



EASTCOAST

Training & Employment

10/26/99

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

26 October 1999

SUBMISSION - INQUIRY INTO ISSUES SPECIFIC TO WORKERS OVER 45 YEARS OF AGE SEEKING EMPLOYMENT, OR ESTABLISHING A BUSINESS, FOLLOWING UNEMPLOYMENT

REVIEW OF THE SITUATION

The reality of our population growing older is recorded in the estimate that by the year 2021 43% will be over 45. The implications, well known to this Committee, include:

- Burdening social security costs
- Reduction in national productivity
- Increases in crime, suicide, family breakdown, drug abuse and poor health - all linked to long-term unemployment,
- Reduced social cohesion - a widening gap between the haves and have nots and the further degradation of the 'family unit'.

While these predictions, 21 years in to the future must raise concerns, the social impact of mature aged unemployed today is a more pressing challenge. If we address these circumstances today, we can change the future impact.

Traditionally, government policies have focussed on youth unemployment. I quote from a letter dated 1st October 1999 from the Department of Employment, Training and Industrial Relations:

"A particular emphasis of the policy will be on affirming that the focus of traineeships is on new entrants aged 24 years and under."

It is encouraging that this Committee is contributing to a shift of that focus to what must be a more balanced approach to unemployment, one not discriminating on age.

In preparation for this appointment today, I conducted a sample survey across our community employment activities helping mature aged unemployed and the response to the question of "What are the three most stressful things about being unemployed?" recorded the highest response to be a **loss of financial security**. This was followed closely by the loss of self-esteem. When asked "Why is it important to get a job?" the

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highest response reflected the desire to regain self-esteem. Today, thousands of matured aged unemployed have lost their self-esteem and ask nothing more than to regain it. If we neglect today's cries for help, Australia faces the prospect of losing its *national self-esteem* in the future.

SELECTION OF THE AIM

Our aim must be to reduce the growing number of mature aged unemployed.

FACTORS

It is suggested that the following factors are important in formulating a strategy to achieve the aim:

Government

It has already been stated that there persists an historical perspective that unemployment is a matter of youth. This view is embedded into government policies and the public perception as a consequence of past *'life-long careers'*. It influences the attitudes of employers, industry and business and contributes to the psychological barriers evident in the mature aged unemployed. It is discriminatory and not supported by fact.

A respected Elder of the Sandy Desert people in Western Australia once said, "Governments should fund projects not people. Self esteem is found in projects and lost in welfare." Greater opportunities can be presented through focussed programs and projects such as those currently identified under *'Breaking the Unemployment Cycle's Community Employment Assistance and Community Jobs Plan Programs.'*

With the trend of an aging population, Government should monitor the impact on the provision of public funds to social services to identify any savings. It may be possible to redirect some funds for 'current need areas' towards expanding 'aging population needs' in the future.

Communities and Community Organisations

Communities can offer considerable support to the mature aged unemployed and their families by providing ready access to information and services. An example, is the Community Web site at Redcliffe where a wide range of community agency services is posted. A second example, is the specific programs East Coast Training and Employment conduct specifically for mature aged unemployed. (These programs, Mature Aged Job Clubs and our Mentor Program, are funded under the Queensland Government's *Breaking the Unemployment Cycle.*)

There is a significant contribution that can be made by community organisations that operate at the 'coal face'. Very dedicated people staff these enterprises with high professional and practical qualifications providing personalised, non-bureaucratic support and encouragement. Their efforts are often underestimated, again by a misplaced perception of *community organisations* and their 'backyard business practices.' Not acknowledged, is that many of these community-focused enterprises are multi-million dollar businesses operating to best practices.

