COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND WORKPLACE RELATIONS

Reference: Issues specific to older workers seeking employment, or establishing a business, following unemployment

THURSDAY, 15 JULY 1999

SYDNEY

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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND WORKPLACE RELATIONS

Thursday, 15 July 1999

Members: Dr Nelson *(Chair)*, Mr Barresi, Mr Bartlett, Dr Emerson, Ms Gambaro, Mrs Gash, Ms Gillard, Mr Katter, Mr Sawford and Mr Wilkie

Members in attendance: Mr Bartlett, Ms Gillard, Dr Nelson, Mr Sawford and Mr Wilkie

Terms of reference for the inquiry:

Inquire into and report on the social, economic and industrial issues specific to workers over 45 years of age seeking employment, or establishing a business, following unemployment.

WITNESSES

Committee met at 9.06 a.m.

ENCEL, Emeritus Professor Solomon, Honorary Research Associate, Social Policy Research Centre, University of New South Wales

CHAIR—I declare open this second session of the public hearings for the inquiry into mature age unemployed people and welcome the witnesses and others in attendance. We will be taking evidence today from a number of individuals, support groups and service providers. The purpose of this inquiry is to identify the social, economic and industrial issues specific to workers over 45 years of age seeking employment or establishing a business following unemployment and to assess the impact of these issues on the economy. We are keen to explore possible ways to help individuals as well as to address the loss of skills and experience in these organisations.

We will be calling, firstly, Professor Sol Encel to give evidence. I remind you, Professor Encel, that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings in the House itself. The deliberate misleading of the committee may be regarded as contempt of the parliament. The committee prefers that all evidence be given in public but should you at any stage wish to give evidence in private you may ask to do so and the committee will consider your request.

Could you introduce yourself, tell us the capacity in which you appear and give us a 10- to 15-minute precis of your submission, and then we will have some discussion of it.

Prof. Encel—Professionally speaking, I am a retired professor of sociology, now called 'emeritus'. A year after I retired from teaching, I was offered an honorary position at the Social Policy Research Centre, which is an independent institute at the University of New South Wales, funded by the Commonwealth government. I have been there now for eight years. One of the first jobs I undertook when I started work there was under contract to the New South Wales state government—which was then reviewing the Mature Workers Program which had been set up by the former Premier, Nick Greiner, back in 1989. The state government had set up a task force to look into this program and to decide what should be done with it as a matter of future development. I was asked to prepare a background paper on the subject, which looked at issues like flexible retirement, discrimination against older workers and schemes for employing people who are having a hard time because of their age. I produced that report in 1992. Since then, I have done several other pieces of research.

As a result of this review the state government set up a body called the Mature Workers Advisory Committee, which was to maintain a watching brief on the Mature Workers Program, which, as I am sure you know, is open to people over 40 but in practice gives preference to people over 45. I was on that committee until it was disbanded. In the course of that, I undertook a couple of research projects dealing with the experiences of older workers in the labour market. One was dealing with a group of men and women and the other was a group specifically of women. Both of those were then published and I continued to take an interest in the subject because, among my other state government commitments, I was also appointed to a body which is now called the New South Wales Committee on

Ageing, which is an advisory committee to the state minister on ageing. I was on that committee for over four years until my term expired.

I am still doing research in the area and I have contributed chapters to two books on the subject of work in later life. So I have an active research interest in the subject. I am now looking for ways of extending that. It is largely a matter of obtaining research grants to cover the necessary expenses. That is the state at which my research is now.

Last night I was actually reviewing a new American book which talks about this issue at some length. I have a copy of my review in front of me. I have just sent it off to the editor. My interest in the subject is continuous, although I do not currently have a particular research project under way. The last thing I did systematically was the review of the literature which I did for the Western Australian Office of Seniors Interests, of which you received a copy.

CHAIR—Do you feel qualified to talk about it?

Prof. Encel—Moderately.

CHAIR—Sol, would you like to give us a precis of your submission?

Prof. Encel—The first point to make, of course, is that this is an international problem. There is nothing exceptional about the Australian experience. It is a problem all over the world for people over 45 and, it would appear now, increasingly under 45. Cases of age discrimination are already being reported for people in their late 30s. To say there is a problem for people over 45 is already behind the game, as it were. It just so happens that at the moment we have a visitor from Paris at the centre where I work, Professor Anne-Marie Guillemard, who is an international authority on ageing and on this subject. She is currently producing a report for the European Union, on this very subject of the problems of older workers and the labour market. At a seminar which she gave yesterday, she said that they had encountered a number of examples of people in their 30s who already felt they were being discriminated against on grounds of age. The discrimination is particularly evident in relation to hiring—not so much in relation to dismissal or retrenchment. They are certainly discriminated against when it comes to applying for jobs and very much discriminated against when it comes to applying for promotion. Already people in their late 30s are having trouble because employers are looking for younger and younger people.

The very definition of ‘mature’ is itself now in a state of flux, just like the definition of ageing. This book which I have just reviewed points out that we could change the situation quite dramatically if we decided that people do not become elderly at the age of 65—which is a pretty common stereotype these days—but extended that to the age of 70. The US Social Security administration has estimated that you could cut the size of the pension bill in half if you did just that and made it possible for people to go on working till the age of 70. In fact, the Americans have already taken the step to extend the working age by raising the age of eligibility for Social Security—which of course means pensions in the American system—from 62 to 67. That is being phased in over a period of years. Some European countries are doing exactly the same. They are also raising the age of eligibility for pensions in order to prolong working life.

The next point I want to talk about is: why is this a problem? Clearly, we are dealing with a very strong cultural stereotype which prefers young people to older people. This is reflected, for example, in the way the mass media treat the question of unemployment. Mature age unemployment receives very little mention. You maybe get a short piece about it, at the most, once a month when the monthly labour force statistics come out. But, generally speaking, the front page item is youth unemployment. It is perfectly true that youth unemployment runs at a higher rate than mature age unemployment. The difference is that younger people do find jobs. Sometimes it takes them a while, but within 12 months most of them have found employment.

The average length of time out of the labour force for older people has been climbing steadily since the late 1970s. At the moment, men over 55 will, on the average, be out of the work force more than two years, which means that more than half of the men over 55 now belong to the category called 'very long-term unemployed', which is defined by the Commonwealth Statistician and by international practice as 'people out of the work force for more than two years'. Long-term unemployed means out of the work force for more than one year and, in the very long term, for more than two years. The majority of men over 55 are now in that very long-term unemployed category and their proportion of the very long-term unemployed has continued to grow. Not all very long-term unemployed people are over 55, but there is a disproportionately large number of them who are in that group and the age at which they become virtually unemployable has dropped from the late 50s to the early 50s. There are many cases, as I discovered in my research, of men in their 40s who lost their jobs for one reason or another and found it very difficult to get them.

There is more than one problem. The worst affected people are blue-collar workers of non-English-speaking background. They have the toughest time of all. As the work of Professor Bob Gregory of the ANU has shown, if they happened to be living in the outer suburbs of a large city like Sydney, Melbourne or Adelaide it is even tougher. They are actually facing a kind of triple whammy: they are blue-collar, which means they do not have the skills which are so much in demand because of rapid technological change, their English is poor, and they are living far away from centres of employment. When factories close down in these outer suburbs there is hardly any employment left except for small business and small business can only take on a limited number of people. Again, people who are basically selling services or goods to other people would prefer people who have a good command of the English language. So they have the toughest job of all.

Then there is the case of the middle-range executives who get more publicity than the blue-collar worker, although in fact their problems are not as great but they seem to make better fodder for the media. These are the people who lose their jobs, for example, when a bank decides to eliminate a large chunk of its middle management and replace them with computer systems. That has been going on at a great rate. Some of the people I interviewed were bankers, and quite a few were bank officers who had been made redundant either through the closure of bank branches or the computerisation and centralisation of banking activities. So their job was no longer necessary and consequently the bank had no further use for them. Ironically, some of them were then re-employed to do banking jobs under contract to the same bank they used to work for as a permanent employee. That is quite a common phenomenon. In the management consulting business, for example, where there is a high

turnover of firms, you find quite a lot of people working under contract as subconsultants to the firm which originally employed them full time.

When people ask why employers are biased against older people you are met with an array of very predictable responses, and these are the same responses all over the world. They have been the same responses ever since people started doing research on the subject. The first one is that older workers are too set in their ways, they are not flexible, and you cannot reorient them to a new style of doing business. Related to that is the proposition that older workers are difficult to retrain, in the familiar stereotype, 'you can't teach an old dog new tricks'. The third one is that in an age of rapidly changing technology you need young people who are at the cutting edge of new developments and therefore can be expected to contribute to the bottom line of the company.

The retraining issue is often justified in terms of saying, 'There is no point in retraining a man aged 50 because he will not be with us for all that long so we will not recover our investment in training in that time.' There are several American studies where this turned out to be the most consistent response from employers. The Australian studies report the same kind of thing. It is the same in Britain and Canada. This subject has been studied essentially in about half a dozen countries—the United States, Canada, to a lesser extent, Britain, where there is an active group of researchers interested in the subject, Australia, where I have cited a few studies in my bibliography, and France, where Professor Anne-Marie Guillemard, who I referred to, has been studying the behaviour of French employers in this regard. I can tell you that their behaviour is exactly the same, the language makes no difference whatsoever.

That is a paradoxical reaction because if you look at the actual situation I think you could say quite precisely that, if you train a 25-year-old in cutting edge technology, what you actually do is make him or her more mobile. So the guarantee that they will stay with the firm that trained them is very thin, whereas people over the age of 50 are concerned that they may lose their jobs and they are likely to be much more stable. Once they are trained, they will stay with the firm that trained them and they will stay for as long as the firm will let them. So that argument is absurd. It is upside down, but it seems to be very firmly held. The notion that you cannot teach old dogs new tricks has been falsified. This research has in fact been going on since the First World War, not just the Second World War. During the First World War a lot of older people were drafted into war factories, especially in Western Europe and Britain, because the young men were out at the front. These people had to be retrained. The result was that various pieces of research were done to show what were the most effective training methods.

The results of these researches have been published consistently since the 1920s. The biggest single project that I know of was carried out after the Second World War by a group of people at Cambridge University who did a 10-year study of this. They found that if you adopt the appropriate methods you can train older people just as effectively as younger people. There is a sort of notion of youthful flexibility involved here which does not take account of the fact that at various ages people learn by different means, and the older you are the more you rely on experience and not just on instruction. That is what the scientific evidence tells us.

Also, in the 1960s we had previous experience of labour shortages. Currently Australia is suffering from a skills shortage, which is sure to get worse, and in the 1960s there was also such a problem. The problem there arose because of the Second World War and the Depression, two events which had greatly cut the birthrate. So in the 1960s there was a shortage of young people entering the labour market.

The OECD then commissioned a series of studies to look into the question of how you could overcome these shortages by training older people. There were two or three studies published by the OECD at that time which showed quite clearly that you can train older people just as effectively as you can train younger people.

So psychologists know that these stereotypes are false, but because of other factors people cling to them very strongly. I am not suggesting employers are particularly crass or prejudiced in this respect; they are reflecting the prejudices of society at large. It is a youth centred society and employers think just the same way as everybody else.

Those are the sorts of issues we are talking about. You may then ask: why don't governments run appropriate training programs for older people? This is a question for you to think about. I do not have an answer to that. The only sense I have of the situation is that governments are constrained by stereotypes also and they do not wish to be seen to be discriminating in any way in favour of older people. They will discriminate in favour of older people in ways that have to do with health, with giving concessions on transport and so on, but when it comes to employment the belief is that, if you are going to discriminate, if you are going to do anything for a specific age group, you do it for the younger people, not for the older people.

I should recall to you that before the 1996 federal election both Mr Keating and Mr Howard made statements about their policies on issues to do with ageing and both of them undertook to introduce a program specially addressed to older workers. Those proposals were modelled very closely on the Mature Workers Program in New South Wales which I described to you. In fact, the government asked for reports on that program in order to find a basis for this policy. But the material was just as well known to what was then the coalition opposition and they used it also.

Obviously, after the 1996 election Mr Keating was not in a position to put this program into practice and the present government has not proceeded any further with it. In fact, I had a debate with the present minister for workplace relations, Mr Reith, on television earlier this year in which I retraced this history, and his response basically was what the government was doing would take care of older workers as well as younger workers and he saw no particular reason for doing anything special for older people.

It is worth pointing out that this is not the attitude taken by state governments. There is a very interesting split here, even within the same party, over the question of a program specifically aimed at mature workers. For example, I have before me a statement made by the South Australian Premier just a couple of months ago about employment issues in South Australia. South Australia has a relatively high unemployment rate, greater than the Australian average, a higher proportion of older people, and a relatively aged population. So, for all those reasons, it is a particularly acute issue in South Australia.

The South Australian government has already, over a period of time, spent some money on assisting older workers. It subsidises a voluntary organisation called DOME—Don't Overlook Mature Experience—and this organisation has a record of placing roughly 1,000 older workers per year in employment. It has built up a very successful network of connections with employers who will take people on the recommendation of DOME.

DOME gets a grant from the South Australian state government which pays for its director and a couple of other staff. All the rest is done by volunteers. Although the government does not spend a lot of money, it spends enough to make sure that such a program actually operates. DOME has been in existence since 1980.

The Western Australian government followed suit a few years ago. It is also called DOME in Western Australia but it has no connection with the South Australian one. They are two separate organisations, but basically they work in very similar ways. The Western Australian outfit is also subsidised by the state government. The Queensland government is also currently looking into this issue. Of course, the Mature Workers Program has continued, despite the change of federal government, in New South Wales and it is currently the subject of an evaluation commissioned by the Board of Vocational Education and Training in New South Wales.

The sorts of things that other governments have done have been to try to induce employers to recognise the value of older workers. There is such a program in Britain, although it has been conspicuously lacking in success. There is also a voluntary organisation of big employers in Britain called Employers Forum on Age, which was established about three years ago and which contains a number of what can be called blue-chip firms like the National Westminster Bank, British Telecom, Marks and Spencer, Shell Oil and some of the big insurance companies. They publish a newsletter and they are doing their best to raise expectations among British employers that older workers are employable. There are similar organisations around Britain, some of them actually set up by unemployed people themselves—self-help groups—and there are similar self-help groups in Continental Europe.

You also find this kind of thing in the United States. The Unites States government allocates a small amount of money under legislation to programs which are targeted at older workers. This money is normally spent more or less the way we do it here where the federal government finds the money and the state governments administer the programs.

For example, there is a very well publicised program run by the fast food firm McDonald's, which typically is called the McMasters program. That is specifically designed to train older people to serve in McDonald's restaurants, and it is has quite a good success rate. McDonald's, of course, claims the credit for this but actually the program was sold to them by the Maryland Office of Ageing with the money from the federal government, and then other state offices on ageing, which exist there as they do here, followed suit.

It is a national program and it has been the subject of films and videos and so forth—all good publicity for the firm. I do not know how many other programs there are like that in the United States, but there are quite a few at state level. Quite a few American state governments run similar things.

We have also got organisations similar to DOME in the USA, only there it is called Operation ABLE, which stands for Ability Based on Long Experience. It is run by a private foundation and it has branches in several of the big cities. It works basically like DOME and the Mature Workers Program and so on.

It is clear that governments can influence the situation to some extent, but personally I am a bit pessimistic about the prospects for this because the behaviour of employers has not changed significantly in the last 10 years. It may change significantly in about 10 years time when we will get to the point where more than half the work force is over the age of 40, when the majority of workers will be mature workers, and at that point the issue will become significant.

There is one other point that is worth making. As Professor Guillemard pointed out to us, one of the solutions that is open to European governments to solve the problem of labour shortage and skill shortage is to import people from Eastern Europe and the Middle East. There are large numbers of unemployed people in Eastern European countries, also in the Middle East, many of them with excellent training and skill, who currently cannot find jobs because those economies are deeply recessed. It is very easy to import such workers into Germany or France or wherever to make up those shortages.

I think that kind of policy would be politically very difficult to operate in Australia at this time. We may find that that particular option is not really open to us and so, by the year 2005 or thereabouts, governments may be prepared to take this seriously.

I would just like to add one last observation. This book that I have reviewed was written by a man who was Secretary of Commerce in the Nixon Administration and who has sat on various high powered government committees in the States concerned with these issues. He is a leading New York merchant banker so he knows the scene pretty well, and he has written on the subject before.

It is a rather sensational sort of book but it contains a lot of very useful information and some very interesting suggestions on how you might meet the problem. He is not just concerned about unemployment, he is concerned with ageing in general, including health. He stresses the question of unemployment quite considerably, and also advocates the policy of lengthening working life.

At the beginning he was under the impression that politicians did not really understand the problem. Then he discovered they understood the problem perfectly well. The problem was that they were not prepared to do anything about it. One of them actually said to him, 'Well, it is going to be a big problem in the next century, and that will not be on my watch.'

CHAIR—Thanks very much, Sol. Certainly, from our point of view, the ageing of our society more than anything else will change our economic, social and political priorities. In fact, I think it has already started.

Obviously, our inquiry will cover a whole range of things from individual anecdotal stories, most of which are quite poignant and moving, right through to a whole lot of statistical analyses and things like that. In terms of practical things that we could recommend

and pressure the government to do, one of them you mentioned was perhaps looking at increasing the age of retirement from the current 65 to 70. I suppose the deferred pensions bonus scheme is an initial step in that direction.

Also, the Mature Workers Program here in New South Wales—and I must say that until yesterday I did not know it was a part of the government's policy—is obviously another practical thing. Has that been successful? What could be done to make it more successful? Should it really be something that is Commonwealth funded? Is it more appropriate that it be a state based program?

Changing societal attitudes is difficult but it is not impossible. I think we have done it in relation to AIDS, smoking, and discrimination against women, although we still have a way to go. How would we undertake those things? What are the practical things that we could really push the government on? Also, how would we go about dealing with the attitudinal issue?

Prof. Encel—Clearly, you cannot approach this at simply one level. It is a complicated subject and there are various potential entry points. It seems to me that the approach taken in South Australia of a voluntary organisation receiving enough funds from the government to meet its overheads and to give it a basic staff level is in a way the most cost efficient approach. I say that because a lot of the people who can do this sort of work are retired people with lots of connections in the business world, in government and so on. They are, as experience suggests, the best people for finding jobs for other unemployed people. Being of that age themselves they are conscious of the fact that age becomes a basis for discrimination. So it seems to me that that is a good way of proceeding.

You would presumably proceed the way governments regularly proceed. You announce that the government wishes to initiate a program for finding jobs for older people and you call for expressions of interest. This, of course, is what has happened with the Job Network.

The Job Network operates on a different basis. One of the continuing criticisms of it is that it does not do much for older workers. There is a profit element built into that program—in other words, the more jobs you find for people, the better you do in terms of the return on the government funds. If older people are the toughest ones to employ, then clearly they are not going to be terribly welcome as far as the network agencies are concerned. Whatever the virtues of the Job Network, it does not, in my view, address the specific issue; it runs up against the same resistance from employers, the public stereotype, and it does not take up the issue of specific training programs for older people.

As I have said before, it has been demonstrated quite clearly that you can train older people quite effectively and that their training will be of just as much value because they will stick to the job: they will not use the fact that they are well trained to look for something better. But I would think that the argument against it is that it is more expensive to do it that way. It is easier to run training programs on the basis of one size fits everybody—in other words, you give money, say, to the TAFE system to run training courses for older people to bring them up to scratch with modern production methods, computers, et cetera, but you do the same course for everybody.

Speaking as a teacher of some experience, it is not easy having 20-year-olds and 50-year-olds in the same class. They do not learn the same way, they have different expectations, and they relate differently to their instructor. If you have a group of people between 20 and 50 and they are being taught by a 30-year-old then, clearly, the 50-year-olds will not treat the 30-year-old with the same kind of respect that the 20-year-olds might treat him or her. They know that they have experience which may be well beyond that of their instructor. One of the technical issues involved here is a problem which is called in the trade RPL—recognition of prior learning. All training programs which involve older people sooner or later get stuck on this because there is generally a demand that prior learning should be recognised but it is very difficult to quantify and to measure, so people just tend to put it in the too-hard basket.

If we take the problem of mature age unemployment seriously, then I think you have to recognise the fact that you have to take specific measures to deal with it. Training programs which are just designed for all-comers regardless of age are going to break down as far as older people are concerned. We can see from the statistics that the take-up of such training programs for older people is relatively low and the drop-out rate is relatively high. The studies published by the OECD in the sixties put great stress on what they called 'the discovery method of learning'. In other words, the instructor taps into what the trainee already knows—the same prior learning business—and then gets them in a sense to work out the answers themselves instead of feeding them with information which they never had before, even though it is out of date.

You need to accept the fact that specific training programs and specific sorts of job placement programs, probably, are also necessary. Employers, of course, respond very well to financial incentives. If you pay them a subsidy to take on a mature worker for six months, they will do it quite willingly. At the end of six months, that is the end of the story because once the subsidy is gone they do not want that person any more. One has to find policies which get round that particular problem.

The French government have tried to solve the problem by shortening the working week. They are trying to introduce a standard working week of 35 hours. But, as Professor Guillemard remarked to me yesterday when we were talking about this, this is actually in conflict with the notion of people working for a longer period of time—at one and the same time you are shortening the working week but you are also increasing the amount of time people are in the work force, and the two things do not fit together.

The question of lengthening the span of working life is a difficult one. Obviously, a lot of people do not want to work longer. The people who demand the opportunity to go on working beyond the age of 60 or 65 are predominantly people in skilled or professional white-collar jobs who like their work, who get satisfaction out of it and who are not subjected to great physical stress or unpleasant working conditions. The average blue-collar worker is not likely to respond very favourably to this suggestion. Policies must also take that into account.

Some American studies suggest that as many as 25 per cent of people over the age of 60 would like to go on working as long as they are physically and mentally capable. That is quite a high proportion. If you deal with 25 per cent of the older age unemployed, you have made an appreciable dent on the problem. You have not solved it, and maybe there is no

perfect solution. There are only, as I said, a range of partial solutions. Another thing governments can do is encourage employers themselves to take an interest in the subject. This Employers Forum on Age in Britain was set up with government encouragement. It does not get any money from the government—these firms have quite enough money to fund such a program themselves—but it operates with the blessing of the government. Any kind of support or encouragement the government can give, they do give. Of course, there are government agencies which are part of the forum.

You could do the same thing here. Such a consortium could include government departments, which would be urged to adopt the same policy of taking on older people as much as possible. Of course, legally, we have no obstacle to this in Australia. That differs significantly from the situation in Europe, including Britain. In fact, before the Blair government were elected, one of their shadow ministers spoke to the Employers Forum on Age, as I have been informed, and said that he would ensure that, when the government came in, they would introduce legislation to outlaw age discrimination more or less along the lines of the legislation we have now in every state of Australia. But, as is the case with lots of these pre-election promises, it did not come off. All that the British government has done is produce what they call a 'code of behaviour for employers'—persuasion and encouragement to take on older people. If you do not provide incentives, it is not likely to happen. This is the point also that Professor Guillemard made. She said that, although there is a lot of talk about encouraging employers to do things, they will not happen unless the government makes them do them—makes them by stick or carrot or a combination of both classical incentives.

The Prime Minister has already taken steps towards what he calls partnerships between government and business and community organisations. As far as I can see, those partnerships are not particularly focused on the question of unemployment, but there is no reason why they could not be. I think that is a step which could be extended in this way.

Mr SAWFORD—I would like to ask some questions on the intervention of government in the labour market, perhaps the carrot and sticks that you alluded to just a while ago. Before I do that, can I ask some questions about Tesco? In the background information that you provided, you gave some examples of Tesco. Did the motivation for top management of Tesco come from the government or from Tesco themselves?

Prof. Encel—Purely from the management of Tesco. Tesco is a firm with a long history of social concerns. It is like some of the firms founded by the Quakers, Cadbury and so forth, which grew up with an ethic that they have to help people. Indeed, right from the beginning, the manufacture of chocolate was intended to distract people from drinking gin. There has been a moral issue there right from the word go. Tesco is not a Quaker firm but, obviously, it has people there who thought that the firm should show that it was a 'good corporate citizen'—that is the term that is now popular in the United States. It was initiated by top management. The curious thing is that, at the beginning, it was met with considerable resistance from the branch managers. The people around the stores were not too happy about it but, once they realised how it was working, one researcher said they were queuing up to get people over the age of 55. I think you will find it described in my bibliography. It is called the Mature Entrant Program, and it is available to people over 55. The oldest ones they have, at last report, were in their early 70s.

Mr SAWFORD—The interesting aspect about the Tesco thing is that they had a belief that there is a place for older workers—and it was there, among the people that counted. They had a retraining program, and they had a job.

Prof. Encel—Yes.

Mr SAWFORD—One could ask a whole range of questions, such as what sort of remuneration and what sort of conditions they operate under, but I do not want to get into that for the purposes of this discussion.

Prof. Encel—They are paid on exactly the same scale as other employees. There is no specific wage scale for older workers.

Mr SAWFORD—Basically, they have got the whole thing right?

Prof. Encel—Yes.

Mr SAWFORD—People can encourage training for its benefits: training can have therapeutic gains in terms of giving people support and so on. But if the job is not there, what is the purpose?

Prof. Encel—You are looking for self-interested motives, and I would be the last one to deny that one should always look for them. There was a moral imperative to start with, but also they had trouble recruiting younger people to some of their stores, and some of the younger people that they recruited were not terribly satisfactory employees. This was one way of trying to get a more reliable work force which would do the job properly—and that is exactly what happened. In fact, they found that the older people had a good influence on the younger ones. Part of the program has a mentoring element: the older workers are there partly to give a lead and to provide models to the younger ones. They found that worked very well.

