

## SECTION TWO

### SNAPSHOT SURVEY: OLDER WORKERS AND THE JOB NETWORK

#### PART ONE

##### Survey Regarding Over 45 Year Olds Seeking Employment Through Mission Australia Employment Services

This section of the submission addresses the informal snapshot survey conducted within Mission Employment centres in urban and rural regions of New South Wales, Queensland and Tasmania between April 15 and April 30 1999. The survey comprised a small sample size (to be further extended in a future study and detailed paper), yet trends were still easily identifiable. Management and staff were constrained in the length of response they were able to provide due to the hectic nature of a competitive job market and the current tender processes for 2000/2001 Job Network services nearing its concluding stages.

Those surveyed included management and staff from Mission Employment centres who are involved in the service provision of:

- Job Matching (FLEX 1)
- JobSearch Training (FLEX 2)
- Intensive Assistance (FLEX 3)
- New Enterprise Incentive Scheme (NEIS)
- Community Support Program (CSP)
- Mature Workers Program (NSW)

Mission Employment is one of the largest Job Network providers, providing services for unemployed clients from **98** sites nationally. Since May 1998, **25,956** unemployed clients have been assisted through the provision of Job Network FLEX 1,2,3 and NEIS services. Unemployed clients have also been assisted through CSP, Work for the Dole, Adult Migrant English Program, Jobs Pathway and Employment Training (JPET), Greencorp and various State Government and Mission Australia in-house employment programs.

The scope of this survey targeted Mission Employment programs servicing the over 45 age group. On a national level this included FLEX 1, 2 and 3, CSP and NEIS services. Clients are screened at Centrelink through the Job Search Classification Instrument (JSCI) and are referred to these programs depending on their level of need. At a State level only the New South Wales State Government, in its *Mature Workers Program*, provides a program directly targeting this age group.

Using the survey, it was our intention to establish similarities and differences across a range of regions and across a range of employment assistance categories. Therefore we sought responses from a range of locations (which will be extended in a later study) and across the categories Flex 1, Flex 2, Flex 3, Community Support Program, Mature Workers Program and NEIS.

## 1. What Proportion of the Client Base are Aged over 45?

A literature review, and analysis of Australian Bureau of Statistics (ABS) labour force data, indicated concern about the increasing levels of over 45 unemployed jobseekers. This question sought to find the proportion of over 45 unemployed clients utilising Mission Employment services. Below is a sample of responses from service providers.

- “The over 45 year old age group represent approximately 50% of my case load. My current active case load is 98, with 50 of these being over 45. Of this, 44 are men” (*FLEX 3, Nerang, Qld*)
- “Yes, about 30% of clients” (*FLEX 1/3, Picton, NSW*)
- “Between FLEX 1 and FLEX 3 clients, our load of over 45s is more than 50%” (*FLEX 1/3, Coolangatta, Qld*)
- “Approximately 45% of our Intensive Assistance (FLEX 3) caseload is comprised of clients over 45 years old” (*FLEX 3, Toowoomba, Qld*)
- “Yes, in FLEX 3 we have 41%. In FLEX 1 we have 30-35%, and in CSP 30%” (*FLEX 1/3 and CSP, Brookvale, NSW*)
- “The percentage of over 45 year old clients per case load range from 35% to 41%” (*FLEX 1/3, Maroochydore, Qld*)
- “Over 50%, sometimes up to 75%, of the client base are mature workers” (*FLEX 1,2 and 3, NEIS, CSP and Mature Workers, Katoomba, NSW*)

### Commentary

The number of people in the over 45 age group varied considerably between and within regions, and across categories. The pattern was not predictable whether analysed on the basis of location (rural and urban servicing centres) or on the basis of the various employment programs. This result supports the concept, and is in turn supported by the concept, that the nature of the mature worker unemployment pattern is regional/local.

Areas where traditional occupations have been middle and upper management are more likely to have high numbers of mature aged job seekers due to the trend of downsizing and restructuring evident within this sector of the economy over recent years. A similar trend is evident in regions where the manufacturing industry has been the staple form of employment. A further variable evident within regions is that of sex or gender. The occupation group or industry type most affected by unemployment differs between males and females. Mature aged male job seekers tend to have the highest unemployment rates when the occupation type is tradesperson or labourer. In contrast, mature aged women job seekers have higher unemployment rates within clerical and sales occupation types. This pattern is evident between and within regions. Unskilled and middle management positions have been increasingly reduced across all industries (COTA 1992). An extension of our survey work, the results of which will be released in an upcoming paper, will examine Mission Employment service data to include an analysis of over 45 year old unemployment rates/client proportion rates by sex within this age group and across regions.

### **A RESPONSE THAT DESERVES SPECIAL ATTENTION**

- “Yes, our clients for Intensive Assistance feature strongly job seekers over 45 years old, but the factors influencing employment (and unemployment) in this group actually begin at a younger age, perhaps about 40” (*FLEX 3, Charlestown, NSW*)

The issue of the age bracket used to define the mature worker category has been raised in other studies addressing the issues surrounding mature aged unemployed job seekers. There appears to be good reason for regarding 40 as a particular plateau for unemployed persons, with some commentators suggesting a second plateau at age 50. It is also significant that the small State funded programs, the Mature Workers Program in NSW and Don't Overlook Mature Experience (DOME) program in South Australia, have age 40 and over as a criterion for program eligibility.

## **2. What is the Ratio of Over 45 Year Old Clients to Under 25 Year Old Clients? Do You have a Greater Proportion of Over 45 Year Olds?**

It has been identified through labour market research by age that the over 45 year old and under 25 year old age bracket present the two most disadvantaged age groups in the labour market. This question sought to establish if the two were equally represented in client numbers in Mission Australia employment centres.

For responses from the NSW State Government funded Mature Workers Program, clients were all over the age of 40.

- “This centre conducts specific courses for over 40s, so on site we have mainly these clients” (*Mature Workers Program, Fairfield, NSW*)

Some responses indicated centre or case loads with a larger proportion of over 45 year old clients:

- “The 45 year old group make up approximately 50% of my caseload. The 25 year old group makes up approximately 10%. Total current active caseload (not counting those placed in employment) equals 98. I have a total of fifty 45 year olds on my caseload (of which 8 are females) and a total of eight 25 year olds (of which 2 are females)” (*FLEX 3, Nerang, Qld*)
- “Yes, case loads at this centre reflect large numbers of the 45 plus age group” (*FLEX 3, Charlestown, NSW*)
- “Over 45's” (*FLEX 3, Hunter, NSW*)
- “Over 45 year olds by a golden mile” (*FLEX 3, Toowoomba, Qld*)
- “The Community Support Program case load currently has a greater proportion of clients over the age of 45 than under the age of 25” (*CSP, Stones Corner, Qld*)
- “From our statistical information as a Job Network provider, over 50% of our caseload/registrations are over 45 years – approximately 56%. Under 25, the average runs at approximately 12-15%” (*FLEX 1/3, Coolangatta, Qld*)

