

Barriers to gaining and maintaining employment in a small business

- 4.1 This chapter presents the Committee's evidence on the barriers faced by job seekers in finding and retaining work in the small business sector. It has three parts.
- The first part of the chapter presents the Committee's evidence relating to the personal circumstances of vulnerable cohorts of the labour force. These groups include people from culturally and linguistically diverse (CALD) backgrounds, school leavers and young people with limited skills and work experience, job seekers over 50 years of age, female job seekers with caring responsibilities, Aboriginal and Torres Strait Islander people and people living with a mental illness.
 - The second part of the chapter presents the Committee's evidence that job seekers – particularly those in these vulnerable cohorts – face structural impediments to finding work with small businesses. These structural barriers include limited recognition of skills, weaknesses in the apprenticeship system, poor transport networks and lack of work experience opportunities.
 - The third part of the chapter presents some of the ways that job seekers' disadvantage could be addressed.

Job seekers impeded by personal circumstance

- 4.2 As the largest employer group in Australia, small businesses provide significant employment opportunities for people that, due to circumstance, may have difficulties finding work. There are many cohorts of the labour force that are disadvantaged by circumstance, whether by

virtue of their cultural and linguistic background, their age, an illness they may suffer, their caring responsibilities or time out of the workforce.

- 4.3 These groups demand the attention of governments. Governments have an important role to implement policies and programmes to directly assist these people into employment. To this end, they also have a role in providing small businesses with the right mix of financial incentives and advisory information to employ people in vulnerable parts of the labour force.

The Culturally and Linguistically Diverse community

- 4.4 Non-English speaking job seekers, or those job seekers who come from a culturally and linguistically diverse (CALD) background, face particular disadvantages in the labour market. The data in Table 4.1 (below) presents 2011 figures from the *CALD Youth Census Report 2014*¹ which show that, for those aged 18–24, CALD born, refugee born, refugee ancestry and CALD ancestry people are in less employment than their Australian born counter-parts. The contrast is with enrolment in schooling. As Table 4.1 shows, CALD born, refugee born, refugee ancestry and CALD ancestry people are more likely to be enrolled in full or part time schooling than those born in Australia as well as those born her of CALD ancestry.

Table 4.1 Proportion of population aged 18 – 24 employed full or part time, enrolled in full or part time schooling, selected population groups, Australia 2011

	% Australia born	% CALD born	% Refugee born	% Refugee ancestry	% CALD ancestry
Employment	71.6	44.5	33.2	48.8	55.9
Schooling	39.4	66.3	57.3	56.0	58.2

Source Professor Graeme Hugo, Dr Kelly McDougall, Dr George Tan and Dr Helen Feist, *The CALD Youth Census Report 2014*, p. 35.

- 4.5 The most obvious obstacle to employment for people of CALD background is the language barrier. Without adequate English skills, jobs requiring customer contact are difficult to obtain. Many jobs require an ability to read signage and safety warnings. Compounding the disadvantage is often an employer bias against job seekers from a CALD background, whether conscious or unconscious.
- 4.6 Due to these factors, people from a CALD background that do gain employment are frequently underemployed and/or overqualified for the

1 Professor Graeme Hugo, Dr Kelly McDougall, Dr George Tan and Dr Helen Feist, *The CALD Youth Census Report 2014*, p. 35, <http://cmy.net.au/sites/default/files/publication-documents/CALD%20Census%20Report_Digital.pdf>, viewed 2 February 2016.

job. Ms Gulnara Abbasova of the Federation of Ethnic Communities' Councils of Australia (FECCA), told the Committee that this can give rise to the exploitation, dissatisfaction and disconnection of these job seekers and employees:

People from CALD backgrounds are among the most vulnerable in the workplace and tend to be concentrated in sectors of the job market, which creates potential for exploitation....²

- 4.7 Similarly, Mrs Melissa Monteiro of the Community Migrant Resource Centre explained that the CALD community have difficulty finding meaningful employment. She noted that this is due not only to the fact they are often over-skilled and overqualified, but also because their skills and qualifications are not recognised:

We have got communities that come with huge qualifications and many people are overskilled [and] overqualified. That in itself is one of the biggest barriers...That sheet of paper, their resume, means nothing to an employer. At the end of the day, that is a problem that we see across the board for skilled migrants. ³

- 4.8 Mr Salim Sukari of the Lebanese Muslim Association agreed that over qualification was a significant issue in his community:

...one of the biggest issues that we have is overqualification. I personally have met a couple of people, one of whom has a master's degree in chemical engineering and is now working as a taxi driver because he cannot find suitable employment. The number of people like that is quite high. I personally know a number of people who are working in convenience stores or petrol stations, and they have degrees and qualifications that would, in some cases, entitle them to work for a business like mine.⁴

- 4.9 The issue of skills recognition more broadly is discussed later in the chapter.

2 Ms Gulnara Abbasova, Director, Federation of Ethnic Communities' Councils of Australia, *Committee Hansard*, Canberra, 17 June 2015, p. 1.

3 Ms Melissa Monteiro, Executive Director, Community Migrant Resource Centre, *Committee Hansard*, Parramatta, 19 November 2015, p. 35.

4 Mr Salim Sukari, Director, Lebanese Muslim Association, *Committee Hansard*, Parramatta, 19 November 2015, p. 37.

4.10 People from a CALD background can face discrimination in the labour market from stereotyping by small business employers.⁵ FECCA contended that many people from CALD backgrounds were subject to stereotyping and either deliberate or unintentional discrimination while job seeking. It noted that this was often due to false perceptions of a lack of understanding, skill or intelligence by the job seeker. It gave the following example:

CALD workers can be the target of negative stereotypes and racist behaviour in hiring practices and at work. This topic was discussed at a recent consultation hosted by FECCA in Shepparton, Victoria. One participant felt that his accent was used as an excuse to end his employment after his probationary period, despite having performed well in the role. Another participant believed that racism occurs where businesses are not owned by people from migrant backgrounds or those familiar with the migrant experience, particularly in regional areas.⁶

4.11 Clearly, where this type of discrimination exists, it needs to be addressed. The website business.gov.au contains links to State and Territory legislation on anti-discrimination. The website also provides links to information from the Australian Human Rights Commission on preventing discrimination in recruitment. Importantly, the website also explains the benefits to a small business of recruiting a person from a CALD background:

They [a person from a CALD background] can help you to:

- understand Australia's multicultural consumers
- provide better customer service by using their language and cultural skills
- provide access to new market segments and networks
- expand internationally to overseas markets.

For example:

Australian banks and businesses often employ people who can speak Asian languages to work in their Chinatown branches, to provide a better service to consumers from Asian backgrounds.

5 There have been academic studies into the actual and simulated experience of people from CALD backgrounds in applying for work. See for example Alison Booth, Andrew Leigh and Elena Verganove, 'Does Racial and Ethnic Discrimination vary across minority groups? Evidence from three experiments' <http://library.bsl.org.au/jspui/bitstream/1/1141/1/Does_racial_and_ethnic_discrimination_vary.pdf>, viewed 22 January 2016.

6 Federation of Ethnic Communities' Councils of Australia (FECCA), *Submission 16*, p. 1.

If you run an organic produce store, an employee from a small farming background may develop a better rapport with local suppliers, and have a deeper understanding of supply issues, compared with someone from an urban area.⁷

Small business owners from a CALD background

4.12 The New South Wales Small Business Commissioner estimated that in December 2014, 2.5 per cent of the State's small business operators did not have English language proficiency.⁸ Thirty-two per cent of NSW small business operators were born overseas. Of this cohort, 17.2 per cent came from North East Asia, 10.7 per cent came from North Africa and the Middle East, another 10.7 per cent came from Europe.⁹

4.13 A lack of English language skills and familiarity with Australia's business environment can affect a business' success and capacity to grow. Mr Sukari told the Committee that the biggest barrier to establishing and developing a business is a lack of fluency in English, which hinders the ability to understand complex paperwork and regulatory requirements. He stated:

...language is definitely an issue when it comes to some of the migrants coming from overseas. They definitely have an aspiration to start a business and become highly successful. They end up confused by the number of laws: you have legislation to do with ATO, OSR, superannuation and workers comp, and the list goes on. So it is quite confusing for a person who is coming from a different cultural background and a different country altogether and is not used to any of the systems and is coming here and trying to find their pathway to establishing their own business.¹⁰

4.14 The Committee notes that the Australian Government has publicly available information to assist small business employers to recruit people from CALD backgrounds. Its website business.gov.au lists the benefits of a

7 Australian Government, Business, 'Employing people from culturally and linguistically diverse backgrounds', < <http://www.business.gov.au/business-topics/employing-people/diversity-in-the-workplace/Pages/employing-people-from-CALD-backgrounds.aspx>>, viewed 22 January 2016.

8 New South Wales Small Business Commissioner, *Small Business in NSW: Our Story*, December 2014, p. 10.

9 New South Wales Small Business Commissioner, *Small Business in NSW: Our Story*, December 2014, p. 11.

10 Mr Salim Sukari, Director, Lebanese Muslim Association, *Committee Hansard*, Parramatta, 19 November 2015, p. 37. See also Ms Nexhmije Shala, Business Development Manager, Community Migrant Resource Centre, *Committee Hansard*, Parramatta, 19 November 2015, p. 36.

CALD workplace, and some of the factors to consider when recruiting people from a CALD background.¹¹

- 4.15 The Committee also notes that in 2014, New South Wales introduced the Multicultural Small Business Advisory Service. The Service is part of the New South Wales Small Business Commissioner's Small Biz Connect Program. The Community Migrant Resource Centre won the contract to deliver the service.¹² The advisors provide 'face-to-face business advice and support, engage with multicultural stakeholders and bodies, and ensure services are suitable to the cultural needs of the small business owners they engage with'.¹³ An example of the benefits of this service is provided later in this Chapter.
- 4.16 The multicultural business advisors speak Cantonese, Mandarin, Korean, Vietnamese and Arabic. The NSW Small Business Commissioner has explained that the languages chosen are 'based on the current uptake of our services among linguistically diverse small business owners, and ABS data ranking NSW communities' proficiency in spoken English'.¹⁴

School leavers and young people

- 4.17 Against the backdrop of a sharp rise in tertiary participation rates in Australia, the lack of employment opportunities for young people is of concern. The youth unemployment rate in Australia increased to 13.81 per cent in July from 13.36 per cent in June of 2015.¹⁵ Table 4.2, from the Brotherhood of St Lawrence, shows the areas in Australia with the highest youth unemployment rates in 2014.

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- 11 Australian Government, Business, 'Employing people from culturally and linguistically diverse (CALD) backgrounds', <<http://www.business.gov.au/business-topics/employing-people/diversity-in-the-workplace/Pages/employing-people-from-CALD-backgrounds.aspx>>, viewed 22 January 2016.
- 12 The Hon. Victor Dominello and the Hon. John Barilaro, 'Multicultural Small Business Advisors a step closer', *media release*, 22 October 2014, <http://www.smallbusiness.nsw.gov.au/_data/assets/pdf_file/0003/61842/141022-Tender-for-multicultural-small-business-advisors.pdf>, viewed 22 January 2016.
- 13 New South Wales Small Business Commissioner, 'Specialist advisors announced for multicultural businesses', <<http://www.smallbusiness.nsw.gov.au/news/smallbiz-connect/specialist-business-advisors-announced-for-multicultural-businesses>>, viewed 22 January 2016.
- 14 New South Wales Small Business Commissioner, 'Specialist advisors announced for multicultural businesses', <<http://www.smallbusiness.nsw.gov.au/news/smallbiz-connect/specialist-business-advisors-announced-for-multicultural-businesses>>, viewed 22 January 2016.
- 15 tradingeconomics.com, Australia, 'youth unemployment rate', <<http://www.tradingeconomics.com/australia/youth-unemployment-rate>>, viewed 23 September 2015.

- 4.18 Some inquiry participants suggested that the high youth unemployment rate is due to a decline in available jobs. Others blamed the attitude and low skill base of young people.
- 4.19 Small businesses face significant risk every day and making poor employment choices can mean the difference between failure and success. Employers need employees with the skills and experience to foster this success and with skills such as personal presentation, timeliness and initiative apparently lacking in a rising amount of young people. The Committee's evidence suggests that these jobs are going to older people with life experience and better developed work skills.

Table 4.2 Highest youth unemployment locations in Australia

Region	State	Youth Unemployment Rate (%)
<i>West and North West Tasmania (including Burnie, Devonport)</i>	TAS	21.0
Cairns	QLD	20.5
Northern Adelaide (including Elizabeth, Gawler)	SA	19.7
South East Tasmania (including Derwent Valley, excluding Hobart)	TAS	19.6
Outback Northern Territory	NT	18.5
Launceston and North East Tasmania	TAS	18.2
Moreton Bay North (including Caboolture, Redcliffe)	QLD	18.1
Wide Bay (including Bundaberg, Gympie)	QLD	17.6
Hume including Goulburn Valley, Woodonga, Wangaratta)	VIC	17.5
Mandurah (including Dawesville, Falcon)	WA	17.3

Source Brotherhood of St Lawrence, *Australian Youth Unemployment 2014: Snapshot*, p. 4.

- 4.20 Mr Jos de Bruin, Chief Executive Officer of Master Grocers Australia/Liquor Retailers Australia, agreed that young people often lack the right attitude to be competitive in the workplace. He stated:

Many of our retailers around the countryside would prefer to employ mature age people, simply because of that big word 'attitude'. They have an attitude. They have customer service. They can relate to people. Unfortunately, many young people do not have that attitude. When you find one, you just want to keep them and you want to grow them.¹⁶

16 Mr Jos de Bruin, Chief Executive Officer, Master Grocers Australia/Liquor Retailers Australia, *Committee Hansard*, Melbourne, 13 July 2015, p. 9.

- 4.21 However, others suggested that attitudinal issues in young people stemmed from a lack of attention to work skills in the school curriculum. Mrs Daniela Ascone of the Fingerprint Me Youth Employment Academy argued that more needs to be done in schools to teach young people what employers look for in an employee:

In terms of our work and our expertise both as an employer and as professionals in the sector, we have found the root of the problem lies at a secondary school level with the lack of education provided to young people about the world of work, and the expectations of a young person but equally the role of an employer and their responsibilities... There needs to be a better understanding from a young person's perspective but also from an educator's perspective.¹⁷

- 4.22 Mrs Ascone noted the lack of importance that schools based careers counselling is given:

...there has been a lot of discussion about a review of the career support that is provided in schools. We receive a number of inquiries and in the conversations we are having with schools, we find the careers teacher is one day a week delivering transition support to young people but then a maths teacher for the rest of the week. They are usually supporting 500 to 1,300 young people in the school.¹⁸

- 4.23 While the current Higher School Certificate (HSC) in New South Wales is well suited to preparing young people for further academic studies, there are many who will take a different post-school pathway for which they are often underprepared. The New South Wales Business Chamber agreed that this issue needs to be recognised at the school level, with the incorporation of better training and job ready programs into the school curriculum, and into post school support.¹⁹

- 4.24 Starting work skills training as early as possible is crucial for engaging students and helping them transition from school to the workforce. The National Employment Services Association (NESA) submitted:

By introducing the options of work in combination with education, disconnection from school may be prevented for those at risk of leaving. Skills gained and networks developed through

17 Mrs Daniela Ascone, Director, Strategy and Partnerships, Fingerprint Me Youth Employment Academy, *Committee Hansard*, Melbourne, 13 July 2015, p. 2.

18 Mrs Daniela Ascone, Director, Strategy and Partnerships, Fingerprint Me Youth Employment Academy, *Committee Hansard*, Melbourne, 13 July 2015, p. 3.