Apart from that, their prospects in the firm are the same as anyone else's. Of course, it is highly unlikely that they are going to be promoted to branch managers. They will stay as people who fill the shelves, collect the stuff from the loading dock, deal with customers' queries and so on. It is unlikely that they will gain promotion to administrative jobs—but most of them, obviously, are quite happy to have a job and to have some sort of security. They are able to work as long as they are physically capable.

Mr SAWFORD—In terms of the importance of government leading by example, you made some cynical comments about politicians—the accuracy of which we can leave until another day. In a sense, state governments and federal governments have been very poor regarding youth employment, in terms of providing entry jobs for young people. In fact, the percentages in the youth market over the years have dropped alarmingly, even below that of the private sector. I think that in the aged market it is even worse. Is there any hope, from your perspective, of the intervention of government into the labour market with carrots and sticks? You mentioned some carrots, in terms of setting up voluntary organisations like DOME and the TAFE venture, and legislation against age discrimination. But these are just bit parts, aren't they?

Prof. Encel—Yes.

Mr SAWFORD—The moral imperative of the Tesco example may be more accurately described as a work imperative. But at least there was an imperative; there was a training program that led to a job. Are there any lessons for government in this? Are there any recommendations you would put to government about the Tesco experience?

Prof. Encel—It is not only Tesco; there are about half a dozen well-known examples of this kind of thing, such as B&Q and McMasters. Other retail chains in Britain apart from Tesco have adopted similar policies, although they are not as systematic. For example, Marks and Spencer has an active policy of encouraging older people either to be hired or to stay on, and so does Sainsburys, the biggest supermarket chain in Britain. So, others have picked up the cue, but the list is not very long. It does not seem to have grown much longer in the last 10 years or so. I think that is partly because these people are doing it on their own. You have got a management which can see the virtue of recruiting and retaining older people, and you can also see that they have done quite well out of it. But clearly, the point is that the rest will only follow suit if there is a bit of a push for it. They have to be encouraged or directed in some way to make this a policy.

If government does not pursue this policy itself, then there is not much chance that the private sector will take it up unless it becomes a desperate situation. Someone observed that the European parliament has passed a whole series of resolutions about the need to not discriminate against older people. But if you look at the advertisements for jobs with the European Commission in Brussels, they are heavily ageist advertisements and their recruitment is overwhelmingly towards younger people—not, of course, at the very top level when they are recruiting senior civil servants and politicians, but with the ordinary staff they pursue the same sort of policy as everybody else. So there is always the problem of what they say is not exactly what they do.

Governments have to adopt a deliberate policy of saying that this is a serious issue; it requires special attention; it cannot be solved by government alone; it is a society wide problem; we have to provide incentives for people to act so that they can deal with it.

Mr SAWFORD—Have you thought of any sticks to induce the government?

Prof. Encel—Taxation is one way. Differential taxation measures can stir people up. That is a kind of mixture of the carrot and the stick: if you do well, you pay less tax; if you do badly, you pay more tax. I think that would be an act of desperation. Very few governments would want to get into that sort of game. Financial incentives are not difficult to apply, especially if you can demonstrate that without that incentive you are going to be in difficulties. We have advertisements that say this is an equal opportunity employer, but equal opportunity employment in most cases means non-discrimination in terms of sex. It does not yet mean non-discrimination in terms of age—even though, legally, you cannot discriminate. But you can get around the law quite easily, of course, by finding some other cover story which is actually about age but, superficially, it is about training, experience or some other kind of special qualification. You know that those special qualifications are going to be pretty rare among older people. That is obviously what some employers are doing.

At the moment, all we have is a complaints based mechanism. It is true that, in New South Wales, the Anti-Discrimination Board puts a lot of stress on educational programs. One of the most recent pieces of work I did was to have a look at the records of the New South Wales Anti-Discrimination Board over a period of four years. We simply analysed all those cases to which they would give us access to see how it had happened. We found that, on the whole, people do quite well. If they are willing to push through to the end, they usually get a favourable outcome.

Employers who have resisted and who have then been taken to the Equal Opportunity Tribunal have usually lost the case. But the board itself actually says that what is more important is public education. They run a self-financed education program for employers to teach them how to not discriminate and to make the best use of the qualities of older workers when they do take them on. In the United States, this issue of utilising qualities of older workers to the best advantage has been taken up by two or three big management consulting firms who have been approached by companies who realise that they will have to be recruiting older people from now on. They are also concerned about the bad effects of downsizing at an earlier time, which means that they lost some of their most experienced and competent people who were just downsized out of the firm. They then suddenly found that they had lost the sort of knowledge, experience and contacts that were an important part of their situation. So they are now running courses for such employers to teach them how to use older workers. There is nothing like that in Australia that I know of. In fact, I do not think there is anything like that anywhere else in the world, but I think that is the sort of activity again which governments could encourage.

Mr BARTLETT—Professor Encel, thanks for a very interesting submission. You made the point in there that the largest number of victims since the seventies have been those who were of mature age, relatively unskilled and involved in the manufacturing industry. Presumably, a large part of the reason for that has been technological change. Has that problem begun to plateau, or are we still seeing the same rate of attrition in the manufacturing industry?

Prof. Encel—What economists call the 'hollowing-out process' has slowed down but has not stopped. Factories are still being closed down, some of them are going offshore and some of them are closing down because of mergers, amalgamations and downsizing. A firm may find that, having had three plants around the country which are producing machines or whatever, they can now do it quite efficiently with just one factory because of mechanisation, automation and so on, so they close down the other two and those jobs disappear. The firm is in fact making the same sort of contribution to the economy in terms of production, but it can do it with fewer people. That process has not stopped.

Mr BARTLETT—How do you respond to the suggestion that the underlying problem is simply one of an oversupply of labour or an undersupply of jobs across all age groups? You talked about the introduction in France of a 35-hour week. Other programs in a way share the availability of jobs. Don't you support a view that there is a limited supply of jobs?

Prof. Encel—It is quite clear that every industrialised country has an unemployment problem, and the level of unemployment just refuses to fall below a certain level. There is very little doubt that we—not just older people, but society at large—are faced with the

problem that our productivity may grow to the point where we can produce twice as much with half the people. What we are dealing with is a specific subset of that general problem, and you obviously cannot solve the subproblem until you solve the big problem. It may be that the whole thing is just too difficult, and we will just have to struggle on for years with the fact that a lot of people are going to be out of work.

That raises another issue, which is that this is a social disease which has to be combated. In other words, even if you cannot find jobs for people, you can find things for them to do. The fact is that there are just not enough hours of work to do and one way of solving that is to give people time out from the work force to retrain themselves. That is a proposal that is being pursued in Europe. It has been suggested a number of times before but is now becoming a reality. In other words, if you have a superannuation scheme to which people are contributing, you give them access to their superannuation before they get to retirement age. You give them enough money out of it to cover the cost of dropping out of the work force for a year or two to retrain themselves. That is a very imaginative policy which would require great determination from government. There are a lot of parts of that policy that have to fit together; it is a typical interdepartmental problem, and they are always the toughest ones. That is one way of dealing with it.

Another way is to encourage people to do voluntary work. There is enormous scope for voluntary work in every society. There are never enough volunteers to do the kinds of jobs that are required. Part of the story is that our society is ageing and that people are living longer and longer. The most rapidly growing section of the population is people over 80. More and more of those people are going to need care of one sort or another, so one way of finding jobs for people is to train them as carers. Whatever they were doing before, as long as they have the right approach to people, you can train them. To be a carer, you have to be properly trained. Untrained volunteers can be a bigger menace than having nobody. But if you trained them and even if you paid them a sort of carer's allowance, you would be doing a very useful job. For one thing, you would be keeping people out of nursing homes, which cuts a very important area of cost—cutting health costs because you would keep them healthier—and you would also be finding an occupation and a purpose in life for the person who is a carer.

Mr BARTLETT—Do you see those labour-intensive activities as sufficient, across the broad spectrum of the economy, to counteract the problem of rising productivity as a result of technology and therefore its impact on demand for labour?

Prof. Encel—Probably not. As I said before, I do not think there is one solution to this problem. It is a very deep seated problem and it has all sorts of ramifications. In terms of practical policy, you have to find the soft spots where you can make an impression and one of those is the point I made before. Let us say it is true that 25 per cent of people in skilled, professional, white-collar jobs would like to go on working. If you can extend their working lives, you have catered for a large chunk of the population. It still leaves out the other 75 per cent but there is no perfect solution. It is the same with the idea of training people for labour intensive jobs which may be quite different from what they did before.

At an earlier period in history that might have sounded preposterous but when you think about it you recognise that, given the character of working life today, people are changing

their jobs all the time. In fact, some of the more imaginative forecasters have said that in the 21st century the average number of jobs people will have in their lifetime will be half a dozen. There is no reason why one of them should not be caring for older, infirm or disabled people. There are of course other labour intensive jobs.

Mr BARTLETT—You referred in your submission to the Japanese model and government subsidies for employers who had more than four per cent of the work force in the over 60 bracket. Could you elaborate briefly on that; how effectively does it work? How does it deal with the problem of exploitation by employers of mature age workers? Could we introduce some sort of subsidy system like that in Australia?

Prof. Encel—We could. Of course, we are talking about a very different culture from our own. It is obvious that Japanese people will accept certain kinds of things that probably would be much more difficult to have accepted in Australia. They have a whole range of policies. The main legislative instrument is called the Stabilisation of Employment Act, which has been amended several times. I think the last time was about 10 years ago. That is designed to prevent companies from retiring people too early and leaving them without a job. What often happens in these cases is that the company sets up the subsidiary which employs these people at a lower level of money and skill. They are obliged to find employment for their ex-employees, even if it is not in their main business. Whether that would be acceptable in Australia, I do not know—but you do not know until you try.

The second thing they have done is set up what they call 'silver employment centres'—'silver' being a reference to the colour of the hair. In a sense it is a sort of job centre where people get unskilled jobs—sweeping the streets, that type of thing. Again, it is hard to say whether that would be acceptable in Australia. But obviously a lot of older people in Japan are prepared to accept this. They even give them special uniforms as a badge of pride to show they are doing a useful public job.

The other thing the Japanese are doing is putting more stress on the family to look after their older members who are out of work or who require health or disability services. I do not think they have solved the problem either and part of their problem is that about half of the Japanese economy is composed of small and medium sized enterprises which do not have the resources to do this business of setting up a subsidiary. That is very much a policy directed towards big companies. We could possibly put pressure on big companies here to do that kind of thing too. They have the resources and they have the people to do that kind of thing. To some extent, some of them are already doing such projects. There are community projects.

The partnership arrangement that the Prime Minister was talking about already exists in a number of cases. Firms like National Australia Bank, Westpac, The Body Shop, and others, are running programs for unemployed people—not just for the older unemployed but for all unemployed people. As I have said, a disproportionate section of long-term unemployed are older people so inevitably a lot of the people they are catering for will be older people. We could be encouraging a lot more of that. We could even do the elementary thing of finding out how much of it goes on. In the course of my own research, I discovered how ignorant I was about this whole subject. There is an awful lot of work in this voluntary sector of partnership between business companies and non-government welfare organisations which is

largely unknown. You would have to read thousands of annual reports before you had covered the field, and that is a formidable task.

Mr WILKIE—You made a comment earlier about employment subsidies, and you were saying that employers tended to take people on for the period of the subsidy and then put them off. The evidence that has come back from the department suggests that that is not the case—that the vast majority of people are retained by their employer once they have finished their subsidy period. What have you based that statement on?

Prof. Encel—That is the report we have had from a number of studies but maybe things are changing. My information may simply be out of date. But I am pleased to hear that, and I think it is very encouraging if it is true.

Mr WILKIE—The department made a statement to this committee when we first met that some 35 per cent of people were retained. We got them to go away and look at it and they came back with figures which show that over the last five years of those subsidies, 58, 60, 63 per cent of people received successful outcomes.

Prof. Encel—That is very encouraging. But, as I said, this is a dynamic situation. It is changing all the time as the work force changes and as more and more people reach that mature age level. You have to keep doing this kind of research again and again because the results of five years ago might already be out of date. I think that is the case.

CHAIR—One of the references in your paper was Legge's research from Sydney University about the positive impacts of older workers in the workplace in terms of absenteeism, occupational health and safety. I presume more work has been done on this. Anecdotally I hear, and certainly my own experience has been, that when you put older employees in a workplace alongside younger ones it is mutually beneficial. Is there more data on this that we could talk about?

Prof. Encel—Not much. The Tesco experience illustrates the value of having older people working alongside younger people. One of the reasons they have persevered is that they found the example of the older people was very good for the younger ones. The American Association of Retired Persons, which is the biggest organisation of its kind in the world—it has 35 million members—has done several studies of employers' attitudes. They asked employers to rate older workers in terms of a whole series of criteria like reliability, efficiency, punctuality, absenteeism, sick days and so on. All the employers gave them a high rating on these desirable qualities. Then you come across the paradox of why they do not employ them. The employers do not have an answer but they come up with this substitute answer that older workers are too set in their ways, investing in training for them is not worth while, that they need younger people at the cutting edge of technology. It is a sort of double think: on the one hand older workers are good but on the other hand younger workers are better. George Orwell recognised the situation perfectly.

In Britain there have been a couple of studies like this and the results are exactly the same. Employers give the older employee a high rating on all these desirable qualities but they will not give them jobs. In Australia, we have had very little research. I think Legge's study, which was sponsored by the Mature Workers Advisory Committee that I was on—it

was where we gave them the grant to do it—shows exactly the same sort of result. Some of the work done by the Centre for Industrial Relations Research and Training at Sydney University has come up with similar findings. But the research is very thin indeed.

What evidence we have—some of it is anecdotal, some of it is systemic—all points in the same direction. If you have older people working side by side with younger people it is a good thing. I have interviewed a couple of employers—especially in the skilled engineering area—who said it is very good to have the older chap staying on because their experience is terribly important to pass on to the younger person who is hot on the new technology but very short on the practical experience you only get through working at the job for a long time.

CHAIR—My electorate is conservative and affluent. The fastest growing business in my electorate is domestic services—cleaning, washing, ironing, house maintenance, that sort of thing. It is a part of our economy that, apart from not being very well regulated, is not likely to be replaced by machines. You mentioned caring, and I wondered whether there might be some scope for governments providing some sort of tax incentive for people to employ people over a certain age in these kinds of tasks.

I know the French have got Le Cheque Emploi, which is a different kind of system, and in some sections of the US there is a model a bit like this, but could there be scope for providing positive discrimination for older workers? I find a lot of the people doing that work in my area are ex middle management kind of people who are now out mowing lawns and stuff like that and seem happier than they ever were. How would you feel about something along those lines?

Prof. Encel—We are talking about positive discrimination in a sense.

CHAIR—Yes.

Prof. Encel—It is affirmative action. It is not a term that is terribly popular in Australia and not very common. We have legislation that subscribes to the principles of affirmative action. Yes, I think if you gave people incentives to employ a certain type of person that the results would follow. As Mr Wilkie was saying, if you provide employers with subsidies, they will take people on and they will keep them because they find they are satisfactory. It may be that the work force has aged a bit more during the intervening period and therefore people find it is in their own interests to keep people on rather than drop them once the subsidy has gone, whatever their qualities were.

The earlier finding was that once you stopped the subsidy people would drop the person, whatever their ability. But, if people are getting older and older, clearly you are dealing with a different situation. Any kind of caring activity or service activity that could be encouraged by this sort of incentive is another one of those entry points that I was suggesting we could have.

Ms GILLARD—Could we get access to the material you referred to where you did the study of age discrimination complaints and their outcomes? Is that available?

Prof. Encel—Certainly. You just have to ring the Ageing and Disability Department in New South Wales, which published it. It is called *Over the Hill or Flying High*. I claim no responsibility for that title—they chose a jazzy title. It is 'flying high' because several of the cases are of airline pilots who complained about being laid off at the age of 60, and 'over the hill' refers to a famous statement made by the novelist Daniel Defoe back in the 17th century. Defoe, who wrote *Robinson Crusoe*, was the first man—at least in the English speaking world—to advocate the introduction of old age pensions. He said people should get them at 50 because they are already over the hill.

CHAIR—I enjoy my work—I love it—but it has been quite enjoyable to spend an hour with you discussing these issues. If you are following the inquiry, and you see submissions made that stimulate you to have further ideas or criticisms, or anything like that, could you please let us know. Thank you not only for today but for your lifetime commitment to these things.

[10.18 a.m.]

COSTIN, Ms Judith, Forum Coordinator/Participant, Mountains Community Resource Network

GOLDING, Mr Denis John, Volunteer, Unemployed People in the Blue Mountains, Mountains Community Resource Network

HOOPER, Mr Carl Joseph, Forum Participator, Mountains Community Resource Network

SUTTON, Miss Margaret Ann, Volunteer, Unemployed People in the Blue Mountains, Mountains Community Resource Network

WILSON, Mr Alastair, Volunteer, Unemployed People in the Blue Mountains, Mountains Community Resource Network

CHAIR—Welcome to the inquiry. It is difficult enough for anybody to come, but to come from the Blue Mountains when you are unemployed and facing the sorts of problems that you all do is something that we particularly appreciate. If you could speak to your submission—I realise that you may not have one person to do that—and then we will have a discussion with a questions and answers format.

Ms Costin—I approached Kerry Bartlett about the issue of mature age unemployment and Kerry referred us through to GROW and finally the Mountains Resource Network. We obtained a bit of funding and a lot of support from Martin Ryman, who is not here today, and we had a few meetings and set up the forum. So that is my background.

Mr Wilson—My story appears in our submission. I was made redundant from a federal government senior manager position 12 months ago. I have had some difficulty getting work, as we all have in the mountains, up until now. I have been involved with Jodie in getting the program started, and I facilitated the forum which we held in Katoomba. Kerry was on the panel.

Miss Sutton—I come here today to speak about part-time work and the unemployed and just how impossible the whole situation becomes.

Mr Golding—I am underemployed. I would not say I was unemployed, but I am partly unemployed. I am a part-time tutor and lecturer at Charles Sturt University. As a casual part-time member of staff that puts me in the peripheral labour market which is a very precarious position. I am also part-time self-employed. I have done the NEIS scheme so I do training as well. For about three or four months of the year I am unemployed. When I left the health department five years ago I was involved with professional development and training and health promotion. I had been a director of health promotion.

I was a strong believer in social justice and community development and health promotion in this state went down the path of the market mentality. There was a

fundamental difference in my perception and that is when I left. I could no longer train in what I believed in, so I left. I was not made redundant. I left because of the change on principle. I have seen my bank balance go from $12,000 in the black to $3,000 in the red, as it is now, and I have lost one-third of my possessions to survive. Even though I am still making some money, I am going backwards. Blue-collar workers are doing far worse.

Mr Hooper—I am one of the long-term unemployed. I have been involved with this group since it started. I have various qualifications. Occasionally I am underemployed in that I get some tutoring work at Sydney university and with WEA but mostly I am unemployed.

Mr Wilson—Our submission comes from a group of Blue Mountains mature age unemployed people. We have had several meetings already this year in the Blue Mountains. We have called it Employment Plus because we felt that we did not want a negative name like unemployed or underemployed, or any of those titles, so we called our group Employment Plus. As Jodie has indicated, it came out of a request from her to Mr Bartlett as to what to do. He recommended that we move by ourselves and see what we could do. We then had a public forum in Katoomba. It was recorded and we played it on our local community radio station, on which both Jodie and I are presenters of a current affairs program. A copy of that hour of recording has been submitted to the inquiry.

It was a very active meeting of people telling their stories and expressing their concerns. Then we had a panel of representatives from various government departments and Job Network and also Kerry joined us. It was a very active and lively session. We have met several times since then to continue our deliberations. In fact, our submission comes directly from the concerns that were expressed at that forum and our subsequent gathering of various information. We intend to continue meeting. In fact, our next meeting is next Wednesday. The group is gathering more people as the word gets around. We want to continue to help and support each other and to press in any way we can to pursue some of the issues which we feel are of concern.

One of the points I would like to make in opening is that we desperately need a mature workers program in the Blue Mountains. We do not have one. We have a very small strand 2 training program—that is all—and no case management. The Blue Mountains, with its peculiar geographic configuration, is made up of some 20 villages strung across about 100 kilometres. This is pretty different from anywhere else in Australia, and that creates its own difficulty. We also have a total population of only 75,000-odd in the Blue Mountains. So we have peculiarities of geography, of transport and of the other issues surrounding them. We have probably expressed those ideas in our submission, so I will let the others comment.

Mr Golding—I have another comment about transport. As in my case, when you have a certain level of income you are basically pushed out of the Sydney property market in terms of being able to afford the rent. As in a lot of capital cities, people on lower incomes are being pushed to the social margins. I live in the Blue Mountains but, because of my work, I have to keep a car—which is pretty expensive on my sort of income—because I could be going anywhere for training. For example, earlier this week I was in Albury for two days and tomorrow I will be in Westmead. Earlier this semester I was going to Bondi Junction on public transport on a Friday and to Bathurst on two other days of the week.

It is not as if our age group is not motivated. We are motivated, but the travelling costs are really high. There is not a lot of work for professionals in the Blue Mountains in the field that I work in, but if I went to Sydney and did not get any work for a month because of the precarious nature of employment there, I would be out on the street; I would not be able to afford the rent. So you are actually pushed into a situation. I actually do not mind the travelling, but it is quite a drain both physically and emotionally and also in terms of the expense.

Mr Wilson—Mr Chairman, would you like me to indicate what each witness wishes to speak about?

CHAIR—Each person could speak or you could speak on their behalf.

Mr Wilson—I can summarise it in probably one sentence for each of us, if that would help you.

CHAIR—We have different work backgrounds and experiences and we represent a diverse range of electorates. I think it is helpful for the record for you to actually tell us what you have been through—what has happened to you and what does or does not exist to help you. In particular, we are interested in things that you believe the federal government could do to actually help people in your situation.

Mr Wilson—To very quickly summarise, there are some recommendations we make in our submission. They relate to things like mentoring and programs of support from both public and private enterprise for people who are made redundant or who undergo involuntary retirement. There is the issue of part-time and casual work being sufficiently supportive for people who travel a long way to make it worth their while even going to work. The Mature Workers Program I mentioned before was one of the other issues. So there is quite a wide range of issues which we have traversed and discussed at great length, coming primarily out of the stories of our group.

Ms Costin—The underpinning thing we have experienced individually in the group is facing the shift in mentality from the post-Second World War boom to the corporatisation of the Public Service, downsizing and retrenching. It is common knowledge that a lot of people have fallen into the trench as a result of that, but the structural and policy reforms in government have not really kept up with that process. In fact, if you go into Centrelink, the staff are willing and cooperative but they are bound by policies and computer schemes. Kerry has also tried to assist, but he is limited in his powers. It basically comes back to the policies.

If you go through the Centrelink system, it is a form of social violence, when you have to jump through all the hoops and deal with the limitations that you cannot do this and you cannot do that. Maggie's case is a good example: if you try to find part-time work, you are penalised and punished.

We did suggest to Kerry that perhaps we need to look at a case management oriented system, whereas at the moment it is more to do with whether you are streamed into FLEX 1 or FLEX 2, or whatever the categories are. More mature people could look after the mature

age workers group—people like Alastair or Denis, who have had experience in government and industry, who have been supervisors, who have looked after employees, who have had some experience of working life, but who also know what it is like to go through the trauma of being retrenched or of losing a job and experiencing the loss of self-esteem, social networks and income.

It is a huge loss. The social implications of loss of employment are huge. They cannot be underestimated in terms of the end cost that the government will have to pick up for health—for instance, for stress related diseases as a result of loss of employment. We really need to be forward thinking and see that employment is a form of social welfare or service in its own right. It is an institution that should not be destroyed.

The bottom line is that as a community we need to shift our paradigm from the profit or market driven, cost-cutting policies. The bottom line is: who are we in this nation? We should have a better idea of the demographics, including which people fall into which category, how many people are out of work, and what sorts of jobs we can create for those people. How many elderly people are there who need carers? We should change the way that we think to a more compassionate kind of philosophy. We have been programmed into thinking that saving money is the objective of government and business, but we are causing damage to ourselves and the economy by thinking that way.

We need to come to grips with that core issue. It has to be people centred and our responsibility is to one another. We have to make sure that nobody in the community falls into the gap, whether it be a young, older or disabled person; otherwise we cannot really say that we are human beings; we cannot really say that we are a fair society if that is not in our bottom line.

The experience of most of us is that we have wanted to work; we have done everything within our capacity to work or to upskill and retrain. We cannot afford the transport to educational institutions; we cannot afford the training fees often. We have not got the experience to get some of the jobs that are in the market. The younger people are preferred in the Blue Mountains because it is a tourism and hospitality based place. Whether we like it or not, we are discriminated against. That is where we are at.

The gazette here yesterday said that Blackheath is one of the poorest areas in New South Wales where property rentals are quite high. People leave Sydney because they cannot afford the rent. The minimum rent is $165 to $225 for a one- or two-bedroom flat. You receive $200 a week on the top level of unemployment. You just cannot do it. You go for weeks without food unless you have a friend, and then there is clothing. That is the reality. The majority of us are living below the poverty line, living hand to mouth. There is no such thing as saving for the future. There is no security in terms of housing. Properties get sold beneath you and then you have to move and pay the new bond, new lease fee and Telstra connections, et cetera. The realities are quite difficult.

Mr Golding—We are not surfing at the Gold Coast and lying around the beaches like some of the scurrilous media reports have been saying. I sit in my lounge room and see when the media picks out a particular case and feeds the stereotype of the unemployed.

Miss Sutton—I came here today to talk to you about part-time work and what happens. I will give a brief personal background. At the age of 15 I was unemployed and ran away from my family and home in Cowra to find work in Sydney. After much drama they let me stay down there and 20 months ago I again ran away from my home. As work and my savings dwindled, my Bellevue Hill flat was farewelled and I fled to Katoomba where for 65 per cent of my dole and rent allowance I could rent a small, rather grotty, unattractive flat. I now do voluntary work and I have found that about 80 per cent of those whom I supposedly help are as healthy as I am and financially better off than I am. The glow does not linger long.