A smaller number of centres reported little difference in proportions:

- “Relatively spread over these age groups” (*FLEX 1/3, Picton, NSW*)
- “NO (we do not have a greater proportion of over 45 year olds)” (*FLEX 1/3, Maitland, NSW*)
- “No, in Job Matching it is fairly evenly split” (*FLEX 1, Toowoomba, Qld*)
- “In FLEX 1, the case load is fairly split over the two age groups. In FLEX 3, it is over 45 year olds by a golden mile!” (*FLEX 3, Toowoomba, Qld*)

### Commentary

Responses from the Mature Workers Program (NSW) reflect the condition of age eligibility, that is, that workers must be aged over 40 and unemployed. However, within the responses from staff working within Job Matching (FLEX 1), Intensive Assistance (FLEX 3) and Community Support Program (CSP) programs an important pattern emerges. It is evident that there is higher proportion of over 45 year old clients within FLEX 3 and Community Support Program services, whilst FLEX 1 services tend to have a more even distribution between over 45 and under 25 year olds. Given that entry to the programs is based on the detailed Job Screening Classification Instrument (JSCI) screening process, it can be seen that a higher proportion of over 45 year old job seekers are being classified as ‘more disadvantaged’, that is, as requiring the more intensive assistance provided within the FLEX 3 and CSP programs.

The aforementioned trend certainly requires a more detailed investigation and analysis. From the results of our small snapshot survey it can be concluded that the type of assistance for under 25 and over 45 year old unemployed job seekers requires an age-dependent specialised approach. Issues of youth unemployment are different to those of mature age unemployment, and changes in the focus of Job Network programs may be necessary to accommodate this.

It is further indicated through the snap shot survey that this pattern varies from region to region. A high degree of flexibility in approaching the design of programs assisting mature workers is imperative.

### **3. How does the Job Network Provide for Over 45 Year Olds Compared to Under 25 Year Olds?**

This question is an extension to the themes established in question two. The focus of much policy work in the labour market field in recent years has been firmly centred around youth unemployment. Throughout the 1990s, however, a small but increasing number of researchers have focused on the issues surrounding mature aged job seekers. Frequently the assertion is made that the under 25 age group has been provided for at the expense of the other end of the unemployed age spectrum.

After establishing the proportion of over 45 year old clients to under 25 year olds clients in Job Network programs, our survey sought to establish whether the Job Network provided an adequate level of assistance within its programs that directly targeted the needs of the mature aged job seeker.

A number of employment centres stated that the level of assistance available through the Job Network was inadequate for the over 45 age group (*Auburn, NSW, Singleton, NSW, Taree, NSW, Stones Corner, Qld, Brookvale, NSW*). Some centres expanded on the issue:

- “None other than TAFE” (*FLEX 1/3, Picton, NSW*)
- “No. Not enough vocational training that provides re-skilling” (*FLEX 1/3, Blacktown, NSW*)
- “No, I am not aware of any programs which specifically target over 45 year olds jobseekers” (*CSP, Mt Druitt, NSW*)

Some staff expanded on the issue of inadequate training and re-skilling opportunities for this age group, and further emphasised the need for suitable training:

- “Theoretically there is similar access to training and education (through training providers, TAFE and Uni), but whereas training itself is usually sufficient for youth to then get a start at employment, the over 45s are expected to have years of experience to back the training, especially if it is in a new field, such as retraining due to illness or injury” (*FLEX 3, Nerang, Qld*)
- “I can only speak for our region. The only programs available for the over 45s are Job Network, FLEX 2, Job Search and regular TAFE courses. There is absolute inadequacy in programs for the mature aged job seeker in this region; there are no specialised programs for this target group” (*FLEX 3, Toowoomba, Qld*)
- “I believe the Mature Workers Program is a great advantage to the over 45’s. However, it is not available in sufficient locations. Also, I find many possible clients are not aware of it or how to access it” (*Mature Workers Program, Fairfield, NSW*)
- “Under 25 year olds have access to such age specific programs as HELP, Work for the Dole, JPET, ASTF and VPAT to name a few. There is a definite lack of programs tailored to the needs of over 45 year olds. Non age specific programs and training are available such as Adult Education (at a commercial rate), TAFE (at a commercial rate unless they are receiving income support through Centrelink). CSP is available free of charge to a small group of mature worker clients that meet the specific criteria. Through the JSCI scoring system, over 45’s recognised as being disadvantaged as an age group and this carries additional weighting to enter such programs as FLEX 2 and FLEX 3. Tailored job search assistance can be offered through these programs” (*FLEX 1,2,3, Batemans Bay, NSW*)
- “The only ‘employment’ programs that target the unemployed at the moment relate to traineeships and apprenticeships which disadvantages the over 45’s due to the low training wage and the tag of ‘junior’ employment given to these programs” (*FLEX 3, Nerang, Qld*)
- “There are not adequate programs for people over 45 years of age. People in this age bracket would benefit from ‘work for the dole’ schemes and skills retraining to assist them be ready to commence work” (*FLEX 3, Maroochydore, Qld*)

### Commentary

Feedback from staff, both verbally and through survey questions, indicates a lack of employment assistance programs for the over 45 age. A number of programs are targeted directly at youth (such as the Helping Early Leavers Program, Work for the Dole, JPET, ASTF and VPAT programs), but other than the limited State funded programs, training and assistance is non age specific and open to all. This does not cater proportionately for all groups within the labour market. Specifically, it ignores the identified needs of older workers.

Staff recommended an extension to the Work for the Dole program to include this age group, Personal Development and Skills Development training, and possibly access to training or employment programs that do not have receipt of Centrelink benefits as a condition of eligibility.

#### 4. What Opportunities are Provided by the Job Network for 45 Year Olds? Comment on Possible Improvements in Provision

Unemployed people turn to the Job Network for assistance. Given its role as the primary formal source of assistance for unemployed people, it is crucial that the assistance provided be adequate and proportionately target the needs of all groups.

Staff were asked to comment on the adequacy of service provision directed at mature aged job seekers within the Job Network. Rather than analysing the level of service provision in comparison to younger job seekers like the former question, this question sought to establish the adequacy of service provision for mature job seekers. Due to the overwhelming quality of responses, and the need to address the major issue identified within the responses, the submission will now present a number of staff responses to this inquiry.