19 NSW Business Chamber, *Submission 38*, pp. 4-5.

supported work outside school hours are likely to ease transition to post school employment later in life. Furthermore, for those disadvantaged young people seeking to leave school, having the opportunity to connect to services before actually disengaging would provide a smoother transition. This would keep them within a system of support, significantly reducing the risk of long-term disconnection from the workforce.²⁰

- 4.25 NESAs also pointed out the benefits of this approach nationally in building the future of Australia's workforce:

By redefining the eligibility for employment support to young people of legal working age who are currently at school, and expanding services to include assistance to gain work outside of school hours, greater support with school based apprenticeships, and support for transition from school to work for those that need it, governments would not only reduce the risk of long term unemployment for this group, but go a long way to providing a future workforce with the key attributes employers are seeking in young people.²¹

- 4.26 There has been a massive expansion in Australia's tertiary education sector over the past 30 years. Many young Australians now have a tertiary qualification that would previously have been out of reach. However, some witnesses have argued that the focus on tertiary education has devalued the importance of developing practical experience and the role of vocational careers.

- 4.27 Mr Peter Coronica, Chief Executive Officer and Founder of Fingerprint Me Youth Employment Academy explained that there has been too much emphasis on young people attending university, which can undermine the opportunities provided by alternative career pathways. Mr Coronica provided an anecdote to this end:

Two weeks ago I was at a careers conference doing some training as a careers teacher, explaining that you do not need to go to university. I said, 'There are 31,000 sales jobs on Seek right now. Some of these pay over six figures. It's a great way to get in the door.' The careers teacher said, 'That's not a real job.'²²

- 4.28 Mr Coronica emphasised the importance of well-defined, realistic career goals to assist young people in their search for employment. He argued

20 National Employment Services Association (NESA), *Submission 28*, p. 5.

21 National Employment Services Association (NESA), *Submission 28*, p. 6.

22 Mr Peter Coronica, Chief Executive Officer and Founder, Fingerprint Me Youth Employment Academy, *Committee Hansard*, Melbourne, 13 July 2015, p. 4.

that a university education is no longer enough in securing a job for the future:

The two things we touched on were making them job ready with job skills, ideally at the end of school, and the career goal. The career goal needs to be realistic. When you have someone who is 20 years of age or beyond entering the workforce without a career goal they end up playing what we call hopscotch, hopping among employers looking for their ideal fit. Employers are fed up. They are tired of young people trying to find themselves in the workplace. If young people at 15 or 16 could have a career goal where there is really realistic demand, say, surveying, when 90 per cent of graduates get full-time work and it is a growing industry – there are many others – 40 per cent of employers claim they cannot fill skilled roles but 32 per cent of university graduates are either unemployed or underemployed. That shows that university is not the ticket anymore. Otherwise, the employers would be filling roles and university graduates would all be getting jobs.²³

- 4.29 Other witnesses agreed that students need to have the freedom and ability to choose a career path that they are interested in at an early stage. Mr Tony Mylan, Chief Executive Officer of ET Australia, provided an example of where students on the NSW Central Coast are given tactile experiences with a variety of trades in order to provide exposure to the student, and potentially spark interest for a future career path. As he told the Committee:

...here on the Central Coast a group of organisations organise a Try a Skill day every single year and offer schools the opportunity to bring students there. TAFE, university, Group Training companies and the RTOs set up and give young people the opportunity to try construction, hairdressing, automotive – it is all there. It is about leading the right people at the right time to the right things. As Michael said, it is making sure that parents and career advisers are not telling kids what they need to do but making sure they are creating a pathway based on that kid's capabilities and interests.²⁴

- 4.30 The Shop, Distributive and Allied Employees' Association (SDA) agreed that a societal shift is needed that values both technical careers and

23 Mr Peter Coronica, Chief Executive Officer and Founder, Fingerprint Me Youth Employment Academy, *Committee Hansard*, Melbourne, 13 July 2015, p. 3.

24 Mr Tony Mylan, Chief Executive Officer, ET Australia, *Committee Hansard*, Tumby Umbi, 21 August 2015, p. 12.

university education. The National Secretary, Mr Gerald Dwyer, explained:

I would have thought that the cultural message from communities to children is that it is good to go and get entry into the workforce in those junior years. Culturally there is the talking-down of the service sector, which we have identified as a problem. One of the other things that I think is a problem culturally is the conversation that has gone on for far too long about the holding-up of university as opposed to a technical career. Kids pick these things up incredibly quickly, and we have been talking about it now as a community for God knows how many decades. It is not good. Both of them have their place and should be talked up. I actually think that in terms of government programs we could be looking at greater integration between schools and some of the technical education that can go on in parallel and even on the same campus.²⁵

- 4.31 There are industries that have difficulty attracting young people into careers despite jobs being available. Mrs Leyla Yilmaz of the Victorian Automobile Chamber of Commerce told the Committee that there is an incorrect perception of industries with no future or with no career opportunities within the community. In terms of the car industry, she said:

...we want people to come into our industry. It is a skill shortage area. We cannot get enough good quality people into it. We want people who are correct for our industry and suit our industry to come into the industry and work in our industry, be upskilled and be future leaders in our industry. That is what we would like to see: people with real jobs to fill these vacancies. There are many of them, but there have to be real outcomes, and that is my worry.²⁶

- 4.32 A similar complaint was made in regard to the retail and hospitality industries where small business employers can have difficulty in attracting staff that are looking to retail as a genuine career option. These industries are often considered transitional jobs en route to a more 'serious' career and can be overlooked by parents, careers counsellors and the like in their advice to young people. Master Grocers Australia told the Committee:

We want to keep people in our industry, and we are finding it very difficult to attract people to retail. Retail is a profession. It is a

25 Mr Gerard Dwyer, National Secretary, Shop, Distributive and Allied Employees Association, *Committee Hansard*, Melbourne, 13 July 2015, p. 21.

26 Mrs Leyla Yilmaz, Deputy Executive Director Industrial Relations, Victorian Automobile Chamber of Commerce, *Committee Hansard*, Melbourne, 13 July 2015, p. 39.

career. It is highly rewarding, and it can take people wherever they wish to go. We have lots of trouble attracting people to stay within our industry. It is a great concern because of succession planning.²⁷

- 4.33 This point is significant given that the retail and hospitality industries constitute the majority of small businesses, and are therefore major contributors to employment and the economy. Furthermore, they are also significant employers of low skilled and vulnerable people, as Master Grocers Australia/Liquor Retailers Australia pointed out:

The Australian retail sector, particularly independent supermarkets, employs a far greater proportion of the least-skilled and most vulnerable workers in Australia, including youth, students, single parents, non-primary income earners in households, trainees, apprentices, and mature-aged workers returning to the workforce.²⁸

- 4.34 Master Builders Australia (MBA) has also identified a problem with a decline in the number and the quality of young apprentices. Young apprentices with the right 'soft skills' such as communication and interpersonal skills and a strong work ethic, are becoming increasingly hard to find. MBA believes these skills should be taught alongside apprenticeship pathway programs in schools:

The number one issue identified by NSW Master Builders in their 2014 survey of members was quality apprentices. Quality apprentices with the right skills and attitudes are a real and pressing issue for the construction industry and are continually raised in discussions on a national basis by members. Master Builders recommends that a national approach be implemented to drive industry and school partnerships that support students to establish pathways into construction jobs from year 10 onwards.²⁹

- 4.35 A lack of these soft skills appears to be a problem among all job seekers. This issue is particularly pertinent to small business employers who have few employees. As NESA's CEO stated:

What is a recurrent theme is the employability skills, whether we call them foundation skills or core skills for work. There is that

27 Mr Jos de Bruin, Chief Executive Officer, Master Grocers Australia/Liquor Retailers Australia, *Committee Hansard*, Melbourne, 13 July, p. 9.

28 Master Grocers Australia/Liquor Retailers Australia, *Submission 13*, p. 3.

29 Master Builders Australia, 'Towards 2020: Policy for Australian Apprenticeship Reforms', 1 July 2015, <<http://www.masterbuilders.com.au/TemporaryDownloads/A56823F3-4E7B-4480-AD8E-45208B1BDAED-APPRENTICESHIPS%20TOWARDS%202020.pdf>>, p. 14 viewed 18 December 2015.

whole thing you will hear again and again from employers about attitude, reliability and punctuality. So it is not necessarily those things which come with credentials – although that is also very important, which all the evidence shows. It is about how you fit into your environment. That seems to be something that comes through pretty consistently from small to medium sized enterprises in their representations.³⁰

- 4.36 NESAs recognises that the cohort of job seekers who are not in employment or education are at a particular disadvantage:

I do think we have a challenge with the group which people have referred to as not in education or training or employment. That is a disaffected group in the early 20s but it is the ones who are not eligible to be in employment services and to receive the full suite of services. That really needs some very close examination in terms of making sure that those people do not become so disaffected that they dropout and by the time they get into the service they are in their late 20s and early 30s and they are pretty well broken.³¹

Mature aged job seekers

- 4.37 Over the past 20 years, the labour force participation rate of Australians in both the 55–64 age bracket and the 65 and over age bracket has increased.³² In the past decade, the proportion of mature aged workers (aged 55 to 64 years) has increased from 13.1 per cent to 17.4 per cent.³³ In part, this reflects Australia's ageing population and rising pension age.
- 4.38 However, the labour force participation rate of Australia's mature aged workers has been consistently and significantly lower than for younger cohorts. In 2014, the rate for persons aged 55 and over was 35 per cent compared with 79 per cent for people aged the 15–54.³⁴ Twenty per cent of unemployed people aged 55–64 were unemployed for over two years compared to only 6.4 per cent of unemployed people aged 15–24 years.

30 Ms Sally Sinclair, Chief Executive Officer, National Employment Services Association, *Committee Hansard*, Melbourne, 13 July 2015, p. 50.

31 Ms Sally Sinclair, Chief Executive Officer, National Employment Services Association, *Committee Hansard*, Melbourne, 13 July 2015, p. 51.

32 Australian Bureau of Statistics, 'Older people and the labour market', *Cat. 4102.0 – Australian Social Trends*, September 2010, <<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features30Sep+2010>> viewed 22 January 2016.

33 Australian Government Department of Employment, *Submission 31*, p. 14.

34 Australian Institute of Health and Welfare, 'Older Australian staying at work', *Australia's welfare 2015*, <<http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129552301>> viewed 22 January 2016.

- 4.39 While the unemployment rate of mature aged workers tends to be lower than the rate in other age cohorts, the period of time that an unemployed mature aged person spends out of the workforce tends to be longer. Table 4.3 shows that a high proportion of unemployed persons aged 55–64 remain unemployed after two years.

Table 4.3 Duration of unemployment by age, 2014-2015

	15–24	25–44	45–54	55–64
26 weeks to 52 weeks	16.4	15.2	15.2	14.7
52 to 104 weeks	11.6	11.5	14.2	14.8
More than 104 weeks	6.4	10.9	15.4	20.0
Total unemployed	283 800	293 500	106 300	70 300

Source Queensland Government Statistician's Office, Taken from ABS Cat. No 6291.0.55.001, *Labour Force Australia*, Detailed <http://www.ggso.qld.gov.au/subjects/economy/labour/tables/unemployed-persons-duration-aus/index.php>

- 4.40 In its submission to the inquiry, the federal Department of Employment observed the same trend:

While persons aged 55–64 years have a relatively low unemployment rate, they continue to encounter significant barriers in finding employment if they become unemployed. Unemployed mature age people experience substantially longer periods of unemployment. In April 2015, the average duration of unemployment for persons aged 55–64 years stood at 78 weeks – well above the 46 weeks for persons aged 25–54 years.³⁵

- 4.41 A 2012 ABS survey into the reasons for retirement found that 10 per cent of respondents noted they had been retrenched, dismissed or there was no work available. Another five per cent said their business had closed down.³⁶
- 4.42 For mature aged workers, retraining and finding employment can be difficult for various reasons. Those with specific skills and experience in declining industries in Australia – such as car manufacturing – can find it challenging to adapt these skills to other industries. A laid-off Holden worker, for example, would likely face a period of retraining and reskilling to find work in the shipbuilding or mining industries.
- 4.43 If unemployed or transitioning between jobs, mature aged job seekers can have difficulties finding blue collar employment. The physical nature of

35 Australian Government Department of Employment, *Submission 31*, p. 15.

36 Australian Institute of Health and Welfare, 'Older Australian staying at work', *Australia's welfare 2015*, < <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129552301> > viewed 22 January 2016.

blue collar work combined with the requirement for up-to-date technical experience can be significant barriers. As Mrs Yilmaz of the Victorian Automobile Chamber of Commerce expressed:

The [automotive] industry is attracted to entrants coming into the industry once they leave school because they can make those transitions a lot easier. But someone coming in at 50 plus for the first time ever in the automotive industry is challenging, it really is unless they are able to do other roles that are not so physically demanding or technically challenging. Some of those jobs are few and far between because they are the nice-to-have jobs.³⁷

Discrimination against mature aged job seekers

4.44 There are also, unfortunately, employer stereotypes and misperceptions of mature aged workers that serve as a barrier to finding work. In a 2010 report, the Human Rights Commission put the following context to age discrimination in the workplace:

In the workplace, discriminatory practices instructing recruiters 'not to send me CV's of anyone over 40', can be cheaper and easier than undertaking a proper individual assessment of someone's actual ability to do the job. Cheap and convenient though this practice may be, these kinds of attitudes and practices result in unreasonable assumptions and stereotypes that could be unlawful under our anti-discrimination laws. The longer these ageist attitudes and practices persist within our workplaces, the more likely it is that mature age workers will suffer the consequences - or worse, start to believe and accept these stereotypes themselves.³⁸

4.45 The Age and Disability Discrimination Commissioner, Ms Susan Ryan AO, identified the view among some employers that mature aged people are more likely to claim workers compensation.³⁹ In fact, she noted, ABS data on work-related injuries by age group indicates that people aged

37 Mrs Leyla Yilmaz, Deputy Executive Director Industrial Relations, Policy and Engagement, Victorian Automobile Chamber of Commerce, *Committee Hansard*, Melbourne, 13 July 2015, p. 38.

38 Human Rights Commission, 'Age Discrimination – exposing the hidden barrier for mature age workers', <<https://www.humanrights.gov.au/our-work/age-discrimination/publications/age-discrimination-exposing-hidden-barrier-mature-age#Heading165>>, viewed 22 January 2016.

39 Ms Susan Ryan AO, Age and Disability Discrimination Commissioner, Australian Human Rights Commission, *Committee Hansard*, Canberra, 25 November 2015, p. 4.

65 years and over recorded the lowest rate of work related injury or illness.⁴⁰ The same point was made in the HRC report:

Where the process of getting older is linked with general assumptions of a person's physical decline and potential for injury – whether or not this is correct – such stereotypes become a thin cover for issues of disability discrimination. Avoiding mature age workers because of a perceived 'disability risk' may be discriminatory and reveals an attitude of unwillingness by some employers to provide workplaces that enable people with different abilities to work to their full potential. This is quite apart from the fact that research shows that workers with disability have a lower number of occupational health and safety incidents compared to other workers.⁴¹

4.46 The Age Discrimination Commissioner also raised the issue of unfair taxation on redundancy payments for people over 65 years. Currently, employees that take a redundancy package under the age of 65 year are eligible for tax benefits whereas those over 65 are not. As well as being discriminatory, this arrangement also fails to provide an incentive to remain employed beyond this age. As Ms Ryan explained:

If you are over 65, you do not get any tax benefit on your redundancy payment. It is taxed at your highest rate. That can mean a lot of money for someone who got quite a big redundancy, because they had been with the firm for a long time... I think it is something that should be addressed and I think it is not there. In the current climate where everyone is encouraging people to keep on working past 65, and many people want to and need to, then to say 'We're going to chew up half your redundancy when you get it'.⁴²

4.47 The human cost of a period of unemployment for a mature aged person should not be overlooked. Having often had decades of experience and engagement with the workforce, unemployment can be unexpected and disorientating. Ms Sinclair of NESAs told the Committee that mature aged unemployed job seekers:

40 Australian Government, Australian Bureau of Statistics, 'Work Related Injuries, Australia, JUL 2013 to JUN2014; Summary of findings', <<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6324.0>>, viewed 16 December 2015.