Until you experience long-term employment, you just do not understand it. It is not simply that restaurants, theatre and the odd bottle of cabernet sauvignon become a distant memory. It means that household appliances and your teeth cannot be repaired. It means the newspapers are a twice a week treat and, even when the temperature falls below two degrees, the heater still must be used only during bathing. Finally, the most important thing in your life is getting to the bread shop early enough to purchase yesterday's stale bread and hoping that Vinnie's store will have a pair of shoes in your fitting this week—hopefully free of tinea. This is when you realise that the best thing that can now happen is that you just do not wake up the next morning.

I would like to go on to some of the problems that the unemployed have when they get to casual work. Many of the problems discussed at this inquiry will be difficult to solve immediately; however the policies which make part-time employment a nightmare can be altered. These are policies where, in theory, one size fits all when, in reality, it fits few.The system is obsolete. It is no longer relevant to our workplace as it approaches the 21st century.

Twenty years ago, part-time work was usually done by those who only required part-time work. They had a choice. Today, for many, part-time work is all the work they can obtain. This is especially true for many retrenched workers of 45 years and over. It is pointless for the government to make their life hell; that is what employers are for. A fortnight by fortnight description of what was done to me during part-time employment is given in our submission listed as 'Maggie's Story'.

A swift calculation shows it is more financially viable to have eight hours of ironing delivered and picked up each fortnight than to go out to work for 20 to 30 hours. I realise that for some mums this is the only job they can get or do. However, there is no good reason to encourage others to embark upon this career path. Let me explain. Many jobs available in retail and hospitality are four hours a day, four days a week. Unfortunately, having kept a few dollars from the first three days, you must use some of those dollars to finance the other five days work.

A single-section bus fare to and from the rail station and a return train ticket of $3.40 mean that the fares you are paying are not covered by the 10c in the dollar you are allowed to keep. Having paid 70c back in benefits at this point and paying a basic tax rate of 20c, you are left with 10c in the dollar. Being retrenched from a higher paid job six or seven months into the financial year means you are expected to return 70c of the benefits plus pay 34c tax out of your dollar. Even if you could walk to work, I think you would find this

somewhat daunting. This is only part of the problem; the rest is explained in 'Maggie's Story'.

Since the removal of the system which allowed extra earnings before deductions for those who had been out of work for some time, farmers have said they can only get backpackers from overseas to do seasonal work. When you delve into the present system, you can understand why few unemployed can pay for their permanent housing, pay their fares to the country and then pay for country housing for a few weeks work. Certainly, a few would have abused this system; however the old story of the baby going out with the bathwater does come to mind. These are just two examples.

Finally, I would like to say that, whilst we regard 'family' in the way Americans regard mum and apple pie, many old Australians do not live in a family situation or even with a partner. Many do not own their own homes. This, unfortunately, is often the case with divorced men. After a modest rent and basic electricity and phone costs, the $45 or $50 left each week does not give them the financial backup to play the deductions game the way it is now played. Again, I ask you to turn to 'Maggie's Story'.

As we approach the 21st century, we must be realistic about employment for the older worker and change our outdated system. To fail at this task costs the country money and growth and leads to poverty, petty crime, homelessness, despair and a higher suicide rate. When I look at the wealth of wisdom here at this table, I am sure we will not fail at that task. Thank you.

Mr Golding—You have a couple of sheets from me there—one is about the flexible firm. I want to precede that by saying that I do not accept responsibility for the fact that I am unemployed or underemployed. I see that partly as an outcome of the way workplaces are restructuring. I am a part-time university lecturer in management and organisation theory and, as universities are now becoming more corporate entities, I am even coordinating a masters program on individual and team development for a graduate certificate in manufacturing, which was previously the role of a full-time member of staff.

As universities are being cut back, even some of their core functions are now being passed out to people who are working part time, casual or temporary. I am actually like a lot of part-time, casual people. If I do not turn up for work, I do not get paid. If I am sick, I drag myself to work, even though that might be bad for occupational health and safety. I will get there if I have to crawl because I need the money.

Getting back to this, this is a sheet out of an assignment I wrote in 1990 for my Master of Commerce about award restructuring. I do believe that is the way a lot of organisations are moving in both the private and the public sectors, and it is known by different terms. It is called the 'shamrock organisation' by Charles Handy. It is called the 'flexible firm' by Atkinson. More broadly, it is the notion of a lean production system which actually emerged from Toyota in Japan. Like F.W. Taylor's ideas of scientific management, which emerged in the manufacturing sector, lean production has also moved into the white-collar sector.

I believe a lean production model is now emerging in the white-collar sector. We are actually seeing this notion of a 20-80 firm. Twenty per cent of the core work force—the

multiskilled, functional, flexible work force in the core—who deal with core business matters and a numerical flexibility which are part time, casual or temporary, some independent contractors and some dependent contractors. In that sort of sense, where do I fit in this? I probably fit in this scheme as a part-time casual on the one hand and as an independent contractor on the other. My work profile is developing into what Charles Handy calls a portfolio career.

By the year 2010, there will be a lot more people in this country who will have to work that way. These full-time jobs in large to medium size organisations are not going to be there. We all know that, and we all know the way the labour market has been going, and I have this publication here from 1989 about the labour market projections for the ageing work force at that time. We have had at least 10 or 15 years to prepare for this. My worry is that we are not prepared. We are not prepared for the mature age work force.

What is happening to the mature age work force? Part of what is happening is a consequence of stereotyping the mature age work force. This is a publication by the Australian Centre for Industrial Relations Research and Training which is very worth while getting—I might just pass it over—and they are following it up with subsequent research. Basically, even when mature age workers are employed, there still is a sort of attitude of deskilling and is infused by an age stereotype in the sense that they do not get employed in core work often. They are often employed in work where there is numerical flexibility. You might see them in the supermarket organising or stacking stuff on shelves, doing standardised tasks where they do not require much training and are easily replaced.

In terms of the labour market programs, the research strongly indicates that the mature aged are disproportionately under represented in labour market training. That happened under the previous government as well, but a lot of those labour market programs do not exist any more. One labour market program that was very good for the mature age unemployed that I was involved in training was the Cut Waste and Energy Initiative, which you might know. It was set up by the ACTU Green Jobs Unit and the ACF, and I was teaching in that.

We had 18 people in my course, and I was teaching managing change. Five or six of those were pretty much guaranteed employment in large sized hotels and the universities because they had shown that they could actually make savings. I would say that was a pretty good outcome for a labour market program. But, unfortunately, that one was chopped with the change of government. It might have been an oversight because a lot of the people in that group were the ones who were downsized out of organisations. A lot of them were middle managers, male and mature aged unemployed.

As you know, with mature age unemployment, the people who are disproportionately unemployed are males. Why is that? Because women can be employed part time in low skilled numerically, flexible jobs which are standardised, repetitive jobs. They can get employment in the service sector, in retail, but when they talk about males they say, ‘You’re going to cost too much.’ I have actually gone along and tried to get a job on the counter and they said, ‘Fantastic CV, but we couldn’t employ you doing this.’ I really would like to work at a counter, but they said, ‘No, we’ll try to find something better for you.’

I actually spent one Christmas demolishing houses a couple of years ago, but I am getting a bit old for that. It is not as though I will not try other things, but a lot of employers back off when they see the resume. So some mature age people say, 'I'm overqualified. I'd better not include all these skills that I've got.'

I would argue that it is a question of not just unskilling but also upskilling that we should be looking at. You know as well as I do, and Bronwyn Bishop has said this to the C.S.U. Community Health Ageing Unit down in Albury—I was talking to them the other day—'We've got 120,000 people coming into the labour market each year now. Ten years down the track, that number's going to drop to about 13,000 a year.' We are going to have a labour shortage. We are going to have a skills shortage. You will solve your unemployment problem because the labour market will dry up because, as the baby boomers move into mature age unemployment and older unemployment, the cohorts coming through will be much less. What you will be doing is actually losing a lot of mature age people with skills who could provide the skills that you are actually lacking.

As you can read in that particular document and one of the papers I have as supporting material about age stereotypes of the unemployed, it is certainly true that employers like us because we are loyal, dependable and reliable—they are the positive things—but employers tend to say that mature age workers do not have the sorts of skills that are good for returns of productivity in the modern market; that we cannot adapt to new technology; that we cannot learn new things—old dogs cannot learn new tricks—and that we cannot be flexible.

I taught in this area in the health department for 20 years. I was involved in the program called Health Craft and Hoptions. That program has failed in terms of countering stereotypes about the aged. For 25 years there has been stuff out there that we know—that crystallised intelligence of the aged does not decline and that verbal capacity and numerical skills in some ways increase. Even though physical skills might decline, workers have good tacit skills. Experienced workers learn to work smarter so they overcome deficiencies in strength.

There is a lot of fallacious reasoning by employers about the capacities of the aged and their skills. That allows them to put them into deskilled sort of work. You can see all that in that ACIRRT report. This material, I have to say, has been around for 25 years. Nagle and Harwood at the University of Queensland took a group of mature age people in their 60s and 70s and taught them German for the Leaving Certificate. Most of that class passed. They were of varying abilities. Some had not even finished high school, but they passed the Leaving Certificate in German and had never had any familiarity with the language before. That is a pretty complex language. So this is really showing that older people can learn new things.

What am I doing? I am paying to upskill myself out of my own pocket. I am finishing off my master's degree. I have a HECS-free scholarship to the University of New South Wales, so they think I am pretty smart. Basically, I have to pay that $400 fee myself because of the way the schemes are in terms of what your entitlements are through social security. They will help you in terms of training for an undergraduate degree, not for a postgraduate degree.

How do I do that? I borrow $500 from Centrelink. I repay that at Christmas. That takes $38.50 out of my money when I am unemployed at Christmas. I pay $270 rent a fortnight. Work that out—$270 from $360 does not leave me much. So how do I survive? I have sold 500 of my books, my tools of trade, in the last five years, as well as other things, to get me through the Christmas period, partly because I believe that, if I actually finish my MCom(Hons), I will have a competitive advantage. I will get a fractional appointment at university rather than a part-time casual one.

I have been interviewed for full-time jobs before at university, but that is what stopped me, not having that degree. That degree is going to employ me, if I get it. We should not just be thinking that older people are not capable of learning new things and that they are not willing to try, and we should not just think that they should be deskilled into fairly menial sorts of work.

People like me are stacking shelves in a supermarket. Sure, some people might call me a job snob, but I grew up in Westmead Boys Home so I have a really working-class background. I worked till I was about 30 as a brickie's labourer and on assembly lines. I fought my way out of that. I am very reluctant to go back and do it again, to be quite honest, although, as I said, I did a week demolishing houses. I do not see any reason why I should, just because society wants to deskill me, go with that. I am not. I think older people are capable of learning new things and contributing in a higher sense rather than a lower sense in the labour market.

Mr Hooper—My main point is that I feel a bit frustrated by the fact that a lot of the discussion around unemployment that we get in the media, and also from comments that politicians make in this area, seem to continue this assumption that unemployment is the fault of the unemployed. It seems to me there are a lot of unemployed people who are unemployed through no fault of their own.

I am puzzled that a country that values citizenship should undervalue its citizens by penalising them for finding themselves as the collateral damage of various governments' industry policies. This to me is very puzzling. It would seem to be obvious that people should acknowledge that, if you put a significant group of people on the scrap heap like this. they should not be insulted by saying to them, 'We can give you a hand up but not a handout.' That kind of mentality is puzzling.

Mr Wilson—My points are made in the submission and I have three recommendations in there. Firstly, I believe there is a very strong need for change management counselling when people are terminated. My story is clear enough: my future was not considered whatsoever. I was quite insulted when I was offered reimbursement for some financial counselling when you do not pay for financial counselling these days. Most banks will give it to you when you walk in the door.

However, when I put up my hand and asked for some reimbursement for some personal counselling for my wife and me to cope with the very abrupt way that I was put on to the redundancy list, the answer was no. But after some argument I managed to get my $300. I think they wrote it off as financial counselling when in fact it was for my personal counselling. I believe programs could be put together to help those people. It did occur.

Some years ago in my department, when the redundancy facility started to move, there was a provision made for staff to be counselled, helped and guided. Career guidance and those sorts of things were provided. That seems to have dropped away in most federal government departments, and in most state government departments, and private enterprise probably does not think very much about that at all.

Secondly, you are probably familiar with the mature workers program that is available through the state government. I attended the Mature Workers Conference in Sydney a few weeks ago. It is very active across this state and I believe it has now been taken up in most other states. It has been running for 10 years in New South Wales, and it is very new in some other states like Western Australia.

I believe it is very good. It utilises mature age people to do a lot of the guidance and work and they are trained to help. I believe that we need something like this in the Blue Mountains area. I know that we are a smallish area and that we have Penrith at one end and Lithgow at the other. They probably have these programs but, as we have heard today, it is difficult sometimes. I believe it is timely that we consider that, given our fairly high percentage of mature age people in the Blue Mountains.

Employers have been mentioned. I am not an employer basher. I believe that they play a very firm role in our society but I believe that they have a lot of misunderstanding about how to obtain workers. I am doing a small, part-time contract at the moment for Mission Employment in Katoomba. I have been asked to help out in business liaison. My 20 hours a week are spent contacting business people and asking them to be careful about the way they describe their vacancies.

I have to say that I am appalled at the misunderstanding about our discrimination laws. It is very clear to me that a number of employers, mostly males—and they are very often older males; there is a reference to this in our publication here—will ask for a 25- to 27-year-old woman to be on their reception counter. In fact, they bring in their vacancy notice to the office. I challenge that and say, ‘First of all, you are not allowed to give me an age unless you are talking about someone below 20. Why do you want a younger person?’ They say, ‘They look better.’ And, as I quote in here—and I make no apologies for it—they really are after a skirt at the counter. I think it is appalling that there are still employers who have that attitude.

At the other end of the scale, when you ask why they would not consider an older woman, they give all sorts of reasons. For example, my wife is unemployed at the moment as well. She has done reception and would be marvellous at this particular employer’s place. I made the offer but he said, ‘No, she would not be able to handle the men in the office. It is a plumbing business.’ My wife has been a very senior nursing sister in the biggest hospital in Australia and so I said, ‘If my wife cannot handle the men in your business then you do not know what my wife is all about.’

However, the issue is that employers have been so busy doing their business—I understand that—that they have not really thought about what fits and what is appropriate and what might be possible in their work scene. Therefore, I would like to see some work

done to prepare an employers education program, and that they use us. I want them to use us as the older people. We have the skills to contribute to the preparation of it.

I have been in a policy department in the federal government. I know very well what happens in most departments in Canberra. I have to say that the majority of those departments do not know very much about what is occurring out in the regions. That is because of the nature of Canberra. I know why Canberra got located there in the first place and I cannot criticise that, but there we are. It is too late now. I believe that, if they were to consult us and let us help draft that information, we might be able to come up with some ways that employers could understand us more clearly.

In conclusion, I would like to say that Australians are compassionate people. I will recount for you a very short personal story. This afternoon I fly to New Zealand to bury my father who died two days ago aged 96. When I return to the Blue Mountains early next week I will put in my Centrelink form and I must declare that I have been out of the country. Because of that I will be docked a week's allowance. This has already happened to me at Christmas when I went to put my father into a home. I do not think that is very compassionate. All of you people here are on salaries. If you want compassionate leave to visit your family, to bury your fathers, you will be paid. We are not. I think that is quite unfair and I do not think it fits with the duty of care which the Commonwealth government is very proud of, and which Commonwealth governments of whatever colour have been proud of for a number of years,

The duty of care is a document which you all would be familiar with, and that everybody should be familiar with. It is caring for those that you are responsible to. It is not for those you are responsible for. That is a responsibility we have as parents for our children, and I take that. I am a father of several children and I am very proud of that. I will play my part as a parent. But in terms of employers or work colleagues, we have a duty of care. That is entrusted to us and it is entrusted to you. I would make a plea that that duty of care be examined by the people who are making the policies which, in fact, discriminate. Thank you for this opportunity.

Mr Golding—That document pretty clearly indicates informally through the stats that some employers were screening out employees over 40 purely on the basis of age and those sorts of stereotypes. It is clear that age discrimination legislation, even when people understand it, is not applied, in a sense, and is probably very hard to enforce. No-one is going to say, 'I did not employ this person because they were too old.' It is going to be very hard to actually prove people are discriminating on the basis of age. Because there is such a competitive labour market, they can always put forward another reason why you did not get the job.

The statistics clearly indicate that people in our age group are unemployed for much longer and that we form a much larger proportion of the long-term unemployed. There is no doubt about the fact that age discrimination is going on in the work force. I basically think a major educational program has to be run, probably through the federal government to start with and then through state governments, to actually educate employees and to try to deal with some of these stereotypes.

The other thing is that employees ought to be made aware of the New South Wales age discrimination legislation and other forms of legislation which they are obviously not aware of or clear about, and that legislation should be enforced when it is clear that it has actually been broken.

Mr Wilson—On that very point, Mr Chairman, we were going to have a small seminar in Katoomba and we asked the anti-discrimination board to send someone up to talk to us. They said, 'Yes. We will charge you a fee. That will cost you $400 because we contract it out.' The group we have is not able to find that sort of money to pay for someone to come, and I understand that is a contractor employed by that organisation to make that information available.

Since then I have found another colleague who is with the Mountains Community Resource Network who has that information. He has been involved with us, and I will have Martin come up and talk to us for nothing. We will give him a cup of coffee and, hopefully, some lunch. That is the sort of thing we have been up against. It is very well to outsource and to contract out—those people have to have their income—but then that cost is passed on and those of us who are seeking that information have to pay.

Ms Costin—I think Kerry would know better than most that the Blue Mountains is basically an economy supported by small businesses. They have a limited capacity to take on extra employees, and they are also a little bit hamstrung by having to pay for workers compensation and superannuation. One of the structural difficulties of being an employer is that it is quite difficult to afford to take on staff.

Carl came up with the suggestion that there has to be a process in the mountains to bring together the mature age people and the younger people who are going through their problems with drugs and homelessness and feeling disconnected from their families. There are significant social problems at both ends of the spectrum, so it does not take much of a leap of the imagination to realise that a short-term amount of money going into that sort of program will prevent the escalating drug and suicide problems amongst young people, the potential suicide problem amongst mature age people who are now finding themselves without work and also the increasing stigmatisation of younger people as the perpetrators of crime—burglary in the community—because they are perceived to be on drugs and the ones who are ruining small businesses. It is really an exercise in social wisdom to link the older and younger sections of the community with appropriate funding and support policies. That will prevent a lot of problems down the track that are going to be costly to the government.

Mr Wilson—Mentoring.

Ms Costin—We repeatedly ask the state member to please reopen the stations, because when you close railway stations, when you take staff off, you create a social nightmare. It is a place where young people and people who are drinking gather. These sorts of institutions in our society are so important. Wherever you have an adult present, such as at a railway station or in the streets at night, it is an indicator to young people that there is a mature presence, and it is an automatic restrainer on their behaviour.

We think we are saving money by closing the stations and taking the stationmasters off when in fact we are creating social problems and more cost to the community. But we have not actually drawn that equation. Also, if people like Maggie and I want to travel to Sydney to work and come home late at night and get off at Medlow Bath station, the first thing we do is to look around. We wonder whether we are going to be followed or which is the easiest way to get off. The station is closed, the toilets are always closed and the security guards are asleep half of the time. These are the social costs of putting off essential services.

One of the things that we see is that there is no continuity between federal, state and local governments. We are lucky in the Blue Mountains because it is a small community and there is good communication between the different levels. But the policies made by the federal and state governments are not always compatable and, when it comes to public services such as education, railways and transport, it means that there are always gaps and there are always problems. As we were discussing on the train on the way here, we feel that there are certain social institutions that need to be preserved, that cannot be changed by changes in government: things like our transport system, our communications system, our education system and that social capital that nobody has a right to interfere with or to dismantle.

Somehow there has to be a change in the attitude of governments. Nobody has the right to undermine a century worth of industrial relations or build-up of social capital, wisdom and education in the community. That is not the role of government. I think that is something that has to be addressed.

CHAIR—Thank you very much. I think one of the things that is not appreciated by many of my colleagues is that the political divide is not between the left and the right, or Labor and Liberal. It is between, perhaps, those on the one hand who have an ethics and philosophical values based approach to our problems and those on the other hand who see nothing other than the primacy of markets as an end unto themselves. I will just ask you a couple of specific things. Firstly, I gather from what you say, Alastair, there is no compassionate provision in Centrelink's laws for people to be out of the country for that particular reason, for death.

Mr Wilson—I could have lied to the question. I am also well aware, having worked in a federal government department that one computer talks to another and I did not want to have a black mark, so I was honest. I asked because it is not fair. I do not think there is a provision to the best of my knowledge. I do not know the answer.

Mr WILKIE—I think it is because the allowance is Jobsearch allowance. They say, 'If you are not in the country, you cannot be looking for work; therefore, you should not receive a benefit.' But we can look at that.

CHAIR—We will not get bogged in a minor issue with this, but I would be very confident that Kerry would be only too happy to talk to Senator Newman about that for you.

Mr WILKIE—It is a common problem.

CHAIR—Yes. It is not only unfair, it is bloody outrageous.

Mr Wilson—Yes.

CHAIR—The next thing I wanted to ask you about was what I call life skills education, basically. You have got a group of problems at one end of the age spectrum and you have got another group of problems, different but related to some extent, at the other end of life, and there is a solution there. How do you think the government could possibly facilitate the development a life skills education program? I have found that if you approach those in the education department and say, 'I have got five people who are in their 50s or 60s. They have these particular skills and can actually help teach kids currently being taught by 25- to 30-year-olds,' they throw their arms up in the air and say, 'You cannot be serious.' Firstly, do you think people in your situation would have an interest in doing that? How do you think it could work? How could it be structured to work?

Ms Costin—We think we do have considerable experience. Denis has been an educator and a trainer and Carl has got a background in philosophy.

Mr Golding—Because I have got a bit of life experience, I can tell them stories. They do not necessarily see you as an old fuddy-duddy. You need to work to develop a communication style with them, but I am confident a lot of people of my age group relate very well to that age group.

Mr SAWFORD—You have a common enemy, their parents.

Mr Wilson—However, retraining is all very well. I am about to start a train the trainer program for category 2 training because I believe that trainers in most community groups are going to have to have their ticket before very long, and I do not disagree with that. However, if we train people they then have to be able to apply the work. It has to be related to something that they can have worth in doing. Take the Blue Mountains: we are a very strongly tourism and hospitality based organisation. Our TAFE college is very good, I have to say. Our TAFE college in the Mountains has got some excellent training in those areas. But, for some other areas, you have to go off the mountain to be trained—or their recruiting is done off the mountain. The hospitality industry recruits mainly through an organisation down in Sydney. In the mountains it is very difficult for people to come in. I have experienced it day by day, trying to find work.

My answer to that, Mr Chairman, is only that it needs to be focused on what business wants, and we have a hugely increasing and fast increasing percentage of service industries. Our manufacturing has reduced, our industry has reduced but our service industries have expanded. In the Blue Mountains there is now a huge number of home based businesses—small; one, two or three people; that sort of industry. I believe that there needs to be an effort to gather them into some collectives of some sort and then they, in turn, can fund others, in their particular needs in small business. They are often different from what they are in bigger business. Once we find some needs, we can then use the skills of some others to put the two together and create some programs. I am not going to say that it is going to be easy, though.

Ms Costin—I think those are two things that we can do—the business related training. But also I think Kerry has probably got a better handle on the youth situation in the

mountains. But I think we do have sufficient expertise. I actually wrote a life skills course about 20 years ago, for the young people, on self-esteem and relationship with parents, relationship with teachers, community relations and so on. It would be fairly easy, amongst us, to write a course and then match that through the appropriate channels—whether we do it through schools or community organisations—and just build the bridges. For example, at the moment the police and Kerry are trying to have an outreach program for young people in the community to deal with the issue of crime.

It is a matter, I think, of identifying appropriate mentors in the community who have some form of character assessment—as the professor was mentioning, you cannot just put anyone in to care for old people; they have to be of reasonable character—and then have a linking program with the schools so there is somebody in the older community who is like an aunty/uncle/mentor that they can go to, apart from their immediate family, and who also links them into the training program. Self esteem is the most critical thing for young people—and old people—in building self-confidence in relationship skills. They are the main things—to break down the barriers of perceived isolation and marginalisation.

I was interviewing a doctor in India and he said they have found that one of the main causes of heart disease is social isolation. We have got a huge problem with social isolation. So we need to address that and bring the older members of the community together with the younger people. It is really rebuilding the community. We have fragmented the community through different work policies and the way we are, and we need to rebuild the community. If we can fund the training program, we have to then get people to write it and then work out how we are going to apply it and in which schools. We have to cost it out.

CHAIR—We might develop that idea. The second thing is: Maggie, have you given the specific details of your situation to Kerry?

Miss Sutton—Yes.

CHAIR—I ask because it would be interesting for us to have your specific circumstances and then give that to Treasury. I do not make this as a party political comment, but I would be interested to know how your situation will change with the new tax system. As you know, there is a lot said about getting rid of poverty traps and the tapering rate for social security benefits and treatment of people in your situation. It would be interesting for us to get some specific modelling of your circumstances.

Miss Sutton—I sort of do know what the results will be because your level will go from 20c down to 17c. The person I referred to in the second lot is on the 34c. That will go down to 30c. So instead of trying to take 104c out of 100c they will only take 100c out of 100c. When you multiply this out on part-time hours, we are again sort of fiddling around. If people start talking to you about getting a salary increase of $3.30 a week, you just laugh. But this is what we do to the unemployed. The amount of money is really quite marginal.

CHAIR—I understand that, but let us have a look at the figures because there are social security benefits involved as well—there is a tapering effect there.

