

Inquiry into Issues specific to Older
Workers seeking Employment or
Establishing a business, following unemployment
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PART 1

DIFFICULTIES FACED BY THE OLDER UNEMPLOYED

1. The Problem of Qualifications

Most older unemployed face the problem of outdated qualifications. What were very qualifications in the 1960-70s no longer have the status they once enjoined. Three year diplomas, for example, are disregarded today in favour of "d degree", even though the diplomat may have completed many years' experience and other professional on the job train69 courses.

I was told by Senior Queensland Public Servant, "Bryson, we think you're the best man for the job because you've got the experience and training necessary. Unfortunately, the Public Service requirement for this position is a degree and the only way we could consider your application is if nobody with a degree applies for it. If a graduate with a degree just out of university applies for the job, we have to consider that person first."

During the 1960s and 70s, many organisations had their own in-house training which did not issue degrees or diplomas, but in-house qualifications could be used as a means of promotion. For example, the NSW Public Service had "Higher Grade Examinations" and many bank managers started as tellers and successfully ended up managing bank branches. Today, employers generally disregard any of these in-house qualifications.

A certain amount of State parochialism also exists in recognition of qualifications. Being trained in NSW and moving to Qld a decade ago, there was a reluctance to recognise my qualifications to the same extent as they were recognised in NSW. (This may have been peculiar to the Agricultural Industry.)

2. The Problem of Getting Help

Where does the-older unemployed go to get help or for somebody to talk with regarding what they should do with the rest of their life? Unless you are able to pay \$500\$600 for career counselling by professionals, there is nowhere to go except to your friends and family.

Centrelink do not provide any services in this regard. The unemployed are totally reliant on their own devices and are alone in their decision making. This situation is fine if the incumbent sees their unemployment as being to their advantage. After being sacked or retrenched, when bitterness, resentments and anger are present, however, is not a good time for making personal lifechanging decisions.

At this point the unemployed need help. They need access to personal counselling to help them over the initial hurdles and then when the grief over the loss of their former employment has subsided, career counselling should be available to get them back on track.

At the moment, no such services are provided or encouraged by any government agency and I am unaware of any non-government agency working in this specific area.

3. The Problem with Centrelink

Centrelink is a very efficient and courteous organisation (at least here in Toowoomba) but they do not know how to manage or address the needs of the older unemployed. This is illustrated when around September 1998 it was "decreed" by the Federal Government that all those receiving Newstart Allowance were required to undergo a three week training course on resume writing. The ridiculousness of ordering people who had held senior or middle management positions for perhaps 10-15 years to do such a course is self-evident. A six hour seminar for those who are rusty maybe, but three weeks!!

Centrelink as an organisation does not cater for the needs of people from the professions or senior management. This is largely indicated by their inability to talk about specific needs of the older unemployed and the demeaning process to which people are subjected when applying for benefits. For these reasons many older unemployed would rather not apply for benefits and spare themselves the humiliation involved.

In the early 1980s what is now Centrelink used to operate a "Professional Employment Office" (P.E.O.) specifically to cater for the needs of generally older (though not always) people seeking management or professional positions.

4. The Problem with the Job Network Members

The Job Network Members, it appears, do have some success in placing people in the hospitality, rural, domestic, retail, trade and travel areas. These positions, however, are mostly of the "high turnover" type and are sometimes casual and part time. When it comes to the placing of more mature, or openings for senior positions, they are generally at a loss unless the applicant can specify their exact occupation e.g. Accountant.

The older age unemployed generally have a multitude of skills behind them and could confidently fill a number of positions. The Job Network require people to be specific about the occupational choice. This usually limits those who are multi-skilled.

Being personally enrolled with two (more prominent) Job Network providers has been of no help at all to me. I suspect that my details went into the 'too hard basket' as soon as I walked out of their offices.

5. The Problem of Relocation

Relocation is a major problem for the older unemployed. This is because many are settled into the community, are purchasing a house and have family to think of as well.

As a personal example, I have to weigh up whether it is worthwhile my disrupting my three school children and older son (who lives with us but is on an apprenticeship) in order to take a job in another location. The financial cost would be enormous, let alone the emotional upheaval and stress on family relationships.

