

**Kate Carnell MLA**

**Chief Minister**  
Treasurer  
**Member for Molonglo**  
Australian Capital Territory

Dear Mr Nelson

Thank you for your letter of 23 March 1999 inviting the ACT Government to make a submission to the House of Representatives Standing Committee on Employment, Education and Workplace Relations inquiry into *issues specific to workers over 45 years of age seeking employment, or establishing a business, following unemployment.*

The attached report outlines mature age unemployment issues specific to the ACT community and initiatives implemented by the ACT Government to support business attraction activities, development and growth with a view to employment outcomes.

I trust the Committee finds the information useful and I look forward to the outcome of inquiry.

Yours sincerely

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## **INQUIRY INTO ISSUES SPECIFIC TO WORKERS OVER 45 YEARS OF AGE SEEKING EMPLOYMENT, OR ESTABLISHING A BUSINESS, FOLLOWING UNEMPLOYMENT**

### **The ACT Government**

With the implementation of changes as of 1 May 1998 to Commonwealth funding for employment services and to participant eligibility for these services, the ACT Government needed to examine the way in which it delivered Territory funded employment services for the 1998/99 financial year and beyond. Programs needed to be designed for ACT unemployed people to ensure that there was no duplication of Commonwealth assistance. Many of the programs developed target assistance to mature age job seekers.

The Chief Minister's Department, Office of Business Development and Tourism (OBDT) supports business attraction activities, development and growth. OBDT has two units which target business and employment growth with the view that employment growth will be an outcome of these initiatives. The Employment Pathways unit developed a package of programs to fill the gap in services between Commonwealth Government programs and what ACT jobseekers need. The Business Development unit offers programs such as New Future in Small Business to assist people over 40 to develop a business which is viable, enduring and successful.

ACT unemployment statistics are very low per capita compared to the national statistics. Over the past 12 months unemployment in the ACT has been between 5.9% (April 1999) and 6.9%. The ACT Government however does not see this as a reason for complacency. The ACT has a small population of approximately 300,000 people. As long as there are people seeking employment there is a reason to attract industry and prepare a job, ready workforce. Failure to do this will result in businesses leaving the region, population exodus, industries failing and unemployment increasing. All of these are interlinked and very real concerns.

### **The ACT experience**

The ACT has in recent years experienced a dramatic change in the structure of the labour market. The ACT has had traditionally high public sector employment in relation to other Australian cities. Publicly released ACT Government statistics indicate between 1996 to the present more than half the ACT Government redundancies have been taken by over 40 year olds. The downsizing of the public sector at both the Commonwealth and Territory level has resulted in the ACT community experiencing the ongoing effect of redundancies.

Downsizing public sector employment is contributing to the steadily increasing private sector employment particularly as Government agencies are outsourcing and attempting to privatise wherever possible or feasible. One of the cumulative effects of redundancies is that the skills of mature aged jobseekers from the public sector do not necessarily match the skills requirements of the private sector. While the mature aged jobseeker may be highly skilled and capable, the private sector does business in a different way. The mature aged public sector, skilled jobseeker is sometimes ill equipped to assimilate in the private sector world. Thus some ACT mature age jobseekers are experiencing a period of uncertainty and concern.

**Funded Report on Mature Aged Jobseekers** A report '*Our Neglected Resource: A Canberra Challenge*' on the Employment Related Needs of Mature Age Job Seekers in the Belconnen Area 1998 was funded by the ACT Government and conducted by the

Belconnen Employment Solutions Taskforce (BEST). Mature aged unemployed were identified in the report as one of the major groups experiencing unemployment difficulties.

Generally the report found that downsizing the public sector, redundancies and the use of consultants and contractors has played a major role in the increase in numbers of mature aged jobseekers. The labour market in the ACT has changed and the mature aged jobseeker is no longer the long term unemployed person they have been perceived to be in years past. The majority of mature age jobseekers have been unemployed for less than 12 months. The Report stressed concern that this growing group did not again become the long term unemployed.