- "At Mission Employment we provide support and service as needed and have a good understanding of the barriers and needs of each client group and strive to provide a meaningful and professional service to ALL our clients. The way we could provide a better service is to change the perceptions of employers in employing this age group. If education doesn't work (ie their stability, work ethic, maturity etc) then a form of wage subsidy is required: or EVEN BETTER, perhaps a form of quota system. This would involve affirmative action program with a percentage of people in a workplace of, say, over twenty employees to be made up of those over 45. This would drastically reduce unemployment in this age group" (*FLEX 3, Nerang, Qld*)
- "There are no specific targets under the guidelines of the Job Network for the over 45 age group. Many are incorrectly classified, further limiting the options of Job Network members in addressing training and development needs. In view of the level and significance of disadvantage, the Jobseeker Classification Instrument (JSCI) does not adequately reflect the special needs of these people and should be modified" (*FLEX 3, Charlestown, NSW*)
- "Certainly the Community Support Program can provide adequate assistance for this population, however it is severely under-funded. What may be of use would be the development of a network of employers who are willing to provide paid employment for these clients" (*CSP, Stones Corner, Qld*)
- "The over 45 age group would possibly benefit from incentives for employers and programs generally to help this age group to retrain for re-entry to the work force" (*FLEX 1/3, Stones Corner, Qld*)
- "As a Job Network Provider we provide adequate opportunity within the current parameters and financial constraints. We would like to see extra funding made available to provide training programs to re-train mature aged job seekers (especially mature aged job seekers who are now made redundant due to technological advancements)" (*FLEX 1/3, Coolangatta, Qld*)
- "Yes, we could have a Case Worker specifically for Mature Workers. It would be successful – needs separate funding" (*FLEX 3, Hunter, NSW*)
- "Mature age people are being offered the same service as everyone else" (*FLEX 1/3, Blacktown, NSW*)
- "The Job Network as a whole could provide training courses etc for over 45's, however this is not going to change employers' opinions about employing mature aged workers, which is where some of the problems stem. Basically and over 45 year old Intensive Assistance is going to find it very difficult to find employment, regardless of the service provided by the Job Network" (*FLEX 3, Toowoomba, Qld*)
- "There is no ability to offer additional services to over 45 year old clients. The FLEX 1 program is established and managed for 'job ready' clients. FLEX 2 and 3 programs are only accessible to clients referred from Centrelink. The Job Network provider does not have the flexibility to target this group for additional support" (*FLEX 1/2/3, Batemans*)

*Bay, NSW)*

- "The Industry base is targeting the under 25 age group in this area. Our figures for the past three months show that 52% of positions filled were in this age group and only 7% of placements were in the 45 year old plus group" (*FLEX 1/3, Southport, Qld*)
- "No. The Job Network could provide a better service to over 45 year old job seekers through more specifically targeted retraining that recognises past experience and existing skills and builds on them" (*CSP, Mt Druitt, NSW*)
- "a) The Job Network is governed by the Labour Market and there are very few jobs which are aimed at the over 45's. b) The Job Network could do better by offering incentives, training and even specific client managers for this age group" (*FLEX 1/3, Maitland, NSW*)

### Commentary

A distinct thread ran through the staff responses to this inquiry. The majority of responses isolated the following significant factors:

- (A)
- (i) The Job Network provides equal opportunity for all job seekers.
  - (ii) The over 45s could be better catered for within the Job Network through the introduction of special age-specific training programs, specialised case managers for the group and an improved system of classification and subsequent needs based programs.
- (B)
- (i) **The major problem appears to be located outside the Job Network. Staff identified the major barrier as employers' perceptions towards the over 45 age group and the targeting of younger workers by industry.**
  - (ii) Incentives, such as wage subsidy programs, or other proactive measures, may encourage employers to hire this age group. A further measure may be affirmative action measures in the form of quotas.

## 5. How Does State and/or Local Government Assist the Over 45 Age Group?

Through this line of inquiry, our study intended to locate any specialist programs aimed at over 45 job seekers being delivered at the State or Local Government level. Such specialist programs sometimes exist outside the Commonwealth jurisdiction, generally funded by State Education and/or Training Departments. The responses reveal the situation in New South Wales, Queensland and Tasmania.

- "The only specialist/specific program I am aware of is the Mature Workers Program, funded by the NSW State Government. I am unaware of its funding provisions" (*FLEX 3, Charlestown, NSW*)
- "Limited outreach service as part of the Mature Workers Program from a Cessnock Provider" (*FLEX 1/3, Singleton, NSW*)
- "Unknown" (*Flex 1/3, Southport, Qld*)
- "I am not aware of any programs that are specifically for this age group for which Community Support Program participants are eligible, for example, CSP participants are not able to participate in the NSW DTEC Mature Workers Program while they are on CSP" (*CSP, Mt Druitt, NSW*)

- “Mature Workers Program (part-time) and some retraining programs aimed at out of date work skills (though these are not aimed specifically at over 45’s)” (*FLEX 1/3, Maitland NSW*)
- “None that we are aware of” (*FLEX 1/3, Picton, NSW*)
- “Some of the clients in the Community Support Program, who fall into the mature age category, have begun by accessing voluntary work through the organisation ‘Volunteering Queensland’. This service receives funding from the State Government although it is not designed exclusively for assisting people over the age of 45. There does not appear to be any programs available through Local or State governments to provide services to the over 45 age group” (*FLEX 1/3, Stones Corner, Qld*)
- “In QLD and specifically the Gold Coast region – we have one on-going support and job placement program that is specifically aimed at over 45 year olds helping themselves into employment and that group is called the Grey Army. The Grey Army aims at helping mature aged job seekers develop self-help skills and self-employment with their current skills” (*FLEX 1/3, Coolangatta, Qld*)
- “Not a great deal; even our State Funding ‘Breaking the Unemployment Cycle’ is aimed at youth” (*FLEX 3, Toowoomba, Qld*)
- “Nothing” (*FLEX 3, Maroochydore, Qld*)
- “Nothing” (*FLEX 1, Launceston, Tasmania*)

### Commentary

The survey responses for our inquiry regarding State and /or Local Government funding for services addressing the issue of mature aged unemployed job seekers indicates some clear trends. Primarily, there is a definite lack of State and/or Local Government service provision. One program, the Mature Workers Program funded by the NSW State Government, exists within the States studied. Whilst the program is praised by staff for its concept and effectiveness, it is unable to provide for the number of unemployed mature age job seekers (funding provides for approximately 4,500 places state-wide). Further, its eligibility conditions make it inaccessible to Job Network clients and its existence does not appear to be universally known. This suggests that the program does not cater equitably for all mature aged unemployed job seekers across the State. In Queensland and Tasmania, staff reported no employment programs directly targeting the over 45 age bracket available through State or Local Government.

It must be noted that some staff responses commented positively on local government. Whilst local government has not been providing monetary assistance, they have provided overwhelming support for Mission Employment centres. In some cases this has involved local council mentoring mature unemployed job seekers through a work experience placement . Further research into the role of local government in providing assistance and program supervision to agencies providing support to over 45 year olds is recommended.

It has been established that the major source of assistance for mature job seekers is the Job Network. For this reason, the analysis of provision for those aged 45 and over by the Job Network is crucial to our understanding of the barriers to employment being faced by this group. Staff working within the Job Network are powerful resources in identifying gaps in service provision and contributing to policy planning for mature workers.



## 6. In your Experience, do Employers Discriminate Against Over 45 Year Olds?

Literature review and analysis of ABS 'Job Search Experience' data for over 45 year olds suggests employers' attitudes as a major cause of retrenchment, and a major barrier to reemployment. Our survey sought the opinions of Mission Employment staff and found close to one hundred percent agreement on the issue.