41 Human Rights Commission, 'Age Discrimination – exposing the hidden barrier for mature age workers', <<https://www.humanrights.gov.au/our-work/age-discrimination/publications/age-discrimination-exposing-hidden-barrier-mature-age#Heading165>>, viewed 22 January 2016.

42 Ms Susan Ryan AO, Age and Disability Discrimination Commissioner, Australian Human Right Commission, *Committee Hansard*, Canberra, 25 November 2015, p. 5.

...need a lot of career counselling and coaching and a lot of personal support, because invariably their whole identity has been tied up with work and it is very confronting.

...it never occurred to them that they would be without employment. But, other than having their friendship groups of their families for support, they do not get into the services. And, if they go to services, they have to pay for them. Generally by that stage every dollar is important, so you have to be careful what you are spending. And often they will not talk to their families, because they feel embarrassed. You hear many stories about how people still put on their work clothes and head out the door every morning even though they have been made redundant. It is a very complex area and one that I think needs a stronger response in terms of services and supports.⁴³

The appeal of mature aged workers

4.48 While discrimination and aged based stereotypes can be a barrier for mature job seekers, industries such as retail and grocery often prefer older workers for their work ethic and commitment. As Mr de Bruin of Master Grocers Australia explained:

[Grocery employers] want reliability, experience and maturity. They want people to turn up on time, be able to engage with customers and do the job. The other thing is initiative. You have got to have a certain amount of initiative in the workplace. For example, if there are some trolleys hanging around just outside, initiative means you go and grab them and stack them back inside. Generally speaking, an adult will see that from a mile off and just go and do it. But the kids just do not see it. Again, that is another example of adult wages versus junior rates. As they get a bit older, you pay them a little more on the basis that their maturity improves and their experience improves.⁴⁴

Assistance for mature aged workers

4.49 The Restart Wage Subsidy (discussed in Chapter 2) is a Government initiative that provides employers up to \$10 000 for employing a person aged over 50 years. While the subsidy was developed to address the lack of employment options for older people, it has not been widely utilised.

43 Ms Sally Sinclair, Chief Executive Officer, National Employment Services Association, *Committee Hansard*, Melbourne, 13 July 2015, p. 53.

44 Mr Jos de Bruin, Chief Executive Officer, Master Grocers Australia/ Liquor Retailers Australia, *Committee Hansard*, Melbourne, 13 July 2015, p. 12.

Indeed, Ms Ryan noted that it is not well known about in the small business community.⁴⁵

- 4.50 To be eligible for the Restart Wage subsidy, a jobseeker must be unemployed or on income support for at least six months.⁴⁶ This can be counterproductive for a jobseeker who is best served by gaining employment as soon as possible. Ms Ryan put this well:

I have to say, the requirement that the person be on benefits for six months is the biggest stumbling block. That is because most of the placements are done through the job provider agencies and you, really, only get into them if you go to Centrelink, if you are unemployed, and you get into the program. But if you lose your job at 53 and get a redundancy, if you have some savings or if your partner is working you do not go to Centrelink, so you do not get into the picture. We could all see, from a common-sense point of view, the best time to hire a person who has lost their job is as soon as possible after they have lost their job.⁴⁷

- 4.51 The Restart subsidy can be of great assistance to an employer of a mature employee, particularly where additional training is required. Ms Ryan provided the following anecdote of a small business employer who was able to use the subsidy to upskill a new mature employee:

The guy had been unemployed for six months so he [the small business employer] hired him, and he said he was terrific ... I said: 'Did the \$10,000 make a difference?' He said: 'It did in this way. For his first six weeks on the job he had to work alongside someone else. I wasn't employing him as a plumber. I didn't need a plumber. But I knew, because he had been a tradesman, that he would be able to upskill, pick up the stuff. So he works alongside an experienced employee for six weeks or so. He is not productive in that time...'⁴⁸

45 Ms Susan Ryan AO, Age and Disability Discrimination Commissioner, Australian Human Rights Commission, *Committee Hansard*, Canberra, 25 November 2015, pp 1–2.

46 Australian Government, Department of Employment, 'Restart- help to employ mature workers', <<https://www.employment.gov.au/restart-help-employ-mature-workers>>, viewed 16 December 2015.

47 Ms Susan Ryan AO, Age and Disability Discrimination Commissioner, Australian Human Rights Commission, *Committee Hansard*, Canberra, 25 November 2015, p. 2.

48 Ms Susan Ryan AO, Age and Disability Discrimination Commissioner, Australian Human Rights Commission, *Committee Hansard*, Canberra, 25 November 2015, p. 3.

Female job seekers

4.52 ABS data shows that the unemployment rate for men and women (aged 20–74 years) in Australia in 2013–2014 was the same at five per cent. The real gender discrepancy in terms of work is in the level of underemployment and in labour force participation rates. Table 4.4 and Table 4.5 show these differences.⁴⁹

Table 4.4 Gender differences—labour force participation rates

	2011–12	2012–13	2013–14	2014–15
Males	79.1	78.8	78.4	78.3
Females	65.2	65.1	65.0	65.1

Table 4.5 Gender differences—underemployment

	2011–12	2012–13	2013–14	2014–15
Males	4.8	4.8	5.1	5.8
Females	8.4	8.5	9.0	9.7

Source Australian Bureau of Statistics, *Cat. 4125.0, Gender indicators, Australia, August 2015*

4.53 The ABS defines underemployment as a situation when ‘the hours of work of an employed person are below a threshold, and are insufficient in relation to an alternative employment situation in which the person is willing and available to engage’.⁵⁰ In August 2015, the ABS noted:

Data from the ABS Labour Force survey also showed that there was a four percentage point difference in the underemployment rate between men and women aged 20–74 years in 2014–15. Male underemployment was 6% while female underemployment was 10%. Underemployment has increased for both men and women over the last five years.⁵¹

4.54 Women also have a lower labour force participation rate than men. The ABS commented in August 2014:

49 Australian Government, Australian Bureau of Statistics, ‘Gender Indicators, Australia, Aug 2015: Working population’, <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4125.0main+features110Aug%202015>> viewed 22 January 2016.

50 Australian Government, Australian Bureau of Statistics, ‘Underemployed workers’, <<http://www.abs.gov.au/ausstats/abs@.nsf/products/036166B5C6D48AF2CA256BD00027A857?OpenDocument>>, viewed 22 January 2016.

51 Australian Government, Australian Bureau of Statistics, ‘Gender indicators, Australia, August 2015: Economic security’, <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Aug%202015~Main%20Features~Economic%20Security~6151>>, viewed 22 January 2016.

The ABS found that in 2013-14, 65 per cent of women aged 20-74 were working or looking for work compared to 78 per cent for men of the same age. Over the last five years, men's participation in the labour force decreased slightly from 79 per cent in 2008-09 while women's participation remained steady at around 65 per cent.

This gap widens with the arrival of children and then reduces as children enter school. Mothers with dependent children had a much lower labour force participation rate than fathers. While 57.5 per cent of mothers whose youngest child is aged 0-5 years were participating in the labour force, 94 per cent of fathers, whose youngest child is 0-5 years, were working or looking for work.⁵²

Women with caring responsibilities

- 4.55 For many women, caring responsibilities for children or elderly parents can mean an extended period of time out of the labour force (see Table 4.5). For others with the same responsibilities, the only option is to work part-time. The ABS reported that in 2014-15, 43.8 per cent of employed females worked on a part-time basis compared to only 14.6 per cent of employed males.⁵³
- 4.56 Some small business employers, who have fewer resources than their larger counterparts, can fail to see the benefit of employing someone with caring responsibilities. This is despite the fact that that these employees can be more motivated to retain employment.
- 4.57 Fitted for Work is a not-for-profit charity that provides assistance for disadvantaged women to achieve financial independence and economic security. The CEO, Ms Donna de Zwart, provided the following example of a single mother caring for a young family:

I would say that some of the most significant barriers are around flexibility for women. For example, in Holly's case – single mother, three children – the flexibility around work, looking at part-time work, looking at job share options and those types of things are an issue, particularly for small to medium employers; there is still an education piece needed around that. There is a perception that that

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- 52 Australian Government, Australian Bureau of Statistics, 'Women's participation in the labour force lower than men's', *media release* <<http://www.abs.gov.au/ausstats/abs@.nsf/products/BBFFAEB8C564175BCA257CD20025F9D9?OpenDocument>>, viewed 22 January 2016.
- 53 Australian Government, Australian Bureau of Statistics, 'Gender Indicators, Australia, Aug 2015: Working population', <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4125.0main+features110Aug%202015>> viewed 22 January 2016.

can be quite a difficult thing to manage, as opposed to it being a real opportunity to employ somebody who is going to be incredibly loyal.⁵⁴

4.58 Without assistance, and without an understanding employer, women in these situations can experience a range of devastating effects such as long term unemployment, low self-esteem, financial insecurity and even homelessness.

4.59 Specialised services helping women to gain employment, such as Fitted for Work, are able to offer tailored assistance that other, more general employment service providers do not. Ms de Zwart explained the nature of this assistance:

When someone presents to an employment consultant with significant mental health issues, how is that employment consultant expected to deal with that? When someone presents and you know that there are significant issues at home, potentially around domestic violence, how does that consultant deal with it? Their sole role is to get that person into work and they are measured on the activity of getting that person into work. What we provide is the empathy and the compassion that is needed to help these women regain their confidence and self-esteem and be able to present themselves and articulate their skills and their strengths in the best way possible. So for us to be able to pass on all these skills to employment services I think is a massive ask.⁵⁵

4.60 Ms Holly Edson, a former client of Fitted for Work, explained to the Committee how receiving personalised service from an organisation that understood her situation and the barriers she faced, gave her the confidence she needed to succeed in a job interview:

With retail, the older you get the harder it is to get in, and with my weight it is hard, because everyone wants the pretty salesperson. I said (to the Fitted for Work volunteer), 'I am worried that I am not going to get the position.' She said: 'Be open with them. Don't be afraid. You're beautiful the way you are.' She gave me that little bit of confidence that I just did not have anymore. I honestly believe that if I did not have that other person to sit there and tell me, 'You know what – be open with them,' the same thing (being

54 Ms Donna de Zwart, Chief Executive Officer, Fitted for Work, *Committee Hansard*, Parramatta, 19 November 2015, p. 3.

55 Ms Donna de Zwart, Chief Executive Officer, Fitted for Work, *Committee Hansard*, Parramatta, 19 November 2015, p. 5.

unsuccessful in an interview) would probably have happened yet again.⁵⁶

- 4.61 Other organisations emphasised the importance of the small business community acknowledging the role of carers and parents. Mr Marcus Watson of The Better Futures Hub noted that for many people, workplace flexibility can mean the difference between employment and unemployment. His evidence showed that these issues do not only affect single working mothers but fathers as well. As he told the committee:

...in the last month I have dealt with a single father, a 29-year-old with three kids, who has to be on site at 6.30 am and who has an agreement with a friend down the road to take care of the three kids before school. When that falls over the job falls over. That is not to do with the training and that is not to do with the transport. It is just that that is his situation and he has no way to manage that.⁵⁷

- 4.62 Fitted for Work do not receive government funding for their services. The funding that is allocated for placing individuals in paid employment is generally provided only to job service providers and not to charities that offer specialised services. Fitted for Work noted that this is principally due to the difficulty of measuring the output of their work:

jobactive Providers receive payments from government based on positive employment outcomes. Currently Fitted for Work receives no payment from jobactive Providers for the ancillary services provided, even though Fitted for Work contributes significantly to their successful employment outcomes. We estimate that currently more than 3,600 of the 4,000 women we assist annually are referred to us by agencies who receive government funding based on positive employment outcomes. For example, jobactive Providers currently receive a portion of government funding per jobseeker for the purchase of interview appropriate clothing. However, we know from our daily work with job seekers and our work with the jobactive Providers that this money generally does not achieve its intended purpose.⁵⁸

- 4.63 Ancillary services provided by charities like Fitted for Work include a suite of targeted assistance methods such as interview coaching, personal

56 Ms Holly Edson, Former Client, Fitted for Work, *Committee Hansard*, Parramatta, 19 November 2015, p. 4.

57 Mr Marcus Watson, National Development Manager, The Better Futures Hub, *Committee Hansard*, Tumbi Umbi, 21 August 2015, p.7.

58 Fitted for Work, *Submission 48*, p. [5].

mentoring and outfitting with interview appropriate clothing. This type of holistic approach, as stated by Fitted for Work “fills a gap in the current jobactive service delivery model” and “allows [them] to achieve sustainable employment outcomes for our job seekers”.⁵⁹

- 4.64 Positively, however, many traditionally male dominated industries are seeking to increase their female workforce. Mr Wilhelm Harnisch, Chief Executive Officer of Master Builders Australia, has identified the building and construction industry as one that is actively promoting opportunities for women:

...we do not have enough women in our industry. In part, that is tradition, but we are determined to encourage more women and we are working in that space as well.⁶⁰

- 4.65 Ms de Zwart explained how Fitted for Work was able to find jobs for women in a male dominated industry:

I also think that in traditionally male dominated industries there is a massive opportunity for women to be employed in those industries. We have had a very successful example of a pilot project that we worked on with Yarra Trams in Melbourne. They wanted to increase not only the number of women in their workforce but also, specifically, they wanted to increase their number of women tram drivers. But they were struggling to attract women. We had a commercial arrangement with Yarra Trams where we had this beautiful workforce of ready and willing and skilled women who wanted to work in that arena, but they were not necessarily thinking about tram driving as an opportunity. We were able to remarket the role in a way that we knew would appeal to women, and so we worked very hard with Yarra Trams on that. I think we are close to 40 women over a 12-month period who have successfully becoming tram drivers in Melbourne.⁶¹

59 Fitted for Work, *Submission 48*, p. [3].

60 Mr Wilhelm Harnisch, Chief Executive Officer, Master Builders Australia, *Committee Hansard*, Canberra, 24 June 2015, p. 10.