Mature aged Unemployed

For those who find themselves displaced from the workforce after a long time of regular employment, the psychological impact can be severe. Compounding this period of upheaval is the economic uncertainties of middle age when we are often committed to

a mortgage and consciously or sub-consciously looking forward to greater financial stability with children less dependent and lifestyle-demands diminishing. The opportunities for re-employment can appear limited and the competition of younger applicants often unsettling. In many cases, people in this predicament may lower their ambitions attempting to quickly reestablish security in their lives. This short-term solution may simply generate more dissatisfaction and yet another round of job displacement.

It is also suggested that mature aged unemployed completed their education and entered the workforce under completely different circumstances than those of today. This influences their ability to cope with a changed workforce and often they do not have the formal skills needed for re-employment. Until recently, employers were able to access government assistance to have staff assessed for *Recognition of Prior Learning* and gain certificate qualifications. For example, Pine Rivers Shire Council staffs were able to obtain qualifications in horticulture and in a number of cases then pursued higher qualifications. This changed when it was decided not to support those in employment but to redirect funds to the unemployed.²

Employers

The reality for business enterprise is that employers must focus on *productivity and profitability*. The human contribution to productivity is not generally aged dependent but relies on knowledge, skills and attitude. These attributes are often great strengths of the mature aged unemployed. In particular, the attitude of mature aged unemployed is generally one of commitment, stability, robustness, flexibility and loyalty. The one major obstacle to gainfully employing these talents in a business is *wage cost*. This is not supported logically if viewed as a matter of '*value for money*'. However, in most 'cashflow-dependent' small businesses the reality of adult wages has an immediate impact on daily survival rather than long-term outcomes and profitability.

Astute small businesses are best placed to benefit from the talent of mature aged unemployed. In an environment of extreme competitiveness, minimal staffing levels and modest profit margins, the mature aged unemployed can offer flexibility, experience, commitment and loyalty to these businesses. A main source of mature aged unemployed is large enterprise. How many small businesses conduct restructuring and downsizing exercises?

Families

Many social ills can be traced back to the degradation of the 'family unit' and there is no greater contributor to this chronic state than that of *unemployment*. The role model effect of our mature aged remains a precious commodity in any society, one that should be nurtured and harvested. Families bear the brunt of unemployment. The psychological stresses and effects of isolation and alienation, by-products of financial insecurity, bear heaviest upon the family. Youth unemployment is a direct by-product of mature aged unemployment. Within the family we see the full impact of both **cause and effect**.

SUMMARY

There is an unmistakable polarisation of the issues. On one hand we have age, on the other productivity. Current legislation prohibits discrimination on age and yet that is exactly what we are realising and in many instances condoning. We must therefore have a fundamental shift of focus away from *age* and towards *productivity*. In the new millennium, we must promote the value of productivity and acknowledge that individuals can be productive at any age. With this simple shift we reaffirm the value of human endeavour.

² Information provided by HR Manager, Pine Rivers Shire Council

RECOMMENDATIONS

It is recommended the Committee consider:

That Government -

- Remove the emphasis on age discrimination from all employment initiatives and replace policies with an affirmation of the values of human endeavour.
- Increase funding priorities for mature aged unemployed programs in line with population aging trends.
- Consider incentives for employing mature aged unemployed as for apprenticeships and traineeships.
- Reinstate funding to encourage employees to gain recognised qualifications through an RPL process.
- Recognise the contribution and value of community based organisations
- Fund an advertising campaign to promote the values of mature aged unemployed to business and industry.
- Identify successful programs and expand them nationally (Recognising that demographic circumstances for success may prevent the export of some programs.)
- Focus programs on small business placement outcomes.

Community Organisations -

- Be encouraged to identify local requirements for sustainable mature aged unemployment programs, develop submissions for Government funding and upon approval conduct those programs.
- Promote a personalised service within the community.

Mature Aged Unemployed -

- Be encouraged to seek out the support of community based organisations and relevant programs

Employers -

- Be encouraged to recognise the long term values offered by mature aged unemployed

Conclusion

I am grateful to the Committee for the opportunity to present these views and I am confident that with Government support and the coordinated efforts of all stakeholders, we can make a difference.



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