As a family we have discounted this option until all of our children have M high School (another 4k years). This is because there is enough disruption to our family structure through my unemployment (why add to it by moving) and even if we did move, what guarantee of job security would we have in the new position? We could find ourselves in exactly the same situation at a different location in the near future.

Relocation (even with some monetary help from the government) is not an option for the older unemployed unless they are single I divorced I widowed, etc., and have no responsibility in their present community. This is why R is important for the governments to encourage middle and senior level jobs in regional areas that can be filled from the local labour supply.

6. The Problem of Part-Time Work

One of the advantages of being an older unemployed is that one is generally wiser. One realises that (a) There is more to life than work; (b) Work should be enjoyed; (c) One is better off to do work that one is good at rather than work which is more suited to, say, younger (and fitter) people.

Part-time work is available but it is generally in areas such as cleaning, gardening, labouring, etc. Areas other than these generally favour younger people or people who are not looking for full-time work.

Older unemployed workers (because they want work) often take on these part-time jobs to their detriment, particularly if they are not used to the strenuous physical effort that is required.

The jobs that are relegated to older unemployed persons are not well paid and the social security payments system that applies under Newstart does not encourage people to do much part-time work. For example, an unemployed person on Newstart working as a part-time cleaner for \$15.00 per hour (gross) in fact works for around \$3.30 (not) per hour after a certain number of hours when tax and deductions to the Newstart and Spouse Benefits are considered.

Unemployed persons in my situation are better off to only work 10-12 hours per week as the marginal rate of return on any more part-time work does not justify the effort and expense. This is more so the case when physical injury could be the outcome to the older unemployed.

7. The Social Problems

The social problems experienced by the older unemployed include:

(a) Poverty. Even with Newstart, Parenting Allowance, Family Allowance and Austudy, the weekly wage of unemployed persons with a family is still a fair way below the poverty line. Living standards decline significantly, especially if there are outstanding mortgage and car payments that are based on a previous above average salary.

Today, poverty is not necessarily going hungry, not being able to afford a secondhand car or living in a cardboard shack on the edge of town. Poverty for the older unemployed is going without and not being able to participate fully in society e.g. no entertainment, no holidays, no new clothes, no participation in local events, no sporting memberships etc.

Unfortunately, there is a flow on effect to the children in many families. If life continues for too long in the poverty trap, the children begin to lose self esteem, lose hope, begin failing in grades at school and tend to congregate with the "Wrong crowd". From here it is not long before other social problems begin such as drugs, teen crime, violence, pregnancy, etc. The tragedy is that it all this can begin with unemployment.

(b) Strained Marriages. Unemployment in older people generally results in strained marriage relationships. This is especially the case if the male partner is out of work. The stress on the marriage is equally severe regardless of whether the female has work or is a homemaker.

(c) Strained Family Relationships. Not only are spousal relationships strained but children are often put under stress as well. This can be brought about directly onto the children through their actions (e.g. they are accused of wearing out their shoes too fast when there is not enough money to buy new ones) or the children can sense the tension between their parents and no doubt are aware of the strained relationship.

(d) Health Problems. The stress caused by unemployment at an older age has a significant effect on physical and emotional health. For example, I have visited health professionals more times in the last 11 months (while unemployed) than in the previous decade. Ailments include stress related pains, depression (from which I have never suffered in my life before), physical injuries (from doing jobs that have been too labour intensive for me), "ills and chills" (i.e. you seem to catch every wog going around when you're unemployed).

Scientific research has proven that your social status in later life has a direct effect on your gradient in health.

(e) Retreating from Society.

Largely through low self esteem and lack of financial sufficiency, the older unemployed person can retreat from society. This is a tragedy because older people have so much to offer society in a number of ways, and secondly, retreating on the individual's part does their cause no good and can lead to undesirable personality changes.

For some of us older unemployed people, it is increasingly difficult to face the world after numerous knockbacks on the job front.

(f) Future Hope

For many older unemployed the future does not hold any hope regarding employment. Older people become resigned to the fact that they will be on Social Security benefits until they die.

Such an outlook of "hopelessness" spells death to individual initiative and engenders in society a two-class structure based on income.

8. The Problem of Retraining

Firstly, the older unemployed are generally ill informed of what retraining opportunities are available to them. This is due to a lack of any sort of career counselling available through the government services as alluded to earlier.