Some staff had little doubt on the issue:

- "Yes" (*FLEX 1, Toowoomba, Qld*)
- "Yes, unequivocally" (*FLEX 1/3 and CSP, Brookvale, NSW*)
- "Yes" (*FLEX 1/3, Auburn, NSW*)
- "Yes, they certainly do – in every case, for example, industrial, retail, hospitality" (*FLEX 1, Hunter, NSW*)
- "YES" (*FLEX 1/3, Singleton, NSW*)
- "Yes" (*FLEX 1/3, Picton, NSW*)
- "Yes" (*FLEX 3, Punchbowl, NSW*)
- "Yes" (*FLEX 1/3, Taree, NSW*)

Other staff, still in agreement, expanded on the issue:

- "Many Community Support Program participants who are over 45 report that they feel that employers do discriminate against older job seekers. Many jobs advertised through the Job Network are for junior positions" (*CSP, Mt Druitt, NSW*)
- "Employers generally appear to have a different attitude to the over 45 age group and frequently pass over these people for younger staff" (*FLEX 1/3, Stones Corner, QLD*)
- "Yes – an over 45 year old in Intensive Assistance is going to find it very difficult to find employment, regardless of the service provided by the Job Network; employers' opinions about employing mature workers is where some of the problems stem" (*FLEX 3, Toowoomba, Qld*)

Some staff suggested that whilst discrimination was evident in employers, it was not clear cut. Rather, discrimination within employers was industry based, sometimes working in favour of the over 45 workers.

- "In FLEX 1 services, my experience is that employers do discriminate against job seekers over 45 in certain industries. For example bar work, waitressing, retail, car wash etc. However, some employers will specifically request a mature client in a trades area, for example, welder, toolmaker, machinist. From this I conclude that employers are really only willing to take mature aged job seekers if they are seeking a specific trades type person and unfortunately, if the mature job seeker is unskilled, it can be a big challenge for them on the open job market. We also have employers who specifically request job seekers between 18-24 for their vacancies" (*FLEX 1/3, Gold Coast, NSW*)
- "If clients have skills and motivation, employers do not discriminate, with the exception of retail and hospitality" (*FLEX 3, Maroochydore, Qld*)
- "Yes. Although the traineeship scheme provides for open-age trainees, in normal vacancy activities, no doubt due to wage rates, employers still favour 15-18 year olds" (*FLEX 3, Charlestown, NSW*)
- "Yes, though a minority don't" (*FLEX 1/3, Toronto, NSW*)

Finally, a number of staff responses teased out the various issues embedded in the discriminatory process and at the same time expressed something of their own frustration in overcoming barriers faced by the over 45 age group, but which are outside the scope and sphere of influence of the Job Network:

“Let me count the ways. Over 45’s are:

- Perceived as unreliable due to health issues (usually not the case);
- Perceived as over qualified, and that ‘they won’t stay in this job because they will be looking for something better’;
- Perceived as not as flexible as younger employers in hours worked;
- Perceived as less presentable/attractive as youth, especially for front counter/reception work;
- [Perceived as] more expensive to employ (due to junior wages);
- [Perceived as] more expensive to insure (workers comp etc);
- Many employers are young (under 40) and feel threatened by someone older and more experienced” (*FLEX 3, Nerang, Qld*)
- “I believe these clients are disadvantaged as in many cases they are quickly rejected as the work is believed too heavy, too strenuous, too physically taxing. This may often be true, but often an older voice on the phone cannot get any further. Older clients also are believed to be slower with computer work, and may be perceived as not willing to take instructions from younger supervisors. It is also possible that very well qualified older clients may be seen as a threat, they may seem intimidating, for example, a client who has been a Chief Librarian overseas has been accepted as a Teacher here, can speak three languages, and yet cannot get a job as a secretary (after trying in her own fields first)” (*Mature Workers Program, Fairfield, NSW*)

### Commentary

The conclusions which may be drawn from the responses indicate widespread employer discrimination, barring over 45 year olds from a quick transition into employment or re-employment. The elements of this discrimination are well summarised in the reply from staff working within the Intensive Assistance program in Nerang, Queensland. The perceptions of employers in regard to mature workers were categorised in the following ways:

- Unreliable due to health problems
- Over qualified, therefore unlikely to remain in the job
- Lacking flexibility in terms of hours worked
- Less presentable/attractive, especially for receptionist work
- More expensive to employ
- More expensive to insure
- Threatening, especially to younger employers

A more detailed approach to this issue is canvassed in the next survey response. It can be concluded from this response that employer discrimination is widespread across all regions. Employer and community education regarding the attitudes towards mature workers will be a necessary part of any strategy to assist workers in the over 45 age group.

## 7. If Discrimination Does Exist, Why is this the Case?

Staff were given the opportunity to develop the line of discussion initiated in the previous question. Staff expressed the belief that employers rarely state explicitly their reasons for not employing an older worker, maintaining many are wary about airing their views due to the age categories within Anti-Discrimination Legislation. The experience of staff, their detailed knowledge of employers' stated needs, and feedback from job seekers regarding employer interactions, allows them to thoroughly develop this line of discussion.

- “The perception is that the older male is more prone to injury and cannot work as hard as a younger labourer. For example, when older men are sent to labouring/ gardening/ factory jobs, it is common for these men to be refused a job stating some other reason (Sorry mate, it’s already been filled) when they turn up for interview (age discrimination is illegal). Factors not taken into consideration are that the older worker has more experience, is not as likely to be reckless and is usually as fit or fitter than some 30 year olds. I could cite cases in each occupation, and all are centred around the many ways by which employers discriminate against older workers” (*FLEX 3, Nerang, Qld*)
- “Employers prefer to take younger staff as they believe they have a longer work span and usually have up to date skills” (*FLEX 1/3, Picton, NSW*)
- “They get less time with the person as an employee after training them (apparently!), and employers believe there is more risk of injury” (*FLEX 1/3, Taree, NSW*)
- “My belief is that the employers themselves are now in the younger age group and frequently view the mature person as not fitting into the more youthful workplace” (*FLEX 1/3, Stones Corner, QLD*)
- “From our experience as a Job Network provider and having daily contact with employers: We have found that in the majority of circumstances that this is true. One example is where employers seek some type of subsidy to employ a job seeker and the only subsidies available to employers at the moment are through the traineeship/apprenticeship system. After explaining this to employers, most employers become interested, however then begin to only seek juniors due to the ‘trainee/apprentice’ status. One example of apparent discrimination has been noted where the job seekers had included their date of birth on their resumes and were overlooked for interview even though they were highly skilled in the job advertised (actual feedback from employer!)” (*FLEX 1/3, Gold Coast, NSW*)
- “\$\$ Wages! They also feel that younger people are more fit and active and less at risk of hurting themselves. Superannuation/workers compensation is also seen to be more expensive” (*FLEX 3, Hunter, NSW*)
- “The reasons for discrimination are: (1) junior rates of Pay favour young people; (2) Young people seem to have the ability to handle odd/flexible hours of work; (3) Older people seem to lack of information technology skills and ability” (*FLEX 3, Maroochydore, QLD*)
- “Wages; the capacity to ‘mould’ a younger person; ability of younger people to learn quickly” (*FLEX 3, Toowoomba, Qld*)
- “Clients report that employers say they want a junior. Employers often feel embarrassed to offer the (low) salary that goes with the job to an older person. A younger manager will often not want to employ an older person, he/she feels that the company has a ‘young’ image and he/she is not comfortable with an employee who has years of experience. An employer may think that an older person will have more time off due to illness. This is erroneous, surveys show that the over 45s actually take less sick leave than the younger workers, they seldom take maternity/paternity leave, and they are less

inclined to 'job hop'" (*FLEX 1/3 and CSP, Brookvale, NSW*)