Other significant factors identified in the Report noted that mature age jobseekers quite often have dependants and prior research indicates that unemployment can quite often create second generation unemployment. Survey results indicated there is already a disturbingly high level of second generation unemployment in the ACT and there is a fear that this will increase. Other difficulties facing the group include loss of income and unpaid mortgages resulting in self esteem decreasing rapidly. Often the level of qualification is a negative rather than a positive because skills matching may be inappropriate and the salaries employers believe they will be required to pay for academically qualified jobseekers is a deterrent to employment.

The BEST report stated that 39.5% of all respondents had attained some tertiary level of education and another 29% had attained Year 12 or the equivalent. It is clear that low education levels cannot be blamed for the unemployment problems of the great majority of mature age respondents although recency of qualifications appears to have some correlation. There is a highly skilled, experienced, capable and motivated unemployed mature age group of jobseekers who unfortunately are not attractive to employers. If they are not employed corporate and community knowledge and skills could be lost. Survey results suggest that age is perceived by respondents to be the prime reason for employers not recruiting them.

### **Consultation Forum**

An Employment Services Industry Forum (ESIF) was convened by the OBDT in response to concerns identified by the business and community sectors regarding the need for increased consultation, communication and information sharing regarding employment programs and employment strategy development.

The ESIF noted the changes in policy for Commonwealth and ACT Government which resulted in acute downsizing. The decrease in public sector employment within the ACT and Commonwealth Governments has increased people not in receipt of benefits because of packages in all groups, mature aged unemployment and youth access to employment. Anecdotal accounts from service agencies indicate that many of these people now have difficulty re-establishing themselves or re-entering the labour market.

To examine the issues of ACT unemployment the role of the ESIF is to:

- foster links and working partnerships with the Commonwealth Government, industry, employers, service providers and the community;
- develop an understanding of the community view of where ACT Government funding should be directed;
- develop an Employment Strategy to provide a framework for Employment Policy and Program Development for the next three years; and

- create 'Pathways to Employment Opportunities' to provide a range of ACT Government employment programs available to the ACT and region unemployed.

### **Pathways to Employment Opportunities**

The Employment Pathways Unit came into being as a result of consultation through ESIF with aims to:

- provide support to help unemployed people into real jobs;
- support a workforce that meets the needs of industry and employers; and
- work together to tackle unemployment.

Pathways to Employment presents a holistic approach to skills acquisition and achieving sustainable job outcomes. The Pathways approach has been used successfully in employment initiatives in the USA and the UK. The Commonwealth Government has also adopted this approach, in helping young people find jobs through the Jobs Pathway Program and the Job Placement, Employment and Training (JPET) program. Specific target groups for Pathways Programs include: mature aged; women returning to the workforce; youth; and people from non English speaking backgrounds. A *Pathways to Employment Opportunities* package is at **Attachment A**.

Eligibility to Employment Pathways assistance is designed to ensure all ACT jobseekers can gain assistance if they are not catered for under Commonwealth Government funding. Some of the identified barriers to Commonwealth employment assistance include the inability of job seekers to access Job Network services because of spousal income or assets derived from other sources eg redundancies or simply not wishing to receive income assistance. These people are not counted in the unemployment statistics because they do not claim unemployment benefits. Hidden unemployment is an issue.

It is well recognised that job outcomes are achieved through many different pathways or avenues. Under Employment Pathways the identified pathways that needed to be built were pathways to education, pathways to skills, pathways to training and pathways to jobs, all of which are integrated so that the completion of one pathway leads to another, and another, finally leading to positive job outcomes.

### **Restart**

Restart is one of the Employment Pathways programs. Restart is the name for a range of individual programs within Employment Pathways programs targeting mature age people over 40. Restart was developed as a result of feedback from ESIF and from the community after a very successful Youth.1000 campaign in 1997. Restart programs include:

- Upskilling** for basic literacy, numeracy and computing skills;
- Open Access Centres** for jobsearch and training facilities;
- Annual Employment Program** offering Information Technology for mature age, Communications - Call Centres, Land Conservation and Restoration, Retail/Clerical & Administration/Small Business, Multicultural & Indigenous Children's services; and
- Selfstart** for motivation and self esteem building.

