

Employment Resource Centre
C/r Glenhuntly Road & Foster Street
Elsternwick VIC 3185
28 April 1999-08-13

In this submission please find:

- A statement about our Employment Resource Centre referred to as the Centre an Incorporated non profit organisation.
- Statements on issues specific to workers over 45 years of age seeking to re enter the workforce to re establish their employment.
- Collective viewpoints expressed in discussion with mature aged unemployed people during the period of our operation.

Background of Employment Resource Centre

In 1993 the Elsternwick Uniting Church decided to make its office resources available to unemployed people to help them in the often onerous task of seeking employment. Since that time this facility has operated two mornings a week and is known as the Employment Resource Centre.

The service is provided free of charge to the users and unlike most other services to the unemployed, has no eligibility requirements. It is available to anyone seeking work. It is also non intrusive; no records are kept of individual users. The Centre is funded by the Elsternwick/Caulfield South Uniting Church parishioners as a service to the community.

We provide a unique service not available elsewhere in the region. In fact many of the Centre's users are mature aged unemployed who are unable to fit the criteria required by Centrelink to receive assistance from the new Job Network which replaced the Commonwealth Employment Services.

The Centre provides the use of a professional library, computer with laser printer, photocopier, typewriter, telephone and employment sections from several newspapers. The Age, Herald Sun, Caulfield/Glen Eira Leader and Southern Cross.

Our professionally trained volunteer staff provide assistance in areas such as development of resumes, job search strategies, interview skills as well as morning tea and a chat.

Mission: To provide resources to unemployed people, to assist them in obtaining employment and to provide emotional support during their unemployment, by contact with Centre staff and through the opportunity to network with other unemployed people.

Comment

We are gravely concerned about jobseekers in the categories of mature aged wanting to re enter the workforce as assistance for them is very limited if they are found to be ineligible for income support.

A recent report by The National Institute of Labour Studies "Mature Aged Workers: Are they a Disadvantaged Group in the Labour Market" has concluded that jobseekers aged 55 plus could be the most disadvantaged jobseekers in the nation. It reports that almost 250,000 Australians over 45 years of age are out of work and that jobseekers over 55 years of age faced a two year wait for work - longer than any other group. (Herald Sun 4 April 1999)

The experience of our Centre confirms these conclusions in an empirical sense. The great majority of people coming to seek assistance in obtaining employment are in the category of mature aged unemployed. They include people re turning to the workforce after family commitments, migrants new to the Australian system and victims of retrenchment.

While mature aged job seekers have proven skills, experience and have become flexible, adaptable in obtaining additional skills, employers appear to perceive them as being unemployable.

The unemployed soon learn from the interview process that employers want the perfect job match; this leaves the jobseeker in the situation where he/she has to prove that their skills have not become dormant but still as active or better than a person already employed. Perhaps employers need some concentrated education on hiring staff.

We strongly believe that older Australians have as much right as every other group to participate in on-going employment.

SUBMISSION

Economic Issues

The recession we had and company restructure occurring simultaneously added rapidly to a blow out in unemployment through downsizing/retrenchment both in the government and private sectors.

Unfortunately neither the government nor private enterprise have been quick enough to act in providing a climate that allowed the unemployed to re-enter the workforce quickly.

Mature aged people often feel they are targeted for retrenchment because of their age as they believe younger workers on lower salary levels doing the same work are retained by the organisation.

However, no matter how obvious it appears to employees, this fact is extremely hard to prove as employers can easily make their reasons sound plausible.

Many unemployed feel that governments, both state and federal have become too business driven like the private sector which is never satisfied with a just profit each year. From the position of the unemployed, the private sector consider it necessary to ensure that their profits are increased by a significant proportions each year no matter how employees jobs may be affected.

The unemployed are concerned that our Australian assets are being sold to overseas companies. Many of our former private companies, such as Arnotts Biscuits are now owned by overseas enterprises. Such companies often bring in people from overseas to do the jobs once held by Australians. No matter which of the current two main political parties happens to be the government of the day, both seem set on selling off as much of this country as they can manage.

Social Issues

Although it is necessary for businesses to make a profit to survive, they have become so profit driven they ignore the social ramifications which may result from their actions. Executive salaries keep rising and reading between the lines of annual reports, retrenchments are made to pay for them. The employee at the lower end of the scale seems to be expected to work longer hours for less pay.

Employees in many services and industries have little time to communicate and mix with family members with working hours increasing from 37 Y2hours per week to above 40 hours per week in many areas.

The current Federal Government has forced the mature aged unemployed from the age of 55 to use their superannuation well in advance of the time they plan to take their retirement. There seems to be a lack of foresight here since thousands of these mature aged unemployed will have used up their superannuation by the time they reach age 65, thus they will be forced to fall back on the age pension.

Many unemployed in this category feel that they are being 'punished' for having used their initiative to provide for a comfortable retirement at 65 and beyond.

The government has removed the compulsory retirement of 65 years of age for employees and put a 'bonus system' in place to encourage the mature aged to remain in the workforce.

Without continuous employment or less than a fortnight between long term jobs, no one can ensure they will have sufficient superannuation to live on in the future without requiring the age pension.

Experience has shown that the longer a person is unemployed, particularly the mature aged, the more likely it is that employers see them as unemployable. Hence a process for those unskilled mature aged and well experienced employees willing to undertake re-training is needed.

Most unemployed wish to keep their skills active but have no easily accessible area close to them where they can gain open access to the necessary equipment to keep their skills active to the same level as when in the workplace.