- "Clients are very often asked their age and little else, that ends the conversation, for example, a client in his early 50s was told he could not be a traffic controller as he could not stand 12 hour shifts" (*Mature Workers Program, Fairfield, NSW*)
- "The majority of positions available in this region are in the Clerical, Hospitality and Retail fields and employers there target the younger age groups" (*FLEX 1/3, Southport, Qld*)

### Commentary

Staff identified the major perceptions of employers towards the work capacity of over 45 year old job seekers to be:

- more prone to the risk of injury
- physical limitations
- poor health resulting in time off

These perceptions tended to sway employers in the favour of a younger workforce.

Staff also commented that employers:

- perceived younger staff as easier to 'mould' to positions
- believed there was less work life in older job seekers compared to younger job seekers (this also affected their attitudes toward work place training for mature workers)
- were aware of junior rates of pay, and this was a crucial factor in influencing employer decisions
- believed many mature job seekers have out of date skills
- may be threatened by a younger employer or may develop strategies that develop a youthful look workplace.

**"No matter what older people do and how much they are helped, they don't seem to get jobs because of employer attitudes"** appears to be a good summation of the extent of the barrier posed by employers' perceptions of mature workers.

### **8. Are There Special Needs Groups within the Over 45 Age Category Deserving of Attention? For example, Traditional Disadvantaged Groups such as Aboriginal or Torres Strait Islanders, Women or People with Disabilities?**

In the small literature that has so far developed addressing the issue of unemployed mature workers, there has been some attempt to isolate the effects of unemployment and the barriers to re-employment on particular sub-groups. This has tended to focus on gender differences and there are conflicting reports as to whether males or females are more adversely affected. This survey sought to tease out some of the special issues for subgroups within the overall category.

- “The greatest number by FAR of the unemployed over 45 year olds are MEN. This needs to be addressed as a matter of urgency, as affirmative action has not focused on men, but this age group is an exception and should be catered for. Usually the major barrier women encounter is if they have been raising a family and then the marriage has broken down. They have no recognised skills and no employment history and are usually in poverty as the man owns most of the property etc. This is more prevalent in this age group due to the values and economic structure of the family for that generation ie the ‘stay at home’ mother. The area in which I work does not have a large Indigenous or NESB population, but those in the over 45 category find it extremely difficult to find work. One of my clients is NESB, a Mechanical Engineer and University Lecturer and still cannot gain work even though he applies through every avenue for employment” (*FLEX 3, Nerang, Qld*)
- “People from non-English speaking background; Indigenous people” (*FLEX 1/3, Auburn, NSW*)
- “Those with lack of formal qualifications and training, those with physical disabilities” (*FLEX 1/3, Singleton, NSW*)
- “Yes – women, people from non-English speaking background, indigenous people” (*FLEX 1/3, Picton, NSW*)
- “Possibly all of the traditional ‘disadvantaged’ groups, but particularly Aboriginal and Torres Strait Islanders” (*FLEX 3, Charlestown, NSW*)
- “Indigenous people” (*FLEX 1/3, Taree, NSW*)
- “Those clients who also have a mental illness” (*CSP, Stones Corner, Qld*)
- “In the over 45 age group, women and those from non-English speaking and indigenous backgrounds are disadvantaged as they are frequently trying to establish themselves in an unknown environment” (*FLEX 1/3, Stones Corner, QLD*)
- “We consider mature age job seekers have a broad disadvantage due to multiple reasons, depending on their background (for example, skilled, unskilled, literacy and numeracy)” (*FLEX, Coolangatta, NSW*)
- “Males, limited employment opportunities” (*FLEX 3, Hunter, NSW*)
- “I think MEN are more disadvantaged once they reach 45 years and above” (*FLEX 1, Hunter, NSW*)
- “Yes. People with health problems and people from non-English speaking backgrounds” (*FLEX 1/3, Blacktown, NSW*)
- “Women returning to the workforce; people from non-English speaking backgrounds; and graduates with overseas qualifications are more disadvantaged. Further, although all participants in the Mature Workers Course were highly qualified, it was found that those skills were narrowly focused (for example, Master of Technology from a University in the United States, specialising in Rose Growth and Development). It is difficult to find an employer requiring such skills bases” (*Mature Workers Program, Fairfield, NSW*)
- “Some groups within the over 45 age group are particularly disadvantaged: (1) Women who have left the workforce to care for children, whose children have grown up, these women are seeking employment having been out of the labour market for up to 20 years. (2) People who speak English as a second language and have not achieved fluency and/or literacy in English. (3) People who have done labouring or other physical work in the past and are now not able to undertake the same kind of employment. (4) People who have been employed in process or routine work that has been mechanised such that their previous job no longer exists and their skills are not required. (5) People who cannot read or write, this makes finding a position more difficult as well as limiting access to training as most courses require some reading or writing” (*CSP, Mt Druitt, NSW*)

## Commentary

The lack of consensus on this issue and the variation in responses between and within regions supports the earlier contention proposed in this submission regarding the important influence of regional factors on mature age unemployment. There is a definite need for flexible programs of assistance within the Job Network (especially considering the lack of State and Local funded employment programs for this age bracket), programs that are capable of being adapted to meet regional needs and conditions.

In areas of high indigenous or non-English speaking background populations, Mission Australia staff recognised that people from within the identified special needs groups in the over 45 age bracket find it particularly difficult to re-enter the workforce. An extra dimension to the problem for those of non-English speaking backgrounds was the lack of recognition of overseas qualifications and experience, or the lack of relevance of these skills.

Interestingly, a factor not frequently associated with the mature age group was the barrier of literacy and numeracy. This issue featured strongly in staff responses, suggesting a ‘subgroup’ with particular barriers. Not only do literacy and numeracy issues present a major barrier to employment, they also impede 45 year old job seekers accessing training programs. It has been established that training needs to be a key component of strategies to assist mature workers given the actual and perceived difficulties in the skills base of this client group, and given the continuous changes to the workplace environment. Inability to join training courses places those without literacy and numeracy skills in a situation of double disadvantage.