61 Ms Donna de Zwart, Chief Executive Officer, Fitted for Work, *Committee Hansard*, Parramatta, 19 November 2015, p. 3.

Mental health as a barrier to employment

- 4.66 A mental illness is often a significant barrier in an individual's ability to gain and maintain employment. Mental illness is an invisible disability and one which can be difficult for both the sufferer and others to understand. People who suffer from mental illness are frequently discriminated against, both intentionally and unintentionally, as they are often considered too much of a risk to employ.
- 4.67 Many employers lack an understanding or tolerance for employees with a mental illness. Mr Keat Toh, the Nurse Unit Manager/Team Leader at the Parramatta Community Mental Health Service noted that this is a problem that could be addressed with training and education:
- It would be good to have regular interagency meetings with the council chambers and to get business people to have regular sessions with the mental health people. It needs a two-way understanding of where they are coming from and what their expectations are. We need to say that those people may need extra support and that they have chronic type issues; also to ensure there is more understanding to have more flexible working hours and working conditions.⁶²
- 4.68 Some headway in this area has been made with the Government's Mentally Healthy Workplace Alliance's partnership with Beyond Blue. The partnership has established *Heads Up*, a campaign to support and create mentally healthy workplaces (see Chapter 2). The initiative focusses on workplace education around mental illness, as well as providing support to people suffering from mental illness in the workplace. It is an initiative aimed at creating awareness and acceptance of what is an ever-growing barrier to employment.⁶³
- 4.69 One submitter pointed out a number of deficits with Disability Employment Services (DES)⁶⁴. The deficits included the failure to provide access to jobs in professional areas such as engineers and doctors, but rather they have a focus on jobs with lower classifications such as entry level positions. The submitter stated:
- The DES is the first point of contact for Disabled Professional job seekers. The DES has not [sic] designed to cater the needs of Professional Job Seekers. The professional categories are [not limited to] engineers, doctors, accountants, project managers,

62 Mr Keat Toh, Nurse Unit Manager/Team Leader, Parramatta Community Mental Health Service, *Committee Hansard*, Parramatta, 19 November 2015, pp. 33.

63 Heads up, 'What is Heads up?', < <https://www.headsup.org.au/>>, viewed 17 December 2015.

64 The DES is described in Chapter 2.

policy specialists, IT specialists etcetera. The DES clients fall to above categories [sic] are not assisted at all.⁶⁵

4.70 Similarly, the same submitter also demonstrated the inability for trained professionals, who most often hold university qualifications, to access funding for training for lower level qualifications, such as certificate level. This is a significant barrier for those that are no longer employable in their field of expertise due to issues such as mental illness, but wish to retrain in another field in a bid to be more employable.⁶⁶

4.71 Mental illness can also be an impediment to wanting to seek employment, particularly given the current structure of the welfare system. For example, should a mentally unwell person receiving subsidised medical and other welfare benefits obtain work, at certain wage thresholds these benefits ceases. Mr Toh of Parramatta Community Mental Health service, recognised that this cycle is often a financial impediment to seeking employment:

For a lot of people, they work to a certain financial capacity of earnings and they lose part of their disability pension or their Centrelink pension. That impacts on them – obviously their accommodation rental, food, clothing, social living expenditures and all that sort of stuff. That is a disadvantage. We have encountered individuals who had that barrier and had to decide whether to take on employment and lose out on that financial capability of sustaining themselves or their family.⁶⁷

4.72 There does need to be reassurance for people in these situations that they are able to re-access the same benefits should their employment not be successful. As Ms Maria Cassaniti of the Transcultural Mental Health Centre told the Committee:

... something as simple as a reassurance that if things go pear-shaped for their employment or their health, they can easily get back on [welfare benefits] would be great instead of just being cut-off and then having to go through the whole thing again. That reassurance would give them the security and that would also support their mental health in not having that fear of stigma of having to go through that whole process again. I would put a good bet on the point that if there was that they would probably stay in

65 Name Withheld, *Submission 45*, p. 1.

66 Name Withheld, *Submission 45*, p. 2.

67 Mr Keat Toh, Nurse Unit Manager/Team Leader, Parramatta Community Mental Health Service, *Committee Hansard*, Parramatta, 19 November 2015, pp. 32–33.

employment for a lot longer because it would be one stress they would not have to have at the back of their minds.⁶⁸

- 4.73 It is widely acknowledged that prevention is better than cure. This is particularly poignant when it comes to mental illness and even more so when referring to newly arrived migrants and refugees in order to protect their mental health and employment opportunities in their new country. With a myriad of different issues that come with trauma and separation from family, country, and culture, migrants and refugees are particularly vulnerable. Providing preventative support and opportunities, said Maria Cassaniti, Manager, Transcultural Mental Health Centre, is one crucial way mental illness can be prevented:

It has been exciting for Australia to have communities that build businesses together and to see one community doing one thing and generally specialising in something. We do not want to let go of that. But, as time moves on, we want to see more of how you work across diversity and how you get migrant communities who have been here for some time to support the new wave of migrants coming in...I am not talking about individual wellbeing at the clinical level but about trying to prevent people becoming unwell. From the transcultural perspective...we also see a lot of adjustment issues and mental health issues with things that could easily be prevented in a welcoming and supportive environment.⁶⁹

People with disability

- 4.74 The discrimination that people with disability face from employers is often done subconsciously. Mr Andrew Manning, the Employment Operations Manager at the not-for-profit organisation Northcott, is responsible for placing people with disabilities into work. He told the Committee:

One of the main inhibitors is the unconscious bias that employers have. Some discrimination is overt but most of it is an unconscious bias. If you have never seen somebody with a disability performing job X, it is human nature to think that they cannot do job X. So you immediately rule them out. If there is no precedent

68 Ms Maria Cassaniti, Manager, Transcultural Mental Health Centre, *Committee Hansard*, Parramatta, 19 November 2015, p. 33.

69 Ms Maria Cassaniti, Manager, Transcultural Mental Health Centre, *Committee Hansard*, Parramatta, 19 November 2015, pp. 33-34.

for a successful role model then a small business employer would see that as a greater risk.⁷⁰

- 4.75 Similarly, Mr David McQuiggin, the Manager of Employment at the Deaf Society of New South Wales, told the Committee that:

The barrier that we have is hugely employer education, a lack of awareness of what is available for an employer when they are recruiting a deaf person. It is a psychological fear that employers have in small organisations. Our employment consultants can be like a broken record at times, repeating themselves that a deaf person is able to work, a deaf person is able to drive, a deaf person is able to do whatever it may be. In our experience, we have placed managers. In our organisation, over 50 per cent of our staff members are deaf, from a senior leadership position to executive positions and all throughout the organisation so that is evidence that a deaf person can obviously work.⁷¹

- 4.76 Mr McQuiggin explained that, in his experience, the best way to ease an employer's doubts over the capabilities of a person with disability is through a 'seeing is believing' approach. In other words, workplace trials, volunteer work or other methods of interaction with potential employers have been proven to be effective. Mr McQuiggin provided an example of how this is done in his workplace that seeks to place deaf and hard of hearing job seekers into jobs:

We have a hard of hearing staff member who likes to shock people when they are having a discussion on the phone. She is quite well spoken but her access to the phone comes through a Bluetooth device that hangs around her neck and connects to her hearing aid. When they say, 'I do not really know if a hard of hearing person can...,' she is straightforward and says, 'You are actually talking to a hard of hearing person now.'⁷²

- 4.77 The Deaf Society noted that with education, flexibility, an understanding of individual needs and the use of technology, a workplace can easily accommodate a deaf employee by actively becoming aware of their needs:

...I previously worked for a corporate company and they gave me an office next to the photocopier machine and the paper shredder. I had recently got a cochlear implant and I did not realise how

70 Mr Andrew Manning, Employment Operations Manager, Northcott, *Committee Hansard*, Parramatta, 19 November 2015, p. 16.

71 Mr David McQuiggin, Manager, Employment, The Deaf Society of New South Wales, *Committee Hansard*, Parramatta, 19 November 2015, p. 11.

72 Mr David McQuiggin, Manager, Employment, The Deaf Society of New South Wales, *Committee Hansard*, Parramatta, 19 November 2015, p. 12.

much annoying noise the paper shredder and photocopier made. ... So they actually moved the shredder to another place. They were used to filtering out that background noise. It is quite different for a person with a cochlear implant or a digital hearing aid. They realised that it was annoying me. So it is important for colleagues to be aware and to notice their deaf colleagues and issues that are difficult for them or barriers. That is why we advocate the importance of deafness awareness training or an education program for everybody that has a deaf employee.⁷³

4.78 Mr Andrew Manning, the Employment Operations Manager at Northcott, gave another example of the importance of attitudinal change:

One specific example is a car yard with mechanics who service cars. Previously they had a bookings clerk who created the appointments. There were working in their workplace. We successfully placed somebody who had mobility issues. They work from home. They have a laptop. They are putting the bookings into the database from home. That employer was able to review his workplace and realise that that was going to work just as well. That has been successful.⁷⁴

4.79 The Federal Government's Employment Assistance Fund (see Chapter 2) provides financial assistance for necessary workplace modifications that may be required for an employee with a disability. This assistance can remove significant financial and physical barriers to finding employment and enable recipients of the fund to fully participate in the workforce.⁷⁵

4.80 Mr Manning gave an example of the Employment Assistance Fund being an excellent program:

As an example, we recently placed somebody with quadriplegia into work. So we spent quite a few thousand dollars. He needed a specific workstation, fully height adjustable, and longer than normal so his carer could also be there. He needed a new computer, a couple of monitors, voice recognition software and a tracking ball.

73 Ms Leonie Jackson, Chief Executive Officer, The Deaf Society of NSW, *Committee Hansard*, Parramatta, 19 November 2015, p. 15.

74 Mr Andrew Manning, Employment Operations Manager, Northcott, *Committee Hansard*, Parramatta, 19 November, 2015, pp. 16-17.

75 Mr Andrew Manning, Employment Operations Manager, Northcott, *Committee Hansard*, Parramatta, 19 November, 2015, p. 19; See also Australian Government, JobAccess, 'Employment Assistance Fund', <<http://www.jobaccess.gov.au/government-services/employment-assistance-fund>>, viewed 11 December 2015.

So there is a lot of research and leg work, but we worked with the assessor. We purchased that. I am happy to say that administratively the process was very simple. The research took a bit of leg work, but to actually purchase it and then get reimbursed by JobAccess through the Employment Assistance Fund was very simple.⁷⁶

- 4.81 NESAs argued that employers should be encouraged to create diversity and opportunity in the workplace by persons with disability. It stated:

A key component of increasing employer engagement relates to producing disability confident businesses and employers that feel comfortable in their ability to support a person with disability in their workforce. There has been much work done by organisations such as the Australian Chamber of Commerce and Industry (ACCI) to promote the benefits of workforce diversity and employment of people with disability. To build on these positive developments, policy targeted at better equipping employers, and businesses generally, to work with people with barriers to participation is essential. The more employers are exposed to the supports and assistance available to them to aid the employment of people with disability, the less daunting situations involving disability in the workplace will become. This is not only good for their business, but for anyone they may come into contact with that experiences disability, reducing stigma and future barriers to participation as a result.⁷⁷

Indigenous job seekers

- 4.82 For Indigenous job seekers, there are often unique barriers to finding employment with a small business. The extent and the sources of Indigenous disadvantage in Australia have been well documented. In addition to the endemic problems associated with intergenerational unemployment, there can also be a lack of awareness around Aboriginal issues. As Ms Kristy Masella of the Aboriginal Employment Strategy explained:

A lot of small businesses are not aware of some of the historical issues of generational unemployment that face Aboriginal families and people. Aboriginal people are presented to specialist recruiters like, for example, the AES, who are quite experienced in

76 Mr Andrew Manning, Employment Operations Manager, Northcott, *Committee Hansard*, Parramatta, 19 November, 2015, p. 19.

77 National Employment Services Association (NESA), *Submission 28*, pp 7-8.

supporting people, coaching them through the process and making sure they are ready, but it is that appreciation of small business around the challenges Aboriginal people face and the limited experience they get from parents, grandparents, aunts and uncles. It is understanding expectations of a workplace. We spend a lot of time with our career seekers, building their understanding about what to expect in a workplace. It is not surprising that small businesses have struggled to understand some of the challenges around generational unemployment and the expectations of their employees.⁷⁸

- 4.83 Ms Masella noted that small businesses are often not equipped with the skills and knowledge required to support employees with additional considerations:

It is not surprising that small businesses have struggled to understand some of the challenges around generational unemployment and the expectations of their employees. We found, too, that small businesses are experts in what they do, whether it is retail or whatever industry they are in, but have limited capability and resources around employment services and recruitment. When you are working with Aboriginal career seekers who have a complex range of needs, they are not equipped with the level of understanding of support to make the career seeker who has been employed with them a success. They often get limited retention around that employment. That again creates some damage around future willingness to provide an Aboriginal person an opportunity for a job.⁷⁹

- 4.84 Having flexibility and diversity in skills and experience is also another valuable tool that employees can develop in order to maintain long term employment. Coupling this with a hardworking and reliable employee can be a panacea, in many cases, against unemployment, particularly in regional areas where the nature of the employment market demands it.⁸⁰
- 4.85 It is also often the relationship that employment service providers and trainers, particularly those that specialise, which can be the key to breaking down barriers to stereotyping between employees and employers. Evidence received by numerous participants in the field

78 Ms Kristy Masella, Chief Executive Officer, Aboriginal Employment Strategy (AES), *Committee Hansard*, Parramatta, 19 November 2015, p. 22.

79 Ms Kristy Masella, Chief Executive Officer, Aboriginal Employment Strategy, *Committee Hansard*, Parramatta, 19 November 2015, p. 22.

80 Ms Kristy Masella, Chief Executive Officer, Aboriginal Employment Strategy, *Committee Hansard*, Parramatta, 19 November 2015, p. 23.

demonstrated that building relationships with local businesses and actively promoting the job seekers that they represent was a major determinant in successful job placement.⁸¹

Structural barriers to finding work in a small business

- 4.86 In addition to the barriers facing certain cohorts of job seekers in finding employment with a small business, there are also structural impediments. These are impediments of a systemic nature that limit opportunities for job seekers and for small businesses to employ. They include:
- limited recognition of skills by employers;
 - economy-wide skill shortages;
 - weaknesses in the apprenticeship system;
 - the costs associated with providing work experience and structured employment opportunities; and
 - poor transport networks.

Limited recognition of skills

- 4.87 Limited recognition of skills by professional and semi-professional bodies can be a significant barrier for job seekers, particularly those who have been overseas trained. While many migrants and refugees have high level skills obtained in their country of origin, often these are not recognised in Australia. Ms Abbasova of FECCA explained:

Almost half of recent permanent immigrant and temporary residents had obtained a bachelor's or higher qualification prior to arrival in Australia. A substantial proportion, which is about 30 per cent of recent immigrants and 25 per cent of temporary residents, had obtained a certificate diploma or higher qualification after arrival. Broadly, the unique skills, knowledge and expertise that culturally and linguistically diverse communities bring are not yet sufficiently acknowledged, promoted or utilised in Australian workplaces and effective diversity management to address these barriers is important to

81 See Ms Kristy Masella, Chief Executive Officer, Aboriginal Employment Strategy, *Committee Hansard*, Parramatta, 19 November 2015, p. 23; Mr Andrew Manning, Employment Operations Manager, Northcott, *Committee Hansard*, Parramatta, 19 November, 2015, p. 18.; Mr John Cafferata, Manager and Owner, Darcy St Project, *Committee Hansard*, Parramatta, 19 November 2015, pp. 8-9.

fully utilising and maximising the benefits of our diverse workforce.⁸²

- 4.88 While Australia has made some progress in improving the recognition of overseas qualifications, the fragmented nature of Australia's professional accreditation bodies raises problems of inconsistency.⁸³ It is for this reason that the Ethnic Communities' Council of Victoria have recommended, in its report *Qualified but not Recognised*, a public review of the current arrangements and the appointment of an independent Ombudsman to act as a regulatory body and avenue of appeal.⁸⁴
- 4.89 The issues associated with skills recognition are not limited to people from a CALD background. Job seekers from all areas often face a lack of job opportunities because of many employers' requirements for qualifications or prior experience. Likewise, those that do not have formal qualifications or prior experience in a particular field, often fail to have their practical life skills recognised.
- 4.90 Ms Helen Roberts, a former job seeker, expressed frustration at not being recognised for her potential to learn on the job for seemingly unskilled/low skilled positions. Ms Roberts proposed that employers need to be more open to on the job training in order to provide low skilled workers more opportunities, and not concentrate solely on job seekers formal qualifications:

The biggest barrier I found to gaining employment was the excessive and almost unilateral requirement by businesses for very specific certifications, including but not limited to TAFE qualifications. The vast majority of jobs these days require the job seeker to have previously spent at least the last year, often up to 3 years, studying for that particular job. While it is understandable that small businesses don't like taking risks, more jobs would be available to job seekers if more businesses were willing to train "on the job." Please understand that the jobs I am referring to are not highly skilled, these are relatively low skilled jobs that could very easily be taught within a 2 week to 1 month maximum

82 Ms Gulnara Abbasova, Director, Federation of Ethnic Communities' Councils of Australia, *Committee Hansard*, Canberra, 17 June 2015, p.1.