Miss Sutton—It is very marginal.

CHAIR—I would be interested to know whether it is worse, no better or better—let us look at that.

Miss Sutton—It is a bit of both: tuppence ha'penny to fourpence. It really does not solve the ongoing problem.

CHAIR—But your situation, of course, is not atypical, and I would like Treasury to tell us—or at least to tell me afterwards for my interest—how they think you will fare. Then, in 18 months time, you can write to me and say they were right or they were wrong.

The third thing—and I am sorry to have to upset my colleagues by asking about this—is that I am particularly interested in redundancy and dismissal processes and how they contribute to the sense of poor self-worth people have. How do you think this could be improved, Alastair? I have often thought that perhaps there ought to be a code of conduct, at the very least, negotiated between employers, unions and others, so that in this process you are provided with some funds for personal counselling, if that is considered appropriate. Perhaps Centrelink or a similar agency ought to be involved, or perhaps there ought to be a number of people involved. In your case it sounds as if it was not the case, but often I have found that the spouse or the partner does not even know that the thing is happening. It is a bit like the poignant sub-text of *The Full Monty*, where the bloke is pretending he has got a job and he has not.

Mr Wilson—I would agree. When doing the sums which lead to cutting people out and redundancies being offered, there should be an allocation made for some support for the person who is being made redundant. I do not suggest that you just give them the money, because some people—there is a nasty phrase for it—will waste it. In fact I believe that, when people are made redundant, it would be better to provide them with—and it might be private or it might be public—a collective of some sort that provides a range of services and advice. I thought that that was in place when I was made redundant. It had happened to some colleagues of mine several years before, as I said, but when it came to me and I asked they said, 'We don't do that now. We did that five years ago and it cost too much.' I do not know exactly what the answer was, but it was not available, and I got this piece of paper which simply said, 'Well, you're offered $300. That's it. Ta-ta.'

Mr WILKIE—So you are talking about something like an outplacement service, similar to what mining companies might use for their executives.

Mr Wilson—Correct. I believe Telstra does one very well. I am not totally familiar with their procedures—some of you may be. When they were cutting staff, I believe there was a week-long program; everyone was expected to do it and there were essential elements within that to help them to adjust to unemployment. Maybe you want to think about private enterprise, maybe you have got to look at your superannuation, or you have got to look at your personal life or your family—there were a whole lot of elements in it. There is nothing new in this. I think we could find some models elsewhere that are quite well prepared to arm people with confidence.

It is an extremely demoralising process to be told, like I was, with four days notice, that you have got no choice. As I quote in my piece in the document, I was called 'a round peg

in a square hole'. My colleague suggests it is probably actually 'a square peg in a round hole'. I am quite happy to be a round peg, actually; I do not like sharp corners. That is what my boss told me to my face. He said, 'Restructuring—no place for you,' and all my work was given to the lower-rated officer beneath me, and I was a SOG C. That person still cannot cope with the job, as I understand it. There was no consultation.

We used to do exit interviews. HR departments were required to do an exit interview. In other words, they would say, 'Tell me what you think about it and how it is going to affect you' et cetera. It is just not done now. I think the departments or employers are missing out on valuable information from that employee.

Mr Golding—I believe in mutual obligation here; not just on behalf of the people who are being stigmatised as unemployed, but also on behalf of employers. Again, that ACIRRT research names a number of case studies about the retrenchments in the area. They do have a case study of best practice in there which is actually worth looking at.

I believe that it might be a good idea to resurrect the old training guarantee in a different way. I was in Albury yesterday. Uncle Toby's are shedding 62 of their employees in that fairly small town. Some of the people at the course had actually been retrenched. I was confronted with that yesterday. As they retrench, the share market value of the company goes up. The finance markets like it. They increase their share value and profits by downsizing. Why can they not contribute a little for the retraining of their employees? Basically, there is a social responsibility for business. How many employees have the banks retrenched in recent years? What about BHP and Telstra? BHP was quite good in Newcastle; they did some best practice things there. But why are more employers not doing that?

Mr Wilson—They also did a link with small business.

Mr Golding—Exit interviews are the least they can do. Some companies actually look at retraining possibilities and ways that people can fit back into the workplace. This cannot be the government. It has to be employers. They are making a lot of money out of retrenching people.

CHAIR—We have eight minutes left. My colleagues might want to raise some specific issues.

Mr WILKIE—I am very interested in this because it is relevant to what may be happening in the future and it would affect people in your position. If you were forced to be part of a Work for the Dole project, would that benefit you or do you see that as further worsening your situation?

Mr Golding—I do not have any problems with job readiness. I do not have any problems with seeking work, which is part of the rationale for it. I actually do not believe in it. I see it as conscripting labour and sometimes for projects which are benefiting large enterprises, such as the cleaning up of chickens. Unfortunately, for those in the Labor Party here, I think it is a bit like the RED scheme, which is pretty discounted. I know that people are not learning new skills through that. I would rather see proper labour market programs

targeted to the mature aged and not as holistic entities, because it is a very segmented labour market. The blue-collar workers do not have a lot.

I do not have a big problem. I am losing money and I may fill up all those little holes and get myself a portfolio career because I have some skills. But what will some of the unskilled and deskilled blue-collar workers do whose jobs have gone in this country forever because we do not have any competitive advantage with those sorts of jobs any more? We need more structured ways of getting them back into the workplace in terms of labour market programs.

Mr Wilson—Just last week I read a tender document for the Work for the Dole proposal. The first tender document is being rewritten. A group of us were interested in bidding for it in the Blue Mountains. I am not with Mission Employment. This was another centre group based with a neighbourhood centre. The geographical split is right beside Kerry's office. In fact, they call the Blue Mountains only from Springwood up, when in fact it goes down. Springwood and below are categorised as part of Blacktown and Western Sydney.

We had to find 150 positions. Finding 150 positions in a smaller community—from Springwood to Mount Victoria—is virtually impossible. We did some research of our own and we have virtually thrown our hands in the air and said, 'I do not think it is going to be viable for us to put in a tender.' The neighbourhood centre that was prepared to auspice it for us thinks it is not likely to be a viable proposition for them to put their name to and have to stand on. It does not quite answer your question. I wonder whether the program has been written without a lot of on-the-ground consideration. The complications need some finetuning.

Ms Costin—When I was working at Concord Hospital a few years ago, I was writing a submission on working for the dole. I really got a shock when I went into a Work for the Dole environment in the Blue Mountains. You can take industrial relations developments in the last century and throw them out the window. I spoke to Kerry about it, and he followed it up. There are a lot of dangers with Work for the Dole. Firstly, we have enough wherewithal in this country to provide everyone with a job. Why go for the second option, which is Work for the Dole?

Secondly, unless the trainers and supervisors are properly trained in discrimination laws and how to supervise, you are setting up a new social dimension of destroying people's self-respect. There are some benefits—for example, it keeps you socially connected and you continue to upgrade your skills—but quite a few of us felt very strongly discriminated against on grounds of gender and because we were unemployed. Some of us who are mature age felt minimalised—as if we were 15. There are a lot of dangers around it. If you are going to have Work for the Dole the programs have to be properly structured with trained supervisors; they should be understood to be short-term measures only, under mutual obligation; and they must be connected to a bridging program to proper employment and to certification so that somebody who comes out of Work for the Dole has a certificate of competency that can go into their CV. Otherwise, all we are doing is creating a huge underclass of unskilled, unemployed people and we are legitimising a huge pool of unemployed in the country.

I can see a lot of dangers, particularly for mature age people. I do not think it is appropriate, because a lot of us have been doing voluntary work for the majority of our lives already, and it is quite insulting. I think that we are mature enough as a community to respect the qualities, skills and talents of older people and to understand that we will make a contribution whether anybody likes it or not. That is the nature of human beings: we want to contribute. So I see a lot of dangers with that; I would act with caution.

Ms GILLARD—I was interested in your comments on the NEIS. We have had other submittees give some quite positive feedback, but the feedback from your group is more on the negative side.

Mr Golding—No, I am not negative. I have a report here which I will pass around, too. It is a working paper by Judy Gray on self-employment as a career option for redundant workers. I went through the NEIS. Out of the 18 people who went through with me, five or six of them are still in business. They have nice little niche markets. One runs the video parlour in Katoomba Street—the Escape Hatch. She went through the NEIS. One person makes violins and musical instruments—a wonderful skilled craft area. So some people have quite good niche markets. That report seems to indicate that for redundant workers, particularly mature age, the self-employment option is a real option. A lot of employment growth is occurring in these areas because middle and large sized businesses are desperately trying to get smaller to be more competitive, more flexible, more organic or whatever, but it is in the self-employment area of smaller business where the job increases are actually happening.

That report seems to indicate that it is more likely to happen where a person has been part of a family system. For instance, the person who runs Escape Hatch is from a family where business is part of the family culture. So she has had modelling within the family about family businesses. It is more likely to be better for professional or white-collar and better educated people, partly because they have more self-efficacy and more internality.

Mr Wilson—It is a heavy training program. There is a lot of material.

Mr Golding—Yes, that is right. Where it does not seem to work out so well is for blue-collar unemployed, partly because their working relationship in organisations has probably been more dependent rather than autonomous where they have been able to develop independent skills. I would suggest for blue-collar workers a program such as one suggested in a recent book by Race Mathews about work cooperatives. The Mondragon work cooperatives in Spain are very successful. One of the reasons they are so successful—and this is one way the NEIS could be improved—is that they have a very strong marketing unit that supports the programs and assesses the viability of programs. One of the weaknesses of the NEIS is that the people who are doing the marketing are not necessarily able to assess whether the particular product or service that person is developing is going to find a successful market. I could see that quite a few of the programs were not going to succeed; for example, the arts in the Blue Mountains. We are the city of the arts, but art is not selling.

Mr Hooper—It is a mistake also to try to encourage artists to approach their art as a business, which the scheme does. It turns them into craftspeople.

Mr Golding—Other small businesses in the NEIS would go better if the scheme were over two years. Most small businesses do not expect to turn around a profit quickly. That scheme is funded for only one year and some people are likely to go under because of the short time frame. I invested all my super and savings into it—blew that. I do not regret it—you take a risk in business—but there is no capital bank. A lot of these unemployed people who come through do not have the capital base to get their business off the ground. That makes it pretty difficult.

Again, with the Mondragon work cooperatives in Spain, there is a community banking system that people can work through. We could learn a lot from the cooperative approach. Under a previous Labor government—I think it was the Wran government—the fair trading department used to run a program setting up work cooperatives in the state. I believe that could be revisited. There are a lot of cooperatives, particularly in rural areas, in Australia. It is wrong for us to assume that we are just individuals and that work cooperatives would not work. I think they will work with some groups.

Mr SAWFORD—Given your experiences in training, what recommendations would you make? Denis has made one in terms of work cooperatives. The research coming in now about companies that have downsized is that, although every reorganisation has a bit of an input, the long-term result of downsizing is that they lose market share. The companies that have not downsized are the only ones that have increased market share. Why anyone would be surprised by that is beyond me. Do you have any recommendations for training programs that are offered to people, particularly in areas like yours?

Mr Golding—Can you be a little more specific?

Mr SAWFORD—I have had people put to me that education training programs are not very well done in the sense that a lot of people involved in education do not know anything about education. Often you will find that, at universities, TAFEs, secondary schools and so on, there are very few people who actually know much about education—even though people consider themselves highly educated. In other words, you need a purpose in terms of a program, you need a process and you need outcomes and they all need to be coherent. I often get criticisms of training programs in my state that are purely outcome driven. No-one knows what the purpose is. No-one has stated it. If you ask a question you get blank looks.

Mr Wilson—You are talking about the usefulness of the training.

Mr SAWFORD—Yes, basically, but it also has to be coherent. You need a purpose and an appropriate process. If you have a purpose with inappropriate processes in the delivery mechanisms, the program will fail, and it also turns people off.

Mr Wilson—I have a suggestion. In the development of the training there needs to be collaboration with those who are the professionals in employment. Get the plumber onside to describe what he really needs his trainees to do if he is going to have a traineeship or something like that. Have a manufacturer involved. I know some of the smaller communities do. We have a very active committee in Katoomba that supervises the NEIS and they are local employers. I think that could be expanded more to have input from the people who are down on the workshop floor, if you like. They need to be able to say, 'I need a person to be

able to do this, this, this and this.' That has to be changeable—everything is evolving all the time with machinery and electronics, et cetera.

Mr Golding—Everybody needs to be computer literate; it does not matter what age they are. I have been struggling for five years to get computer training. I have only just found out about a mature age group that Centrelink or CES never told me I was entitled to. I have been refused a full-time job because I was not computer literate. There is a funny story about that, but I will not go into it. The other thing is that, with training in new technology, aged people can learn, but they need a different approach; it does take longer. Any training programs with mature age people—as with adult education—has to allow a process where their experience is validated so that teaching is not didactic and at them, but they are basically able to share their knowledge and experience. That is the best way it will work with adults.

Mr SAWFORD—I have taught adults. It is far more satisfying and far easier, but you need a very high quality program; you need to know what you are damned well doing.

Mr Golding—That is right.

Mr Wilson—Mr Chairman, are you able to tell us what happens at this point in time?

CHAIR—We have received all the written submissions to our inquiry. We started the public hearings only late yesterday afternoon, and this is obviously the second day of hearings. This process will now go on, I would think, until early next year, and then the report will be written by the committee and tabled in the parliament in about March or April next year. Don't hold me to that, but that is the basic plan. Whatever we do, we intend to do it properly.

Mr Wilson—Thank you for the opportunity to appear before the committee.

CHAIR—In the occupation that we are privileged to have we are here today and gone tomorrow, so there is a bit of personal interest in this as well. Thank you very much for your time and effort.

[11.37 a.m.]

MICHEL, Mrs Diane Dorothy (Private capacity)

CHAIR—Mrs Michel, thank you for providing us with a submission and being prepared to come to speak to it today. Could you give us a precis of your submission—ideas and so on—and then we will have a discussion about it. We will conclude at about three minutes past 12.

Mrs Michel—Probably, because I am an unaffiliated person, it would be fair to use my introductory time to give you a little of my work cred. I am 57 years old. I have been engaged in at least part-time work since the age of 16. I immigrated to Australia at 19 years of age with no safety nets or supports. I have been gainfully employed or self-employed in Australia for 37 years, although nowadays I do notice that when I get my bits and pieces back from the Taxation Office I am getting something strangely called the low income rebate.

I know something about junior wages from past experience. I know what a challenge it is to have a net income of £10 and a weekly rent bill of 10 guineas, for instance. That is the sort of thing that junior wages can mean whether one is young or old. I know about the evils of job snobbery. I was once very grateful to have a job in a foot clinic, helping old ladies out of their shoes and stockings, but I was painfully aware that my own shoes were wearing out and that I could not afford to repair them. I know about being the only female at a boardroom table and bumping against glass ceilings. I also know about selecting, managing and motivating a staff of up to 25 people—males and females older and younger than I. I know about self-employment because that is what I have been doing by choice for the past 22 years.

I was there for the infamous 1961 credit squeeze. Strangely enough, I personally know two of the men who stood among hundreds applying for two lousy jobs cleaning the vats at Resch's brewery on that day. The man who opened the door for the applicants was trampled flat. It was front page news in the afternoon papers in Sydney that day. There was no job snobbery there; there was just desperation. I very well remember the frustration of being young when it seemed that all the decisions and authority were in the hands of people who seemed to me to be very old, very unwilling to take a risk and suspicious of people younger than themselves. The irony is that I am now seeking work from people who seem to be very young, very unwilling to take risks and suspicious of people older than themselves. The wheel turns. It is not a unique or new experience for anyone to be unemployed or underemployed.

Times have been tough before. The huge difference now, as I see it, is an extra barrier of rigid theory and good intentions gone wrong. Laws, protocols and codes of conduct that were put in place with the very best intentions seem to have gone the wrong way. Looking down from ivory towers may give an illusion that there is equal opportunity and an impression of scientific job selection that leads unerringly to the best and fairest choice of employee.

My written submission provides some examples of the reality, and I will not repeat them. However, I will give a few others that have come to mind since then. One of these is the blue-collar person who has suddenly become unemployed after being an employee for a great deal of his life. It is most unlikely and with great unwillingness that people like this can become entrepreneurs. I might give you just one example.

The security industry seems to be an almost automatic choice for people of varying ages, particularly males but also females. They say, 'I need a job, and they need more security people.' I have gone through a course and held a licence as a security officer at one time. I never practised. I was just interested in what it was all about. I saw the kind of people there and that they needed a lot more help than they were getting as far as good judgment, procedures and everything else. But what has happened since then is that some very large companies, whose names we see all over the place, have taken one step further away from the casual employee. Some of these security firms are asking people to become a business in their own right. They contract their individual work, meaning that the security company feels no responsibility for them and no accountability when they get it wrong. That is enough about employment.

I would like now to talk about the challenges of finding a job in some environments. One of these is that, at all levels of government, advertising for jobs occurs for a job which someone has been holding for three years or whatever and the advertising is just part of that process. This probably seems like a really good idea. We want to keep assuring ourselves that we have the best person for this job. I imagine that there are some rare occasions when a new person comes in and the old person is displaced. The more usual thing is that the qualified outsider in particular is contributing involuntarily by an application, interview and even a second interview. This is an involuntary donation, on the part of people who have not the time or money to afford it, towards the reinstatement of an existing employee. I cannot tell you how many times my husband has come second in a job situation like this after three appearances and even medical examinations and the whole thing. They say, 'Yes, you are fine. We will put you on the list in case this person dies.' But it does not happen.

We also have the law against age discrimination. As the previous speaker said, this does not always achieve what it should. I would like to look at it from another point of view.We have employers who are so terrified of appearing to be discriminatory that they and the job applicants waltz around in another version of this same charade. If it is a job where someone really wants and is really going to hire a 25-year-old, why not tell the poor soul that he is too old before he writes the application and comes to the interview, et cetera. Even then he will not be told, but it will become obvious.

These days all these processes seem to involve a multipage and very complicated style of application because each HR department in larger companies, and in government, seems to have its own unique format. The application will have to be set out in that format over many pages. It is not filling in blanks; it is writing from scratch from an information package saying, 'This local council wants your application to tell on page 2 what your feelings are about OH&S,' or whatever.

If you have a person here who is not heavily into writing applications, she or he will probably end up with the village letter writer. You see these in the back pages of all the

papers, including the *North Shore Times*. They say, 'For $45 we will write your CV for you. We will give you four photocopies of it.' Of course it is a complete waste of $45 because it will not suit anyone's format. I know of occasions when applicants have been told at the job information package stage that they will lose points for their application unless it is set out in the unique format. It all costs time and money and also hope.

Unemployment is not confined to people in or past so-called prime of life, but I do believe it has a special sting for them. We were always expected to work, and we accepted that idea, supporting ourselves and putting something aside for the time when we could no longer work. Now a great deal of that appears to be swept aside. It causes sadness, fear and anger.

I could add something to what the previous speakers were saying. I found it very interesting. On the dialogue that went on about the possibilities of younger and older people working together in some sort of job skilling atmosphere, I think that can work and be very good. I have a personal example which has nothing to do with employment. About four years ago, my husband and I and many other grown-ups and mature age people had been opposing the M2 tollway in Sydney for several years through appearing at inquiries and writing submissions and all the sorts of things that grown-ups do. When the road was actually going ahead, much to our shock and amazement, a great many young people turned up and set up a blockade.

My husband and I, just through circumstances, had really had very little contact with that age group. It was certainly the first time that I came face to face with people with dreadlocks and leaves woven into their hair and all the other variations on a theme. We discovered that we had a great deal in common besides our commitment to the environment and that we had a great deal to give each other. My husband, in particular, who is one of those who can do most things, was able to teach all these youngsters out of the forests and the university across the street a great many life skills that really were a matter of life and death.

They were climbing up into trees and they really had not mastered the business with the ropes yet. My husband has huge rigging and waterfront experience, so he was able to keep them from breaking their necks. He has been an opal miner and lived in the bush at times. He is very conscious of the need for hygiene. Camp was set up too close to the creek, and when it rained all the sewage blew up, as it tends to do on the North Shore, and they were all in danger of becoming horribly ill. He was able to teach them about trenching and all the rest of it.

In turn, they told us a lot. We learned a lot. I think every grown-up person who was there on the blockades—and this went on for many weeks, so we really got to know each other—all had the same problem at some stage. We wanted to become dictators because we thought we knew everything, even though this was a new experience. At some stages we had to say, 'Maybe the way they are doing this seems totally senseless, but we'll go home for the afternoon because they are much better at coming to a consensus.' It seemed like nobody was deciding anything. They were never going to decide anything. They were sitting around just going, 'Um, um,' and all at once they would come up with the right answer. So we could appreciate them and they could appreciate us.

This is a big difference from what I have seen of the concept of this work for the dole business. You have people who have never known how to use a shovel who are going to damage their backs hideously because there is no practical older person who has dug a trench to say, 'You do it this way and it isn't going to destroy your back.' Instead, you have a supervisor with a clipboard just to make sure that they are there. You see this on television when they show these happy scenes. I have heard so many stories about this from young people who did want to work but have never been taught these basic physical skills. We keep being told that we are running out of jobs for blue-collar people, so why are we turning them all into people that do not know anything except pulling weeds and digging holes? I do not think I have anything more to say.

CHAIR—Thank you very much, Mrs Michel. Do you have any thoughts in particular on how it could be made easier for older people, over the age of 45, to get jobs? How could the Commonwealth government help with that process?

Mrs Michel—I am sure this is not the first time you have heard this or read it in the submissions. I think it has to start with an awareness of what the real problems are and you are probably doing that today. There needs to be a lot more of that. As I say, we have had some very well-intentioned decisions that have grown up over many years in the belief that this is going to stop discrimination against older people, and all it does is break their hearts by making them spend money and three days to apply for a non-existent job that is going to go to a 25-year-old.

Maybe it needs an actual relaxation of some of those things so that people can be honest about what they want. You put that together with programs like ones the Blue Mountains people were talking about where you do go to employers and say, 'Really why do you need a 20-year-old for this?' That is not to take the job away from the 20-year-old. It is because possibly the best applicant is older than 20 because he has had the experience.

Mr SAWFORD—I am interested in your comments about discrimination laws. You are not the first person to actually say to politicians that, for all the best of intentions—

Mrs Michel—You have made it worse.

Mr SAWFORD—Yes. But the intention was correct. The processes are fraught with fault and the outcomes are all over the place. They have advantaged some people quite rightly, but they have equally disadvantaged others. In terms of that legislation, have you any particular recommendations you would make?

Mrs Michel—I would like to think about that and come back to you. I would say that probably there has to be something in it, even if it is in the way of examples, that will give a little more leeway. An example of what I am talking about—which has nothing to do with employment—was some legislation which came in for New South Wales a while ago to do with a particular kind of licensing. This was very contentious stuff.

In order to grant licences to the people who still wanted them, contractors were put in charge of looking through the applications and all the rest of it. The contractors were obviously terrified that they were going to give out licences to people that they shouldn't. So

a little book was published and made available to the public and to the contractors that summarised the legislation. It gave one or two examples—for instance, 'This person in this situation may apply for a licence,' and so on. But the terrified contractors would accept only those examples. They thought they were the only reasons you could get the licence—'Oh yes, you need that to go fishing; that is all right.' 'No, I do not need the licence to go fishing; I need it to do such and such.' 'Couldn't you just pretend that is to go fishing, because that is down here on the piece of paper?'

We have a pretty insecure society these days, whether people are employed or not employed, and probably especially in semi-government situations. People do not want to be seen to make the wrong decision, so they are going to go by exactly what is written down. Possibly the whole world could be told, 'Trust your own judgment a little; look wider than the two examples you are given in your HR training book or whatever.' Does that make sense?

Mr SAWFORD—In terms of retraining programs—or sometimes I prefer to call them 'transitional employment programs'—what do you believe are the qualities of the successful ones? Maybe you would like to contrast that with some of the qualities of the unsuccessful ones.

Mrs Michel—They have to lead towards the possibility of a practical outcome, a real job—as I say, retraining in digging a ditch or pulling a weed does not count. As one of the Blue Mountains ladies said, an awful lot of people in our age group do all of this as volunteers anyway, so that is not retraining us for anything that is going to be particularly useful. There is no doubt that computers are really important. But I think that, if we are going to supply computer training, again it has to be practical—that basic 'Here is how to write a letter to Centrelink' training is not enough to get anyone a job anywhere.

Computer training should be directed towards what that person's aptitudes and likelihoods really are—'You might end up working in something like a real estate agent's, so you will need to become conversant in this program, this software,' or, 'You are going to be working in a store, so you are going to need that much computer skilling in that sort of software'—because, at present, very few people seem to be getting what they are after.

As I think I mentioned in my written submission, this becomes a hideous problem, even for people who are computer literate, because again the terribly well-intentioned competition and what not policies have meant that we do not give a monopoly to Microsoft to supply all the software for every government department in Australia. Instead, everyone looks at it individually, which means that every department—and sections of every department—in the entire hemisphere has its own mix of computers and software. Nobody trying to come into that from the outside has a prayer, because the people that work there are paid to learn that on the job.

In my own case, I taught myself in desperation to use a computer—kicking and screaming—and I can do everything that I have to do for my work. But each ad that I would look at for, particularly, a government job has totally different requirements—'We do not want to talk to you unless you have Word Excel 8,' or something like that. The only ads that I have ever seen in the huge state government section of the *Sydney Morning Herald* that

were more forgiving were in a couple of weeks ago. They were two ads that said, 'We request that you have basic computer skills. This is the software we use. If you require training, we will give that to you.' They were both programs that were specifically for Aboriginals.

CHAIR—That point is a very good point and a good idea. I trained in medicine. I did economics, then medicine. It was only in the fifth year of my university training, as distinct from education, in 1982 that I first saw a computer.