### **9. What are Some of the Social and/or Economic Barriers Facing Over 45 Year Olds When Seeking Employment?**

Previous questions within the survey target, directly or indirectly, industrial issues. Whilst these issues are considered to be important to over 45 year old job seekers, and certainly have a ‘roll-on’ effect on the age groups’ social and/or economic interactions, the survey also wished to establish any issues that may be more directly social or economic in nature.

Responses from the least intensive program, FLEX 1 or Job Matching, tended to report no severe economic or social barriers:

- “In Job Matching (which is early intervention and job seekers usually have not been unemployed for enormous lengths of time), we have not found that they face any severe social or economic barriers when seeking employment” (*FLEX 1, Toowoomba, Qld*)

Responses from more intensive forms of assistance, such as the FLEX 3 (Intensive Assistance) and the Community Support Program, established a number of economic and social barriers, in addition to those previously discussed in the paper. Here the difficulties were sometimes entrenched and created for over 45 year olds a pattern of emotional and psychological distress, pointing to yet another area for research: ‘cause and effect’ social and economic barriers. An examination of many barriers has shown that not only can certain barriers be the cause of unemployment to this age group, but may also develop as a result of unemployment in this age group.

- “Over 45s are unwilling to invest money in new businesses due to the reduced time left in the workforce to recoup losses before retirement if the business fails. They are also more likely to have large financial commitments, for example, a mortgage, and therefore could not risk a financial loss. Many over 45s are professional people who suffered financial hardship in the last recession and have been unable to regain the social standing they enjoyed before this and have depleted remaining funds trying to maintain a lifestyle they can no longer afford. If they have been able to acquire property, this can be an isolating factor, especially if they purchase in rural areas, moving to somewhere they do not know anyone and it is hard to establish social contacts. Alcohol abuse is also a contributing factor in this age group. Due to health factors (especially for those over 55) they are reluctant to gain full time work as they lose any benefits they receive from Health Care Cards. This is true when their medication (for example, for heart conditions) would be so expensive that they cannot afford to work” (*FLEX 3, Nerang, Qld*)
- “Social and economic barriers include: lack of English skills; inability to afford to buy clothes suitable for an interview, or to pay for travel to interviews; not having a phone at home; social isolation and lack of networks; family circumstances such as having to care for a seriously ill child or spouse; relationship breakdown; criminal record; belief (accurate or not) that employers prefer to employ younger workers; fear of returning to work after a long absence for child caring or due to unemployment” (*CSP, Mt Druitt, NSW*)
- “Skills gaps; low self esteem/lack of confidence; redundant skills; lack of job search skills; literacy/numeracy problems; lack of computer skills” (*FLEX 3, Charlestown, NSW*)
- “Language barriers, lack of training, lack of computer skills” (*FLEX 3, Punchbowl, NSW*)
- “One barrier to employment for people in this category is having no access to personal transport” (*CSP, Stones Corner, QLD*)
- “Financial constraints; health issues; pride; lack of self esteem; lack of scope of opportunities; unwillingness to retrain; shock – associated with redundancy/downsizing (especially management); lack of belief in themselves and the skills that they already have; discrimination from employers; over-qualified; unskilled” (*FLEX 1/3, Coolangatta, NSW*)
- “Hard for some more mature aged people taking instruction or orders from younger persons. Many Personnel Managers are young women” (*FLEX 1/3, Blacktown, NSW*)
- “Cost of transport, lack of own transport, inadequate public transport, job seeker lack of flexibility and adaptability” (*FLEX 1/3, Maroochydore, Qld*)
- “This client group is particularly prone to low self-esteem associated with unemployment. It is a group that is used to being fully employed and having a strong work ethic. Therefore there are often emotional barriers about publicly seeking employment. Economic issues for this group are often mortgages and financing dependents through further education (and associated costs – accommodation, fees, study materials)” (*FLEX 1/2/3, Batemans Bay, NSW*)
- “Out of date skills or no skills; lack of any formal education beyond about Year 9 level; poor jobsearching ability; responsibility for minding grandchildren; unwilling or uninformed about starting a new career; have long term injuries” (*FLEX 1/3, Maitland, NSW*)
- “Previously self-employed applicants find it difficult to re-enter the workforce” (*FLEX 1/3, Southport, Qld*)

### Commentary

The social and economic **barriers** to re-employment differ, in some instances, from the social and economic **effects** of unemployment. However, it is common for the latter to become the former and vice versa. For example, a social effect of unemployment frequently noted in this age group is clients’ withdrawal from usual networks, be they social or work orientated. This can

lead to feelings of isolation and subsequent loss of self-esteem as well as cutting any possible job leads through family and friend contacts. This is a significant barrier to re-employment as the worker loses contact with the world of work, loses touch with leads on possible jobs and becomes further detached from employment networks.

Similarly, lack of income due to unemployment for the over 45s often has a severe economic impact. People in this age group traditionally find themselves in the position of having to deplete financial resources to meet mortgage repayments and/or children's education and dependent expenses. Mission Employment staff reported several cases of severe financial deprivation presenting barriers to gaining employment by mature aged job seekers, including inability to afford necessities such as presentable clothing for interviews or transport costs.

In addition to the issues set out in the Terms of Reference for this submission, there is a strong case for an extra category – emotional and psychological barriers. Responses to our question on social and economic issues frequently made reference to emotional and psychological issues specific to unemployed people in this age group. For example, mature aged job seekers (particularly men) have been accustomed to gaining a strong sense of identity through work. When unemployed, mature job seekers may experience a loss of self-esteem or a loss of dignity. In turn, this becomes a barrier to gainful employment.

#### **10. Why do Over 45 Year Olds find Themselves Without Employment? What are their past Employment Patterns and Future Employment Plans and Hopes?**

There has been considerable speculation about the impact of restructuring on employment opportunities in the over 45 age group. Economic rationalism, money making options for shareholder corporations and the collapse of many industries have all been identified as potential barriers to mature workers. Our inquiry sought to establish some of the common reasons people of this age group are unemployed by asking those who work in employment assistance programs to reveal something of the employment histories of this age group and to investigate their pathways into, and out of, unemployment. This question also sought to establish any patterns in mature job seekers preferred job options.

Significant differences were noted in the responses from FLEX 1 and FLEX 3 staff. FLEX 1 responses suggest a group of clients who, in general, have been in the same job for a long period (perhaps their entire working life) and have become unemployed due to retrenchment or redundancy.

- “Retrenchments, voluntary redundancies, not prepared to undergo training to keep up with current technology and trends. It has been our experience that many of our mature age job seekers have held employment with the one firm for many years. There does not appear to be any preference in work areas within our FLEX 1 job seekers (*FLEX 1, Toowoomba, Qld*)
- “Redundancy and retrenchment in my experience. Yes, many have held on job for many years, often in light or heavy industry” (*FLEX 1, Hunter, NSW*)



Those who have been classified as needing Intensive Assistance (FLEX 3), or as requiring assistance through the Community Support Provider (CSP) program, frequently have a more mixed work history.