83 Ethnic Communities' Council of Victoria, 'Qualified but not Recognised', 2014, p. 8, <http://eccv.org.au/library/ECCV_Discussion_Paper_-_Qualified_but_not_Recognised_2015_Final.pdf>, viewed 1 July 2015.

84 Ethnic Communities' Council of Victoria, 'Qualified but not Recognised', 2014, p. 13, <http://eccv.org.au/library/ECCV_Discussion_Paper_-_Qualified_but_not_Recognised_2015_Final.pdf>, viewed 1 July 2015.

probation period and yet businesses still want certifications or highly experienced staff.⁸⁵

- 4.91 This suggested that potentially valuable employees are being overlooked based on a presumption that they are not able to do the job because they have not worked in that field or do not have the experience. These people appear to be a victim of stereotyping because of the assumption that without a qualification or skills relevant to the job, they could not possibly perform. Ms Roberts provided an example of the challenges that some people, including herself, face:

Jobs that advertise “no experience necessary; will train” are rare and precious diamonds. After a lengthy period of unemployment I found one of these “one in a million” jobs and am now fully employed, working hard and doing well. More businesses need to do this. I picked up some of the skills for the job while working it, the other skills required I already had by virtue of being an average human being. Most other employers looking for workers in my current field, Community Services, require certifications but the type of units these expensive certifications involve are absurd. For example, a unit of competency in how to wash dishes. As if the average person doesn't already have the “skills and knowledge required to stack, wash, dry and store dishes, kitchenware and associated implements.” I do that every day after mealtimes. I don't need a TAFE qualification for it.⁸⁶

- 4.92 People in these positions, therefore, are frequently employed in jobs that they are over-skilled for, they feel underutilised in, or they remain unemployed. In its report *Qualified but not Recognised*, the Ethnic Communities Council of Victoria discusses this issue in detail in relation to migrants but, as the previous evidence suggests, the issue also extends to many other members of the community. The report stated:

The prevalence of over-qualification and underemployment of migrants is well documented in Australia and many other EU countries; despite migrants and refugees with overseas skills and qualifications being a valuable resource for the labour market.⁸⁷

- 4.93 For migrants and refugees, employment guides are available to assist in gaining employment by having their skills and qualifications recognised, and to provide advice on undertaking training and Australian work

85 Helen Roberts, *Submission 35*, p. [1].

86 Helen Roberts, *Submission 35*, p. [1].

87 Ethnic Communities' Council of Victoria, 'Qualified but not Recognised', 2014, p.6, <http://eccv.org.au/library/ECCV_Discussion_Paper_-_Qualified_but_not_Recognised_2015_Final.pdf>, viewed 1 July 2015.

experience. While this is a positive approach, the guides have been criticised for having too large a volume of information that can be overwhelming or difficult to understand, and fail to address the lengthy, onerous and at times unfair processes that follow.⁸⁸

- 4.94 As previously discussed, adequate fluency in the English language is also a barrier to getting skills recognised and gaining employment, particularly with small businesses. Difficulties relating to skills recognition and English language competency are especially significant in industries such as construction, where safety in the workplace is paramount. Mr Harnisch of MBA elaborated:

The issue there is the verification of the qualification. That is a big issue for us, in terms of making sure that the people who do come onto building sites do have the requisite skills. Obviously that is a balance between what skills in particular are needed. Obviously, at the labouring level, maybe you do not need a cert IV, but at certain parts of the trade you do need qualifications to maintain the integrity and safety of the construction process. The other one is obviously safety. If they do not have a good command of English then they cannot read safety signs and listen to safety instructions.⁸⁹

- 4.95 While being fluent in English can be a barrier to employment, access to English tuition can also be difficult. People with caring responsibilities, for example, require flexibility. Ms Dini Liyanarachchi of FECCA told the Committee:

There are childcare facilities provided by TAFE colleges, where the TAFE college picks children up and drops them off and the parents can go for TAFE classes. I think that is a very good example, if that can be extended. I think it happens only in a couple of TAFE colleges; the facilities are not available in all. But if parents get that flexibility, where their children are within the same facility and somebody is there to look after their children while they learn English, then they would have that flexibility and the ability to learn the language. Maybe things like that could be promoted more.⁹⁰

88 Ethnic Communities' Council of Victoria, 'Qualified but not Recognised', 2014, p. 7, <http://eccv.org.au/library/ECCV_Discussion_Paper_-_Qualified_but_not_Recognised_2015_Final.pdf>, p. 7 viewed 1 July 2015.

89 Mr Wilhelm Harnisch, Chief Executive Officer, Master Builders Australia, *Committee Hansard*, Canberra, 24 June 2015, p. 4.

90 Ms Kirinde (Dini) Liyanarachchi, Policy and Projects Officer, Federation of Ethnic Communities' Councils of Australia, *Committee Hansard*, Canberra, 17 June 2015, p. 9.

4.96 Regardless, employers should not only be encouraged to employ people from diverse backgrounds or who have special needs, but also to be educated on what benefits these communities can bring to the workplace. Ms Gulnara Abbasova agreed that businesses should not be required to conform but rather should be encouraged to embrace and learn about the benefits these people bring:

We believe that business, however, should not simply be persuaded to conform with what they may see as obligations of social responsibilities but should, alternatively, be encouraged to embrace the benefits and maximise the value of a culturally and linguistically diverse workforce. We see this as a force through which to facilitate a more innovative, creative and productive workforce.⁹¹

4.97 Encouraging individuality and providing support for individuals is something to be championed, but there is a way to go before universal acceptance of workplace diversity is adopted, and likewise for the willingness of employers to provide flexibility for those who need it. Small businesses are often well placed to offer individual arrangements and provide people with opportunities such as on the job training and work experience and, in return, will reap the rewards of loyal skilled workers.

Skills shortages

4.98 Ensuring that a job seeker has the correct skills and training is one of the most important decision making factors for a small business when taking on a new employee. With so much at stake, small businesses cannot afford to make a wrong employment decision.

4.99 The challenge is for small businesses to attract the right employees with the right skills. Skills, in this context, can either be defined as 'hard' skills, such as specific training and/or knowledge in a certain area, or 'soft' skills like punctuality, the ability to converse professionally with customers and colleagues, or wearing appropriate work attire. Job seekers with a combination of both hard and soft skills are the most desirable and sought after candidates.

4.100 The Committee received much evidence pointing to skills shortages in both areas. The Australian Industry Group noted the significant increase in the number of young people not in the workforce but in tertiary education:

91 Ms Gulnara Abbasova, Director, Federation of Ethnic Communities' Councils of Australia, *Committee Hansard*, Canberra, 17 June 2014, p. 1.

With regard to employment opportunities in small businesses, Ai Group notes that even as our national output growth slows, skill shortages in key growth industries including mining services, engineering, education and health services are being exacerbated by structural changes across our economy, as well as the deepening demographic impacts of our ageing population and workforce. Around 10% of all Australian employees are now aged 60 or over and 18% are aged 55 or over. And the current population 'bulge' in these age brackets means there are fewer young people ready for these professional roles as the baby boomers retire...Participation rates [in employment] for these younger age groups are in long-term decline, with a sharper rate of decline evident over the past five years, as participation in formal tertiary education has risen.⁹²

- 4.101 Additionally, careers in industries such as retail and hospitality are frequently overlooked as serious options, but rather as 'stop gaps' to a more lucrative career. Small businesses in these industries often lack skilled employees, or lose them early on in their careers for more tertiary focussed options. Mr Jos de Bruin, Chief Executive Officer, Master Grocers Australia/Liquor Retailers Australia, lamented the lack of value that is placed on a career in retail:

We want to keep people in our industry, and we are finding it very difficult to attract people to retail. Retail is a profession. It is a career. It is highly rewarding, and it can take people wherever they wish to go. We have lots of trouble attracting people to stay within our industry. It is a great concern because of succession planning. Our retailers are going through what farmers probably went through a decade or two ago, when they were saying to their children: 'You know what, son? Go to uni because you shouldn't be coming back to the farm. There's nothing here, nothing for you – no future.' And that is what a lot of our independent retailers are saying around the country – whether they are small, medium or large or whether they are single-store owners or multistore owners.⁹³

- 4.102 As the trend towards tertiary qualifications continues, so does the expectation that job seekers will come with already well developed skills. The problem, however, is that the market for unskilled job seekers is diminishing. The National Employment Services Association recognised
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92 Australian Industry Group, *Submission 17*, pp. 3-4.

93 Mr Jos de Bruin, Chief Executive Officer, Master Grocers Australia/Liquor Retailers Australia, *Committee Hansard*, Melbourne, 13 July 2015, p. 9.

this and also outlined the need for further investment in skills development:

We know that lower skilled and entry level positions continue to disappear from the labour market as employer expectations of the skills and experience of employees continues to rise. There is a need to continue to invest in skills development given the relationship between qualifications and labour market participation as well as employer demand for employability skills. Research shows there is a relationship between skills and productivity. This highlights that skills training and workforce development is an investment, not a cost...⁹⁴

- 4.103 The Committee took evidence that the problem with skills shortages is due to limited, inappropriate, or inaccessible training options. Rural centres, for example, have a disadvantage because of their limited ability to access suitable skills training. Shortages in these areas prevent small business from being able to attract skilled workers, and therefore their ability to service their customers, and subsequently grow their business, is compromised. The New South Wales Small Business Commissioner agreed:

Businesses have raised concerns with the OSBC [Office of the Small Business Commissioner] that a lack of suitable rural-based training programs makes it difficult for employers to attract and retain skilled employees... Businesses in Katoomba are more likely to reduce their trading hours due to their inability to attract a high standard of skilled workers which inevitably impacts their service delivery and their ability to attract customers. Businesses advised the OSBC that these limitations have had significant economic impacts on the community and the local economy, and have restricted the opportunity for businesses to expand and diversify.⁹⁵

- 4.104 Some participants also said that, while additional skills training is necessary, for it to be useful more needs to be done to ensure training is well developed and done in conjunction with industry consultation in order to meet ever-changing needs.⁹⁶ MBA also outlined the need for training to be flexible:

...whatever system it is, it has to be industry driven to meet industry needs and demands. You have to have that flexibility

94 National Employment Services Association (NESA), *Submission 28*, p. 4.

95 NSW Small Business Commissioner, *Submission 10*, p. 10.

96 See Department of Education, *Submission 31*, p. 5., Victorian Automobile Chamber of Commerce, *Submission 21*, p. 23., and Master Builders Australia, *Submission 32*, p. 21.

because for our industry technology and construction techniques are changing rapidly and yet we keep delivering the same old trade training courses and curriculums that were valid 50 years ago but are no longer valid now. In our industry they are providing their own training, but that training is not recognised. For instance in terms of formwork, which is totally different now; where once you needed to be a full-blown carpenter, you do not need a full-blown carpenter's skills. They could do a cert II.⁹⁷

- 4.105 The Victorian Automobile Chamber of Commerce provided similar evidence, suggesting that the current training market often does not meet the needs of industry. Such practices, they said, leaves the trainee without work and small businesses without a skilled employee:

The current competitive training market has resulted in many to enrol in courses that do not meet the needs of industry, consequently preventing many from finding employment within the small business sector.⁹⁸

- 4.106 Sub-standard quality of training was also raised as an issue that contributes to the overall shortage of skills. This problem has been suggested to have stemmed from the current shift toward private, for profit training models that are motivated less by students post-training success, and more by profit. Mr Ian Blandthorn, Assistant Secretary, Shop, Distributive and Allied Employees' Association, said:

The thing is, it is not just the issue of full-time training; it is the fact that much of the training in these full-time establishments is substandard. Part of that is because we have moved more and more training away from the TAFE system into private enterprise. ...the key driver of that training is the profit of the provider. 'Let's get them in, give them a qualification and get them out quick; we don't give a damn about what the qualification is and whether the person can get a job.'⁹⁹

- 4.107 The Victorian Automobile Chamber of Commerce has described the current training market as a 'race to the bottom', and one that delivers substandard outcomes because of its profit orientated model:

The marketisation of the training market has resulted in a race to the bottom in terms of the provision of quality training among

97 Mr Wilhelm Harnisch, Chief executive Officer, Master Builder Australia, *Committee Hansard*, Canberra, 24 June 2015, p. 7.

98 Victorian Automobile Chamber of Commerce (VACC), *Submission 21*, p. 24.

99 Mr Ian Blandthorn, Assistant Secretary, Shop, Distributive and Allied Employees' Association, *Com skills recognition and the quality and relevance of skills training and delivery*, *Committee Hansard*, Melbourne, 13 July 2015, p. 21.

both TAFEs and private registered training providers (RTOs). In essence, it has led to a rise in for-profit-oriented private RTOs that would reduce their quality of training and selectively choose courses that are inexpensive to deliver in order to accumulate the most profit. Consequently, this had the effect of financially disadvantaging TAFEs, resulting in TAFEs to cut costs at the expense of providing quality training.

Currently, all training programs are funded equally, irrespective of how the course is being delivered. Consideration is not given towards the use of teaching resources, the length of the course or whether it meets industry needs.¹⁰⁰

- 4.108 In the building and construction industry there has been a significant reduction in new apprenticeship and trainee commencements despite predictions of industry growth. Figures on apprenticeship commencements for the 12 months to March 2015 show that:

The number of commencements in the 12 months ending 31 March 2015 was 190 200, a decrease of 19.8% from the 12 months ending 31 March 2014. This decrease resulted from:

- a decrease in trades commencements of 12.4%
- a decrease in non-trades commencements of 24.9%.¹⁰¹

- 4.109 This is coupled with a rise in the number of apprentices that commence but do not complete formal training.¹⁰² As the population ages, the need for skilled labour increases and any shortfall creates serious problems for the future workforce in gaining and maintaining meaningful employment.

- 4.110 MBA has partly attributed the skills shortage to the disjointed training matrix which has failed to keep up with industry needs:

Industry's view is the current training system suffers from administrative confusion as governance structures, responsibilities

100 Victorian Automobile Chamber of Commerce (VACC), *Submission 21*, p. 23.

101 National Centre for Vocational Education and Research (NCVER), 'Australian vocational education and training statistics: Apprentices and trainees 2015, March Quarter', p. 5, <<http://www.ncver.edu.au/wps/wcm/connect/71cf541e-a041-4473-8189-6c62bbfd6bc9/2015-apprentices-and-trainees-mar-qtr-2820.pdf?MOD=AJPERES&CACHEID=71cf541e-a041-4473-8189-6c62bbfd6bc9>>, viewed 23 September 2015.

