

# DOME

"Don't Overlook Mature Expertise"

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Training

Advocacy

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Free Service  
to Employers  
& Job Seekers

Support

Volunteering

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The Secretary,  
House of Representatives Standing Committee  
on Employment, Education and Workplace Relations,  
Suite R1 116, Parliament House,  
Canberra ACT 2600

Dear Sir,

Subject: **INQUIRY INTO SOCIAL, ECONOMIC AND INDUSTRIAL  
ISSUES SPECIFIC TO WORKERS OVER 45 YEARS OF  
AGE SEEKING EMPLOYMENT, OR ESTABLISHING A  
BUSINESS FOLLOWING UNEMPLOYMENT**

We wish to make a supplementary submission to your Inquiry, this time focussing on the subject of **training opportunities** for mature unemployed people.

People falling within this category may be characterised as:

- retrenched workers who need to change vocation in order to return to the workforce,
- long term unemployed people,
- mature people returning to the workforce after a long period out of work (following changed circumstances, sickness or the loss of a loved one),
- a person on part time or casual work wanting to secure full time work,
- 'blue collar' workers trying to get into 'white collar' work,

Reputable studies have alluded to the length of time mature unemployed people can expect to be without work. ABS studies show that people over the age of 45 are, on average, out of work for about 79 weeks. A more recent study by the Australian Bulletin of Labour puts the average period of unemployment for 35-54 year olds at 93 weeks, and for men over the age of 55, at 112 weeks. The seriousness of the length of time mature unemployed people can expect to be without work can not be overestimated. We believe a contributing factor to this situation may be the lack of training opportunities for mature unemployed people.

Studies on the future of work opportunities consistently show that future employment growth will be in the areas of retail, office administration, management, computer applications, telemarketing and information technology. From DOME's own data base we know that 70% of our members come from an office, clerical or sales background with a significant proportion being retrenched in order that they could be replaced by younger more highly qualified workers. Most of our members coming from manufacturing have lost their jobs under the guise of economic efficiency as industry *downsized*. The reality of both groups is the need to re-skill in order to re-position themselves to re-enter the workforce.

But herein lies the problem. All training or retraining programs are directed at youth unemployment. Specifically in Adelaide we have:

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- State Government funded **traineeships** pitched mainly at 15-20 year olds aimed at facilitating on-the-job training. Whilst some traineeships are promoted as being non-age restrictive, most employers will only take on younger people for training. DETE officials have advised DOME that the State Government is now finding that an increasing number of employers are exploiting the traineeship scheme as a form of wage subsidy by 'earmarking' employees for re-training and transferring them to traineeships.
- The Federal Government supported **New Apprenticeship** scheme also offers on-the-job training and is aimed at facilitating the transition from school to workplace. Whilst the scheme is not age restrictive, employers have focussed on taking on 15-20 year olds.
- The Federal Government **work for the dole** scheme has been targeted at 15-25 year olds with very limited opportunities for mature unemployed people. We understand that the scheme has provision for about 20% of places to be reserved for people identified as 'disadvantaged' (this includes mature-age people), but providers have problems meeting that quota. As schemes are only undertaken through not-for-profit organisations, there is limited scope for people to acquire 'commercial' skills. We note that from the recent budget address that the *work-for-the-dole* scheme will be extended to people up to 34 years-of-age.
- Federal Government funded **flex III assistance** is only available to people referred to Job Network providers and is at the discretion of the Job Network provider. DOME continues to receive anecdotes of mature unemployed people being advised (by their Job Network provider) that they can only access training if they have a guaranteed job to go to. We note from our own records that 50% of DOME's unemployed members are not eligible for benefits and hence not eligible for Job Network support.
- The State Government funded **kick-start** program offers industry based training with uptake at the discretion of employers. Most employers take on 15-25 year olds under the scheme. Funds are accessed through Regional Development Boards and only available to people 'earmarked' for specific jobs.
- The Federal Government's **Jobs Pathway** scheme aims to assist schools place school leavers in jobs with local employers.
- The Federal Government sponsored **Green Corps** scheme is aimed at providing environmentally based work experience for 17-20 year olds.
- The State Government's **Small Business Employer Incentive Scheme** is a modification of the traineeship scheme (but pitched at small business) with employers being offered a cash incentive to take on apprentices for up to two years.
- The State Government's **Upskill** program encourages government contractors to take on young unemployed people (as trainees or apprentices) as part of the terms of the contract.
- The State Government funded **IT Skills Advantage** encourages industry to team with training providers to develop IT courses. Again the emphasis is on people already in employment, gaining access to training.
- The State Government funded **Community at work** program is a state version of the federal *work-for-the-dole* program.
- The State Government's **Self Starter** program is a state version of the federal NEIS program.

