



# AUSTRALIAN ASSOCIATION OF CAREER COUNSELLORS INC

ARBN 061 218 639

P.O. Box 5084 ALBERTON SA 5014 Telephone (08) 8341 1492 Fax (08) 8341 1635

## **SUBJECT: INQUIRY INTO OLDER WORKERS**

As previously notified, the Australian Association of Career Counsellors Inc., the peak body of career counsellors in Australia, wishes to make a submission to the Standing Committee conducting the Inquiry into Older Workers. This submission responds to the Terms of Reference provided and is based on opinions and experiences drawn from our membership nationally, as represented by the National Executive of our Association, the Divisional (State) Presidents and some members who chose to provide comment.

### **SUMMARY**

In summary, the key points we wish to make are:

- Older workers as a group are not as well resourced or supported as young unemployed, by government initiatives
- Social and economic consequences of job loss at an older age have flow on effects to the other family members and their prospects, and to the community
- This is particularly felt in country communities where prospects are fewer and flow on effects more localised
- Many older workers have few career skills and less flexible work skills to assist them in making a transfer to other employment
- Many older workers experience job loss at times in their lives where marital difficulties and breakdowns, or significant health issues start to emerge. This compounds difficulties in seeking other options and is also likely to increase the loss of self esteem and confidence. Finances may also be more affected as a result.
- Our members from the outplacements industry continue to find that male mature age workers are less able to make these transitions and take longer to regain employment, especially if from a trade or technically skilled or unskilled employment background
- Self employment is a real and often used option but has consequences in income security, health stresses from the pressures of self employment and longer term employment may be necessary than originally planned by the individual.
- Advice about self employment or the purchase of a business is available to those prepared to spend time and money with either small business advice centres, outplacement providers or accountants
- The emergence of contracts in employment means that there is a wide range of financial provision made for workers who may have their contracts

terminated for whatever reason. Some contracts have termination payment clauses, others do not.

## **ISSUES IN GREATER DETAIL**

### **Social issues**

- Keeping the family solvent and intact is the primary focus of workers made redundant at an older age
- Mature aged workers are more likely to have dependent adolescents and young children
- Many older male workers have a partner who is in the work force part time or not at all
- Most mature workers have a mortgage and significant financial commitments. This contributes to fears and also diminishes capacity and time available to retrain or study
- Returning to study brings its own difficulties in adjusting to the contemporary learning environment, study disciplines and authority figures
- Corporate Australia does not use the talents and abilities of its older workers carefully. There is also little evidence of phased and supported retirement preparation.

### **Economic issues**

- Women mature workers are more financially disadvantaged because they are still the primary carers and are likely to have the greater responsibility for dependents in sole parent family structures. Their pay rates may also affect the level of any redundancy payouts, depending on how these are calculated in the particular industry.
- Loss of jobs has quick economic flow ons to other family members and the community, especially in country communities where effects are more localised and alternatives fewer
- Generally mature workers have less flexible work skills, especially in information technology
- Capacity to refinance financial commitments is often limited by the banks and other institutions' preference for short- term arrangements for contingencies such as this.
- Small business is a sector with considerable expertise available to this group but not easily tapped for either advice or employment prospects. Government does not seem to assist this much.
- The reduction of mature workers in employment through retrenchment and redundancy is likely to have significant economic effects, given their percentage of the population and their potential impact on the welfare system if not adequately funded on retrenchment. Longer- term effects will also be felt in the investment, banking and real estate sectors. Smaller numbers of taxpayers will be supporting them.
- Government agencies that have downsized or significantly restructured into mega departments are starting to experience difficulties in loss of corporate history and continuity - this affects productivity for both the agency and its customers.

- Government agencies that have downsized have undone career paths needed to grow executives and other key skills. This has diminished the quality and competence available to the public sector. This is also leading to turnover of graduates and trainees where career paths are not available and will increase the competition for labour in certain skills areas and levels.
- The time at which superannuation funds can be accessed is likely to be under pressure in the next ten years given significant job losses in the 40 + age group.

I am available to support these summary comments through further discussion if you need. The Australian Association of Career Counsellors Inc has a network of state presidents and 1100 members on which to draw for any further involvement that may be appropriate to your research and consultation.

**ROD WENHAM**

**NATIONAL PRESIDENT**

**Phone : 08 82117213 (work) or through the Association's Secretariat**