102 The number of completions in the 12 months ending 31 March 2015 was 148 200, a decrease of 19.4% from the 12 months ending 31 March 2014. National Centre for Vocational Education and Research (NCVER), 'Australian vocational education and training statistics: Apprentices and trainees 2015, March Quarter', p. 5, <<http://www.ncver.edu.au/wps/wcm/connect/71cf541e-a041-4473-8189-6c62bbfd6bc9/2015-apprentices-and-trainees-mar-qtr-2820.pdf?MOD=AJPERES&CACHEID=71cf541e-a041-4473-8189-6c62bbfd6bc9>>, viewed 23 September 2015.

and custodianship of the system remain unclear to many users. The system has been captured by public (TAFEs) and private RTOs who are able to influence the system for their own benefit. State jurisdictions, through the implementation of different education and training priorities and funding models, have added complexities to the system. We are in a situation where jurisdictions can hold up the endorsement of national qualifications that have demonstrated support from industry.

Further, in the above-mentioned skilled and semi-skilled areas, the national training system has not kept up pace with the growth or the changes in work practices in these areas. There is a lack of formal qualifications and skill sets to recognise workers' skills, in particular for crane drivers, doggers and riggers. Students are enrolling in full qualifications and only completing the units of competency to meet licencing requirements, or to be competent in one aspect of a job role. There is a need for qualifications and skill sets that enable industry to recognise the skills of its entire workforce. Compounding the problem is the differences in the jurisdictions to funding skill sets.¹⁰³

4.111 This sentiment was echoed by Master Electricians Australia:

It is an ever increasing problem that electrical apprentices are not receiving the level of training through Registered Training Providers (RTOs) that is required in order for them to become fully competent tradespeople. As a result, the businesses who take on these apprentices must fill the gaps to ensure the apprentice can perform work safely and efficiently. While larger businesses may have capacity to invest time and money in supplementary training for apprentices, small businesses do not have this luxury. Employing an apprentice is costly enough for employers. In fact, it is widely acknowledged that apprentices do not become profitable for a business until their third or fourth year. When a small business is then expected to invest more resources in basic training for an apprentice in those first few pivotal years, this eats even more profit out of a small business' bottom line.¹⁰⁴

4.112 While there has been some work in addressing these issues, more progress needs to be made in order to achieve the goal of a nationally cohesive and

103 Master Builders Australia, 'Towards 2020: Policy for Australian Apprenticeship Reforms', 1 July 2015, p.8, <<http://www.masterbuilders.com.au/TemporaryDownloads/A56823F3-4E7B-4480-AD8E-45208B1BDAED-APPRENTICESHIPS%20TOWARDS%202020.pdf>>, viewed 18 December 2015.

104 Master Electricians Australia, *Submission 20*, p.8.

productive training framework. Industry representatives such as MBA note that the inconsistency of the National Training System is recognised and current a priority for all governments.¹⁰⁵

- 4.113 Mr Blandthorn continued in this vein, and proposed that training should return to a more historical hands on model:

I think another issue that is very important is that we have seen in terms of training a very significant shift in the last 10 or perhaps 20 years. Twenty years ago virtually all young people who acquired a skill did it through an apprenticeship. These days increasingly a large number of young people are acquiring trade skills through full-time training. Then at the end of that full-time training they seek to go out and get a job, but they have no workplace experience and they cannot perform in the workplace. Perhaps the time has come when we need to be looking much more strongly at the performance of the full-time mode of delivery in the training system and doing more to encourage people to go back to the more traditional apprenticeship model, because I think that would deal with a lot of your concerns.¹⁰⁶

- 4.114 There is also a need to recognise skill competencies, not just full qualifications. With the completion rate of apprenticeships declining, MBA proposed a 'passport to competencies' program that is more in-line with industry needs and allows for unqualified workers to have their skills recognised by eliminating the requirement to fully complete qualifications within a set timeframe.

- 4.115 This proposal would shift the current focus from the completion of full qualifications, to formal recognition of partial completion or skills learned on the job. For example, Certificate I or II qualifications can be recognised in the workplace, with the aim for employees to upskill to Certificate III or IV over time as it suits them and their employer. This would provide benefits to the trainee in the form of recognition as well as assisting those that are at risk of not completing their apprenticeship, but also give employers enhanced confidence in their employees and provide employees with a semblance of stability for their tenure.¹⁰⁷ As MBA explained:

105 Master Builders Australia, 'Towards 2020: Policy for Australian Apprenticeship Reforms', 1 July 2015, p. 11, <<http://www.masterbuilders.com.au/TemporaryDownloads/A56823F3-4E7B-4480-AD8E-45208B1BDAED-APPRENTICESHIPS%20TOWARDS%202020.pdf>>, viewed 18 December 2015.

106 Mr Ian Blandthorn, Assistant Secretary, Shop, Distributive and Allied Employees' Association, *Committee Hansard*, Melbourne, 13 July 2015, p. 21.

107 Master Builders Australia (MBA), *Submission 3*, p. 21.

Australia's training system is currently heavily focussed on the completion of full qualifications, despite the fact that the completion rate for all publicly funded VET qualifications is only 36%. A result of this is that in many trades the proportion of workers holding formal qualifications is actually dropping over time... Many of these workers, with the support of their employers, would wish to obtain some level of formal certification to provide confidence in their current work.

Master Builders recommends that part-qualifications, or skill sets, which may be appropriate to undertake a particular job role in the industry, should be recognised as a viable pathway to a job. Skill sets should not be seen as the end to training, but the "building blocks" to gain a full qualification over time where it is supported by the worker and employer.

Master Builders recommends the introduction of a 'skills passport' for the building and construction industry where skill sets and individual units of competency can be undertaken and tracked in stages as a person's skills needs develop over time.¹⁰⁸

Weakness in the apprenticeship system

- 4.116 To encourage potential apprentices, industry is focussing on making apprenticeships more attractive. Mr Ian Blandthorn, Assistant Secretary, Shops Distributive and Allied Employees' Association said, however, that this needs to be done through better alignment with states and territories and with the reduction of red tape:

If you could somehow streamline the system so that you only had one stop rather than a combination of state and federal agencies, plus the changes if somebody wants to move around... In short, I think the thing is that we have to make the industries, whatever they are – whether it is hairdressing or something else – more attractive to young people, and I am not sure that we are doing that. I think there is a job there for unions, there is a job there for employers and there is a job there for government. In terms of making it more attractive, as I said, the first thing you have to do is

108 Master Builders Australia, 'Towards 2020: Policy for Australian Apprenticeship Reforms', 1 July 2015, pp. 12-13, <<http://www.masterbuilders.com.au/TemporaryDownloads/A56823F3-4E7B-4480-AD8E-45208B1BDAED-APPRENTICESHIPS%20TOWARDS%202020.pdf>>, viewed 18 December 2015.

continue to reduce, as you call it, the red tape and just make it easier for people to move around in the system.¹⁰⁹

- 4.117 Mentorship programs have demonstrated success in attracting and retaining apprentices. Mrs Leyla Yilmaz, Deputy Executive Director Industrial Relations, Victorian Automobile Chamber of Commerce, advised the Committee that these programs should be preserved:

I think the winning formula was MAAP, our Mentor/ Advisor Apprenticeship Program. The reason is that we were able to get the correct industry careers advice out there. We were tapping in. It gave us the funding to tap into schools and venues where young people congregate, and parents, to give them a clear understanding of what the industry was so that we could manage expectations. We gave them the opportunity to connect with employers who had jobs, and then there was the mentoring program. That mentoring program provided support to the apprentices coming in as well as the employers. We think that is the important mix: it is delivered by industry for industry and it worked. We found an increase in the retention rate, up to 87 per cent.¹¹⁰

- 4.118 Much the same issues arise from the recent decision by the Commonwealth and some States to abolish the Joint Group Training Program. This program, under which the Commonwealth matched State and Territory funding to an agreed limit, subsidised GTOs for costs associated with the placement of jobseekers from specific priority groups or into specific priority apprenticeships and traineeships, as determined from time to time by State and Territory governments.

- 4.118 Continual change occurring in government policy is another identified challenge. Group Training Australia identified how the loss of certain support programs has diminished the pool of potential apprentices for small businesses, and created further barriers for those that require additional assistance :

The Australian Apprenticeships Access Program (Access) had been in existence for over 20 years in one form or another before being abolished in the 2014 federal budget...The loss of this program has meant that AGTOs, and other service providers, have lost another cohort of candidates who could eventually find work with small and micro-businesses. The only alternative for many of

109 Mr Ian Blandthorn, Assistant Secretary, Shop, Distributive and Allied Employees' Association, *Committee Hansard*, Melbourne, 13 July 2015, p. 20.

110 Mrs Leyla Yilmaz, Deputy Executive Director Industrial Relations, Victorian Automobile Chamber of Commerce, *Committee Hansard*, Melbourne, 13 July 2015, p. 39.

these job seekers are programs like Work for the Dole. GTA believes the best answer to welfare is to get a job. The provision of welfare and income support should sustain someone while engaging in genuine and meaningful job search or pre-vocational training where necessary. However it cannot and should not be an 'alternate pathway' to work like Work for the Dole...¹¹¹

- 4.119 While there may be a shortage of apprentices and the focus is on attraction and retention, some participants lamented that the cost of taking on a new apprentice is far too great for a small business. Group Training Australia stated that recent apprentice wage rises have had an adverse effect on businesses been able to afford to offer placements, making it difficult for Group Training Organisations to place apprentices in jobs:

The Fair Work Commission's (FWC) decision to increase award wages quite significantly for first and second year apprentices from 2014 also works against GTOs placing job seekers into apprenticeships with small and micro-businesses.¹¹²

- 4.120 To assist apprenticeship retention, programs such as the aforementioned 'Passport to Competencies' have been proposed to combat issues arising from the ever changing nature of the industry and a decline in apprentice completion. The MBA believe that in addition to this, a greater emphasis should be placed on practical 'on the tools' experience. While the importance of literacy and numeracy is not to be underestimated, keeping the interest of disengaged school leavers, for example, who are often drawn to trades because they are good with their hands should be a priority for the initial stages of a new apprenticeship.
- 4.121 Mr Wilhelm Harnisch, Chief Executive Officer, MBA, suggested that if these students were able to learn with their hands first, they would be more engaged and then the correlation between literacy and numeracy skills and real work experience would become more meaningful:

I am not saying they should not be doing it, but one of the reasons we have a high dropout rate – we hear this from the young people; we are not saying they are necessarily correct – is that they have different aspirations. They want to get in there and get their hands dirty – they want to cut a bit of timber, they want to put a nail in some timber, they want to put up a frame. What we are saying is keep them in there, and then they start to realise that, yes, they have to do maths because they need to calculate stuff; yes, they need to read a plan so they need to improve their English. So get

111 Group Training Australia (GTA), *Submission 5*, p. 5.

112 Group Training Australia (GTA), *Submission 5*, p. 4.

them motivated in the first place, do not demotivate them with the reason they school in the first place.¹¹³

The cost of apprentices

4.122 The general cost of wages for an apprentice, weighed up against the benefit to the employer, is sometimes also seen as too great a barrier. The Victorian Automobile Chamber of Commerce (VACC) identified this as an inhibitor to job creation for small automotive businesses:

Employing apprentices is a significant cost for employers and is a factor that has prevented young job seekers from being able to gain employment in small automotive businesses. According to Bednarz, it is generally agreed that an apprentice is a direct cost to the employer for the first two years and that much of the cost is due to the amount of supervision that the employer is required to provide to the apprentice. From an employer's perspective, hiring an apprentice is an investment. In general, employers will not hire apprentices if the cost of hiring an apprentice outweighs the perceived return of investment. Indeed, recent changes to apprentice wages and conditions have contributed to the decrease in apprentice hiring intentions.¹¹⁴

4.123 The VACC said this issue was compounded when it comes to employing mature aged apprentices (over 21 years) who are a greater expense to a small business, yet do not seem to deliver any apparent additional benefit:

I am on the phone with the VACC with our members and if they are looking for an apprentice and they ask what the rate for a first-year apprentice is who starts an apprenticeship over 21 years of age, if you tell them the rate, they will say is too expensive – they are not interested. They are prepared to go lower but they will not go for that 21 years of age and over apprentice¹¹⁵ ... The interesting thing was that we just assumed, like everybody else assumes, that once you are 21 you are much more mature and you have got your life in order... But we found the trend was different. Even though they may be older, they still are not settled, they have only just decided what career they are interested in but they have other issues and, if they have a family, there are other things. So the employer is not dealing with a young person who is transitioning

113 Mr Wilhelm Harnisch, Chief Executive Officer, Master Builders Australia, *Committee Hansard*, Canberra, 24 June 2015, p. 8.

114 Victorian Automobile Chamber of Commerce, *Submission 21*, p.19.

115 Mr William Chesterman, Industrial Relations Manager, Victorian Automobile Chamber of Commerce, *Committee Hansard*, Melbourne, 13 July 2015, p. 37.

from childhood to adulthood, they are dealing with an adult who is dealing with adult issues and it is no different. But from a learning point of view, that does not translate into capability to learn the skill quicker at all.¹¹⁶

- 4.124 With regards to employer recruitment obligations, one small business owner outlined the need for clear guidelines and employer education relating to the employment of apprentices so as not to make it a difficult or daunting task. Ms Madeleine Skerritt submitted:

Six years ago we employed an apprentice and were given a pile of employment information. However, seven months later we were contacted by TasBuild and very rudely told that we were breaking the law by not paying long service leave on behalf of our apprentice. The group training organisation had failed to inform us of this vital piece of information and when we started asking questions about what else weren't we doing, we were dismayed to discover that there was no one document or source of information that actually listed all our obligations. This experience soured the otherwise successful employment of an apprentice.¹¹⁷

The cost of work experience and structured workplace learning

- 4.125 Work experience, and structured workplace learning opportunities, can be a valuable tool for job seekers and school students to gain hands-on workplace experience. This can lead to the development of hard and soft skills, offers of employment and even the development of long term career interests. The benefits of work experience are many and varied and are not to be underestimated; but it comes at a cost to employers.
- 4.126 These costs are mostly indirect and can include lost productivity through the time it takes to induct and to provide training and mentorship, as well as complete compliance paperwork and feedback reports. Such experiences, while valuable for the trainee, can be a disincentive for employers as Ms Skerritt, a small business owner, explained:

Recently a young man approached us looking for an apprenticeship; we weren't in a position to take him on, but we gave him four weeks paid work experience instead. The experience was great for him as he was exposed to heritage restoration work which he hadn't encountered previously. However, the experience was the exact opposite for us, due to the

116 Mrs Leyla Yilmaz, Deputy Executive Director Industrial Relations, Victorian Automobile Chamber of Commerce, *Committee Hansard*, Melbourne, 13 July 2015, p. 37.

117 Ms Madeleine Skerritt, *Submission 6*, p. [2].

effort involved with employing him (i.e. completing a tax declaration form, completing a payments summary form, signing up to TasBuild and signing up to his super fund). This paid work experience helped him gain an apprenticeship a short time later, but it required the same amount of paperwork as putting on a permanent employee; so from our perspective, and we are unlikely to do it again.¹¹⁸

4.127 On the job training such as structured workplace learning (SWL) can also provide opportunities for students to observe and learn, however, they can also be at a disadvantage when the opportunity is misused. The Victorian Automobile Chamber of Commerce (VACC) provided this statement:

Yet, despite structured workplace learning being observational-based work experience, it has been over-relied on and at times, misused by both schools and employers. Below are problems identified within SWL:

- SWL being used as a substitute for school-based apprenticeships and traineeships (SBAT).
- The over extension of SWL duration
- The lack of accountability of how SWL is being conducted within a business.