- “Retrenchment, firms going bust, overseas qualifications/experience not recognised, weariness. Some say 40-50% of unemployed over 45 years olds come from positions they have held with one firm. Many come from administration, lower management and when firms restructure, out go the 45 year olds” (*FLEX 1/3, Auburn, NSW*)
- “Downsizing in middle management is one of the main reasons, and there are many retrenchments in all areas. It is very hard, especially for the over 45 year old males who have had longstanding positions, to adapt to the jobsearch methods required today, for example, preparing resumes and learning interview techniques. Women who leave the workforce to have children have difficulty re-entering the workforce after a long break. They are usually forced back into the workforce for economic reasons. In relation to what sort of jobs people want, it is not so much the area they have come from or want to go to, to more the level they come from – people coming from, say, middle management or low-skilled want to go back to these same levels, and it is hard for people to find another position at the same level” (*Flex 3, Blacktown, NSW*)
- “Largely retrenchment after many years in the one job, or even two/three jobs all requiring the same general skills. Often, they have had no experience in job seeking, no exposure to computers. They are confused by the ‘system’ (Centrelink, Job Network) and their confidence deteriorates quickly. After dealing with the ‘system’, they begin to feel worthless, and it takes time and resources to turn these factors around. This will become particularly evident with the closure of BHP steel making in the Hunter, decline in coal mining and in manufacturing and manual/basic jobs generally (in the case of miners, they generally only want to return to mining)” (*FLEX 3, Charlestown, NSW*)
- “Within the Community Support Program, many of these clients have left or lost their job due to trauma and/or development of a mental illness. Most of these clients have had an assorted employment history with different employers involving positions in hospitality, upper business management, cleaning, delivery driving and blue-collar labour. Many of these clients would like to investigate other vocational directions but report little expectation in achieving this - they all explained that this was because of their age. Many clients in the older age bracket have indicated an interest in out-door work such as gardening and grounds-person work” (*CSP, Stones Corner, QLD*)
- “Restructuring and retrenchment is a big factor. Often traditional industries are contracting and the workforce is reducing. In the blue collar industries, the age group is burning out for a variety of reasons including injury. The most common employment backgrounds for over 45s now out of work are blue collar and middle management” (*FLEX 1/2/3, Batemans Bay, NSW*)
- “The most common reasons in our area would be retrenchment and/or stock workers (farm workers) from out west who just physically cannot do that type of work any more. Also women whose husbands have left them and now need to work, women returning to the workforce. Not a lot in Flex 3 (Intensive Assistance) have come from positions they have held for many years” (*FLEX 3, Toowoomba, Qld*)
- “Many come from positions that were relatively unskilled or industries which have been restructured/privatised. We have clients who have been retrenched after 30 years on the railway, with little in the way of transferable skills and low motivation to start out as the new kid on the block” (*FLEX 1/3, Toronto, NSW*)
- “Those who have suffered work related injuries, people who have been in management positions, self employed, women returning to the workforce and those people who have been in trades-related and administration positions” (*FLEX 1/3, Southport, Qld*)

## Commentary

A significant factor identified by staff as leading to unemployment in this age category, along with the well documented retrenchment due to restructuring/downsizing, is workplace injury. Responses frequently referred to the impact of disability, injury and health factors on unemployed mature job seekers.

Staff responses also outline the hardship endured by mature workers in coping with the ever changing workplace, or bearing the burdens of economic rationalism and the resulting retrenchments and downsizing. Employment assistance structures have also changed recently, the Commonwealth Employment Services (CES) and related labour market programs now being replaced by Centrelink and the Job Network. Newer sources of employment assistance have caused confused to many job seekers, especially those from non-English speaking backgrounds or with limited literacy skills.

It is also evident that a pattern of unwillingness to accept the changing work environment, or the need for new job search skills, emerges in this client group. Staff believe there is a need to educate (through age-specific training programs) people into adopting different, perhaps a number of different, approaches to their job search, “to think outside the square”.

### **11. Is Technological Change an Important Factor?**

The final issue to be investigated was the role of technological change. Often an inability to maintain a current level of technological operating skills is considered a major factor in causing unemployment, and in preventing job seekers gaining employment. It is often given as the predominant factor when discussing barriers relevant to mature workers. Technological change is often also correlated to the downsizing of industry, resulting in the loss of jobs. Suggestions have been made that older job seekers are reluctant to adapt to new technology, and find themselves unemployed because of this. There is also the issue of the perception of employers that mature workers’ technological skills are out of date.

Below are some responses from staff:

- “Yes for all walks of life. The lower skilled workers find that their jobs are taken over by computerised or automated systems, and those who are in professional occupations find that they have to learn how to use computers and cope with the rapid technological change that has overtaken many occupations... In some areas, professions have been made redundant due to new technology (much like the phasing out of occupations like blacksmithing, but this time it is occupations like graphic artist. Now artistic skills are not paramount, it is based on familiarity with computer packages). Many older people are ‘technophobic’ and refuse to embrace change. This is another serious drawback in this age group – resistance to change” (*FLEX 3, Nerang, Qld*)
- “No” (*FLEX 1/3, Auburn, NSW*)
- “Yes, it is an issue but no more than employer perceptions, restructuring of work” (*FLEX 1/3, Toronto, NSW*)
- “I believe it is; however, I believe economic greed, leading to industries cutting staff, to be the greatest factor” (*Mature Workers Program, Fairfield, NSW*)
- “Definitely” (*FLEX 1/3, Singleton, NSW*)
- “Possibly” (*FLEX 1/3, Picton, NSW*)
- “Yes. Many cannot deal with (for example) computers, call-centre technology, and are afraid to learn these technologies. Many also never expected to face unemployment and find that the world has radically changed. They need to be treated with respect and

compassion” (*FLEX 3, Charlestown, NSW*)

- “Yes. Many migrants have old technology skills from their countries which is not relevant to the jobs they want to get here. They have no local work experience. Their English difficulties are also a barrier to learning new technology skills” (*FLEX 3, Punchbowl, NSW*)
- “It is an issue but not one of the biggest” (*CSP, Stones Corner, QLD*)
- “Absolutely yes” (*FLEX 1/3, Coolangatta, NSW*)
- “Technological change is a factor in both the reason this group is becoming unemployed and a barrier to them re-entering the workforce. Retraining in electronic media isn’t making a substantial difference in helping this group re-enter the work force. Employers appear to be looking for employment experience with electronic media rather than re-training” (*FLEX 1/2/3, Batemans Bay, NSW*)

### Commentary

Responses to the issue of technological change varied dramatically amongst staff. Some staff indicated technology to be the most important issue, some felt it was important but that other issues, such as employer prejudice, were more important. Other responses did not see technology as a major barrier to mature workers job seeking.

Perceptions of employers surfaced again in responses to this question. Again, employers’ attitudes – in this case the attitude that mature workers have outdated technological skills or no technological skills nor capacity to learn – seem to be the predominate barrier identified by staff.