It would be advantageous for government to introduce systems that encourage employers to re-employ mature aged people. This would reduce the demand for the immediate unemployment benefits, conserve their superannuation so they would remain self-supporting later in life and therefore be less likely to require support from the age pension.

Unemployment statistics in reality tend to give a false impression of unemployment in their present form because all age groups are counted for one selected week in each quarter even though a person may have only one paid hour of work for that week. While these results give a true reading for the selected week they can only provide a rough estimate for the whole quarter. There does not appear to be any statistics of those mature aged unemployed who are forced to use their superannuation ahead of their chosen retirement time.

It is all very well for the labour market to be deregulated by government but it has not improved the stability of employment; it has only made the employment situation more competitive and unstable for the employee.

Competition is difficult enough for employed people wishing to change jobs. It is even more difficult for the long termed unemployed as they are competing for positions against those employed with current workplace experience.

Although the unemployed may be quite capable of doing the job well they have great difficulty of meeting the perception of the employer.

Since constant long term employment no longer exists people are prone to numerous gaps in their superannuation savings therefore are unlikely to have as much to retire on as under the one employer for their working life, even if the jobs differed.

Casual, temporary and part time employment is not going to increase superannuation savings According to financial planners Phil Ruthven and Kevin Bailey people who wish to take early retirement (55 years) in the year 2000, will need assets of \$470,000 - \$487,000 debt free including their own home to provide for an indexed yearly income of \$23,000 - \$30,000.

The creation of Australia's superannuation guarantee scheme was a great idea but it will only achieve its purpose if there is long term full employment so that their contribution is approximately 18 % to allow people to retire with a lifestyle of similar quality to that of their working years.

Unless people can be employed on a continuous basis for forty plus years their superannuation savings will not cover their retirement as our life span is increasing in years. To be blunt it is obvious to most people with any sense that we need to have sufficient superannuation to cover thirty years of retirement.

According to the Herald Sun, A report 'Mature Aged Workers: Are they a Disadvantaged Group in the Labor Market' concludes that jobseekers aged 55 plus are the most disadvantaged job seekers in the nation.

It is at this time in their lives when employees are most likely to add more to their superannuation due to less household and family expenses and possibly receiving higher salaries than earlier in their employment.

The 45 Plus Skills Initiative recently introduced by the Victorian Government believes that employers cannot afford to overlook the skills and expertise of the older jobseekers. However, this much needed assistance for the mature aged is only for the short termed unemployed. It is obvious that many mature aged unemployed need further training to update and develop new skills. Therefore we consider this Skills Initiative should be extended to all long termed mature aged unemployed. Currently the 45 Plus Skills Initiative miserably fails those people who are over twelve month's unemployed and also need this assistance.

Not all unemployed people with an array of skills and experience have business acumen, although they are very capable with their skills to contribute in a position of support in a range of industries and services. They have no wish to invest their superannuation into the world of small business and have a debt over their head as they may end up a bankrupt. It is well known that 80% of small businesses fail within the first five years.

Industrial Issues

Workplace experience in technical skills is not usually available from any organisation on a volunteer basis, as they have paid employees in these areas.

Many mature aged unemployed are long term unemployed, not because they want to be but because numerous employers appear to discriminate on technicalities, such as no workplace experience in a certain computer package as Excel; although training skills have been completed most employers require twelve months or more workplace experience using the package.

When it comes to keeping new computer skills as spreadsheets active through workplace experience, the unemployed find themselves in an impossible situation. Under these circumstances no matter how many training courses are completed to update skills and obtain new ones.

We believe that an employers market often presents an unrealistic situation for the mature aged unemployed.

There is also a limit of affordability to continuous training for the unemployed. Most training courses provided by accredited institutions are priced at a level well above the income of the unemployed.

Previous government funded programs appear to have concentrated more on the younger age groups other than mature aged. Perhaps the procedure should be reversed even though we feel that all groups should be treated equally. As a suggestion for jobs that are hard to fill, perhaps employers could offer the mature aged unemployed wishing to re-enter the workforce easy access to 'on the job training'. As the mature aged unemployed may have family to educate, elderly parents to care for and mortgage payments, as well as general household expenses of transport costs, food, health, clothing, household facilities their training salary would need to be much higher than the apprenticeship wages of a junior.

From our interaction with this group, a number of mature aged have been informed by their case managers that some employers tend to be exploiting the unemployed by offering junior level salaries in the vicinity of \$20,000 per annum. These jobs are often found on the Centrelink touch screens.

Such situations not only make the unemployed feel more vulnerable, but also raises the question, 'Will current regulations be sufficient for employee protection against the unscrupulous employer who may underpay the employee for the hours of work?' (the award system seems to be disappearing).

If wages are reduced to encourage employment then all costs need to be reduced by the same proportion so that the worker will be able to make his wages stretch to cover the necessities of living. A large number of working poor is no healthier for the community than our current unemployment.

Any reduction in wages should not just apply to the lower level of workers but at least the same percentage should apply to all senior level salaries and packages no matter what the profession or industry happens to be.

Conclusion

To guarantee that everyone can be self sufficient for their future years of retirement without having to fall back on the government age pension.

Obtaining on going employment is essential for each person to make continual contributions to their superannuation.

All employment areas, both government and private enterprise, need to take more responsibility to ensure that people who become casualties of downsizing/retrenchment are employable in other services and industries.

Recommendations

To alleviate unemployment among jobseekers aged 55 plus by:

1. Government to introduce systems of skill training for all mature aged unemployed irrespective of their period of unemployment.
2. This training could be funded by a levy on all employment organisations including government that retrench employees.
3. For those mature aged unemployed who are ineligible for income support, eliminate the current discrimination so they can participate in all training programs.