The aforementioned problems has had a negative impact on industry-based outcomes as poorly constructed SWL has led to students developing no real industry relevant skills, resulting in them being lost to the industry.¹¹⁹

4.128 In support of this, the VACC provided some examples, as case studies, of where structured workplace learning in the automotive industry failed to provide the expected outcomes for students:

Case study 2

- Student was working at a business in Narre Warren for one day a week for a few months
- The student was told to move rocks and do landscaping, weeding, etc.
- The student was paid \$5 a day to do work unrelated to the business

118 Madeleine Skerritt, *Submission 6*, p. [2].

119 Victorian Automobile Chamber of Commerce (VACC), *Submission 21*, p. 23.

Case study 9

- Student travelled for 45 minutes each way every Friday for 12 months
- Student was paid \$5 a day on the promise of an apprenticeship
- After the full, the student was told not to come back and was not offered the job
- The student applied with VACC as an SBAT student in February 2014

Case study 11

- Student undertook Structured Workplace Learning for 2 years at a business
- Student was paid \$5 a day which included weekdays and Saturdays
- The business never intended to offer an apprenticeship to the student¹²⁰

4.129 In an effort to reform the current work experience arrangements and to provide further opportunities for job seekers to gain experience in the workplace, the Australian Government Department of Employment have embarked on a rollout of a National Work Experience Programme. This program was discussed in Chapter 2 of this report.

4.130 More needs to be done to support of small businesses to accept work experience students. The Victorian Automobile Chamber of Commerce (VACC) stated, despite the additional workload and cost there are still small businesses willing to provide work experience opportunities. Mrs Yilmaz provided an example of one such business:

I have one member in Wodonga – a very small businesses in a local community. He engages with the local school and encourages kids to come in and do some work experience. If he does not have a job for them, he will often connect with other employers in the shire to connect them so that they end up in jobs. That is rare, because they are a small business, as I said, they are highly competitive and profit margins are low.¹²¹

4.131 Industry bodies, such as the VACC, play an important role in the promotion of, and assistance with, work experience placements for their members. Similarly, schools and training organisations, such as community colleges, often work closely with industry and small business to promote and develop work experience opportunities. For example, not

120 Victorian Automobile Chamber of Commerce (VACC), *Submission 21*, pp. 32-33

121 Mrs Leyla Yilmaz, Deputy Executive Director Industrial Relations, Policy and Engagement, Victorian Automobile Chamber of Commerce, *Committee Hansard*, Melbourne, 13 July 2015, p. 38.

for profit training organisation ET Australia has developed a partnership with CASAR Park, a Motorsport Social Enterprise that aims to provide 200 onsite training and work experience positions once fully operational.¹²²

- 4.132 There are many other examples where social enterprises are playing a lead role in providing work experience opportunities, particularly for people from disadvantaged backgrounds. Mr John Cafferata is the Manager and Owner of Darcy St Project, a social enterprise that trains people from disadvantaged backgrounds in coffee roasting, barista operations and customer service. Mr Cafferata gave one example of how providing work experience can create real employment opportunities:

For the record, our very first student came from Nepal. He was in the country for five days and his English was very basic. But his story was heartfelt. His father had sold his farm to send him to Australia to get an education and get residency and, obviously, send some money back home to help the family. I said to him that if he would work hard that is all I needed to know. 'I will train you.' He had zero experience. That was over a year ago. Now, I am proud to say that he is my head coffee roaster and my head trainer. He also works for a local business around the corner that most people would say is a competitor of mine. But he helps them as well. It is a very good story, and it is just one of many.¹²³

- 4.133 This is particularly pertinent for small café style businesses seeking qualified baristas and café staff. Mr Cafferata explained that as a result of the success of Darcy St Project, he is often being approached by small businesses seeking to employ baristas trained by his organisations:

We have been proud to have a lot of our networks and affiliations grow by word of mouth. We have had about a dozen businesses approach us and ask if we have any trained baristas that are ready to be employed, not just within Parramatta but also towards the east and west. As the days grow, we now have nearly 20 non-profit organisations, including Wesley Mission and UnitingCare Mental Health, that are really taking focus and looking at the project in terms of its value. We are becoming a bit of a hub and attracting a lot of these businesses because the training and skills that they get cannot be offered anywhere else, and it has not been

122 ET Australia, *Submission 7*, p. 3, and CASAR Park, 'About CASAR Park', <<http://www.casarpark.org.au/about-casar.html>>, viewed 12 August 2015.

123 Mr John Cafferata, Manager and Owner, Darcy St Project, *Committee Hansard*, Parramatta, 19 November 2015, p. 8.

offered anywhere else unless they are paying quite an exuberant amount of money.¹²⁴

- 4.134 The provision of ongoing support to enable industry bodies and social enterprise organisations to continue to offer these opportunities is crucial in the skills development of job seekers and young people.

Poor transport networks

- 4.135 In remote, regional and even well-populated suburban areas, having access to transport to and from work can be the single biggest impediment to gaining employment. For some people, relying on public transport that is both irregular and impractical, or in some cases non-existent, can mean that without suitable alternatives, getting to work or being able to arrive at work on time is not an option.

- 4.136 The Better Futures Hub, an education and life skills support centre for young parents on the NSW Central Coast, assists its attendees with transport to and from the program because, in many cases they would not be able to make it. In the course of his work, Mr Marcus Watson, National Development Manager, The Better Futures Hub, came across the following example of the difficulties faced by young people in regional areas:

I read about young parents who in a day are taking a circular trip to and from home of up to six separate bus services sometimes to get to the services. So there are some significant challenges there around transport for some young jobless families.¹²⁵

- 4.137 For many, access to public transport is difficult or non-existent and access to a vehicle and obtaining a driver's licence is often out of reach. Similarly, the Youth Affairs Coalition of Western Australia (YACWA) provided evidence that demonstrated how the availability of transport can mean the difference between unemployment and employment. The YACWA submitted:

Australia's sparse urban cities have created high levels of car ownership, where to develop efficient and comprehensive public transport systems is extremely costly. However, many young people do not have access to a private car or a supervised driver to

124 Mr John Cafferata, Manager and Owner, Darcy St Project, *Committee Hansard*, Parramatta, 19 November 2015, pp 8–9.

125 Mr Marcus Watson, National Development Manager, The Better Futures Hub, *Committee Hansard*, Tumbi Umbi, 21 August 2015, p. 6.

satisfy their licensing requirements, and consequently face difficulties in accessing employment and education.¹²⁶

- 4.138 For many young people, the barrier is the financial cost of obtaining a driver's licence. This is a real dilemma: young people cannot finance their licence without a job, and cannot access a job without their licence. The YACWA also provided a particularly poignant example of this from a respondent of their 2015 Driver's Licence Survey:

"I spent two years on my L's before doing my practical driving assessment because I could not afford driving lessons or the fee it costs to book a PDA. Having now passed the PDA I have to wait another six months before I can get my licence. I'm currently looking for employment and have missed out on at least twelve job opportunities because I'm unable to drive on my own." Young person, YACWA Driver's License Survey 2015.

- 4.139 The Federation of Ethnic Communities' Councils of Australia (FECCA) also agreed that difficulties around obtaining a driver's licence, and access to transport, was a major barrier to obtaining work. FECCA explained:

FECCA's consultation in Logan, Queensland found that one of the major impediments to youth employment is the inability to obtain a driver's licence. Having a driver's licence is a key requirement for apprenticeships and employment in many small businesses. There are numerous job opportunities in remote parts of Queensland where public transport is scarce or travel times are excessively long. The process of obtaining a driver's licence, including driving lessons and licence costs, can be prohibitive for young people coming out of school.¹²⁷

- 4.140 While some states have programs that assist young and disadvantaged people to get their licence, the YACWA stated that Western Australia does not. Consequently, the YACWA have recommended the introduction of driver mentoring programs in Western Australia, similar to those that are offered in other states.¹²⁸

- 4.141 While such mentoring programs have proven success rates, they are in high demand and are often under resourced with long waiting times. The Federation of Ethnic Communities' Councils of Australia provided one example of a this being the case for an otherwise successful Queensland based program:

126 Youth Affairs Coalition of Western Australia, *Submission 47*, p. [2].

127 Federation of Ethnic Communities' Councils of Australia, *Submission 16*, pp. 4-5

128 Youth Affairs Coalition of Western Australia, *Submission 47*, p. [5].

A local organisation with the support of Commonwealth and Queensland governments introduced 'Braking the Cycle', a program where youth between 16-25 years of age are provided with free driving lessons to obtain a valid licence. Although this program is highly commendable, there are long waiting lists and many felt that this project is under resourced.¹²⁹

Addressing job seeker disadvantage

4.142 The Small Business Advisory Service – discussed previously and in Chapter 2 of this report – has been successful in addressing some of these issues. Ms Nexhmije Shala of the CMRC, explained the Small Business Advisory Service's role in the Parramatta region in western Sydney:

The opportunity to have the Small Business Advisory Service at the CMRC has raised a lot of our client numbers and also the capacity and support that we are giving a lot of our clients. It also allows us to look at other sustainable practices, like social enterprise as well. I think, this has been quite visionary with regard to how the welfare sector has been growing itself. This is a really great model and I would like to suggest that more advisory services be run out of migrant resource centres. It has worked really well.¹³⁰

4.143 Another way to address the disadvantage faced by job seekers from a CALD background is through wage subsidies. Chapter 2 discussed the wage subsidies that the federal government currently provides. They are an important mechanism through which some of the disadvantage faced by certain cohorts of job seekers can be overcome. As Ms Sally Sinclair, the Chief Executive Officer of National Employment Services Association told the Committee:

Wage subsidies are very successful. They are a good mechanism and a good measure. In fact, the OECD has just done a review of employment services, and that is one of their major recommendations as a mechanism for engaging people who are disadvantaged in the labour market. I am not talking about people who have a high currency of skills and experience but about those who need a bit of an opportunity, a bit of a leg up to get into the workforce.¹³¹

129 Federation of Ethnic Communities' Councils of Australia, *Submission 16*, p. 5.

130 Ms Nexhmije Shala, Business Development Manager, Community Migrant Resource Centre *Committee Hansard*, Parramatta, 19 November 2015, p. 42.

131 Ms Sally Sinclair, Chief Executive Officer, National Employment Services Association, *Committee Hansard*, Melbourne, 13 July 2015, p. 50.

Mentoring

4.144 As discussed earlier, workplace mentoring aimed at developing skills, knowledge and confidence can be successful in attracting and maintaining current and potential employees. Strong bonds can be formed between someone seeking experience and someone that has experience that can guide them into meaningful employment, further study or advancements in their career.

4.145 The power of this has been proven through organisations such as Fitted for Work, who provide a one-on-one mentoring service to disadvantaged women seeking employment. In their submission, Fitted for Work provided this quote from a former client describing the positive impact that the mentoring service had:

"After two years seeking employment, which involved hundreds of applications, and even walking the streets of my local towns walking in every shop asking for work, I started to wonder if I would ever be able to work again ... I benefited the most from the connection with one person who was simply there for me to ride the storms and sail the smooth seas of success. Knowing that I was not alone and that a caring and competent person was there to be honest with me and give me sound advice for me to consider allowed me to be in control" - Leonette, former client, age 56, matched with volunteer mentor and now in employment.¹³²

4.146 The value of mentoring is also seen in young people, who are typically at the beginning of their career path. Mr Salim Sukari, Director, Lebanese Muslim Association (LMA) provided an example of how mentoring has been successful in his community:

...one of the good initiatives – and perhaps this is something that could be applied elsewhere – the LMA have engaged in is what they call the Aspire Role Model program. Essentially, they pick 15 role models from the community who are running successful businesses and they get those role models into schools to speak about their experiences and how their careers have progressed. The really good thing is that they encourage those role models to take on year 11 and year 12 students for work experience and become, really, their mentors from a business and academic point of view. I mention that because it has been quite successful.¹³³

132 Fitted for Work, *Submission 48*, p. [4].

133 Mr Salim Sukari, Director, Lebanese Muslim Association, *Committee Hansard*, Parramatta, 19 November 2015, p. 37.

4.147 While there is evidence as to the positive effects of mentoring, there were some participants who acknowledged that more could be done. The Deaf Society of NSW was one example who recognised that mentoring for their clients from people within the business community, was one area of development for their organisation. Ms Leonie Jackson, Chief Executive Officer, The Deaf Society of NSW explained their position and provided an example of how mentoring was beneficial to her success in business:

One thing that we have not set up particularly well is our deaf professional network for those deaf people who want to get a foot in the door and also be mentored by others who are currently working as professionals. A barrier for many deaf professionals is trying to find a deaf professional to mentor them and take them under that supervisory role, as you were saying. That has been a bit of an issue. I know that there are many successful deaf professionals that do not have any mentors, and they do have a sense that there is a communication issue. There is no funding to provide that mentoring. Maybe they need an interpreter or captioning to actually benefit from a mentoring program or a mentoring situation, so I think it would be a huge benefit if that was there.

I do have a mentor. I was lucky to get this person, who is a business person, who can sign, so I am able to access that communication. That is one. But I know it is a very rare opportunity in Australia to have access to a mentor like that. I am very lucky. Many other deaf professionals, of course, do not, and they are trying to find mentors out there.¹³⁴

4.148 Similarly, Ms Masella acknowledged that their needs to be a greater focus on the provision of business mentors for Indigenous Australians:

Perhaps it is a stereotype, but I think a lot of us are good athletes. There is some truth in that. But we have some very successful Aboriginal men and women businesspeople around Australia. Promoting those success stories will certainly help. Like anything, when you have had someone walk before you who has been successful, it is very much easier for another Aboriginal person to come along and say, 'I can do that too.'¹³⁵

134 Ms Leonie Jackson, Chief Executive Officer, The Deaf Society of NSW, *Committee Hansard*, Parramatta, 19 November 2015, p. 13.

135 Ms Kristy Masella, Chief Executive Officer, Aboriginal Employment Strategy, *Committee Hansard*, Parramatta, 19 November 2015, p. 25. See also Denise Newham, Founder, Trainer and Advocate, Sista Successful and Darug Tribal Aboriginal Corporation, *Committee Hansard*, Parramatta, 19 November 2015, p. 27.

- 4.149 There is also need for mentoring for small businesses that are newly established or just starting up. This is particularly important for culturally or linguistically diverse people (CALD) who face many barriers finding employment, yet the regulatory requirements and acumen around making a small business successful can also be too difficult to navigate. Ms Melissa Monteiro, Executive Director, Community Migrant Resource Centre, made the following statement:

Providing positive role models, mentoring opportunities, career guidance and referrals for these people from these backgrounds is the way to go...Business mentoring and business mentoring programs are something that we are also trialling, and the banks are very keen. That is also something that I would recommend very highly...¹³⁶

Entrepreneurship and innovation

- 4.150 Generating better support for innovation and entrepreneurship is one way that some submitters have identified in creating employment opportunities. Supporting entrepreneurs in the development of new small and micro businesses can allow for job seekers with restricted work capacity, such as at home parents or carers, to create their own employment opportunities.

- 4.151 With the increasing availability of the technology to do so, creating online businesses as opposed to the traditional bricks and mortar, is becoming increasingly accessible. Mrs Daniela Ascone, Director, Strategy and Partnerships, Fingerprint Me Youth Employment Academy, agreed that through educating people with the skills to be entrepreneurial, more jobs can be created:

Something we are focusing on quite significantly is that if there are no jobs, let us look at creating them. Let us look at educating young people, looking at the skills an entrepreneur would need to be successful and teaching them how to do that. There are so many ways.¹³⁷

- 4.152 Ms Julie Toth, Chief Economist, Australian Industry Group also recognised this. Ms Toth stated that currently around 10 per cent of the workforce are not wage and salary earners, but employers or self-employed and by encouraging and increasing this number through entrepreneurship, creates another avenue for boosting employment:

136 Ms Melissa Monteiro, Executive Director, Community Migrant Resource Centre, *Committee Hansard*, Parramatta, 19 November 2015, p. 35.