Further issues tagged included:

- the possibility that training/re-training in newer technologies is not always the solution as employers look for both the skills and experience
- the difficulties posed for migrants who have redundant skills, poor English or qualifications that are not easily transferable to Australia
- the ‘technophobic’ attitude of some over 45 unemployed job seekers

## **PART TWO**

### **Survey Regarding Over 45 Year Olds Seeking to Establish a Business Through Mission Australia NEIS Managing Agents**

This section of the submission briefly outlines barriers encountered by over 45 year olds seeking to establish a business following a period of unemployment. There is limited analysis of staff feedback to survey questions. The reasons for this are twofold:

1. The time frame for this submission did not allow adequate response time to the questions. Staff working with mature workers seeking to establish a business indicated they would like to spend more time addressing the issues due to a belief that the barriers faced by this age group are many and varied.
2. Literature review, statistical analysis of micro/small business studies and verbal feedback from staff indicated that the barriers faced by over 45 year olds seeking to establish a business were complex. For this reason we did not believe the timeframe allowed for within this submission would successfully capture the issues this group encounter.

A more detailed survey of Mission Australia staff working as NEIS Managing Agents is currently being conducted with the intention of presenting the findings to the House of Representatives public hearing. Further, Mission Australia intends to release the findings in a paper to be published later this year.

#### **Background**

The New Enterprise Incentive Scheme (NEIS) is a self-employment program delivered within the Federal Government's Job Network scheme. The program enables eligible unemployed people to become self-supporting and independent of unemployment benefits by establishing their own businesses.

The NEIS scheme incorporates:

- Training in small business management, business skills and business plan development.
- NEIS Allowance for up to a year. The NEIS Allowance is broadly equivalent to the basic adult rate of Newstart Allowance.
- Business advice and mentor support during the first year of business operation.

Mission Australia first began delivering NEIS services in 1994 from the Punchbowl (NSW) employment centre. In the May 1998 to November 1999 contract round for the tendering of Job Network services, Mission Australia was allocated 25% of the market for the provision of NEIS services (this represents by far the largest market share for NEIS service provision). Mission Australia provides NEIS services from 28 sites across Australia including Queensland, New South Wales, Tasmania, South Australia and Western Australia.

Mission Australia has the experience and networks to provide authoritative comment on the experience of over 45 year olds seeking to establish a business by utilising Federal Government initiatives. The experience of staff, the geographic spread of NEIS services, and holding one quarter of the NEIS service provision market place serve to substantiate Mission Australia's authority in addressing issues of small business establishment and the mature worker.

The informal survey was extended to Mission Australia NEIS Managing Agents in Tasmania, Victoria, New South Wales, South Australia, Western Australia and Queensland. As has been mentioned, time constraints and the complexity of the issues prevents presentation of the survey results in this submission. However, trends detailing certain barriers to the successful transition of mature workers seeking to establish a business within the labour market have been identified. Whilst these will be discussed in greater degree of detail in an upcoming paper and at a Public Hearing, some key barriers worthy of brief comment include:

#### External Barriers

1. An eligibility requirement for the NEIS program is that participants must be in receipt of Government benefits. To be eligible for Centrelink benefits, such as Newstart Allowance (which is similar to the NEIS Allowance), clients need to satisfy a liquid assets test. Centrelink imposes a Liquid Assets Waiting Period on clients to encourage those with sufficient funds to support themselves for their initial period of unemployment. Liquid Assets include:
  - (i) Cash on hand
  - (ii) Shares, debentures and term deposits
  - (iii) Other money available at short notice
  - (iv) 10 year insurance bonds
  - (v) Payments expected from previous paid employment, or a partner's previous paid employment, and
  - (vi) Amounts deposited or lent to banks or other financial institutions, whether or not the amount can be withdrawn or repaid immediately.

Further, assets test for homeowners deem eligibility for pension or allowance benefits as follows:

Single	Up to	<b>\$125,750</b>
Couple	Up to	<b>\$178,500</b>

Assets test for non-homeowners are as follows:

Single	Up to	<b>\$215,750</b>
Couple	Up to	<b>\$268,500</b>

This creates an inequity in terms of mature workers access to the NEIS program. It is more likely that a mature job seeker will have more assets than younger job seekers, and if retrenched will generally have a greater redundancy or retrenchment pay out. For those over 45 year olds who have viable business ideas, an asset base may deem them ineligible for the program.

2. The NEIS program requires participants to provide the venture capital to start up their business (staff have indicated that this capital was originally partly funded by the Government, but was withdrawn about 4 years ago). It has been established above, however, that in some instances capital may prevent the mature job seekers access to the program. Indeed, the very equity they need to begin their business may impede their access to the program.

By the time mature workers have eroded their equity to participate in the NEIS program, they may find it difficult to interest any bank in their venture. Financial institutions present a further barrier to this age group. Over 45-year-old applicants who have been out of the work force for some years generally have eroded their monetary base. Many have financial commitments that are greater than other age brackets, such as mortgages or dependent children. Staff have reported that these barriers place a heavy constraint on financial institutions' willingness to provide loans. The age group does not present as an attractive investment to financial institutions due to the decreased time they have left in the work force compared to younger entrepreneurs.

### Personal Barriers

1. Staff and the literature review revealed that the over 45 year old mature worker seeking to establish a business may be reluctant to 'start from scratch'. Issues include:
  - The equity needed to finance new business initiatives in this age group may come from such sources as superannuation or mortgages. For many mature workers this is a high risk with retirement looming and an ever-decreasing working life.
  - Many mature workers seeking employment have come from redundancy, from positions they have held for many years. Overcoming the insecurity of becoming redundant creates a barrier for this group. For many, this insecurity affects any notions they may have of business ventures due to the documented unsuccessful rates of small business in first year operation.
  - The issue of technology, and changes in technology, also features highly in the literature review and staff feedback regarding the barriers to this age group. Some over 45 year olds who have worked with technology have reported being overwhelmed by the rate of change and dependence of all some aspects of business operation on technology (for example, accounting, marketing, pay roll). Many who have technology skills believe that they could not develop the diversity of technological skills needed for successful business operation. This issue is intensified for those with limited technological skills.
  - Diminishing self-esteem and self-confidence as a result of not finding re-employment exacerbates the issue. Many mature job seekers have the attitude that 'if no one will employ me, how can I start my own business?'

### Comment

This part of the submission sought to briefly establish some of the barriers to mature workers seeking to establish a business after a period of unemployment. Whilst the incomplete survey results skimmed the surface of some of the major issues identified by staff, the following conclusions can be drawn:

- More research needs to be conducted into the equity of mature workers access into the Job Network New Enterprise Incentive Scheme
- Research conducted into the possibility of establishing NEIS, or a NEIS type program, that allows access for Mature Workers who are not receiving benefits but require small business management skills

- Research conducted into regional economic growth plans targeting local labour markets that nurture small business. This would place some of the focus of small business training at a State and Local level rather than Federal
- Research into the possible discrimination of financial institutions towards mature workers' access to venture capital.