Mrs Michel—Scary, wasn't it?

CHAIR—Perhaps one thing governments could at least offer people over the age of 45 who are otherwise eligible for the particular job is the computer training they need.

Mrs Michel—The government could subsidise that. Maybe even if it is a private company they would be more happy to say, 'Okay, they are going to pick up the tab for a week's training.'

CHAIR—We have remedial numeracy and literacy for young people. Perhaps we need remedial computer literacy training for older people.

Mrs Michel—My computer at present chugs along. It does everything I need to do in writing and editing, which is my trade, in Word Perfect 5.1 DOS. Of course, that is supposedly all going to die in a couple of months with Y2K anyway, but it is not compatible with half of the stuff I need to know now. I am forced to spend $3,000 for new gear; then I am forced to figure out how to use it while still trying to meet my deadlines.

CHAIR—Thank you very much.

Mrs Michel—Thank you for the opportunity.

CHAIR—It has been a pleasure to have you and to know that there are people in our community committed enough to put effort into this and other things.

[12.05 p.m.]

COUSINS, Mr John, Lions Club of Cambridge Park Inc.

MASON, Mr Kenneth Bruce, Secretary, Lions Club of Cambridge Park Inc.

MORAN, Mr Alan John, President, Lions Club of Cambridge Park Inc.

CHAIR—Thank you to the three of you, and to Lions in particular also, for the contribution you make to the welfare of our community and our sense of humanity. Do you have anything to say about the capacity in which you appear?

Mr Cousins—I am a lion at large and a Work for the Dole supervisor.

CHAIR—Could you give us a 10-minute precis of your submission? Then we will have a bit of a talk about it.

Mr Moran—Why is our Lions Club involved in making comment to this committee? Our Lions International objects give us the ability to promote the principles of good government, to take an active interest in the social and moral welfare of the community and to provide a forum for the open discussion of all matters of public interest. The three stories from our members are indicative of the experiences of individuals who have been confronted by being both over 45 and unemployed. Since sending in our submission to the inquiry, one member is now back in the work force and another has received training which he believes will enable him to again be gainfully employed.

Two major issues that need to be addressed by the committee in respect of the 45-plus age group seeking to re-enter the work force are the social inequity that falls disproportionately on this age group—which creates division within the wider community by them being unemployed and perhaps also being on 'the dole'—and the continual negative bashing by the media of persons who are unemployed for whatever reason, which places persons in this age grouping under additional pressure. This has considerable impact on their feelings of vulnerability, which affects their esteem, self-worth and wellbeing.

Morgan and Banks claim that 300,000 persons have been made redundant for each of the past 10 years—quite staggering numbers. The Australian Bureau of Statistics' latest figures on retirement are quoted in a newspaper article as follows:

. . . while the average Australian expects to retire at 63, most of them will leave full-time employment by age 48.

This figure is then qualified thus:

This includes all Australians who leave the work force from full-time employment and never (or never expect to) return to full-time work.

The statements are further qualified:

The figures show that workers who leave work earlier than they had hoped to do so for reasons which include being physically incapable of continuing (25%), retrenchment, both voluntary and involuntary (19%), leaving to work part-time (2.4%) and leisure (6%).

The newspaper article is attached. This begs the question: of the 25 per cent physically incapable of continuing, how many chose that course rather than joining the unemployment queue? This hypothesis is very clearly illustrated in the figures quoted for persons on disability benefits within the Greater West of Sydney, which are again from the Australian Bureau of Statistics and contained in our submission.

Our contributors believe they have been discriminated against due to their age, for being unemployed and for seeking to re-enter the work force. The counter staff or first point of contact of all providers in the main are certainly below the age threshold of this inquiry. This impression of discrimination has been displayed in subtle ways, in a range of circumstances, by the indifferent attitude displayed by this staff to our requests for advice, assistance, service and information. Similarly, our contributors believe they have been further discriminated against by there being no incentive for employers to take the persons that are the subject of this inquiry.

Therefore, there is a need to (a) provide a range of incentives to employers to engage persons that are the subject of this inquiry. The skills and commitment of these persons would be valuable to employers, perhaps more importantly as mentors to younger staff; (b) have a greater range of information on services, training, assistance made more readily available to this age group; (c) have specially trained consultants within Centrelink and Network providers to provide service, assistance and support services to meet the specific and individual needs of this age group; (d) have members of the committee experience first-hand the indignity of being unemployed as one attempts to re-enter the work force through service providers, so that they have better understanding and appreciation of the differences between statistics and the individuals who make up those numbers; (e) provide more flexibility in registering the effect that part-time and casual work remuneration has on benefit entitlements. This remuneration is double taxed by both the Taxation Department and Centrelink in the calculation of benefit, which can also cause unnecessary delay in the receipt and continuity of benefit; and (f) allow for more flexibility with the eligibility guidelines for unemployed persons to have access to the NEIS programs. An advertisement for NEIS is attached.

Based on our experiences, we wonder how other organisations and individuals received the information about this inquiry and, on that basis, whether information has been sought from service providers on their experiences in assisting the over 45s re-enter the work force. Yesterday, I went to WESTIR at Blacktown and got some more figures, but these are state-wide figures, apart from what we obtained and put together in our submission.

If you look at the 52 to 78 weeks figures, some people are underrepresented in the expected count numbers, but also some people are disproportionately represented in some of the numbers. The top line is the actual count, and the bottom line is what the Australian Bureau of Statistics believes to be the expected count. If we look at the people on the disability support pension—again in the 52 to 78 weeks—the actual count is 3,908 and the expected count is 3,727, which is a difference of something like 200. People can be on disability support for a whole range of reasons, mainly because the doctor has certified that

they are incapable of work. They have also been assessed by the doctors employed by Centrelink.

I do not wish to cast any reflection on any of the people who come within that category, but we have all heard and seen newspaper articles about people who are going out on stress as a means of not going on to unemployment. I have certainly seen newspaper articles to that effect. When we look within that 52 to 78 category, the numbers of people on the Newstart allowance is certainly below—only by about a hundred—the numbers that they would expect to be in that category.

But then, when we go into the 78 weeks plus category, the number of people who are Australian born is almost 1,000 more in the actual numbers than in the expected count. The actual number for Aboriginals is almost 50 more than the expected count. The number for overseas born is about a thousand less. But then when you go across to look at the people on Newstart allowance and look at the figures for Aboriginals, there is almost 50 above the 293 that they anticipate. When you take into consideration that Aboriginals make up one per cent of the state's population, they are overrepresented by about 2½ times in that category.

Similarly, for those who are overseas born the actual count in the mature age allowance shows there are about 300 more. In the Newstart mature age allowance there are about 400 more, and in the Newstart allowance there are about 500 more. I cannot explain that, nor am I seeking to explain that. But when you look at the figures of people who are on benefit in New South Wales alone—on all sorts of benefit—you are talking of 1.6 million of the population, and that is about a quarter of the state's population.

The maps that I have brought along—and I am sorry they are not in colour—clearly show that for people on the Newstart allowance for greater than 18 months the numbers are in specific local government areas. Unfortunately, the names are not on that, but the names are on for people on disability support. But these two adjoining areas here—this is in the Blacktown local government area—are in the Fairfield-Liverpool local government area, and the one down the bottom is in the Campbelltown local government area. This area is around Canterbury, and this area here is in Marrickville.

One of the things that we said in our submission is that the number of people who have been on long-term benefit is quite clearly higher in regional areas, and the regional area of the greater west is more disproportionately represented by people who have been in these long-term categories than anywhere else within the state. Perhaps this can be explained by the large dormitory suburbs that are within the Blacktown, Fairfield, Liverpool and Campbelltown areas and by the fact that the majority of the people there are blue collar or semiskilled. It is interesting, when I looked around at the people who are giving information to the inquiry today, that the majority of people, in my view, would be white collar—although I was a fitter and turner by trade and John is a carpenter by trade; whether he would like to call himself a blue-collar or a white-collar worker, I am not sure, but he is in a supervisory position, so he might be white collar now. I cannot explain that, but I just find it curious. John or Ken might like to say something.

Mr Cousins—As my letter indicated, when I became unemployed it was like a big dent to the self-esteem. For three months I did not venture out of the house. After the money ran

out, I thought I had better start to do something. But it took a really large effort to try to get back on track. There were a number of applications I could have jumped over, but you are either too old, overqualified or, 'No, sorry, we want someone younger,' et cetera. It was getting on the NEIS scheme that actually kick-started my motivation. Then my little business just went off like a steam train. Unfortunately, I looked at the work rather than trying to expand my business in such a way that it got such a good clientele that it could keep rolling, and it just came to a halt. Then my present position as a Work for the Dole supervisor was advertised, and then I thought that that would be one way for me, with my 25 years of building experience, to pay something back into the community and back into the youth. That is the reason I took that position on.

Since then I have completed my university studies. My long-term goal is to be a high school teacher. I felt that the building experience that I have gained through a number of different industries would be beneficial to the kids of today. I have been doing the Work for the Dole position for 18 months. The pilot program that I was involved in had a 52 per cent success rate of kids going into full-time and part-time work. We do not get them just pulling weeds and digging holes; we get them into training; we look at job interviews; we do mock interviews; we do a job club; we look at the paper. We try to find out why the kids are unemployed and try to home in on those skills. We look at occupational health and safety, and that is very predominant in our organisation. I have a bad back, so I know from first-hand experience how to lift properly. I pass that knowledge on to the youth so that they do not incur the same injury that I did. To me, that is paramount.

I wrote this just to try to highlight that people over 45 have a wealth of experience that we can pass on to our youth and our adults of the future. I felt that in my role as a supervisor I have actually done that. In future, as a high school teacher, hopefully, I will impart the experience and knowledge that I have gained through being an apprentice, et cetera, on to the kids to give them the benefit of real life experiences.

Self-esteem is a big issue as far as I am concerned. I had a friend who worked with one company for 25 years, did not work anywhere else, and just got his termination pay on the day. He was devastated. It was like a death in the family. He has been going to that place for 25 years and now that he does not have to go there anymore he is lost. I can understand how people of the older generation feel. They just want to work. They do not care what they do, they just want to work. When they get their termination or redundancy notices it is like a death in the family.

Training is important as far as getting these people back into work is concerned. Using them as mentors could be an idea. I am not sure how that would work. Maybe you can train them as Work for the Dole supervisors, I am not sure. But for me it has worked very successfully.

I just do not stand there with a clipboard; I get amongst them and work alongside them. That might be the key to it, that we work as a team. We show these kids that you can work as a team. That gives them skills and gets them out of bed before 9 o'clock and gets them motivated. I can understand where they are coming from because, as I say, it took something like getting onto the NEIS scheme to kick-start me. For kids who have not got the

experience, it is a daunting task for them to find a job. It is equally daunting for people over 45.

CHAIR—Thanks, John.

Mr Mason—I was fortunate enough to be in a state government department for 24½ years and the only reason I finished up taking a redundancy was that they decided to close down the supply management system and outsource everything. I had the choice of either going to Rosebery every day to play cards, like some people did, or keeping my mind active and getting out into private enterprise.

I was fortunate enough to know that one of the companies I was dealing with was looking for more expertise in cataloguing and so I was able to go to them as a contractor, which lasted for the last 3½ years. Unfortunately, the economic downturn has stopped the clientele that they had built up. They dealt with a lot of mining companies and they are not doing any more work or they are using in-house people.

Over the last six months I have found it very frustrating because the field I specialised in over the last 13 years was supply cataloguing. I got channelled into there and as a result I lost a lot of my administrative and clerical skills. Being specialised in the cataloguing field, I did not get involved enough in other areas of the supply management field like purchasing, stock control and those types of things.

When it came time to look for work through the Mature Workers Program I was offered possible training in the bus driving industry. That was about the only offer I got. Another offer was part-time work on a Saturday and Sunday for about $9 an hour, which was a big downturn, especially for weekend work. That was at a major hospital.

The frustrating thing I found was that when you approached Centrelink or the Job Network providers you would apply for jobs through the Centrelink screens but you would never get feedback. I got three interviews through them. You submitted your name, but you did not know whether they had submitted the application further on or whether they said, 'Oh yes, there is another name, we will just put it down.'

The providers are all supposed to be linked, the big national ones. I registered with the Penrith branch and when there was a job in the Parramatta area and they channelled me to their Parramatta office I had to re-register with them. That also happened with another provider from Penrith to Seven Hills.

Under the rules, you can register with only about five providers. Is your registration really classified as one registration or two? You do not get told any of the rules in that sense. As far as approaching people for retraining courses goes, I know that previously you had to be able to get a bit of assistance or they would send you to retraining to build on the skills you had. As I said earlier, I had lost a lot of my clerical, administrative and face-to-face customer service skills. I was keen to get them back but, when I was applying for jobs, that was the first thing they looked at. I could have taken on labouring storeman's jobs because I am physically capable of doing them, but I was looking in my own specialised field first prior to getting my job.

I have been lucky now to secure a job in my chosen field of cataloguing, which is a very rare field. It is a big multinational company. There were only 40 applicants for it. Having talked to my manager, who was in the selection, it was my experience that actually gained the job for me, not so much computer skills because they are willing to train me now in all of the latest whizzbang systems. One thing that I think the committee really has to look at is making the service providers or Centrelink build on people skills. As you know, in a lot of the government jobs, you do get put on mainframe systems where you are not actually using individual programs. You finish up becoming trained in using that mainframe but, if you go to another organisation altogether, it could be totally different.

Mr WILKIE—This follows on from that. Obviously, you must be, or you would have been, linking into FLEX 1 providers to get access to jobs. Would it have been of any assistance to you if you had been able to get intensive support straightaway? They call it FLEX 3 where you get case managed and linked to jobs. Would that have been better?

Mr Mason—I think it would have, yes.

Mr WILKIE—John, how would you have felt?

Mr Cousins—Yes, I think the intensive assistance is more about building up one's self-esteem. That is probably more the key. I did not think I could apply for anything. It really knocks you about.

Mr Moran—And after you have made applications for a couple of jobs that are below what you would normally go for and get knocked back—

Mr Cousins—There were a couple I applied for. One was just a carpenter's job. They said, 'No, you've got supervisor skills. You've got to take my job.' I said, 'No, I'm not.' They still would not take me. That was very frustrating.

Mr Mason—A lot of employers do feel threatened if you are way overqualified compared with them, especially the interviewing person.

CHAIR—On the Centrelink issue, when you go along to Centrelink, are you dealing with people who are younger than you?

Mr Moran—Yes.

CHAIR—I am not saying it as a criticism of Centrelink—they employ all kinds of people—but would it be helpful for Centrelink to make an effort, if they do not already, to see that the approximate age of the person with whom you are dealing is close to your own? I could imagine that, at the age of 50, going along and dealing with someone who is 25 would feel a bit strange. I am 40 now—my kids think I am half-dead. I look at someone who is 25 and think about how young they are.

Mr Cousins—That could be a key. It is interesting. I went to a meeting the other night where a real estate agent said he will not employ anybody under 45. I laughed about that. He said that the reason behind that is that his properties are worth on average from $600,000 to

$1.2 million. He said, 'If I've got a 24-year-old real estate agent, who is probably quite capable, it's like talking about a lot of dollars with your son.' He said that he was never getting to sale. It was not until he started introducing the people of an older age group that he started to pick up his business. Now he has made that a policy. He will not employ anybody under 45.

CHAIR—This just reflects my ignorance of Centrelink—and they will probably kick me because they are probably already doing it—but if some effort were made to try to match the personnel that are helping with this group of unemployed people that would be helpful.

Mr Moran—I think you will find that a lot of them of our age group have taken redundancy and moved on. That is unfortunate because the experience that is there to give back up to the people on the counter is gone. It is very short-sighted that they have allowed those experienced people to go.

I do not have any particular axe to grind for them but, if I can recount my experience at Centrelink, it is the attitude of indifference that you experience. After having worked in welfare for almost 20 years you get a feeling for how genuine somebody is. But these people look at you and think, 'At your age what do you want to be working for?' That is none of their concern. But that is the attitude, and certainly it is the attitude of a lot of the service providers.

They gave me an application form at Penrith, an IPC. I looked at it and said, 'Who typed this up?' The person said, 'I did.' I said, 'You have got two misspellings in the first two lines.' They responded, 'Have we?' I do not know how many people would have filled in those forms without picking it up, but they look at you as being some sort of a smart alec, that you are trying to find faults. If they are a professional organisation delivering service, you would hope that they would respond professionally.

I picked up a job through Centrelink and went over to another service provider and they said, 'This is for a junior.' I said, 'No, it is not, not on the screen.' They said, 'Well, it is for a junior.' I said, 'Well, don't tell me, put it on the screen.' The same provider had taken 1,000 names off their database. So if you did not know that you were one of those 1,000 and went there for a job they would say, 'We have got no records of you being here.' It is an attitude of indifference.

One of the things I tried to find out was how many people were registered for employment but not in receipt of benefit. That information does not seem to be available. I am in that category. My wife works, and I am fortunate that she works, but we just get over the threshold or the end payment before I could get any entitlements.

It stops you going into the NEIS scheme. Not being on benefits stops you going into the NEIS scheme. It also stops you getting additional concessions with training opportunities because you are not on the pension or you are not on benefit. And whilst the training courses, as we said in our submission, may nominally be $200 or $100, it may as well be $1,000.

I really felt sorry for the chappie from the mountains who was paying his fees at the university by getting an advance from Centrelink and then paying it back. He is left with no alternative, but it is really difficult, and I do not think it ought to be made as difficult as it is. If you have got this far through life, you have got to have picked up something and that something has got to be of some value, but it does not appear to be.

Mr Wilson—That is one of the frustrating things. If you are lucky enough to get a little bit of part-time work, you are only allowed to earn $170 a fortnight. Anything over that, a dollar over that, and that is the end of your benefits for that fortnight. It cuts it totally.

CHAIR—I am even more convinced we have got to get that airport built out there, Mr Bartlett!

Mr Wilson—You come over here.

CHAIR—It's all right, I am only provoking Mr Bartlett.

Mr BARTLETT—I am restraining myself.

Mr Moran—Another thing is that white-collar people—but I imagine it would apply to blue-collar people too—if they have been out of the work force for a period of time, lose a lot of skills. They are not keeping their hands in. There should be somewhere where they can go, not necessarily for retraining but just to keep their skills up to date. The training courses that are available for young people are not available for us.

Mr WILKIE—And they are not available for young people anymore either.

Mr Moran—So you are in double jeopardy. It is really very difficult, very demoralising.

CHAIR—Alan, we need to finish here, unless anyone has any other issues they need to raise. Kerry, do you want to raise something?

Mr BARTLETT—I have a question regarding your experiences with Centrelink and the Job Network providers. You have echoed concerns that have been expressed to us by individual members, our constituents and others in the submissions. Very briefly, what would you recommend as the main means of improving the way that Centrelink can make you aware of the services that are available and can link you better with Job Network providers? Have you got three or four quick suggestions as to remedies to overcome some of those shortcomings?

Mr Moran—You generally have to find out from your network what information you should be asking for. Ken and I did not know that they have a service you can access because they did not tell us. Somebody else out on the street tells you that you can do this or you can do that. The providers do not volunteer the information, and that can be for a whole range of reasons. You mentioned FLEX 1. I did not know what I was. Because I was not getting a benefit, it was of no value to any provider to try to put me into employment.

Mr WILKIE—That is right. They would not do it because they could not get any payment for it.

Mr Moran—That is right. I think that is bloody wrong and obscene.

Mr WILKIE—That has actually been raised not in this committee but in other forums, where it has been extremely difficult for people in that position.

Mr SAWFORD—The idea of describing something as FLEX 1, FLEX 2 and FLEX 3 is obnoxious. It does not mean anything.

Mr Cousins—I would like to see a job provider target just 45s.

CHAIR—It crossed my mind when you were speaking whether we should have employment service placement agencies specifically for the over-45s.

Mr WILKIE—You can do that. You can apply for a specific contract under FLEX 3 to provide services to that group. But you would need to set it up.

Mr Cousins—It would require a lot of organising to set it up. If you said that FLEX X in Penrith would deal with the 45s, everybody would go there.

Mr WILKIE—Alan's problem is that he is not eligible for any of those services.

Mr Moran—Putting a dollar value on it is okay in one way. But, if there is no dollar value in them doing something for you, they are not going to do anything for you, which defeats the purpose of it and what it was set up for.

Mr WILKIE—Technically, they are not allowed to discriminate against you. But it often happens because of the no dollar value.

Mr Moran—It would be difficult to prove. I would love to mount a case, but it is a mice under the blanket thing that you are trying to grab hold of and do something about.

Mr Mason—Upon initial contact, when you register for benefits or register as unemployed, you are given a list of providers in your area. It does not say whether that provider specialises in white-collar employment. Another provider might specialise in blue-collar employment while another might specialise in something totally different. You register with five or six providers and fill out a form. They are happy for you to fill out a form, but they do not say that they specialise in people working in retail or in administrative type people. I think that needs to also come out. A bit down the track, I also became aware that it is not really until six months have elapsed before they start looking at your eligibility for training courses or other benefits. They do not look at your family situation.

CHAIR—I think we might get a few providers to talk to us. We might also get the department to talk to us.

Mr Moran—We posed that question at the end of our address today. It seems that that would be an ideal way to get information. It was not a tongue-in-cheek suggestion that you go into Centrelink and put yourself in the situation. Anybody who goes there and just sits and observes cannot be anything but touched by the inhumanity of the whole system.

CHAIR—We need to finish now. I thank you guys, Ken, Alan and John, for taking the time to come in here. For two of you I know that this is time away from work. I thank you very much. If there are any other ideas you have to suggest, please send them to us throughout the inquiry.

Resolved (on motion by **Mr Bartlett**):

That the committee receive as evidence and include in its records as exhibits for the inquiry into issues specific to mature aged workers the documents received from:

1. Mountains Community Resource Network Incorporated entitled:

   (a) Flexible Firm,

   (b) Cut Waste, Save Energy and Create Jobs,

   (c) Older Workers, Myths, Evidence and Implications for Australian Managers, and

   (d) Unemployment and the Distribution of Work; and

2. Lions Club of Cambridge Park Incorporated entitled:

   (a) Lions Club's Objectives,

   (b) articles from the *Australian Financial Review* dated 3 and 4 July 1999,

   (c) an advertisement from *Penrith Press* dated 6 July 1999,

   (d) NESB Benefit—long-term beneficiaries cross-tabulation,

   (e) Map—Disability Support Pension (1999), and

   (f) Map—New Start Allowance (1999).

CHAIR—Thank you very much, Mr Bartlett. That completes this session.

Proceedings suspended from 12.44 p.m. to 1.35 p.m.

RICHARDSON, Mr Peter, General Manager, Employment Services, Mission Australia

LEECH, Dr Marie, National Manager, Research and Social Policy, Mission Australia

TAYLOR, Ms Linda, Social Policy Officer, Mission Australia

CHAIR—For the purposes of Hansard, could each of you introduce yourselves, tell us the capacity in which you appear today and then give us a precis of the submission. We can then discuss its contents.

Dr Leech—I helped instigate the submission with Linda and Peter. In our opening statement here today I think I have two purposes: to set our submission in a broader context and to bring you a brief summary of some of the results of our investigations into small business establishment. Our original submission looked into the issue of mature age people seeking paid employment. We have done some further work since then on establishing a small business. I will just read through some of these issues.

The recognition of the special situation and particular issues impacting on mature age unemployed job seekers surfaced occasionally over the years, but came into particular focus in the early 1990s. The interest was generated by statistical evidence of mature workers' susceptibility to long-term unemployment. Following on from this, research began to peel off the layers and reveal some of what lay beneath the statistics. Interviews with persons aged 45 and over detailing their experiences of unemployment revealed a consistent theme: the attitude of employers was identified as one of the greatest barriers to gaining re-employment in the age group.

However, the debate about mature workers is firmly embedded in a complex matrix of policy and practice relating to retirement. An OECD job study in 1994 confirmed an easily observable trend—that is, a move towards earlier retirement. In Australia, according to the study, the average age of retirement of males dropped from 66 years in 1950 to 61.8 years in 1995. For females the change was from 63 years in 1950 to 57 years in 1995. The study also revealed a solid link between retirement policies and work force participation. In countries where policies favour early retirement—for example, France, Spain and Portugal—older people tend to move out of the work force, whereas countries with relatively neutral policies towards retirement—Canada, the United States and the United Kingdom—have a higher work force participation of older people, although it is dropping in those countries too.

The link, of course, is not surprising, but the entire issue requires unpacking to determine if such policies create environments where the element of choice disappears and a creeping practice of older people being forced out of the work force becomes the norm. A question central to the current debate, therefore, is: 'Do they jump, or are they pushed?' However, whether they jump or are pushed, they frequently require support, and it is with the nature of that support through the Job Network that our submission is mainly concerned.

In a paper presented by Department of Family and Community Services staff at a conference in 1998, concern was expressed at changes occurring in the numbers of mature age people on income support. Particular attention was drawn to the rising incidence of

people over 50 claiming social security support and, particularly, the disability support pension. Concern was expressed about the practice of early retirees using up superannuation lump sums before reaching their pensionable age and then moving on to the age pension. The question was raised of the need to extend the principle of mutual obligation in this age group in order to increase self-sufficiency. Permeating some of these discussions on the concern about increasing numbers on income support in the mature age bracket was the notion that there is a distinct element of choice in play in the decisions of the people in question, with some of the debates hinting at a new category of dole or disability pension bludgers.

Our submission to the committee seeks to move under the facts and figures and to draw out discussion on the degree to which choice is actually a question in this equation—as perceived by the Job Network staff. Adding to the complexity of the issue is the now familiar demographic fact that the populations of most Western countries are ageing. I will not rehearse here the well-known facts and figures but I draw attention to the fact that policies may become driven by this issue. A recent OECD study in 1998 warns of fiscal crises due to strains on health and social security systems due to ageing populations and, not surprisingly, recommended that 'the only viable way of countering these trends is through reversal of trends to early retirement.' Our submission works towards supplementing these policy directions, looking towards the situation from the other side of the coin by examining the situation of unemployed mature workers from the perspectives of the people who assist them—the Job Network staff.

