Mr Lee C Bolger

SUBMISSION TO THE SENATE EDUCATION, EMPLOYMENT & WORKPLACE RELATIONS COMMITTEE

1 Introduction

1. My name is Lee Christopher Bolger and I make this submission to the Senate Education, Employment and Workplace Relations References Committee *Inquiry into the adequacy of the allowance payment system for jobseekers and others, the appropriateness of the allowance payment system as a support into work and the impact of the changing nature of the labour market.*

2. My focus is on the Newstart Allowance.

3. I am a fourth-generation 48 year old single male Australian. I have been unemployed for 15 months and on Newstart for 9 months. I live in a Victorian rural area, 42 kilometres from the nearest town of Horsham. I have lived in the Wimmera region for 17 years after leaving Melbourne. I have university qualifications and other qualifications and certificates in more than one field. It is difficult to find work in my area. The longer one is out of work the more difficult it becomes. Whilst Horsham is a large regional centre (pop approx 16,000) it is rather still a case of "who you know" rather than "what you know". I fear because of my age, location and lack of recent work history that I may remain unemployed and on Newstart indefinitely.

2 Recommendations

1. In light of the impossibility of living on Newstart for any length of time I make the following recommendations:

   Recommendation 1: The Newstart Allowances should be increased by up to $100 per week so that it accurately reflects the costs of living, the costs of job-seeking and the costs of skill development activities. This increase should be "means-tested" according to commitments.

   Recommendation 2: The earning threshold of the Newstart Allowance should ideally be increased to the level of the Age Pension Work Bonus Scheme. Failing that, it should at least be increased so that there is no loss of benefit until more than $100 per week is earned.

   Recommendation 3: Centrelink should reduce their Activity Test requirements for older recipients to simply the requirement of looking for work.

3 Adequacy of the Newstart Allowance

1. I propose an increase to Newstart but I suggest that not all recipients require an increase of up to $100 per week. I call this concept the **"Two-Speed Dole for the Two-Speed Economy".**

   There is no functional difficulty with Centrelink confirming a claimants' level of commitments.

   It is patently crazy to think that a one-size-fits-all benefit would suit half a million different Australians.

   It is clear that an 18 year old living at home with no car, home or utilities expenses and commitments consequential to this, has an easier time of it financially than someone in my position. Young recipients seen splashing cash around on alcohol, drugs & cigarettes, gives all recipients a poor image and many in the community get the impression living on Newstart is easy. I CANNOT afford to splash cash out at the pub, nor buy cigarettes or drugs (not that the latter two interest me thankfully).

2. My present daily income on Newstart is $34.98. I note below some of my annual fixed expenditure items:

a.	Council Rates	$742.00
b.	Water Rates	$352.00
c.	Electricity	$800.00
d.	Telephony & Internet	$967.00
e.	Health Insurance	$1,452.00
f.	Insurance-Home	$350.00
g.	Insurance-Car	$284.00
h.	Car & Trailer Registration	$564.00
i.	Licences & Permits	$150.00
j.	Memberships	$156.00
k.	Professional Registration	$100.00
l.	Bank Charges	$96.00
	Total	$6,013.00

   After allowing $16.47 per day for the above, I am left with $18.51 a day to live on. (You will note that some of the items above are far less than what some other people may be forced to pay who live in towns or cities where rates, in particular, are more expensive). A few of these items could be eliminated but it would be

highly irresponsible to do so and not in my, nor the broader community's interests.

Owning your own home is similar in many respects to paying rent in terms of financial commitments yet there is no assistance for this as there is for rent. You can receive an extra $120.20 per fortnight if you pay $267.07 or more per fortnight in rent.

Other commitments – which are also unavoidable but have a discretionary element – that are left to spend my $18.51 on are not limited to the following:

a. Food/Groceries & the myriad of other things we need from the supermarkets

b. Fuel/Repairs/Servicing of motor car

c. Medications

d. Dental & Optometry

e. Clothing

f. Parking/Public Transport

g. Maintenance on Home

h. Water Consumption

i. Telephony/Internet in excess of minimum plans

j. Pet expenses

k. Newspapers

l. Barber

m. Stationery/Computer Consumables

n. Christmas

Quite obviously, after accounting for the above, there is nothing left to *spend on/or save for* anything such as the following:

a. Replacement/Major Repair of capital items such as:

    1. Motor Car

    2. Hot Water Service

    3. Refrigerator/Freezer/Washing Machine

    4. Kitchen Stove

    5. Furniture

b. Major Medical/Dental

It is difficult to search for work where it involves spending money. For example, I drove 100km on 22 August to attend an interview for seasonal casual work. Who knows whether I will be offered a position but I know it cost me money that I don't readily have to at least try for the position.

3. Raising the Newstart allowance would lessen the pressure on welfare bodies. I have begun attending the Christian Emergency Food Centre in Horsham (http://www.cefc.org.au). They are an organisation of 10 local Christian Churches supported/staffed by a large group of local volunteers who help by providing basic food items to those in need. They have been very helpful and I thank them for their support.

4. Centrelink need to reduce the activity test requirements for older recipients to merely looking for work. I regard some of the other requirements as "punishment" and are clearly there to act as a disincentive to apply for/stay on Newstart. Monthly appointments with Centrelink and the Job Service Provider are of no benefit to me and they are an 84km round trip. Volunteer work is not available for me locally. Again, it is an 84km round trip if I were to have to travel to Horsham to participate in this activity.

4 Public Hearing

I would welcome the opportunity to give evidence at a public hearing – at the Commonwealth's expense – of course!

Yours sincerely,

LEE C BOLGER