Secondly, when the older unemployed choose to be retrained they are faced with the major hurdle of finding the resources. While University and college fees can be deferred under HECS, this does not cover any up front university charges, student union fees, text books and materials. This is a substantial cost imposition when 3 to 4 subjects are studied each semester.

When these costs are looked at in the cold light of day, the older unemployed needs to consider whether retraining is worthwhile. Is there a job promised at the end of it? It is likely that the person embarking on retraining will simply be competing on the job market with a large number of other recent graduates, most of whom will be younger in age, more flexible in terms of relocation and maybe a better long term investment for a potential employer.

The other major issue which faces the older unemployed is that they have generally been away from study for a number of years. Regardless of the help and access that multimedia and improved communications now provide, study for the older person is generally hard work. This has to do with how fast you can read and comprehend, how well you remember facts and figures, how clearly you can write and express yourself. A lot of these issues are physical age related conditions e.g. fading eyesight, hearing deficiencies and the inability to sit comfortably for long periods of time in lecture theatres or at desks, etc.

As far as this author is aware, there are no specific courses for training the older unemployed. This is one area that should be developed (see recommendations later in this paper). Should the older unemployed be subjected to "Communications 101" or "Life Skills Training" in order to complete a study programme? Some may require it, but exemptions should be made on an individual basis. Retraining courses should also be specific to provide the necessary skills and knowledge rather than "rounded out" as most degree and diploma courses are nowadays.

The universities of late are making much of the potential skill shortages Australia faces, particularly in the area of information technology. Why then do they insist on only accepting applicants for their full three year degrees? Why isn't there provision for unemployed senior and middle level managers to do accelerated degrees to bring them up to speed in information technology? Such people know how to be managers and executives; they simply need expertise in a particular area that would make them more employable. This would also solve the supposed short term skills crisis we are now facing.

9. The Problems Anticipated in Retirement

Can Australia afford to have people involuntarily retiring at age 45-50 years? Governments do not realise that this is a key age range when older people begin to put away for their retirement. Up until this age, people are generally concerned with paying off the mortgage, putting the kids through school, establishing themselves, etc. To take people out of work at this age will have long term social and economic consequences.

When older people become unemployed they are quick to reduce debt to manageable levels. Generally this means selling off excess assets such as shares, extra property, insurance policies, etc. These assets were generally either purchased or inherited earlier in life and kept "for a rainy day" or most likely in retirement.

The result of this selling of assets means that the older unemployed will have nothing in retirement and will be forced to live off superannuation (which is unlikely to be much, as its only been compulsory for a few years) and the government pension.

PART 2

RECOMMENDATIONS TO IMPROVE THE LOT OF THE OLDER UNEMPLOYED

As this is a national problem that is affecting Australian society today and will become an increasing problem in future years, it is apparent that the individual older unemployed is virtually powerless to do anything about the situation on a macro level. These recommendations are therefore directed towards the Federal and State Governments.

Recommendation 1: That Governments recognise the present and future problems unique to older unemployed persons.

The problem of older unemployed persons has gone unrecognised in the past but most of us knew it existed through individuals affected by it. It is almost endemic at the moment but is largely hidden within homes and families.

Do we know the extent of the problem? Probably not because:

(a) Men in particular are reluctant to talk about unemployment/underemployment. It is humiliating and a severe blow to the male ego.

(b) Women may be unemployed/underemployed but there is the sense of "Well, that's o.k. as long as her husband I partner is working and maybe she should be home looking after the kids anyway" (i.e. the problem is trivialised),

(c) Men or women who have a spouse working are not registered as unemployed and therefore no statistics are collected regarding the "hidden people".

Recommendation 2: That State and National Governments initiate an Education Campaign to inform citizens and employers in particular of the benefits of employing people over 45 years of age.

The unemployment problem facing older citizens exists in the minds of employers and in particular in the minds of the human resource personnel within private industry and the government. The gateway into industry and government is guarded by human resource practitioners who tend to choose charisma over character and emotion over work history and ability. While not meaning to be discriminatory, from experience it seems that these human resource people tend to be women in their late twenties, early thirties. This makes it difficult for older unemployed (and particularly men) to relate to these people who have a totally different world view and life experience.