Our detailed submission to the committee, which you received some time ago, addressed the issues facing mature age job seekers in their quest to join the labour market as paid employees. Since then we have analysed our data, which has examined the situation of those aged 45 and over who decide to launch a small or micro business following a period of unemployment. We note some recent comments about the role of small and micro business in the economy in this context. Small business, defined as up to 19 employees, and micro business, under five employees, have been identified by economists as essential to the generation of new jobs in Australia. They have been described as the backbone of our nation's economy. They provide a platform for distribution of wealth and opportunity. They make a strong contribution to employment growth. Micro business alone accounted for a net change in employment of approximately 120,000 in 1997. Micro businesses act as a source of employment for groups within the community who traditionally encounter inequity. The Institute of Chartered Accountants, for example, states that, worldwide, micro business caters for women entrepreneurs, young people seeking self-employment and displaced workers or retirees. And micro business represents a growing proportion of regional private businesses. Over and above all of the monetary gains, the position of micro business in the local community increases social cohesion and has the potential for strengthening Australian communities.

In this context, it would seem micro business would appear to provide an ideal opportunity for mature workers to find employment, especially considering their recorded disadvantages in the paid employee sector. Micro business would appear to offer an opportunity for mature workers to maintain financial independence, to further contribute to local communities, and to use their accumulated skills perhaps in mentoring roles with younger people. In that context, we set out to do two surveys of the NEIS staff. NEIS is the

New Enterprise Incentive Scheme, which encourages people to set up small business. The two surveys consisted of, one, a survey of staff asking similar sorts of questions as we asked in the main body of the submission and the second was a survey of NEIS customers of Mission Australia.

In our first question, we asked if there were large numbers of over 45-year-olds in the NEIS program. We got answers like: 20 per cent; approximately 50 per cent; a small number; less than 15 per cent; about 32 per cent; a fair few; about 10 to 20 per cent. So there was a range of statistics but all in the lower range of the category. Our conclusion there was that the program requires a very rigorous acceptance process, whereby potential participants develop and submit a business plan, and eligibility for the NEIS program requires the participant to be in receipt of government benefits. The survey results revealed that, although some regions had high numbers of mature age job seekers, the majority did not record a large number of over-45s.

We then asked what the most common age bracket was: over 50 per cent are between 25 and 40—that is, South Australia between 25 and 40; another area in South Australia, no common age; from another area 25 to 40; 25 to 40; 25 to 40; 30 to 40; 20 to 45; 18 to 35; 20 to 30. So we can see that the age range in these programs is falling fairly firmly into that 20 to 40 age bracket—certainly no large numbers in the over-45 area, so a clear picture there.

Our next question centred on the potential for NEIS to discriminate unintentionally against over-45s. The requirement is that they be in receipt of government benefits. Therefore we looked at this group in view of the fact that they may have received retrenchment packages, so that they may indeed have large resources. We asked if this was the case. One of the responses was: lots of over-45s who come to us are not eligible as they are not on benefit; they may have considerable asset base; they may have redundancy money available but they are thus precluded from Centrelink payments and thus precluded from NEIS. A suggestion that a NEIS type package could be made available to over-45s without the need to satisfy existing criteria has great merit. The main problem we have with over-45s is getting them registered with Centrelink. We get a lot of phone calls from mature age people who are interested in the course but do not qualify—the husband or wife may be working and this prevents their access to the course, or other reasons such as redundancy packages prevent them registering with Centrelink.

So, in general, our conclusion there is that staff believe that mature workers are disadvantaged by the program's eligibility requirements, even though the program appears to be absolutely ideal for the age bracket. Most of our responses believe that a NEIS type program targeting mature age job seekers that had no government benefit requirements as an eligibility criterion would be ideal for the group.

Our next question was: what are the external barriers that people face trying to establish a small business? Staff responses reveal primarily two key areas: lack of knowledge about technology and communications—and we have looked at that in detail in our original submission—and lack of access to venture capital. By the time mature workers have eroded their equity so that they can participate in the NEIS program, they find it difficult to interest any bank in their venture. Financial institutions thus provide a further barrier to this group.

And what are some of the personal barriers that this age group face? Very similar barriers, again, to what we listed in our original submission. Staff responses reveal the following: low confidence and low self-esteem which declines rapidly; declining fitness and health; lack of appreciation of the hours needed for a small business operation—one of the responses said that many of the people have been in regular nine-to-five type jobs and therefore find it very difficult to adjust to the demands of a small business; and they have entrenched concepts about work being steady hours and so on.

In general, that completes the Mission Australia survey of the Job Network people. We did a brief survey of customers of Mission Employment who had been through the NEIS course. To summarise that survey: it seems that Centrelink and word of mouth are important channels for informing people of the existence of NEIS—we had heard on a sort of ad hoc basis that many people were not aware of NEIS and it seems as though very little advertising is done, for example via TV, which would spread the word a little bit better; mentoring is highly regarded in the NEIS component; most participants of NEIS actually proceed to establish a business; NEIS is perceived by most participants as achieving its bracket; in terms of age, participation tends towards the 25 to 44 age bracket.

In conclusion, we do not state that our surveys of the Job Network staff are comprehensive and representative. Instead, we state that our intention was, through an informal survey covering as much of the country as possible, to provide signposts to future policy directions for mature age workers.

In particular, we summarised the following: the particular circumstances of mature workers with regard to commitments to family, children's education and mortgage payments and such like; that unemployed mature workers lose confidence and self-esteem more rapidly than other age groups in the unemployed sector; the subsequent results of this, particularly the social withdrawal and social isolation; diversity within the mature age group, with attention variously drawn to difficulties experienced by men and women, people with poor literacy and numeracy skills, migrants and people who have suffered earlier workplace injury; and, finally, the barriers encountered by mature age workers, either returning to paid employment or establishing a business.

In the case of the former—those returning to paid employment—we were particularly struck by the force of comments about employers' discriminatory practices. In the case of the latter—those setting up a business—we noticed the catch-22 situation of those with assets being unable to get into the NEIS course to get the skills to establish the business while those able to get into the NEIS course were unable to find the financial support to set up their businesses. Overall, our surveys tell us that there seems to be sufficient evidence to regard the mature age group as requiring special attention within the Job Network.

CHAIR—Thank you very much. Some others have identified this problem with NEIS and that catch-22 situation. In terms of proposing a solution, it is obvious that we are going to have to make a recommendation in this regard, whatever the tax expenditure consequences might be. How would you feel if people with a lot of resources paid to do the NEIS program? I am not suggesting a huge amount of money or even cost recovery. Would a system where they make some contribution according to whatever resources they have be acceptable?

Dr Leech—That has actually been suggested. One response to our NEIS survey was that some people have actually offered to pay for NEIS, which is impossible under the current arrangements. Would you have a comment about that, Peter?

Mr Richardson—It is a balancing act. Obviously, it is a relatively expensive labour market program because of the six weeks training component and the ongoing mentoring. But it is clear that it is a highly successful program in terms of the results you achieve at the end of the period.

I personally believe that a balancing act could take place there. From my point of view, I am not quite sure of the long-term benefits of eroding an asset base which they are going to need to start their business and run it anyway. Providing the six weeks training and the ongoing mentoring for 12 months is very valuable for any small business starting off.

Obviously, the major cost is paying benefits to them. Maybe there is a balancing act in having them do the training and mentoring but not be paid the benefits. They need the training and mentoring, but they may not need the ongoing benefits. Therefore, if you give them the benefits of the training and mentoring for free, they will not get paid the unemployment benefit anyway. So it is just access that is the issue. The cost to the government would be very small, because they are not getting benefits anyhow.

From my point of view, it is still a relatively good strategy for that group. They would be getting into employment and at the same time moving on from there. If they were going to be unemployed for 12 months anyway, it is far better to spend that 12 months establishing a business that could go on, which means they may never have to be on benefits.

Dr Leech—They are making a further contribution to the economy. Most studies are now showing that small businesses contribute a lot to unemployment. Perhaps they will be able to employ others later.

CHAIR—Having spent a bit of time recently with Minister Reith working on this indigenous employment stuff, we were looking at business lending, for example, for indigenous people. You wonder in this situation: you have a group of people who cannot get into NEIS because they have got money and then you have got others who can get in but then they cannot get bankrolled to get their business going. Perhaps, for this group of people, the concept of the government establishing some kind of fund, into which some user-pays resources are placed and from which lending can be conducted, might—

Dr Leech—Was there a component, initially, in the NEIS program of supplying some start-up finance?

Mr Richardson—There was originally but that was put by the wayside some time ago.

CHAIR—I am very committed to the problems Aboriginal people have got, but one of the earlier people here today made a comment, in passing, that there was a very good program running for people of indigenous background in the western suburbs of Sydney but you could not access it, of course, unless you were an indigenous person.

The other thing I would like to ask you is this. The thematic criticism coming to us is, of course, the culture amongst employers. Professor Encel, here this morning, made the same point you have—that we need to perhaps push back the age of retirement at which people are considered by society to be old. It is currently 65. Dr Wooldridge found, to his surprise I think, that when you write to people over the age of 65 as 'older Australians' some of them get upset. Professor Encel was suggesting that maybe we need to make the step to move towards 70. Apart from things to do with that, how do we go about changing the culture in Australian society generally? The deferred pensions scheme that the government has introduced would be one thing, but how do we effect a cultural change—a shift in thinking?

Dr Leech—I would imagine it would be through education of employers. One of the Mission Employment centres has taken the initiative of calling in local employers into a workshop situation to ask, 'Why is it that you are not employing—you are not asking for—older people?' and, therefore, moving on from that to a realisation of promoting the positive aspects of older workers. I think a lot of what is with the employers is just perceptions that have become ingrained there. So I would see it as a broad education program but I would think that there would need to be other changes to the Job Network as well.

CHAIR—Preceding that, though, we would need some good research, I think. With Professor Encel, who is extremely well-read on all this stuff, I think there was only one study that we could identify, the Legge study at Sydney Uni. We need some good research that shows that, when you do have older workers in your work force alongside your younger ones, there are benefits to both. Perhaps we ought to be suggesting some resources be put into that as well.

Dr Leech—Absolutely.

Ms Taylor—Also there could be research into government incentives towards employers taking on older, mature age people in, say, the way that we have youth subsidies—the same kind of thing. I could not say for sure which way the government should go. That obviously would take research as well.

Mr BARTLETT—Have you had much feedback from employers on that particular issue?

Ms Taylor—I did. I went to the employer forum that Marie was talking about that we ran at a centre. A lot of the employers indicated that wage subsidies or incentives put out by the government would possibly lead them towards taking on mature age workers, as with youth.

Mr WILKIE—Were they critical of the loss of subsidies that were there before? There were subsidies there, called Jobstart, which provided incentives to employers to take on people.

Ms Taylor—No, I did not hear anyone mention that one.

Mr SAWFORD—From a policy perspective, I am very worried about a whole range of people coming in and telling us that we ought to reverse the trends of early retirement. If

you go back and look at the developed world over the last 150 years, the trend for working people has been for fewer hours per week. It can be graphed all the way down to 1978, and then the graph turns around. That year 1978 was when we began to almost institutionalise, across the developed world, an admitted figure of 10 per cent endemic unemployment. The groups change—people move in and out of employment—but there is now a group of people who are just generationally unemployed.

The reasons we did that, reduce working hours, were to improve conditions and a whole range of lifestyles. If you analyse industry aspects over the last 50 years, you will find that available capital has quadrupled, productivity has almost quadrupled and energy consumption has trebled. However, the rate of employment improvement has gone up by only a third, and that is the catch. It just seems to me that because of the imperatives of health and pensions—and I understand where the argument is coming from—if we reverse the trend of early retirement we are going to create even more problems for ourselves. What is your response to that? This is against a trend of 200 years.

Dr Leech—I do not think we suggested that there should be overall policies pushing the retirement age further into the 60s and 70s. The thrust of most of what we said was that there be flexibility and choice within the group, that people are not forced to retire either at 70 or at 55, that there are not these policies that are driven by this notion of, 'How are we going to support all of these people?' My suggestion there would be a move towards more part-time employment, a move towards people in their 50s moving towards part-time employment, and a very, very gradual easing out of the work force over a longer period of time. I would suggest that that would be a better way to deal with it. I feel that this sort of stop age for retirement is really too much of a cut-off and that people would prefer moving to part-time employment.

Mr SAWFORD—It is estimated that in Australia there are 20 million to 25 million hours of paid and unpaid overtime. That would equate to 500,000 to 600,000 full-time jobs. I am not offering a solution that the one carries on to the other, but if there aren't 100,000 or 200,000 jobs there I will give it away. We have increasing numbers of people working longer hours, being more stressed for all sorts of reasons—and maybe not always the right reasons—and we have a problem at the entry level into employment with young people. We are also having an increasingly large problem with what we used to say were 55s but then we said 45s, and now some people even in this inquiry—we have only just started this inquiry; this is really the first day—are saying late 30s. In fact, someone said 35. You are in trouble, Linda!

Ms Taylor—I am.

Mr SAWFORD—It is getting to the stage of almost being ridiculous. Does Mission Australia have a view? I know academia in Australia pooh pooh job sharing arrangements in terms of having a look at those hours and redistributing them in some way, or government policy providing incentives, or sticks, to encourage people to do it that way. What is the view of Mission Australia?

Mr Richardson—I do not think we have an established view. It is something we would be very happy to take on notice and come back to you with. It is not an area that we have

actually discussed in detail as a group. I would prefer to come back to the committee with a more considered view.

Mr SAWFORD—You may find useful Patricia Hewitt's work at the London Institute of Public Affairs, and particularly the papers she has prepared for the OECD. Can I move on to another area, just very quickly. We are only in the very early stage of these public hearings, but we have had examples given to us by Professor Encel—

CHAIR—Just before you move on, Mr Bartlett wanted to ask a question on that area.

Mr BARTLETT—Peter, you said you would come back to us with further information on that specific issue. Could you perhaps include in that what you perceive as employer attitudes in terms of the impediments to taking on new employees vis-a-vis extending the working hours through overtime of those whom they have already got, and what they see those impediments as being?

Mr Richardson—The reason I want to do that is that it is an extremely complex question.

Mr SAWFORD—I am not suggesting it is simple.

Mr Richardson—I would rather not rattle off a very rapid answer going through the variables that are there, but there are a significant number of variables in what you are talking about, both in relation to where the employer sits as well as in relation to where the older workers may sit. It is actually a multivariable, multifaceted question. Rather than just say something off the top of my head, I would prefer to give you a more considered response.

CHAIR—My impression is that many Australians express concern about the unemployed and are attracted superficially to the concept of job sharing, but deep inside they would rather continue to pay their taxes to maintain a welfare system to support the seven per cent unemployed than actually bite the bullet on sharing jobs and reducing their income.

Mr Richardson—And employers are much happier to work their experienced work force harder and longer than they are to split it down.

Mr BARTLETT—There are a lot of on-costs and start-up costs associated with that.

Mr Richardson—Yes. It is a question of the competitive market.

Mr SAWFORD—The evidence now is contradicting that early view of downsizing. The evidence now is saying that the companies that refused to downsize are the ones who maintained an increased market share. Because companies that have downsized have fewer people and less ability to divert in a particular market, after a short-term efficiency gain which they always get after an initial reorganisation or restructure, in the end if you have fewer people you are going to have a lesser share of the markets. The ABC has been downsizing for years, restructuring and getting a big short-term improvement. It just goes on and on. It is simple. I have forgotten the name of the guru of downsizing who was out here

in Australia last year but he is now saying exactly the opposite of what he used to say. He now says, 'If you ignored what I said you are doing much better.'

I will go on to something else. We had examples given this morning of successful programs for mature age employment. They included programs at Tesco, a supermarket chain in the United Kingdom; at B&Q, a Mitre 10 sort of store in the UK; and McMasters, a McDonald's thing which was initiated by the Maryland state government. There seems to be a pattern of the leaders of that particular industry introducing the schemes, and often doing it against the wishes of middle management or anybody else. There was a moral imperative to do something. They made it work, and it did work. Has Mission Australia used any similar sorts of approaches to industry leaders here in Sydney, similar to any of those sorts of programs overseas?

Mr Richardson—Not that I am aware of.

Dr Leech—We do run the Mature Workers Program, the New South Wales state government program. We have that in a number of areas, but we did not initiate it.

Mr SAWFORD—We had an example this morning of someone who actually participated in a NEIS program. If I remember correctly, he said of the 18 people who participated five are continuing in a successful business. I do not know whether that is a good or poor result. I was not too sure how long he meant after the event. It might have been five years or 10 years or whatever. Small business is very difficult. How many people in that mature age cohort, as a percentage, are suitable for having an idea, a service, a product or a beginning point? It seems to me that a lot of people who get into small business do not have the next two skills which are marketing—where you have to be an extrovert—and then the introverted skill of being able to finance the thing properly. I have never met anyone who has had financial skills and marketing skills—never. I know there are people who pretend to have the skills, but I have never met a person who had both skills.

One of the great difficulties of small business is that, even though they have the idea, and they may even have some marketing skills, they get into a financial hole because they do not have the safeguards built in. They do not seem to be able to purchase the financial skills. There are accountants out of work and they could purchase their skills. What is your experience of NEIS after the event?

Dr Leech—There is distinct evidence that there is a higher percentage success rate for those who have been through a NEIS type program. They have the skills and there is mentoring after they have been through a NEIS type program. It obviously contributes to the success of the business. I think it is over five-year periods.

Mr Richardson—Yes. We have been running NEIS for a fairly long time—since the early 1990s—and our experience has been that we run at about a 70 per cent success rate. That is about 15 or 16 months after they have started. We get a high success rate because of the screening that is done prior to commencement. Basically the NEIS program consists of six weeks of a small business management certificate. It is built around building a feasibility study of their program, but they also go through finance issues and other issues over that six weeks of training.

We regularly review their progress and mentor them on an ongoing basis for the following 12 months. That is the key to what small business needs. As we have done in the Blue Mountains, we have set up the community so that they are networking together with other small NEIS providers and small business programs. We also set up small business micro-enterprise network groups so that where one is weak and the other is strong they can get together and support one another. We see success because of those key factors.

A lot of people have a great idea but, for a lot of other reasons that you were talking about, they are really not going to be able to make it work. It is important that you carefully screen the people who come through the program, that you put them through enough hoops so that they realise what they are walking into, they realise the skills they do not have and what skills they are going to have to outsource and so on. If they are strong in marketing and weak in finance, we will make sure they have got a damn good accountant. When we have finished mentoring them—we are basically doing financial mentoring, we get them ongoing support.

Mr SAWFORD—Are you looking at them five years down the track?

Mr Richardson—We have not looked at them that far down the track at this point, but I think it is a study that we should do because we have certainly got enough experience to do that.

Mr SAWFORD—We are not very good at longitudinal studies in this country, are we?

Mr Richardson—No. I do not think we keep things going long enough to achieve it. But that is another story. From our point of view, I think there are a number of subgroups within the mature work group categories that could benefit from a NEIS program. It could be with migrants who have lots of skills, lots of knowledge but who need to be orientated to local market conditions, the local legal and business environments, and moved on from there. That is just a transplanting of skills. There are obviously middle management people and obviously tradespeople and so on who can move into small business. There are a lot of opportunities. If they are fit and well and able to apply themselves, then the small business micro-business approach is very good. Ultimately, as they grow, it creates employment for other people.

Ms Taylor—I want to add to what Peter was saying. Further to the skills of the certificate, the NEIS program also provides the business plan. Many customers who have gone through have indicated that that has been fundamental to their success. They can take the plan to the bank and say, 'We have researched our plan and we have sat down and really thought about it.' I think that is quite important. Along with the multiskilling in the marketing and accounting, that has also led to the success of the NEIS program.

Ms GILLARD—My question was actually going to the longitudinal stuff too. You have answered that to the extent you are able to with NEIS if we do not have it over a longer period of time. But in terms of the other employment services you provide—and I am particularly thinking of the intensive assistance services—we have had data before this committee from people providing employment services, and you do tend to get data from these people, where they have X or Y outcomes, either placements into employment or

placements into training. Are you able to say from the work you do what the result is over time? Are you able to say whether that placement into employment lasts 12 months or two years and whether that placement into training then leads to a job—whether it be full-time or at a satisfactory number of hours—that lasts one year to two years? It seems to me that there is a real gap in the evidence around that kind of stuff.

A lot of the bad press that labour market programs get is the allegation that all it is doing is churning and that people are in a subsidy job today, a training placement tomorrow and back in a subsidy job the day after but no-one is actually ever getting anywhere. Have you got any data you could lead us to on that question?

Mr Richardson—At this stage, we are obviously following up, and we have done so for a number of years, people at 13 and 26 weeks. That is what Job Network is currently doing. On the longitudinal stuff beyond, which is what you are really chasing, I am not aware, from my reading and research, of any data that has been available that has actually done that. We certainly do not do that level of follow-up.

Dr Leech—There were some studies done on the Working Nation programs but, again, they simply were not in place long enough to follow up on a long-term basis. As you say, longitudinal studies simply are not funded well in Australia. I have tried for them in other areas like early intervention and so on. It is simply one of those areas where it is very difficult to get long-term, reliable funding for longitudinal studies, but it is certainly an area that we could perhaps instigate in Mission Australia with the Job Network starting to see if we can follow through some of the people who have been through our services.

Mr Richardson—We would certainly recommend it. I think the only way to have a good long-term policy is to be actually doing that sort of research.

Ms GILLARD—To know what works.

Mr Richardson—Yes. Do labour market programs really work? I think that is a good question.

Ms GILLARD—My second question is about a submission from the Mature Workers Program. It says that there is state government funding in New South Wales, which works on an early intervention model whereas obviously the FLEX 3 intensive assistance model is not an early intervention model in that you have to be unemployed for a substantial period before you qualify. Have you got any comment that you would make to us about the merits of early intervention versus intervening later in the unemployment cycle? Do you have any data or views about that?

Dr Leech—I think, particularly for mature workers, it seems to me that the comment we are getting from the literature we have looked at and our Job Network people is that mature workers very rapidly lose confidence and that it is one of the most essential groups to catch on early in the piece. I suppose there are all sorts of issues about that—about people perceiving themselves as the breadwinner when suddenly the role is lost and there is a very rapid deterioration. I would say ‘absolutely’ to early intervention. In fact, we recommended in our recommendations in the submission that it actually happen before the person is

retrenched and, with the retrenchment, there be a package of training moving into Jobsearch way before the person has actually left the position. We also recommended that organisations should be expected to do that and, if they do not have the resources, government should provide resources to do that. I think that really is crucial with this age group more than others.

Mr Richardson—I will just enhance that a little. We have operated the Mature Workers Program since its inception in the early 1990s. Our experience is certainly that that is a mentoring model and a training model. It actually has two components to it—strand one and strand two. One is mature workers training type programs and the other is mature workers programs for mentoring and case management. I think both of those are needed. I do not think you can just have the mentoring program.

Quite often, you are dealing with people who have been with an organisation for 10, 15 or 20 years or have been in a high manual role and are now getting older and their backs are going. Retraining and redirecting their careers is really as important as the mentoring. The earlier you can do that, the less damage you are going to do in all of the other areas—whether they are health, psychological, emotional or family issues—and all of the other issues of where they can see themselves going and what hope on the horizon they can see for their lives. From our point of view, if we really identify the 45 plus age group, or whatever age group, as a need group, then the sooner we can intervene, the more effective we will be, particularly if we can flag things in some way.

Another study that probably needs to be done is one to look at the high and low risk subgroups within the 45 plus age group, just as the JSCI does at the moment for unemployed generally. You could set up a similar assessment process to assess who are the high risk people who have been retrenched and who are the low risk people. From that study you could look at the factors and the variables that you need to peg so that you can flag those who are more likely to be long-term unemployed and then work with them earlier. That is quite possible. It just needs some research to peg those variables and to then apply such a tool to those being retrenched so that we can work with them earlier. I would really advocate that program. It is a very good program. It is a shame it is so limited in its funding capability at this point.

Mr BARTLETT—Just returning for a minute to the question of age discrimination and negative stereotypes applied to mature age unemployed, Marie, you mentioned education as a necessary approach. I agree that that really has to be tackled. How enthusiastically have Mission Employment's Job Network providers embraced the educative approach to employers and how much success have they had?

Mr Richardson—I do not think to this point we have educated employers about the over-45s as a particular group. We have spent many years advocating to employers disadvantaged groups generally, whether it be people from non-English speaking backgrounds or whatever. Generally, once employers have tried the product, if you like, they will come back. We have been able to build a base of about 14,000 employers around Mission Employment across Australia, and those 14,000 employers do not necessarily see unemployed or long-term unemployed people in the same way. Education can be effective, but they have to try the product. If they have tried the product, they will come back.

You have to make sure that you assess those who are unemployed and those you want to place in jobs. They need to be appropriately trained and appropriately set up not for failure but for success in the roles that you are putting them towards. In other words, an employer obviously wants an excellent employee. We have to do our role and then we have got to take it from there. You can overcome it. The education is as much taking hold of the unemployed and working with them in that situation. It goes for mature workers as well. Yes, you can be successful. It does take time. You are not successful with all employers. There are industry groups like retail and some of the hospitality areas where they want a young image.

Dr Leech—We found significant responses in areas where hospitality is the high local employment. One of our responses said that if they hear an older voice on the phone that is enough to reject the person. It is certainly industry specific. Education in that area would be extremely difficult because they want young images in reception type areas.

Mr BARTLETT—Is it something that you are consciously trying to address or are you taking a more generic approach of just working on the trust that your employers have, with you providing the right sort of person for them?