Whilst there is much merit in the overall focus of the above mentioned training programs, they are, without exception, all pitched at getting young people into work situations. If that was going to be the solution to Australia's unemployment situation we would have no argument with it. However **43% of all unemployed people are over the age of 35** and as their age increases so does the length of time that they will be without work. The common (weak) link to all the above training programs is that there is no access for mature unemployed people wanting to increase or

upgrade their skills to make themselves 'job ready'. Mature people can (in theory) access some of the above programs, but only if they are already in a work situation.

Our members are telling us that they can not get access to (subsidised or free) training programs that will give them the skills to be able to seek work in a new direction. There is an acceptance among many mature unemployed people that they will never return to the types of jobs they had undertaken for most of their working lives. They realise that to get work they have to look at alternative vocations, but to be competitive in applying for vacancies, they need skills upgrading.

We find from discussions with our members that there is great concern at competition for vacancies; and whilst competition in business is healthy, mature unemployed people find themselves at a distinct disadvantage. Younger people are being 'packaged' (by government) as a better commercial option through a multitude of training and wage subsidy schemes. A company faced with the choice of employing a mature worker at adult rates or a younger person at a 'youth wage' with a traineeship (wage) subsidy (to do, say, a word processing function) is going to opt for the latter each time.

There are commercially packaged courses available, but at a price. Most long term unemployed people do not have the \$1,000 or \$2,000 needed to access privately run training courses; and without skills upgrading they can not hope to compete against a younger brigade of better qualified candidates. In essence, mature unemployed people need assistance to make themselves job ready. We also note that in excess of 50% of DOME members are not in receipt of benefits and therefore ineligible to participate in Job Network programs.

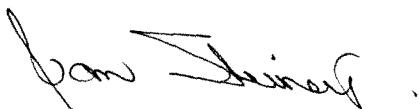
The dilemma facing mature unemployed people is that they can only access training if they get a job but can't get a job because they are not competitive.

DOME recognises that the core of the problem is that there are not enough jobs to go around. The Australian Bulletin of Labour estimates there are 10 unemployed for every vacancy in Australia and for so long as employers are able to pick-and-choose from the labour market they will opt for *economic packages* attached to the labour supply. Government has made a deliberate decision to ensure that *economic packages* are attached to young unemployed people, (and in principal we support this initiative). But in doing so they have discriminated against mature unemployed people by effectively pricing them out of the labour market. Is it any wonder that the ratio of mature unemployed people in the total pool of unemployed people continues to grow?

**Recommendations;**

1. DOME would like to see an initiative introduced whereby mature unemployed people (regardless of length of time unemployed, or whether in receipt of benefits or not) could access (free) training to enable themselves to re-skill to be competitive in their job search activities.
2. We would also like to see greater access opportunities for mature unemployed people via existing training programs.
3. The Federal Government should develop *economic packages* attached to mature unemployed people to make them an economically viable commercial 'product' to employers.

Yours sincerely,



**JAN STEINERT**  
Chief Executive Officer.  
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