Employers today are looking for charisma and the ability to misrepresent the truth (Clintonesque style) rather than solid work horses. Unfortunately, older unemployed people have generally outgrown these habits (and if they still possessed them would not be in their present unemployed state). Older people don't measure up in terms of pizzazz to the expectations of some of the younger workforce, but this does not mean that they are not keen and productive workers.

Recommendation 3: That Federal and State Governments include older unemployed persons under the Equal Employment Opportunity legislation and support it with affirmative action.

Single breadwinners who are older unemployed persons should be entitled to the same rights and privileges as women, Aboriginal and Torres Strait Islanders and the handicapped. This is based on the discrimination that is taking place in the workplace against the older unemployed on re-entering the workforce.

It should be an offence to discriminate on the basis of age and each government and business workforce should be representative of the general population, i.e. a certain percentage of men and women in respective age categories. (Exceptions could be made for departments/business with demonstrated special needs.)

Similarly, it should be seen as discriminatory to demand or favour "degreed" candidates over those who have other qualifications or no qualifications other than on-the-job training. There is no evidence to prove that "degreed" candidates are any better at their job than those with other qualifications, or no qualifications, but extensive experience in a particular field. The exception would be in a limited number of cases that required specific qualifications e.g. doctors, Dentists, etc.

Delaying affirmative action on these issues will only prolong the problems faced by the aged unemployed and delay the inevitable, as the situation worsens year by year as more and more unemployed older persons go looking for jobs.

Recommendation 4: That State and Federal Governments share the responsibility of paying the older unemployed persons compulsory superannuation levies based on adult average earnings.

One of the hidden ill effects of unemployment is that superannuation contributions stop when unemployment starts. Most unemployed older people cannot afford to pay superannuation contributions even if they do hold private super schemes.

A very effective way of providing for the future would be for the State and Federal governments (as a joint responsibility) to continue to pay the individuals compulsory superannuation at the prescribed rate based on adult average earnings. This would allow superannuation to continue to grow during those crucial fast years before retirement and provide some semblance of hope to the unemployed that they will not be solely dependent on welfare benefits after they retire.

Recommendation 5: That the Federal and State Governments:

(a) Work with the Universities to develop specific recognised training courses to upgrade the older unemployed's qualifications.

(b) Provide Bursaries/Traineeships/Scholarships to enable the older unemployed persons to attend tertiary training with an attached indentured work period in private industry or government following retraining.

True traineeships with indentured work periods appear to have gone out of fashion. It is, however, one of the best ways of training 1 retraining and can quickly provide a pool of skilled workers to " government or industry for a fixed cost.

Most older unemployed people would have no objection to undergoing further training if they knew it was going to result in a job and work experience guaranteed at its conclusion. The indenture period or period under bond would possibly be 12-18 months per year of retraining.

For example, if the need was for "X-File" Managers (a purely fictional occupation), the Universities and government and industry would agree on a suitable training course (may use existing courses); call applicants and potential employers; match them up and start the training. After say 18 months training (during which the government 1 industry provides the cost of living allowance, textbook and fees allowances, etc., the successful applicant is released to an employer for a set indentured period of work. At the end of the specified period, the employer 1 employee make appropriate arrangements regarding future employment.

Such schemes would overcome the two biggest hurdles to unemployment for older people viz. Lack of updated qualifications and sufficient funds to undergo further training.

PART 3
BACKGROUND OF THE AUTHOR

Bryson Dyke is 49 years old, married with 4 children (three still at school, the eldest in an apprenticeship). He has a Diploma in Agriculture and a Post Graduate diploma in extension (from Hawkesbury College of Advanced Education), various Management Training Courses (through Australian Institute of Management) and has recently completed some units towards a Bachelor of Theology (Trinity College, Brisbane).

Work Experience includes Horticultural Extension officer (NSW Department of Agriculture), Training Development Executive (W.A. Rural Industry Training Association); Executive officer (Old Fruit and Vegetable Growers); Administrator and Pastor of two Christian Based organisations - latest being within the Uniting Church of Australia.

Bryson has been unemployed since redundancy in May 1998 and is the sole provider for the family due to his wife's illness.

He is willing to appear before the Committee if required.