Mr Richardson—The 14,000 employers that we are working with are a highly select subgroup of all employers. In other words, it is a group that is tailored around accepting who they work with and having jobs available for the sort of client we are dealing with. We will not normally deal with every employer who comes our way. It is really a matter of employers who have a genuine need and are open to accepting the sort of client we have and want to place.

Mr WILKIE—I agree that people 45 and over who become unemployed should automatically be eligible for services—including FLEX 1, 2, 3 and NEIS—regardless of their income status. My question relates to the provision of FLEX services, and some of the recommendations you have made in your submission and particularly FLEX 3. You suggest there should be incentives such as wage subsidies and possibly training provided specifically for 45 plus.

2 When Job Network was set up the hundreds of millions of dollars that were allocated for training to Skillshare, to Jobstart and other subsidy programs were cashed out and paid to private providers so that they could target that money to individuals and use it to provide subsidies to employers to provide that training. What training and what subsidies does Mission Australia provide in FLEX 3 to employers as incentives? What training do you provide with that money?

Mr Richardson—Basically, just going back to the broad picture that you have painted, about a billion dollars was taken out of the overall budget between one group of programs and the other. So you are really talking about ducks and drakes when you talk about the cash base that you had prior to the current suite of programs. You cannot expect to get the same amount of product out of the major reduction in funding that took place. Bear in mind that you have taken the Job Network program and have rolled it out from there in a competitive market environment. From that point of view, providers have had to work with intensive assistance, as they do at the moment under the current price strategy in place. They have had

to optimise what they see as the best strategy for the group of clients they have and then move forward from there. That is basically what Mission Australia has done.

With our 50 or 60 sites across Australia for intensive assistance, we would provide subsidies where they are appropriate and we also do a significant amount of training. However, we are limited in the level of training. If there is one area that got sacrificed in moving from one suite of labour market programs to the next, it has been training. That is simply because of the relative costs involved, and particularly where you are dealing with long-term training. We do forklift certificates and all of those sorts of things. They are punchy, they are short, sharp and relatively cost effective. It is much harder to move people in terms of language and to get their literacy and numeracy up to date or to move them through more costly computer training and then to higher technology training. Where we have lost, in moving from one suite of labour market programs to the next, is with those clients who need long-term more costly training. That is where current providers have had to pull back from what could have been put in. What the skill shares were providing before—you could debate whether that was effectively or ineffectively—that is the area that has been cut back in the current suite of programs.

Mr WILKIE—So you would argue there needs to be more resources put into wage subsidies and further training for the long-term unemployed.

Mr Richardson—My priority for Mission Australia would be the longer term training needs. That is the area that is not going to be covered, and that is simply because of the economics. In the next tender round that has come out, our assessment is that the income stream from intensive assistance is going to fall by about 23 per cent. For the next three years, as a result of this current tender round, you are going to see it screwed even further than it is right now simply because a floor price system is being introduced and the general market is not going to move above the floor price because they fear they will not be competitive with other providers.

Mr WILKIE—That is right, because it has gone to competitive tendering.

Mr Richardson—So you have reduced the volume from about 30,000 per year through that program, and at the same time you have reduced effectively the income stream by about 23 per cent. From our point of view, you are pushing it hard down the wrong road as far as those most disadvantaged in the workplace.

CHAIR—Can you send us some information on the South Western Sydney Health Service GP Project.

Dr Leech—The one we mentioned?

CHAIR—Yes. Could you send us some information on why you consider it to be a very good model.

Mr SAWFORD—Peter mentioned something earlier about the purpose of labour market programs, which we have not had time to follow up, but I would like to perhaps put that differently. It reminded me of the phrase I used—'True to label programs'. We have true to

label in a whole range of things. I am not so sure we have them all in labour market programs.

Acknowledging that there is an intrinsic value in training, in arresting diminishing self-esteem, there is intrinsic value in the training, whatever the outcome. Do you think, in some ways, we would be better off if we were more honest in the sense that a lot of the training is always associated with 'This will lead you to a job'? Let us say we honestly answered that we do not know or that there may be only a 10 per cent chance of getting them a job or a 20 per cent chance. We have never been able to value things such as the early intervention with the mature age.

It seems to me that there almost needs to be transitional employment programs. They do not necessarily lead to a job, but they lead to your knowing how to arrest diminishing self-esteem. They lead you to maintain confidence or your skills or they give you avenues or options of where those skills that you have can be maintained. They give you information about changing careers and where you could do that. In other words, they do not lead to a job at all but they lead to the wellbeing of individuals.

It appears to me that there is a lot of valuable training that goes on by groups like yourselves, under all sorts of names, and yet the values that that sort of wellbeing, that plays a very positive role, are never acknowledged or never broadcast. Sometimes you do not get to C without going through B. It might be useful sometimes if we acknowledged that.

Mr Richardson—Do you want us to respond?

Mr SAWFORD—Just quickly.

Mr Richardson—At this point, I think there are intrinsic values in doing the training, as you have said, and I think they are very good values. Where we come from is a holistic approach, though, of seeing that, when you are working with people in labour market programs, any gains made last only a short period of time unless they are put into a transitional, ongoing job. In other words, you can run all the programs about raising self-esteem but, when they have finished the programs and you see them four months later, unless their whole life has changed in some way—they have got a job, they have moved on in some way—their self-esteem has gone again. So you can make short-term gains, but you can actually end up with a longer term problem because you have made their last state worse than their first by lifting their hopes and then dashing them again.

I always believe the training should be done within an environment that is planned around the total rehabilitation of the program through to a new circumstance, life circumstances that are long term and sustainable, that will move them positively there. That is why the Job Network is so good, because it does work around a mentoring type approach. The training that is seen within that suite is excellent. If it is part of an overall back to work program that is mentored for 18 months or whatever and does produce a result at the end of it, I think it is a good thing for the client. Short-term pushes can be good in short terms, but they can have long-term deleterious effects.

CHAIR—Thank you very much for your time and effort. If you have any further ideas or comments to make on any other submissions, please send them in. If we could have that information on the South-West Sydney GP Project, and if we could keep *Home and Away* going for 10 years, we could do a bit of longitudinal research into the long-term problems of mature age unemployed. Thank you.

[2.37 p.m.]

CHAN, Mr Ka, Manager, JobQuest

HAND, Mr Roger, Mature Workers Program Placement Officer, JobQuest

CHAIR—Thank you very much for taking the time to come and speak to us today. My name is Brendan Nelson. I am the chairman of the committee. I represent a Sydney metropolitan seat. Rod Sawford is the member for Port Adelaide in South Australia, Kim Wilkie is the member for Swan in Western Australia, Julie Gillard represents the electorate of Lalor in Victoria and Kerry Bartlett is the member for Macquarie in New South Wales. Could you tell us a bit about the capacity in which you appear today, tell us about JobQuest and give us a precis of the submission, and then we will start with the questions and dialogue.

Mr Chan—I am the Manager of JobQuest. JobQuest is an employment and training service provider in Penrith. We have been operating in the Penrith area for about 14 years, delivering a whole range of what used to be called labour market programs. Now we are involved in a number of employment and training programs. The Mature Workers Program, which is funded by the state government, is one of them. We are part of the Job Network. We provide job matching services. We run a program for school leavers called the Jobs Pathway Program, which is federally funded. We run a number of training programs, especially in the entry level vocational area. Most of them are funded by the state government as well. They range from a computer training program for existing workers to employment training programs like the SkillShare and access programs for young people. That is what we do. I will let Roger talk about the Mature Workers Program.

Mr Hand—I am the placement officer for the Mature Workers Program at JobQuest. We have been running the program since it started in 1990. I have been in that position for about 12 months, working with mature workers. Before that I was involved in case management and with DEETYA. I have a few comments further to our submission that I would like to share with you. Obviously, the issues in question are more easy to identify than to address, but I just put these points for consideration. One is regarding legislation. Necessary as it is, it can have adverse effects. It does have a negative side—in things like antidiscrimination regulations—in that it can also cover up issues. I think that people should bear in mind when they are considering legislation that there is often a negative side to it. It makes it more difficult to identify issues. I am not saying it is not an important and necessary part, but I think it is something to take into account.

Mr SAWFORD—That was raised earlier this morning. Would you like to give some examples?

Mr Hand—Particularly, we are looking at mature age people. Today when you talk to an employer, they are very reluctant to discuss age or issues of age, yet they would have a lot of relative issues concerning age. For example, in the case of a mature age person applying for a job where the supervisor of that job is a 28-year-old, that employer would have some concerns but would be reluctant to bring it up whereas, if you can bring it out

into the open, you can deal with the issue. That is the type of thing I am talking about. So sometimes it makes it a bit harder to actually address some of the problems that older people have when they are applying for jobs. Quite often the employers are not intending to be discriminatory, but they do stereotype and put people into boxes. If you can identify that, then you can deal with the stereotype that they have created.

Another thing that was mentioned was affirmative action, and there is a similar thing there. I read a comment that mature workers have never had any affirmative action, unlike other groups. But, again, it can bring about the same types of problems and put a further burden on employers, as they tend to baulk at quotas, incentives and those sorts of things. That was just a comment on legislation.

I believe that programs need to be specific to mature workers. A lot of programs are available, but they are general programs. I think there is very little that is very specific to mature workers, and mature workers do have specific needs. For instance, when you are looking principally at putting a training program together for mature workers it needs to target that age group. For instance, if you are running a retail skills course, the mature worker who may be looking at going into retail would be going into a different type of position than a teenager would, because they would be looking at more specialised shops. That would be the type of place where they would be employed. So I think that programs need to be targeted at that age group.

The next comment—'He was available for earlier intervention'—was discussed a few minutes ago. Long-term unemployment does have a greater impact on mature workers, not just from an employment side but also from a personal and social side. Unemployment can affect family issues and a whole other range of issues that then become a barrier in themselves to employment, even to the extent of breakdown in families and that sort of thing when unemployment suddenly becomes an issue. Males in this age group still often have a concept of being the breadwinner, and it is a great blow to their esteem to find themselves out of work. If this can be addressed fairly quickly, before that becomes a problem, that is good. Otherwise, it becomes another major barrier to overcome.

Particularly when you are looking at redundancies, I think that the possibility of starting up their own business probably crosses most people's minds. I think they tend to see the financial side of it as the main issue with starting up their own business, and I think they are very wrong. The comment I put here—I heard you talking about it a bit earlier, and I think Rod brought the fact up that nobody is an expert in all areas—is that, if you could get a group of two or three people to start up a business, it would have a far greater chance of success. If you have somebody who is able to provide service, somebody who is good on the marketing side and somebody who is good on the administration side, for instance, and these people could come together and start up a small business, they would have the whole range of expertise covered.

The last point is on information support. Basically, I think information is hard for them to find, because they do not know where to look for it; it is not always not available. I believe it needs to be community based, to have a high profile in the area and to be easily accessible from a community based organisation that would understand, have a knowledge of local issues and be able to work on a mentoring program.

CHAIR—Thank you very much. You heard the earlier discussion. How would you go about changing the barriers and attitudes amongst employers? How do you think we ought to try to change them?

Mr Chan—I think it is almost impossible just to market to the employers about the virtues of mature workers, because when you approach them they say, 'Look, this person is really good, but because they are older nobody would want to listen to them.' Most of our experience from dealing with the employers is, basically, we sit down and try to analyse what they need in terms of the positions they have. A lot of the employers know they need someone to do the work. They may have an idea that they need, say, a receptionist—they just need somebody sitting there to answer the phone, to deal with visitors and things like that. They fall back to the stereotype. They get a young pretty looking girl sitting there. They rarely have the time to sit down and take a good look at what that position requires—what are the skills and the impact of that position on the whole organisation. A lot of the time our placement officers have to sit down with the employers and really have a look at what they actually need and at whether their position specification fits into the stereotype that they are looking for.

For example, yesterday I was working with a employer. He was after an office junior, but he needs experience, good typing skills, good communication skills and an ability to handle difficult customers over the phone—things like that. You cannot find a junior like that, but he thought, 'I just need a junior office assistant. I do not need anything else.' It does not mean that he is deliberately trying to lower the wage; it is just that employers do not understand what they need. A lot of the time, if you sit down and go through the actual position that they need to fill and match it with the person specification that they need, they realise, 'Yes, I would rather have a more mature person who goes better with the job, goes better with the image of the company or goes better with the culture of this particular section.' Once they have tried it, they will come back. Now we have people specifically asking for Roger's clients, just because of that.

CHAIR—Roger, your people have had experiences about the way in which people have been made redundant or dismissed. We have heard a lot already about early intervention versus late intervention. The Mission people, as have earlier people, spoke about getting workers as they are actually leaving their employer. You are dealing with people who have had bad experiences in the way in which they have been dismissed or been made redundant. How could that be improved?

Mr Hand—It is very difficult. If somebody has been in a job for 10, 15 or 20 years and they are made redundant, it is a tremendous blow; it is a blow to their esteem. They have worked for this company, they have felt they had done a good job, they have been recognised for the job and then all of a sudden somebody is saying that they do not want them. It is a tremendous blow to their esteem. Initially they seem to go through a denial process, and then they go into a bit of depression. They start off thinking, 'Surely, tomorrow I will wake up and it will not be real.' Then it hits them. They get into a bit of a depression, and they start thinking, 'It must be my fault. I am too old. My skills are too outdated.' They go through a whole series of things like that.

I found I have to work very strongly with them to motivate them to get them to turn back up again, because they really start to take on a negative opinion of themselves. I need to get them to look at themselves in another way and to look at their qualities and their abilities, and I need to actually sit down with them and get them to write things like this so that they can begin to recognise that they still do have a lot to give. I do not know if there is a way to soften to blow. I really do not think there is, but I believe that there is a lot that we can do in the area of mentoring and coaching to help them through and to turn them around.

CHAIR—For example, if you are an employer, in the Penrith area in this case, and you have an employee that you have had for eight, 10 or 12 years that you decide you are going to get rid off, should that employer be able to have the conversation with the employee and then call on a service—perhaps your organisation or another one—that is able to come in and help that person through? What you have described is a grieving process. It is no different from losing a relative, having your house burn down or losing a breast or something. You call in a service which actually then points them in the direction of financial services, personal counselling, family support and career transition programs. Perhaps that should occur in-house, or should employers have some choice in that regard?

Mr Chan—It does not really matter. Probably the most significant variable will be the timing. The earlier the intervention, the more effective it will be. There are big companies in our area that have gone through this process. They are moving out or closing down. A lot of them are quite responsible in the sense that they will call in people from different areas to help the people who were going to lose their jobs in terms of retraining, outplacement or financial counselling, or even sometimes marriage counselling and things like that. We found that the earlier the intervention the more effective it would be for the outcome, if you define outcome as the retrenched worker being able to get a job within 12 months. The timing is critical in that sense.

In terms of what sort of assistance is being provided, probably it has to be worked out on a workplace by workplace basis, because no two workplaces are so similar that you can fit them into one model. Some of them will simply need a bit of assistance in outplacement. Some of them will need quite substantial retraining. Some of them will need something else altogether: conflict resolution or dealing with their emotions first before they can really move on.

If I can draw the committee's attention to one point, by the time retrenchment happens, there is already a clear indication that there is a problem. A problem has already developed and the problem is a serious one. Retrenchment to us is a symptom rather than the problem itself. We find retrenchment reflects the failure of the business to deal with a changing environment, the failure to capture the market, and that is why they have got extra capacity that they have to carry. Why does that happen? I do not know. Businesses succeed and fail every day, but from our perspective, if the business failed to be able to adapt to a changing environment, coming to the point that they need to get rid of those people, and those workers do not have the updated skills at the point they are being retrenched and they are worried about getting another job, it is very late already.

If we are talking about the very fast changing economy at the moment, by the time they have to pick up the new skills that are marketable in the current labour market it is a long

time. You need a lot of training in that regard. We should encourage the business while they are still going all right, or while they are still developing, to have a bit of long-term planning so that they can foresee the changes happening in the marketplace and they can invest in upgrading the skills of their workers so that their workers, as well as the business, can adapt to the changing environment and the changing marketplace. Then retrenchment could be avoided to a certain degree. Intervention is probably too late when retrenchment happens. It should happen before there is a problem with a prevention approach, rather than an intervention approach when the problem develops.

CHAIR—People are dismissed or made redundant presumably for two reasons. Some employees you have are just hopeless and you just want them to go. But in many other cases, of course, the business is in trouble and you do not want to lose the employee. You think that this is a really good employee and you would like to keep them but you see no option. Perhaps what you are suggesting is that there ought to be a business doctor called in, prior to them getting to that point, to actually help the business, so that the person is not even forced to be made redundant.

Mr Chan—Exactly, or even a little bit before that. I come from a very different background. In Australia I have found that not a lot of the employers have future planning in developing their human resource. They just grab whoever they can use and they do not plan for two years time that they anticipate they will need people with these skills. They have people with these skills and then they train them up to meet the demand. They just get rid of those people and when they need those people they try to get them from the marketplace. So there is a very obvious mismatch in the marketplace. We have a lot of people looking for work but they do not have the skills that the employers need, and the employers are crying out for people because they do not have the people with the right skills. Of course you don't when you don't train them. You don't train them because you depend on the government to train them. When we approach the employers and say, 'You do really need to train your staff,' they are shocked because we suggest that they have to pay for the training. I do not understand why.

I come from a culture where the user pays for the training. If people want training they have to pay for it. If the employers want trained staff they pay for it. Apparently that sort of training culture does not exist here. It is starting to emerge but is still very slow. They find out that they do not have the trained staff to deal with the need of the marketplace, and that is why they need to retrench people.

Mr SAWFORD—I was going to ask this question of the previous group, but I think it applies particularly, Mr Chan, with your example of the receptionist in dealing with difficult customers or difficult clients. It is very easy to dismiss very young people and aged people by our description of the way we use our language: the callow youth, the pretty little girl, assumed dumb, and the silly old bugger. We have had that phrase before from a former Prime Minister and, of course, Dr Wooldridge's one. For a female there is the old dragon, but maybe the old dragon actually knew how to deal with difficult customers on the phone or even coming to the front desk.

Mr Hand—She went into politics.

Mr SAWFORD—I am too intimidated to ask who you mean. How much is it a problem, particularly in the example you used, which I think is a very good example, that the personnel manager of the business, or the person responsible for the employment, actually does not know what happens at the front desk, actually does not know what happens on the factory floor and actually does not know what happens in the relationships in the drafting room or in the production room or whatever? The knowledge of the business might be so appalling that they do not even understand the needs of the personnel required. It seems to them fairly appropriate that they get a pretty face for the reception and that will improve the image of the firm when in actual fact that is not what they need. This might be a firm that has to deal with hard-nosed, hard-edged customers and asking a young person with no experience to actually do that is just ridiculous, and so the business loses. How much of that do you see is symptomatic of business in this country? They do not know what they want.

Mr Chan—Larger businesses are better, I have to say, because they have a better developed system in more cases than a small business. When small business employs people, usually it is the time when they grow; they venture into new areas and they create new positions. Because those positions are new, that has to fit into a growing business. They sometimes do not really have the expertise to analyse what they need. They are very good at doing their own business. They may be experts in their industry, but they are not experts in human resource development, recruitment or whatever. So small businesses are pretty difficult in that sense.

In larger companies—I may be wrong; Roger may guide me here—because they have well-established systems, most of them require the new position to fit into their position description, duty statements or things like that. In terms of their understanding of the business, usually the human resource people are the last people to understand the operation of the shop floor. If you really want to understand the culture of the factory, you usually go to talk to the supervisor. You go into the shop and have a look. That is why, when we have got major projects, we do not rely just on the verbal communication of the personnel manager; we go to the company and have a look ourselves.

Mr SAWFORD—In terms of language, we have heard in this inquiry thus far negative stereotyping in terms of language that is used to dismiss or exclude people. But, in terms of the language of the labour market itself, if you have been working in a job for 25 years, which is the experience of many mature age unemployed—they have only had the one job—when they hear words like FLEX 1, FLEX 2, FLEX 3, they must think, 'What the hell is this?' It is like a language altogether different, and that must be intimidating. There is a whole language in the labour market program; there is a whole language of people from DEET; there is a language of people from Centrelink; there is a language of politicians. It is not always inclusive in allowing people to participate. How much do you think the language used in the labour market program, even perhaps by groups like yourselves, is very intimidating to people, particularly mature age workers?

Mr Hand—Even to the extent of something like a resume: if you take somebody who has been in a job for 15 or 20 years, he has probably never used a resume and does not really know what one is. So the whole culture has changed. With the larger companies and the HR, for instance, a lot of older workers still call them personnel officers and do not

know what HR is, if they do not work for a larger company. Even to that extent, there is a lot of ignorance as far as this foreign current cultural terminology goes. It is a big issue when it comes to applying for jobs because, as Ka mentioned earlier, even if you are applying to a larger company and you go through a human resource department, they have not got the hands-on knowledge of what goes on on the reception desk, for instance, or on the shop floor.

The older workers have to change their approach to applying for those jobs because they are used to applying through the immediate supervisor, or whatever, of that section, who would have an intimate understanding of the job and their background. They are used to selling themselves by means of their work experience and their background. Now, all of a sudden, they have to learn a whole new concept of things. Terminology comes into it a great deal, because you have to talk to that human resource manager in his language or he will not understand you. They need to have a basic view.

Mr SAWFORD—Do you think that sometimes the providers love to use their own language because it makes them feel important and makes them feel they have something to offer?

Mr Hand—To some extent, and with government departments particularly, because that language is everyday language and to them it is normal. They do not realise that other people do not know what they are talking about.

Mr SAWFORD—It is not normal; let us not delude ourselves.

Mr Chan—Dealing with agencies and government departments is probably a part of the new task that job seekers have to handle when they are looking for work—other than doing what they had been doing in their working life or the past 25 years. Looking for a job is a very special process of selling yourself. You are engaged in a process of selling your skills, your presentation and your knowledge to different groups of people. In the meantime, you have to deal with government departments, Centrelink, job network agencies, other personnel agencies, employers, HR managers, your wife and your friends, who suddenly appear around you in the daytime. All these are very different contexts which require very different skills from what the job seeker had been using in his or her office for the previous 25 years. Of course it is confusing; of course it is difficult. We understand that. The language is totally different, the context is different and the skills you need are different. That is why we think the mentoring process is important in settling them down, in explaining to them the process that they now have to go through in assuring them that, 'No, you are not really stupid; everybody goes through this difficult process' and that is fine by you.

CHAIR—In the course of your work with older unemployed people, do you have much contact with immediate families—wives, husbands, children?

Mr Hand—Very little. They usually keep you very separate.

Mr Chan—If you lose your job, you hide your family.

CHAIR—Have you had experiences of people losing their houses, being suicidal and that sort of thing?

Mr Hand—Certainly a lot of people are very concerned about these issues: that unless something comes along fairly soon, they will lose their house. I usually find that three months tends to be a bit of a turning point. People seem to be fairly optimistic initially but, after about three months, it suddenly seems to hit them, and these issues really start to become a major problem. I could not say that I have actually come across people who are suicidal, but I would say that I could see signs of people heading that way.

CHAIR—I worked in a public housing estate for nearly 10 years, and a lot of the patients—as they were to me, at least—with whom I worked—would give a suburb where their mother lived or something when applying for a job, because the lack of job prospects was compounded by the fact that they were living in a very poor area that had a stigma attached to it. Penrith is generally a very good area, but are you servicing an area where people feel their problems are compounded by where they live?

Mr Hand—There is some relevance. Some employers are of that type. There is a perceived problem there, and I think the perceived problem is a lot bigger than the actual problem. The perception is a problem in itself more than anything: if people see it as a problem, it is a problem.

CHAIR—When you say it is more perceived than real, do you mean that the prospective employees—the people with whom you are dealing—see it as a problem but that the employers do not often see it as a problem?

Mr Hand—Employers from certain areas. Have you come across that?

Mr Chan—It depends on where the employers are. We do not think employers in Parramatta-westward do pay a lot of attention to the suburb where the applicants live. But in some areas, like North Sydney or the city, a lot of the employers do have a look at the suburb where the applicants live. They have legitimate concerns. They are not necessarily labelling those suburbs as like a shanty town or whatever. They do have concern about the travelling time.

CHAIR—Yes, punctuality and—

Mr Chan—Yes, and the reliability of the transportation system. It is not that they discriminate against people from Mount Druitt or whatever. A lot of the concerns are, 'You live so far out there. How reliable are you at turning up at the office every morning at eight thirty?' They are legitimate concerns, we have to say. But a lot of employers are okay, especially in our area. If nothing else, most of the employers would like to have local people. So, if we have employers in Penrith, they tend to like or prefer local people, possibly again for the issue of reliability and transportation.

CHAIR—So an employer in Penrith would be reluctant to employ someone living in North Sydney because there might be problems with them getting out there?

Mr Chan—The first question they would ask is, 'Why do you send me somebody from North Sydney?'

CHAIR—We deal with age, sex and race discrimination issues but, at least from your point of view, it is infrequent that your clients are suffering because of the suburbs in which they live?

Mr Chan—I have to say there are cases like that, but it is not as prevalent as the perception out there. I cannot deny there are cases like that.

Mr Hand—I think they have to travel a long way, really, to start to run up against those problems.

CHAIR—That is the other problem, of course. I have found over the years that often the people who are unemployed are living where the jobs are not, which compounds problems for both employer and employee.

Mr Chan—Yes. But over three-quarters of the working population in Penrith travel outside the LGA to get a job. So that means travelling out of Penrith is an established pattern.

Mr WILKIE—Related to that same issue, someone else mentioned before that they found that, because people were unemployed and not being able to afford their rent, they were having to move further out to pay less rent and then having to travel to try and get work. Are you finding that?

Mr Hand—Well, no. You cannot get much further out than Penrith, can you?

Mr WILKIE—So it is a fair way out, is it? Okay.

Mr Chan—Where do you move to?

Mr WILKIE—Western Australia. That is where I come from; that is even further.