These programs cover such areas as vocational skills training, job search, job matching and job placement assistance, as well as self esteem and motivational training. Some of these programs are funded to provide assistance to a range of eligible job seekers but all

of the above programs have additional assistance and funding available for the mature age job seeker.

A second phase of Restart is a promotional campaign conducted as an incentive scheme for employers of mature age people over 40 years of age. In recognition of the *International Year of Older Persons* the ACT Government is keen to support employers to meet the challenge of change by promoting the diversity of the labour market.

Starting 1 April 1999 until 30 June 1999 an *incentive payment of \$2,500* will be paid to the first 100 employers who recognise the importance of the over 40's by employing them in full time paid work for more than 6 months. (Employees cannot be Commonwealth Job Network Flex 3 clients). **Attachment B** provides *Restart* details available to employers.

### **Pathways to Successful Business Development**

Through the Business Development unit the ACT Government helps stimulate the economy and create employment opportunities by: encouraging an environment in which business can flourish; assisting and supporting the Canberra business community; and by attracting investment to the ACT from international and national companies.

Business development initiatives funded by the ACT Government which particularly target mature aged jobseekers include:

New **Future in Small Business** - a program which targets unemployed residents in the ACT who are aged 40 and over with priority given to those who have recently been made redundant or retrenched and are considering establishing a small business.

Of the 270 participants to complete NFSB from 1994 to February 1999:

53% are in small business  
28% are employed  
14% are researching  
1 % are retired  
4% are undertaking further studies

In 1997/98 six courses were completed:

<b>Commenced</b>		<b>Completed</b>	
<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
49	47	38	36

Redundancies and retrenchments among these participants included:

24 Commonwealth Government  
9 ACT Government  
10 Private Sector

In 1998/99 four courses have been completed

Commenced		Completed	
Male	Female	Male	Female
31	20	29	17

Redundancies and retrenchments among these participants include:

14 Commonwealth Government  
Nil ACT Government  
6 Private Sector

A fifth course will be completed on 14 April 1999. A sixth course will begin on 17 May 1999.

**Canberra Business Centres - Business Incubators** provide start-up or growing businesses with a supporting step into the commercial leasing environment, flexible accommodation on month-by-month terms, access to comprehensive office services, free business counselling and advice on-site, referral to business professionals and mentors, on-site support for the business operator, networking services.

**Links to Business** - a program aimed at providing a starting point for those people seeking advice on establishing, running or developing a business in the ACT.

**Small Business Intenders** - a course designed to increase the awareness of those intending to begin a small business of the resources (both practical and personal) required to be successful.

**New Enterprise Incentive Scheme** - provides a six week full time course in small business management and income support and mentoring for up to 12 months to eligible applicants.

**New Enterprise Loan Guarantee Scheme** - provides access to an unsecured loan for selected people to establish a new small business.

**ACT Business Incentive Scheme (ACTBIS)** - provides incentives to assist the development of significant new business investment in the ACT.

Further ACT Government Business Development initiatives are in the Pathways to *Successful Business* package at **Attachment C**.

### **Summary**

In seeking information to assist mature aged jobseekers in the ACT the Government has found very little research material or statistics relating to the issue. Mature age unemployment has only recently and slowly been surfacing as an issue. A small scale study funded by the ACT Government and conducted by BEST found that mature aged jobseekers in the ACT have specific and notable issues regarding employment. Most available information other than ACT Government specific statistics is purely anecdotal based on feedback from the community and associated agencies.

Anecdotal information on mature aged jobseekers indicates a particular issue for the ACT caused by the downsizing of the public sector especially for people taking

redundancies and secondly that there is a difficulty in matching current skills with the skills required in the growing private sector.

Based on the outcomes of a consultation undertaken through ESIF, the ACT Government is attempting to address identified needs through Employment Pathways and Business Development opportunities. Issues specific to mature age people seeking employment, or establishing a business, following unemployment must be examined closely and dealt with promptly.

### **Conclusion**

The ACT Government supports and congratulates the Commonwealth Government for instigating a full research inquiry at the national level which can be eventually utilised at the State and Territory level on social, economic and industrial issues specific to workers over 45 years of age seeking employment, or establishing a business, following unemployment.