that "encourages working-age people to find jobs and remain employed" (IR, p.2).

I am writing from personal experience as I feel that Job Network Agencies would be better able to assist those without work and under their jurisdiction if certain changes are made to the existing regulations governing income support of those who are unemployed. I am certain that some of the issues raised here if addressed properly would assist unemployed "people to become more self-reliant so that they can enjoy the benefits of paid work and participation in the life of the community" (BSSHJI). This is especially so for those who are older or mature-age jobseekers. According to projections, in the years to come "The number of people aged 55 and over will grow faster than the number aged under 55" (IR, p.5).

This submission wants to address some of the problems actually experienced by job seekers while on unemployment benefit and under the

care of a Job Network Agency. In the past I have been assisted by two different Job Network Agencies but they were both unable to assist me as they were unable to provide extra financial support to individuals willing to take steps to become self-reliant. Apparently these agencies do not have the funds to assist unemployed people to take up certain courses or training due to financial constraints.

Each time I was referred to a Job Network Agency all they were interested in doing was to advise me to undertake an "intensive assistance" course. All this course does is to assist you to write letters, prepare employment history and related activities. This seems counter productive as I do not believe I needed such assistance in view of my employment experience, educational background and qualifications.

I believe that assistance extended to unemployed people should be "based on their individual needs, capacities and circumstances" And the nature of "assistance offered [should] be more flexible and better respond to the needs of the more disadvantaged job seekers" (BSSHJI, p.2). Perhaps unemployed people should be encouraged to take up further studies and assisted financially in this direction through Job Network agencies. Such studies could even include returning to universities by some jobseekers. After all "In recent years, demands for a more skilled labor force and the desire for education has increased, driving up the rate of participation in the university sector, and in vocational education and training" (IR, p.11).

To overcome the above problem the government should be able to extend financial assistance to people who want to take up a training course that would assist unemployed people to become self-reliant. Some of these courses could cost up to \$1 000 to \$2 000 but may be worthwhile if those seeking such amounts are able to convince the Job Network Agency of the potential benefits of doing the course. Perhaps Centrelink could be given the final authorisation for funds to be released if the cost of the training course exceeded a certain amount, say, \$500. See copies of submissions for funds that were written to the Job Network agency. However, the Job Network agency was not able to assist financially due to fund constraints.

I believe that job seekers should also be given "more than a regular support payment if they are to achieve the best they can in life" in their job seeking efforts (BSSHJI, p.2). Active job seeking and job training can cost a great deal more due to extra costs incurred in going back and forth to Job Network Agencies and spending some time there going through job advertisements and using the on-line facilities available there. On-line

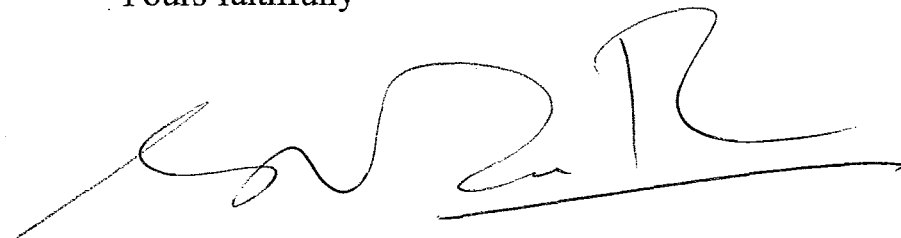
facilities should not be restricted to job seeking alone as this can become quite tedious and alienating. I have noticed that job seekers tend to keep away from Job Network Agencies due to strict regulations relating to the use of on-line facilities. Being unemployed it would be useful to spend more time on-line and one learns a lot from this. Just using some of these facilities purely for job seeking is being unnecessarily rigid and inflexible. After all the driving force of today's economy is technology and free access to on-line information is important because that is also part of training and education. More exposure to computers and the internet within Job Network environments is "in line with the requirements of the 'knowledge economy' and pressure for greater lifelong learning" (IR, p.46).

I feel that unemployed people should be exempted from personal income tax as their benefits are well below the Federal minimum wage. As it is we are already paying GST and hence weekly tax deductions from our benefits unduly disadvantages us financially. Here more consideration and compassion is required. In this way I believe "all elements of the system (including tax and wages system) would promote efforts to increase financial independence [of job seekers] to the extent possible" (p.8). Perhaps "additional assistance through...the tax system could be provided to off-set minimum wages" (BSSHJI, p.11), as some have suggested.

Finally I believe it is better for those people who work part-time and receiving low wages not to be classified as *unemployed*. After all they are actually working. These people may still be receiving, say, Newstart Allowance but nevertheless categorised as unemployed. In terms of self-esteem perhaps a different category should be applied to these people, say, Income Supplement or Income Support Allowance.

Please acknowledge receipt of submission.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Seth Vruthan', written over a horizontal line.

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