137 Mrs Daniela Ascone, Director, Strategy and Partnerships, Fingerprint Me Youth Employment Academy, *Committee Hansard*, Melbourne, 13 July 2015, pp. 4-5.

I think it is fair to say that it is an ambition of many people in the workforce to be self-employed and to become employers themselves. Given that very large number – nine to 10 per cent of the workforce – already falls into that category, we need to be careful not to restrict this inquiry to looking only at the promotion of wage and salary employment. Self-employment is worth promoting and it is certainly an ambition that many individuals hold.¹³⁸

- 4.153 The Australian Retailers Association (ARA) submitted that the utilisation of an online web presence for small business, coupled with the rollout of national infrastructure including high speed broadband and fourth generation wireless services, provides a critical platform for business to harness productivity and business improvements.
- 4.154 The ARA recommended that the government's role should be commercial facilitation in this technology product rollout and skills building, encouraging and facilitating through existing skills development opportunities allowing market forces to do the rest.
- 4.153 Ms Toth also identified that Australian small businesses can have difficulty with innovative ideas and products coming to fruition as marketable products, indicating a need for support for small businesses innovators and entrepreneurs:
- The evidence suggests that Australia does not do too badly in coming up with new ideas and new technologies. Where we fall down is on growing those ideas into a marketable product or service. It is the development – taking a product to market and growing it big enough to actually make it a viable business. It is in that marketing area, growing it into a viable product, that businesses seem to need the most assistance.¹³⁹
- 4.154 The Committee also heard that the government's New Enterprise Incentive Scheme is something on which the Federation of Ethnic Communities Councils of Australia (FECCA) has 'received really good feedback' on.¹⁴⁰

138 Ms Julie Toth, Chief Economist, Australian Industry Group, *Committee Hansard*, Melbourne, 13 July 2015, p. 25.

139 Ms Julie Toth, Chief Economist, Australian Industry Group, *Committee Hansard*, Melbourne, 13 July 2015, pp. 30-31.

140 Ms Erin Gillen, Senior Policy and Project Officer, Federation of Ethnic Communities' Councils of Australia, *Committee Hansard*, Canberra, 17 June 2015, p. 6.

Committee comment and recommendations

- 4.155 This chapter has presented a range of views on the difficulties that job seekers in various sections of the labour force face in gaining employment with a small business. There are three themes that emerge.
- 4.156 First, the evidence before the Committee is that the small business community could be better informed of the benefits that people in these vulnerable groups can offer to a business. Information campaigns can be a highly effective tool to complement financial incentives to employ people in vulnerable groups.
- 4.157 Second, small businesses and their representatives have highlighted structural obstacles to employing more widely. These obstacles include the cost of apprentices and structured work experience opportunities, skill shortages and limited recognition of skills by professional and semi-professional bodies.
- 4.158 Third, there is evidence that people in these vulnerable groups could take steps to become more 'job ready'. Notwithstanding the difficulties that people in these vulnerable groups often experience in gaining employment through no fault of their own, there are measures that these job seekers can take to improve their employment prospects.

McClure Report into Welfare Reform

- 4.159 In considering its recommendations, the Committee is mindful of the recommendations of – and government response to – the 2015 *McClure Report into Welfare Reform*.¹⁴¹ The purpose of the report was to 'identify improvements to ensure the system is sustainable, effective and coherent, and encourages people to work'.¹⁴²
- 4.160 The report itself is a comprehensive review of Australia's welfare system. Various parts of the report have relevance for this Committee's deliberations. The Committee draws attention to the following section of the McClure report titled *Better Support for Employers*:

Better supports are needed for employers to ensure there are sustained employment outcomes that benefit both employer and

141 Australian Government, Department of Social Services, 'Review of Australia's Welfare System: A new system for better employment and social outcomes', February 2015, <https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf>, viewed 28 January 2016.

142 Australian Government, Department of Social Services, 'Review of Australia's Welfare System: A new system for better employment and social outcomes', February 2015, p.5, <https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf>, viewed 28 January 2016.

employee. This includes during the recruitment phase and placement and post placement support.

Support for employers is needed to attract suitable candidates, assist them with training, provide mentoring and support and retain employees.

Employers can also be assisted through initiatives that support young people on the pathway from study to work. These initiatives establish relationships between employers, community and business, providing support to individuals, ensuring there is a clear line of sight from education, training or work experience, to employment.

Wage subsidy schemes need to be linked with supports for both prospective employees and employers to achieve long term employment outcomes. This will assist in ensuring that employees in the schemes are provided sufficient support to be retained by employers after subsidies are no longer available.¹⁴³

4.161 The Committee supports the following recommendations contained within the McClure report:

Promote initiatives that support pathways from school to work through establishing relationships between employers, community and business, based on the principles of successful models.

Promote wage subsidy schemes to provide incentives for small to medium sized enterprises to encourage recruitment of people with disability and mental health conditions for up to twelve months.

Employment Providers and Disability Employment Services Providers achieve better jobs and skills matching.

Improve the assessment and referral arrangements for job seekers to ensure that there are stronger linkages between Centrelink and employment services to ensure better employment outcomes.

Ensure there are placement and post placement support services for people with disability and mental health conditions, including disability awareness training, mentoring and employer support based on the principles of successful existing models.¹⁴⁴

143 Australian Government, Department of Social Services, 'Review of Australia's Welfare System: A new system for better employment and social outcomes', February 2015, p. 30, <https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf>, viewed 28 January 2016.

144 Australian Government, Department of Social Services, 'Review of Australia's Welfare System: A new system for better employment and social outcomes', February 2015, p. 30, <https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf>, viewed 28 January 2016.

4.162 The Committee also draws attention to the section on *Jobs Plan for People with Disability and Mental Health Conditions* which suggests ‘initiatives that increase workforce participation for disadvantaged people is needed to ensure all Australians gain the benefits of employment growth’¹⁴⁵ and that in ‘the first instance, a Jobs Plan for people with disability and mental health issues should be developed.’¹⁴⁶

4.163 The report recommends, and the Committee supports, the following recommendations:

Develop Jobs Plans for groups at risk of poor employment outcomes as identified by the Australian investment approach.

In the first instance, develop a Jobs Plan for people with disability and mental health conditions which includes:

- tailored support services including integrating employment services with mental health services
- an awareness raising and education campaign to promote the benefits of employing people with disability and mental health conditions and the services and supports that are available
- a leaders group to bring together key leaders in the disability sector, business and government to develop practical strategies to increase employment of people with disability and mental health conditions
- industry led awards should be established to recognise good employment practice across different sectors
- setting targets across government for employment of people with disability and mental health conditions across all employment levels
- governments and businesses consider procurement from organisations with established records of employing people with disability and mental health conditions
- a covenant for people with disability and mental health conditions should be developed in collaboration with industry, government and civil society
- promotion of improved and streamlined wage subsidies for organisations, including small to medium enterprises to employ

145 Australian Government, Department of Social Services, ‘Review of Australia’s Welfare System: A new system for better employment and social outcomes’, February 2015, p. 31, <https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf>, viewed 28 January 2016..

146 Australian Government, Department of Social Services, ‘Review of Australia’s Welfare System: A new system for better employment and social outcomes’, February 2015, p. 31, <https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf>, viewed 28 January 2016.

people with disability and mental health conditions for up to twelve months.¹⁴⁷

Committee recommendation on CALD job seekers

- 4.164 Australia is a multicultural society. Employers who tap into the wealth of life experience provided by employees from a CALD background, will, in the Committee's view, be well rewarded.
- 4.165 The Committee recommends that Australian Small Business Ombudsman, Small Business Commissioners, Chambers of Commerce, Business Enterprise Centres and peak small business organisations develop strategy to promote to small business the benefits of workers from CALD backgrounds. Where appropriate, the providers of small business advisory services should incorporate into the written and verbal material they present an explanation of how a business can benefit from recruiting a person from a CALD background.

Recommendation 6

The Committee recommends that Australian Small Business Ombudsman, Small Business Commissioners, Chambers of Commerce, Business Enterprise Centres and peak small business organisations develop strategies to promote to small business the benefits of workers from culturally and linguistically diverse (CALD) backgrounds. Where appropriate, the providers of small business advisory services should incorporate into the written and verbal material they present an explanation of how a small business can benefit from recruiting a person from a CALD background.

Committee recommendation on school leavers and young people

- 4.166 The Committee is of the view that many school students are disadvantaged by the lack of high quality, structured career advice within Australian schools. There is a need for a structured, nationally consistent approach to providing one-on-one and group discussions with high school students about their further study and career options. The Committee believes that such a system, properly designed and funded, will provide many school students with direction and purpose in their studies and in the workforce.

147 Australian Government, Department of Social Services, 'Review of Australia's Welfare System: A new system for better employment and social outcomes', February 2015, p. 32, <https://www.dss.gov.au/sites/default/files/documents/02_2015/dss001_14_final_report_access_2.pdf>, viewed 28 January 2016.

- 4.167 The Committee recommends that a Council of Australian Governments Working Group be established to scope the design and funding of a national careers advice programme within secondary schools. The Working Group must give careful consideration to the need for career advice counsellors to:
- be adequately trained with a good understanding of the skills needed by employers, the courses offered by vocational and tertiary education providers and the key issues and concerns facing young people;
 - discuss with students their strengths and career interests;
 - show students how secondary courses, vocational and tertiary courses align with careers and employment opportunities;
 - allow students the opportunity to meet with key employer groups; and
 - undertake structured work experience as a requisite for the completion of this course.

Recommendation 7

The Committee recommends that the Australian Government conduct a review of careers advice and support provided in schools [and online]. The purpose of the review must be to assess any gaps or areas of weakness in the current written and verbal advice that is provided [by schools and by federal and state governments], and to improve the quality of the careers advice that young people receive.

The Committee recommends that a Council of Australian Government Working Group consider the merit of a national standard for careers advice for all secondary school students.

Improving young people's access to work

- 4.168 The Committee is concerned that difficulty accessing driver's licences impedes employment opportunities for many young and disadvantaged job seekers and part-time workers. A driver's licence is a key requirement for apprenticeships and employment in many small businesses. The Committee recommends that the Australian Government increase funding and support for the provision of driver's licence programs to enable young and disadvantaged people to access employment opportunities.

Recommendation 8

The Committee recommends that Australian Government provide more funding and support for the provision of driver's licence programs to enable young and disadvantaged people to access employment opportunities.

Committee comment on skills shortages

- 4.169 When businesses invest in their employees, it is an investment in their business. The Committee believes it is important that new employees, particularly those undertaking vocational training, must be equipped with basic skills. These skills include basic skills of the profession they are entering as well as soft skills. Small businesses have told the Committee that many prospective employees do not have this base of core skills.
- 4.170 Relevant, practical skills training that are flexible according to industry needs are paramount. Meticulously planned training packages that are developed in accordance with industry consultation, and delivered with a combination of practical experience that develops both the hard and soft skills required in most workplaces, is ideal in order to support small businesses in creating jobs.
- 4.171 The Committee received considerable evidence on skills shortages and skills issues generally as part of its 2014 report *TAFE: an Australian asset*.¹⁴⁸ During that inquiry, the Committee found that the federal government was very active in reviewing training packages and accredited courses and in the quality assurance of training packages and Australian Qualification Framework (AQF) compliance.¹⁴⁹

Committee recommendation on apprenticeships

- 4.172 The Committee is concerned with the evidence it received that some apprentices may be discouraged from learning their trade as they do not get enough time 'on the tools'. This also leads to some apprentices who do not have the hands on skills that an employer requires.

148 House of Representatives, Standing Committee of Education and Employment: 'TAFE: an Australian asset', tabled 24 November 2014, <http://www.aph.gov.au/Parliamentary_Business/Committees/House/Education_and_Employment/TAFE/Report>, viewed 3 February 2016.

149 House of Representatives, Standing Committee of Education and Employment: 'TAFE: an Australian asset', tabled 24 November 2014, pp. 39-40, <http://www.aph.gov.au/Parliamentary_Business/Committees/House/Education_and_Employment/TAFE/Report>, viewed 3 February 2016.

- 4.173 The Committee recommends that the federal Department of Employment look into the implementation of a 'passport to competencies' as envisaged by Master Builders Australia.

Recommendation 9

The Committee recommends that the federal Department of Employment look into the implementation of a 'passport to competencies' as envisaged by Master Builders Australia.

- 4.174 The Committee recommends that the Australian Government assess the impact of changes at the State and Federal level to apprenticeship programs including the Joint Group Training Program and the Australian Apprenticeships Access Program.

Recommendation 10

The Committee recommends that the Australian Government assess the impact of changes at the State and Federal level to apprenticeship programs including the Joint Group Training Program and the Australian Apprenticeships Access Program.

Committee recommendation on ancillary service providers

- 4.175 The Committee acknowledges the significant contribution that ancillary providers of employment training and services make in vulnerable job seekers' efforts to find work. As such, the Committee argues that that these ancillary service providers should be properly remunerated. Currently, they are not paid by jobactive service providers.
- 4.176 The Committee recommends that the federal Department of Employment work with jobactive providers to ensure that ancillary service providers receive Australian Government funding for their assistance in placing jobactive clients into work.

Recommendation 11

The Committee recommends that the federal Department of Employment work with jobactive providers to ensure that ancillary service providers receive Australian Government funding for their assistance in placing jobactive clients into employment.

Committee recommendation on support for people with episodic illnesses

- 4.177 The Committee took evidence that people with episodic mental illnesses can be well for some time and enter the work force, but then become ineligible for the Disability Support Pension when their illness reoccurs. Episodic illnesses, such as those suffered by the mentally ill, can often reappear with a severity that makes a person unable to work for a period of time.
- 4.178 Although it did not receive direct evidence of other illnesses that are episodic it is obvious to the Committee that such illnesses beyond those affecting mental health exist. Arthritis that 'flares up' with a severity that incapacitates someone for employment is one example that comes to mind.
- 4.179 The Committee emphasises the benefits of paid work for people with episodic illness in terms of supporting their health and self-esteem. People with illnesses that are episodic should be encouraged to work and should not fear becoming ineligible for the Disability Support Pension because they have become employed.

Recommendation 12

The Committee recommends that the Australian Government review welfare eligibility rules for people with an episodic illness transitioning from a period out of the workforce into paid employment. The Committee encourages the Australian Government to ensure that people with an episodic illness are not discouraged from entering the workforce for fear of losing their disability or Centrelink pension when they work.

Committee recommendation on taxing redundancy payments for older people

- 4.180 This chapter has discussed the anomaly of the current situation where a person over 65 years of age who receives a redundancy payout is taxed at the full rate. The Committee believes that, notwithstanding the fact that persons over 65 have superannuation and tax benefits, there should be consistency in the taxation treatment of redundancy payouts.

Recommendation 13

The Committee recommends that Australian Government reassess the policy case for taxing the redundancy payouts of persons over 65 years of age to encourage people to stay in the workforce.

Committee recommendation on innovation

4.178 The Committee recommends that, in light of the importance of digital infrastructure for the viability of small business, special focus be given by NBN Co on ensuring their timely access to high speed broadband.

Recommendation 14

The Committee recommends that, in light of the importance of digital infrastructure for the viability of small business, special focus be given by NBN Co on ensuring their timely access to high speed broadband.

Andrew Laming MP

Chair

3 March 2016