CHAIR—They do go to the Central Coast, the Southern Highlands, the Blue Mountains.

Mr Chan—The Central Coast and the Blue Mountains, if you are on the dole, are very expensive now. Probably Penrith is the cheapest.

Mr WILKIE—What you are saying is, obviously, that you are having to send people to jobs out of Penrith?

Mr Chan—Yes. Most of our jobs actually do come out of the LGA. This is basically the nature of the demographic distribution rather than anything else. Penrith used to have a lot of light manufacturing industries and things like that but they no longer exist. So, for people to get a job, for the service industry they have to go to Parramatta or the city; for industry they go to Wetherill Park, Eastern Creek and those southern industrial areas. They have to move out. Transportation is a must in Penrith if you need a job.

CHAIR—Thank you very much. You guys are very impressive. I say that with sincerity. If you have any thoughts, further ideas or observations and comments to make about other submissions, please pass them on. On our behalf, thank you for what you are doing. It is appreciated.

[3.16 p.m.]

BECKER, Ms Therese, Project Manager, Project Development, Area Consultative Committee for Sydney, GROW Employment Council Inc.

O'DWYER, Ms Therese, Project Manager, Job Network Liaison, Area Consultative Committee for Sydney, GROW Employment Council Inc.

POWERS, Mr Tony, Chief Executive Officer, Area Consultative Committee for Sydney, GROW Employment Council Inc.

CHAIR—Welcome. Thank you for providing us with a submission and coming along to speak to it today. Would you like to give us a precis of the submission that we can then discuss?

Mr Powers—Thank you for the opportunity to address the committee on this very important issue. Firstly, who are we? GROW is an acronym—another one—and stands for Growing Regional Opportunities for Work. We are the Area Consultative Committee for Sydney. We represent the amalgamation of five former area consultative committees—a pooling of their resources—and we have a board of 20 business and community leaders. We operate a network of 13 local subcommittees across the greater Sydney region which provide us with local advice on regional labour market issues. Jim Bosnjak OAM is our chair, and he sends his apologies today. He was not able to appear before the committee himself. Therese Becker, Therese O'Dwyer and I are the paid employees of GROW, but the board operates on a voluntary basis.

Why are we here? One of our core functions is to provide advice and feedback to the federal government on employment issues in Sydney. Our board has long been concerned with the issue of mature age unemployment in the region, and when this inquiry was announced we felt it important that we gather some information, do a bit of research across the Sydney region and provide an input from our perspective.

To that end, we convened a workshop on 21 April to identify the essential issues. The workshop was attended by people who were directly involved in providing services to the mature age unemployed, including educators, Job Network providers and agencies delivering the New South Wales government's mature workers program. The concise paper we submitted—and I hope it was not considered too concise; it was a very brief summary of issues—contains the outcomes of this workshop.

For the benefit of the committee, I should also point out that GROW convenes regular meetings of the Job Network members across Sydney to discuss issues of common interest, and we therefore have a good understanding of how the Job Network system is operating in Sydney and how that might be affecting the mature age clientele. We are therefore here as an organisation that looks at the operation of Sydney's labour market as a whole. We are not practitioners dealing directly with the unemployed ourselves. We have a market perspective, if you like.

To briefly summarise the issues in our paper: firstly, there are the issues related to the circumstances of unemployment for the mature aged. In general, job loss has occurred through privatisation, company reorganisation and downsizing, technological change and the flattening out of management and administration occupations. Many of the older workers who have lost their jobs in these circumstances have worked in very few positions throughout their working life. Some have been long-term employees of large organisations and have had expectations of a job for life. Some find themselves ill prepared for many of today's shorter term, contract based work opportunities. There is a need for better information to be available about the world of work, if you like. It has changed dramatically, and some older workers need to better understand labour market conditions as they continue to evolve.

Secondly, we would certainly suggest that age discrimination is a reality. Many of today's high growth industries are led by young people, and a culture of youth dominates. Older workers are stereotyped as being set in their ways, less adaptable, unable to be retrained or as lacking ambition or fire in the belly, some people say. Some are considered to be unworthy of a training investment because they have a shorter working life ahead of them, which is almost paradoxical when you consider the short-term contract nature of many current work opportunities.

In our view, the best remedy for prejudice and discrimination is probably education. There are advantages in employing older workers: stability, loyalty, experience, ability to relate to older customers and a balanced and more natural work environment. I should say from personal experience that GROW is a small organisation. We have nine staff: one teenager, two people in their 20s, two people in their 30s, two people in their 40s and two people in their 50s. It is a work mix that works very well. It is a very natural environment.

As part of such an education campaign, GROW is investigating a few options. One of these is something that we have picked up from similar exercises in America, and that is the idea of having an Ability is Ageless Fair. You often hear about youth job fairs. There may be some prospect to look at some activities, perhaps in conjunction with industry, to really bring employers and job seekers together to highlight what the mature age unemployed might have available.

Thirdly, there is a need for education and training for the older unemployed themselves. Tertiary and vocational qualifications are far more important in today's job market than they were, say, 20 years ago. In today's competitive job market, qualifications are often used to cull applications even before people get to the interview stage. The fact that an older worker might have years of relevant experience can be ignored as a result. Of course, computer literacy is now a basic job skill. It is probably true to say that many older workers have not had the opportunity to develop these important skills.

Strategies need to be put in place to address the training needs of older workers. The philosophy of lifelong learning needs to be promoted. Everyone—not just the young; not just the unemployed, for that matter—needs to focus on maintaining and improving their employability throughout their working lives. Some of this relates to an investment by individuals of their own time—as I said, even by older employed people as an investment in a means of protecting themselves from future unemployment. It is important too that

education and training systems are responsive to the needs of older people, including their often differing learning styles. The idea of mature age traineeships is an example. Traineeships generally include a mix of on-the-job and off-the-job training, which might suit older unemployed people. This committee might like to further investigate targeted program options like that.

Fourthly, there are the economic issues faced by the older unemployed, which we feel should be considered. Many are ineligible for social security assistance because of spousal income, savings or assets. Many need to draw on these assets to sustain themselves, ultimately increasing their dependency on the social security system later in life. Anecdotal information suggests that many older unemployed people attempt to buy themselves a job by investing their savings and/or superannuation payouts in purchasing a business franchise. While such entrepreneurial ventures can be a success, there are many stories of people who enter into these things with naive attitudes and a lack of skill—for example, retrenched public servants, who might have very little commercial experience, buying into a franchise. Again, people need to be properly informed of the risks as well as the potential rewards. It may be that we need to look at alternative mechanisms for distributing information other than through government channels.

Lastly, we would like to make a brief comment on how the Job Network is working—and you might want to explore this through questions yourselves—in respect of the mature age unemployed. There are some inconsistencies in the system that need to be addressed. There is also perhaps the need for some additional tools to be made available to assist the placement of older unemployed people. One inconsistency relates to the reporting requirements imposed by Centrelink. Unemployed people over 50 may not need to report as often on their job seeking activities to Centrelink. While we do not necessarily propose that this be changed, it does conflict with the intensive assistance side of the Job Network because those services rely on motivating unemployed people to increase their job seeking activities. On the one hand, Centrelink is saying, 'You haven't got to report as often.' On the other, an intensive assistance provider says, 'You have to lift your game.' There is a bit of a conflict there.

Also, people over 50 have the choice of opting out of Job Network intensive assistance. Given the difficulty of finding work for this group, Job Network providers sometimes urge these people to opt out, thereby freeing space for someone else. There is perhaps a built-in bias to get them out of the system so that they can work with a different group. To address these issues, the committee might like to consider the benefits of developing some additional tools or incentives to help the Job Network better service this client group. I might stop there. Would you like to explore any of those issues?

Mr WILKIE—You are saying that some providers tend to try to get rid of the clients so that they can bring someone else in. How does that work when you have the situation with FLEX 3, intensive assistance, where they were there for 12 months and they ended up extending it to 18 months? Now you have 18 months, possibly with an extension to 24, if they are severely disadvantaged. Given that most mature age people tend to remain unemployed longer—and I do not know if the program has been running long enough to know this—are you finding that they are getting to the end of that time and then being put back to the beginning of their unemployment race, which is what was supposed to happen if

they did not actually get a job in that 12- or 18-month period? Have you had any of those who have reached that point?

Ms O'Dwyer—I do not know. I think Centrelink would be better able to answer that because they would most probably be experiencing that. You have a lot of transitional clients who have gone beyond the 12-month period. They came from case management into FLEX 3 or intensive assistance. Those clients most probably could have been considered for extension. I do not pose it as being a negative thing about Job Network members, but the financial realities of the system as it exists at the moment are that, if you have 300 people on your case load and, say, 100 of them are quite competitive in the market, you would spend your resources on the 100 that are competitive. You may park some of them. If there is an option to exit a client from case management, why not take that option and get another commencement fee?

Mr WILKIE—You do not actually get an increased payment if there is an extension, do you? You have no real incentive to keep them on.

Ms O'Dwyer—No, there is no incentive at this stage.

Mr Powers—The Job Network providers themselves are aware that they are being monitored for this sort of activity. They would not want to see the pattern emerge where you dump everybody over 50 or you poke them with a stick and ask them to leave. You can understand that, if it is in terms of investment of time and resources, they might go for the more competitive.

Mr BARTLETT—Tony, were you suggesting that the opting out option ought not to be there for over-50s?

Mr Powers—I would not say that. It is an issue that needs to be monitored to see that the system is not urging the unemployed themselves out of the system when they might benefit from it.

Mr BARTLETT—On a point that was raised yesterday, what about the replacement of the job seeker allowance with a mature age allowance? In your opinion, does that create problems in terms of reduced motivation or a reduced sense of urgency?

Mr Powers—Quite possibly. It is almost like the system is reinforcing the idea that, 'Your chances are slim, so don't try.'

Mr BARTLETT—On another issue, in your experience is there a difference in the degree of understanding of mature age unemployed compared with younger unemployed in the way that the system works—Centrelink, Job Network providers, et cetera? Is there an understanding of resources that are available, how they access those resources and the link between Centrelink, Job Network, et cetera?

Mr Powers—I am not 100 per cent sure that I know what you mean. Do you mean whether a person who fronts up at Centrelink is given all the information?

Mr BARTLETT—'Where do I go for help? What do I do now? Where can I get help?' I am talking about that sort of thing.

Mr Powers—Do you have a view there?

Ms O'Dwyer—I think that information giving is confusing for most people who confront the system. I do not think it depends on your age in that particular sense.

Mr BARTLETT—They all suffer that?

Ms O'Dwyer—Yes, I think so. If you have not connected with that market, it is a learning experience.

Mr BARTLETT—What do you think is the solution to that?

Ms O'Dwyer—I think it may be best to look at a more informative information giving campaign about the Job Network and how it operates.

Mr BARTLETT—Do you think that should be done generically by government, for instance, or do you think it ought to be mandated for employers to undertake that before retrenching someone?

Ms O'Dwyer—Yes, I think all those aspects really. There is an education where the Job Network becomes part of a culture. The information needs to be given in schools, in workplaces and to community organisations, who seem to have been left out of the loop as far as information giving is concerned at the moment. It needs to be very concise and simple, which has not been the case so far.

Mr Powers—In terms of it being mandated that employers, before they retrench people, go through a process, under the old system there was an obligation to contact the local CES. I am not sure what the system is now. There was often an officer who went along and gave group talks to the people about the process now that people had lost their jobs. I am not sure whether anything has filled that vacuum.

Mr WILKIE—Someone could not actually register until they got their employer to sign off on their employment, and they would have to take that form with them when they registered.

Ms O'Dwyer—Yes, to Social Security.

Mr BARTLETT—On a different issue, Tony, you mentioned the problem of age discrimination, stereotypes and so on, and the need for an education program. In what ways has GROW attempted to undertake that sort of education? And specifically, in terms of the employers who make up the board of GROW, how energetically have they pursued it, and how effectively?

Mr Powers—As I said, our attention to the issue really began in April when we conducted that workshop. But we do plan between now and the end of the year to advertise

through the Regional Assistance Program for ideas to assist with the education of the labour market on mature age unemployment. We will be advertising widely, looking for ideas from various community and perhaps even Job Network agencies, as to what we might be able to do to get that message across. But nothing to date has happened.

Mr SAWFORD—Ten million people in this country want to work full time. Seven million people have achieved it. Statistically, 700,000 are unemployed, and 300,000 of them long-term unemployed. Seven hundred thousand are underemployed. Seven hundred thousand are not even counted in the system, and you refer to some of those, and 700,000 go in and out of the system. Some providers get very depressed. That is the reality.

We can muck around with the figures how we like. The USA mucks around with them and says, 'What a wonderful unemployment rate we have; it is four per cent.' But then they do not tell you that another four per cent are in gaol; that is males. They do not tell you that another four per cent exist on the streets in another economy. They do not tell you that four per cent are involved in petty crime. When you start to add up all those figures it does not tally. And since 1990 every OECD country bastardises all the figures in terms of how you measure unemployment.

In view of all of that, what sorts of pressures does it put on providers, because people in my electorate actually know what the reality is? They call it the reality check. Does that have an impact on your enthusiasm as a group and the realistic goal that you set for people whom you are providing services for?

Mr Powers—Yes, many of those factors, such as the shortage of full-time work opportunities for people, are important. However, I see us as having a role in trying to help people understand the changes in the labour market, including the changes in the nature of the work opportunities.

There is a suggestion that there are plenty of work opportunities, just not enough jobs. The whole concept of self-managed employment, rather than self-employment, where one carries a portfolio of work activities in order to make a living, is something that perhaps is alien to a lot of people. It is particularly alien to those who have been in secure long-term employment and find themselves unemployed in their older years. I would not say our enthusiasm drops off in the face of these facts but there is the opportunity to try to better educate the market as to what these opportunities really are. I am not saying that it is an easy task by any means.

Mr SAWFORD—We talked before with the previous witnesses about the language that is often used in terms of dealing with the labour market and unemployment. Can I just recall to you an experience I had in Atlanta in 1994. I got sick of the local hotel breakfast and went over to the local McDonald's to actually meet a few of the locals.

I had some people there explain to me what a portfolio of employment opportunities was. I was a bit shocked by what I was told by someone who worked in a manufacturing industry. He lived 40 miles out of Atlanta—miles, not kilometres. His 55-year-old wife worked for four hours a day in McDonald's. She had to travel in to work for those four hours. He was working 18 hours a day for seven days a week in a variety of roles, all low

paid, some of them as low as $2.70 an hour. He worked as a taxi driver, a courier, and a florist delivery driver.

Sometimes the portfolio of employment opportunities are just shorthand for those sorts of very low skilled jobs. They are not very attractive.

Mr Powers—I know that even in America now they are looking at, on a state by state basis, addressing some of those inequities. I know there is a growing push towards living wage type legislation in states. I do not think we are heading necessarily in that direction in Australia—I hope we are not—where people are paid a very low $2.70 an hour. But if I use the language of portfolios of work opportunities, it is not something I would want to use as a catchcry for—

Mr SAWFORD—It sounds okay, but in fact the reality for many people is that a portfolio of work opportunities means a series of low paid, low skilled, unwanted jobs, and not necessarily related to each other, in order to get a living wage.

Mr Powers—I will give you another example. I am aware that the retail and hospitality industries in New South Wales are having some difficulties filling job opportunities in the Sydney region. There are jobs that they cannot fill. One of the reasons why is that it involves people working on split shifts. The way the jobs are structured means they do not make up a whole job.

Those industries are now looking at some innovative mechanisms to share people across a variety of opportunities across both the retail and the hospitality sectors. For example, a young person, rather than having to come in from Campbelltown and work a morning shift, hang around town all day to then work an evening shift, could work a morning shift in the retail sector and an afternoon shift in hospitality.

There are other ways where a portfolio approach can work. I take your point that there may be situations where people are working in a variety of less desirable positions, but I do not think the outlook is necessarily completely bleak.

Ms GILLARD—One of the issues that has emerged during the hearing today, and in the one submission we took yesterday, is the lack of hard data over the longer term in this area. Given your clearing house coordination role, are you aware of anybody in Sydney who has done a tracking study as to what is the one-year or two-year outcome of people who might have been in intensive assistance and there was an outcome? They might have been placed in employment, or they might have gone into training. Has a study been done to find out where they are 12 months or two years later, to see whether or not the assistance has led them to getting a real and long-lasting work opportunity as opposed to churning people through?

Mr Powers—I am aware that mechanisms have been put in place at a government level, post-program monitoring, to track people who have been through various programs. The difficulty is that they keep changing the programs so you are not quite sure what you are monitoring. However, I would have thought that there is the opportunity to track people on the basis of registration—where they in the system from the point of view of the Centrelink

registration. But I do not think it has been done as comprehensively as you are suggesting. Are you aware of any, Therese?

Ms O'Dwyer—No.

Ms GILLARD—I am not sure if you were in the room earlier on but the last organisation we had making a submission to the inquiry talked in part about the lack of a training culture in enterprises. Given your connection with some industries and businesses I was wondering about your views. Do you a see culture where employers say, 'Well, we have got one of them but we really need one of those, so the solution is to get rid of them and get one of those,' rather than train that person in the new job?

Mr Powers—It is quite true that, within industry, training is considered to be a cost rather than an investment. As margins tighten and competitive forces become more intense, training is often the first thing that drops off the organisational agenda. I cannot say with any great degree of confidence that people are as disposable as you are suggesting, that employers would say, 'We will get rid of one of them and get in a person with a renewed skill profile.' But one could certainly imagine that, if the older unemployed do not have the computer expertise required, employers could say, 'That job no longer exists. Now we have a new job that is structured around the new technology.'

Mr SAWFORD—On a more positive note, are there any trends in the strategies your organisation is using that seem to be working better than others in dealing with mature age unemployed?

Mr Powers—As I said, we have not been dedicating much of our time and resources in the mature age area up until now. We have brought some brochures on the range of our activities to date, but we have been focusing on a very broad range of activities—everything from industry and enterprise development through to improving people's access to existing work opportunities. Other than a desire to follow up on some of these ideas we have picked up, such as that 'ability is ageless' type education campaign, we have nothing we can pass on to you.

Mr SAWFORD—We had an example given by Professor Encel this morning of a UK supermarket company called Tesco. They had difficulty in getting suitable young people, so they went into a program of employing 5,000-odd senior people. That was initiated by the top two people in the management sector. It was not initiated by middle management; it came right from the very top. Have you had any access to leaders of retail or finance industries here in Sydney, and what has been their response to employment opportunities in general? Has anything come out that is applicable to the mature age people?

Mr Powers—We have been in touch in recent times, but not on mature age.

Mr SAWFORD—In general?

Mr Powers—There are a number of different groups of people who are disadvantaged in the labour market. One of the things we are focusing our attention on at the moment is the situation of indigenous people. We have been speaking to Bill Healy, the Executive Director

of the Retail Traders Association, about getting some commitment to employ indigenous people in the retail industry. It is a bit like getting air time for various groups. Various messages need to be delivered. We cannot ask people to address all our problems at once, I suppose, although there is the opportunity for us to go back and look at those things. I think more of the hospitality industry. If you go into the average five-star hotel, it is full of young, smiling faces. One would think there are opportunities there to break that particular stereotype; that we should be looking at older people who often can relate better to customers.

Mr SAWFORD—Not that that is always true, although I keep hearing that. In the last month I have been staying at a number of hotels—not five-stars; I cannot afford them—and the tourists from overseas are not the young backpackers. They are the seniors; it is that group. It was interesting when I was waiting to be picked up this morning to hear some American people actually commenting on the age of the people behind the desk. In fact there was a mix—quite senior to young—and the Americans were actually making a comment about it.

Mr Powers—Meaning that it is unusual, I suppose?

Mr SAWFORD—It is not always the young.

Mr WILKIE—Do you provide much in the way of intensive assistance under FLEX 3?

Mr Powers—We are not providers.

Mr WILKIE—You are not providers?

Mr Powers—No, we are an area consultative committee. We are one step withdrawn from them.

Mr WILKIE—So you just liaise with them?

Mr Powers—Yes.

Mr WILKIE—Do you know if many of the people you liaise with actually allocate much in the way of a percentage of their income in FLEX 3 to employment subsidies or training?

Mr Powers—We do not have any comprehensive information, but we would say that they tend to invest their money where they consider they are most likely to get results.

Ms O'Dwyer—This is just by word of mouth; it is not factual: there is minimal investment in wage subsidies and training, although there is some investment in training. We surveyed the Job Network members across Sydney to do a job seeker directory which we are putting together at the moment, and in that survey we found some details about what was being provided. Wage subsidies are an expensive way to go, especially if you compared them to the jobstarts of the past where you were looking at 2½ grand to eight grand. You

would never get something like that. You might get a start-up fee of about $500, but you would never get that amount of money being paid.

Mr WILKIE—Originally, when Job Network was established, those programs like Jobstart and SkillShare, as you would know, were cashed out so that money would be provided to private providers. It sounds like that money is obviously not enough for them to provide the services they need. Do you think there is scope for government to actually introduce more training and wage subsidy initiatives?

Mr Powers—Over the top of the current system?

Mr WILKIE—Yes.

Mr Powers—They have done that to some extent with the indigenous employment policy.

Mr WILKIE—I mean across the board and for mature aged, et cetera?

Mr Powers—There is probably scope.

CHAIR—Can I just ask you about traineeships. We have this issue today where employees are basically tradeable commodities as far as many employers are concerned. So, faced with the prospect of training an employee or discharging them and getting someone else who is already trained, often they choose to do the latter. When people go into higher education, there is this HECS program, which is not universally liked but nonetheless it exists. Is there a place for some sort of assistance for mature age workers to be retrained?

For example, if you reach a certain age where you have a mortgage, you are paying off a car, you have two kids and all that sort of stuff and you cannot survive on a traineeship, perhaps there could be some government assistance in that regard. Alternatively, if you have someone who is already employed and their employer requires them to upgrade their skills in a particular area, perhaps there could be some kind of government loan or deferred payment system. If it is that or losing your job, I suppose most people would prefer that. If I am going to be trained for a year to acquire a set of skills I do not have, I am a beneficiary of that as much as my employer is. Do you think there would be any merit in either of those ideas?

Mr Powers—There would be a great deal of merit in providing any sort of support for people who really recognise they need to focus on improving their long-term employability by investing in the acquisition of skills. As you mentioned, there are so many inherent barriers—not just psychological barriers about going back to school but financial barriers as well—so anything that can be done to make that a more viable proposition would be really worth while.

CHAIR—Perhaps we do not want to transfer the costs of training staff from the employer to the individual or perhaps even to the government, but if it is a problem then obviously it is something that we are going to have to talk to employer organisations about.

Mr Powers—It is a mix, isn't it. Everybody needs to contribute to it, but there are certainly potential rewards from a government's point of view and from an industry's and an individual's point of view.

CHAIR—With superannuation we have employee, employer and government contributions. Perhaps in some areas, for this section of the work force at least, there could be some tripartite contribution made there. We will think about that.

Mr SAWFORD—Can I just put the traditional dilemma of employment agencies. Whether they are public or private is irrelevant really, though the private ones are going to learn this lesson that the Commonwealth Employment Service, in its previous life, has known for a long time—and it is traditional throughout the OECD. There seem to be two avenues of attack that are basically the result of government policy. One is to meet the needs of employers; the other one is to meet the needs of the long-term unemployed. The CES has been very unfairly criticised—and Centrelink currently—because government policy often dictates. When we were in government we did exactly the same: one or the other; there never seems to be a balance.

At the moment, the attention is on the employers. Whilst that is being done, we note that the very long-term unemployed and the long-term unemployed are growing dramatically. They have hit 300,000 and they are probably way over that in real terms. That creates a grave social problem that governments, down the track, are going to have to address. When the societal pressure comes for that to occur, and it is applied to both the public and the private employment agency, how will that have an impact? Do you understand what I am saying?

Mr Powers—In terms of the emphasis of programs where they are attacking the employer or the job seeker side, direct services to the unemployed—whether we are talking about providing a system which is focused on their needs and their training as opposed to the current system—I am not sure whether the current system is necessarily focused purely on the employers. It is there to create a market environment and it is meant to meet both; the extent to which it is, I do not know. You are quite right that the jobs come from the employers. If you focus all of your attention on one side of the equation, you are not going to meet the needs. I am not quite sure how to respond to that.

Ms O'Dwyer—Because it is a commercial market now, it is driven by the outcomes and the outcomes you do have to get. If an employer lodges a vacancy and they set certain specifications, you are trying to meet the need of that particular customer. At the moment, you would say that the employer is the customer in this current set up but to meet the purchaser's requirements, which is the department's requirements, to get unemployed people into these vacancies, you are forced in a way, as a provider, possibly at times to spend money on short-term training programs and also on staffing resources to get people back to work. I think that is what is happening.

I can only go by what is being said to me. It appears that there may be some impact that is occurring in the market because of the way it is operating at the moment, which may be impacting on disadvantaged groups, because of the staffing resource time that you have to

deal with these groups. That is only hearsay; it is just what people say to me. It is mainly from community groups who may have other agendas as well.

Mr SAWFORD—I understand what you are saying about the market. It is also a reality that up to two million people are underemployed, unemployed or not even in the system, which creates a problem for the market.

Ms O'Dwyer—Yes, it does.

Mr SAWFORD—It is a gross inefficiency and we are yet to come in a private employment agency in a real sense to that. That is coming. It will be interesting how a group like yours will deal with that challenge when it comes—and it will.

Ms O'Dwyer—Yes.

CHAIR—Thank you very much for providing us with a submission, and for coming along today to speak to it and answer questions. We appreciate it. As I have said to the others, if you have any further ideas or comments to make on any other submissions at all, critical or otherwise, could you please send them on to us.

Ms O'Dwyer—Yes.

Resolved (on motion by **Mr Sawford**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at the public hearing this day.

Committee adjourned at 3.55 p.m.