

Ian Carstairs
Western District Employment Access
202 Timor Street
Warrnambool Vic 3280
03 5561 2579

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SUBMISSION

Inquiry into issues specific to workers over 45 years of age seeking employment or establishing a business following unemployment

SUMMARY

In South West Victoria prior to 1998 there were extensive training and placement services for over 45 year long term unemployed (LTU) workers which had considerable success in helping this client group find employment following retrenchment or redundancy.

Since 1998 and the advent of the competitive Job Network many of these services such as the national Skillshare network have had Federal Funding withdrawn.

This has left a gap in training and placement services for the older LTU workers who tend to be more difficult to place and are frequently left in the "too hard basket with inadequate Intensive Assistance Support.

A possible solution to this problem is discussed.

Many older workers have been helped to set up their own small businesses through NEIS and business incubators in SW Victoria and this valuable NEIS program has been consistently refunded.

One problem has been the lack of capital and lines of credit to set up small businesses available to older LTU workers.

A possible solution to this problem is also discussed.

HISTORY OF WDEA'S INVOLVEMENT WITH OLDER WORKERS

During the past 10 years WDEA has assisted over 120 older 45+ workers find and maintain employment in South West Victoria. Many of these workers were referred to the local Skillshare service providers which ran a series of employer driven training courses for 45+ workers leading to over 60% employment outcomes. Initial feedback from these older workers was often negative - questioning why they were being targeted for jobs when there were so many younger unemployed. As soon as one older worker found employment early in these courses the outcome rate soared with the reaction that it was possible for older workers to find local employment.

COMMENTS ON DR BRENDAN NELSON'S ASSERTIONS

To say that the plight of older 45+ workers has been largely overlooked is questionable given the success of many employer driven training programs specifically targeted at LTU older 45+ workers by the national Skillshare network over the past 10 years.

However it could be argued that the introduction of the Job Network Intensive Assistance Program following the withdrawal of funding for the national Skillshare network has reduced the employment and employer driven training opportunities for older 45+ workers.

From our observations and feedback from older 45+ workers the reality of being in Intensive Assistance with a Job Network provider intent on maximising profit means that very little Intensive Assistance funding is being used for employer subsidies or vocational training for the older worker.

At WDEA we can still offer employers substantial subsidies followed by Supported Wages for placement of older 45+ workers with a disability. As the figures quoted above show we have great success with placing these older workers.

However for older 45+ workers on Intensive Assistance without a disability with a profit driven Job Network provider the outlook is bleak.

Such clients will be more likely to find that their age works against them while the provider "creams" the younger Intensive Assistance workers who are easier to place in employment.

Such older 45+ workers without a disability will be likely to find that they see very little of their case managers and are placed in the "too hard basket" with little or no training or re-skilling being offered by the Job Network provider.

While the recent Exposure Draft of the Employment Services Request for Tender 1999 outlines the consequences of non-compliance by Job Network Providers in terms of providing minimal assistance to older 45+ workers it is a much more difficult and labour intensive process to prove such non-compliance.

POSSIBLE SOLUTION TO THIS PROBLEM

Revisit and refund successful tenderers for Mature Workers Training and Reskilling Programs that focus on providing employer driven accredited training.

PROBLEMS ENCOUNTERED BY OLDER WORKERS INTENDING TO SET UP A BUSINESS FOLLOWING UNEMPLOYMENT

The NEIS program has achieved great success in helping LTU clients of all ages set up a successful business following unemployment.

However the problem and main barrier encountered by many older 45+ NEIS clients is lack of capital or lines of credit to set up a business.

All other aspects of achieving a business plan, mentor and business incubator support to help older clients set up a successful business are adequately catered for under NEIS.

POSSIBLE SOLUTION TO LACK OF CAPITAL OR LINE OF CREDIT TO SET UP A BUSINESS

Establish a fund administered by national banks that gives an older 45+ client with NEIS support and business plan access to \$5000 worth of plant or equipment that remains government property until the \$5000 is repaid by client.

This \$5000 is a small investment for the government to make considering cost of maintaining a client on unemployment benefits for one year.

This strategy could stimulate entrepreneurial flair in 45+ clients and help reduce the unacceptably high rate of 45+ unemployment.