



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**

WEDNESDAY, 14 JULY 1999

SYDNEY

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to: **<http://search.aph.gov.au>**

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND WORKPLACE
RELATIONS

Wednesday, 14 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 Gambaro, Mrs Gash, 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

HEYCOX, Ms Sally, Senior Coordinator, Employment Programs, New South Wales
Department of Education and Training 1

THOMAS, Ms Sam, Director, Adult and Community Education and Education
Access, New South Wales Department of Education and Training 1

Committee met at 3.46 p.m.

HEYCOX, Ms Sally, Senior Coordinator, Employment Programs, New South Wales Department of Education and Training

THOMAS, Ms Sam, Director, Adult and Community Education and Education Access, New South Wales Department of Education and Training

CHAIR—I declare open this first public hearing of the inquiry into mature aged unemployed people and welcome the witnesses and others in attendance. We will be taking evidence this afternoon from the New South Wales government. 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 organisations.

I remind you that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself—some would say possibly more. 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.

I now invite you to give us an overview of the submission and then we will engage in some discussion of it.

Ms Thomas—We actually contributed to the New South Wales submission and we are here today to elaborate on parts of that submission, particularly the Mature Workers Program because that is administered within the directorate within the Department of Education and Training. However, we will be happy to take on any other queries relating to the New South Wales submission and pass those on to the relevant department.

I am going to now give you further information on the Mature Workers Program. It is described in some detail in the submission, but I will just give some further background. It was implemented in 1989 and it has had bipartisan support since its inception. It was introduced by the Fahey government and retained by the Carr government and it has received funding from this current budget.

The issues which prevailed at that time are actually still relevant, we believe, to the program as it is run today. Older workers are still faced with negative stereotypes from employers about their ability to work and retrain. There is still a need to boost self-esteem to equip them with up-to-date job search skills and to motivate participants. A recent program review has found that the case management model, innovative when it was first established, is still an extremely effective model for assisting older workers. The program is most effective where it is able to intervene early in the unemployment experience of the older worker, although nearly half the people finding employment or further training are long-term unemployed.

The worker in the Mature Workers Program is closer to 40 than 50 and closer to 50 than 60. The older the worker, the less chance of getting a job. The Mature Workers Program's outcomes data, which is an appendix in the submission, indicates that 64 per cent of outcomes are for people younger than 50 years and 87 per cent are less than 55-years-old.

We would like to highlight now what we have described as the inter-generational disparity of training and availability of training. Training for older workers, which was a big issue in 1989 when the program was introduced, has actually still remained an issue. As you are aware, recent years have seen a policy emphasis both at state and Commonwealth levels on training for young people. This emphasis, however, highlights the much lower levels of education and training currently held by older workers who are products of a very different education system and for whom school completion rates were significantly lower. Thirty per cent completed high school 25 years ago compared with 70 to 75 per cent now.

In addition, the emphasis on the training that is available as a precursor to employment success tends to focus on entry level training, but the Mature Worker Program outcome data shows resistance to formal training among older workers, particularly for men. Training holds little attraction for older workers who feel they already have many skills and experiences to offer. The challenge for the program is how to address this problem.

Currently in New South Wales we are proposing developing a scheme which might fund the client rather than the current practice of finding available training which may not be totally appropriately targeted for that individual. The need has emerged for short, sharp training courses which will allow them to upgrade specific skills they have acquired through years of experience on the job.

I draw your attention here to the broad range of skills and competencies that we try to foster in young people. They include working in teams and ability to be flexible, et cetera. Many of those skills and competencies are not relevant for the older worker. Therefore, it is the short, sharp skills training that the people in the program have said they really want access to.

Work force participation becomes an issue as people get older. In investigating the nature of unemployment for older people, unemployment rates must be considered in conjunction with participation rates if they are to be meaningful. The high work force drop out rate for older workers within Australia results in one of the lowest worker participation rates for workers over 55 in OECD countries. Economic restructuring and the abolition of blue-collar manufacturing jobs has been a factor in this, but the barriers to re-entry, as outlined in our submission, also act as forces to reduce the participation of older people in the work force.

We need only to look at the Commonwealth mature age allowance, which is available to men who are 60 and over who are not yet of pensionable age. This encourages the view that older men need not continue to look for work. Facing an ageing population, Australia needs a concerted effort to encourage its older workers to stay in the work force and to encourage employers to continue employing them.

CHAIR—Thank you. Sally, do you have anything to add to that?

Ms Heycox—No, but I am available to answer any questions the committee might have.

CHAIR—All right. Your 1994 study identified some suggestion of age discrimination amongst employers, who seemed reluctant to take on older workers. Has that changed in any way that you are aware of, and are you actually trying to do anything to change it?

Ms Heycox—We are not aware that it has changed in any way. Sponsored organisations report to us that it is still there, that that is still the biggest hurdle older people have to face before they can get a job. They are actively discouraged from putting any reference to age or to the time they started work on their resumes because employers say, ‘This person has been working since 1963,’ and the barrier goes up immediately and they just do not get over that. The resumes are formed in terms of what the person knows and the experience they have had rather than the time served in various occupations.

CHAIR—To what do you attribute the fact that there are more males than females registered in this age group?

Ms Heycox—Historically, older women have not worked. When they left school a generation ago, their life’s work was their family. As they reach their 50s, they have been a long time out of the work force so they are reluctant to get back into it—although I have seen that pattern break down in the last 10 to 15 years. The program shows us that women are easier than men to place. I do not necessarily think there are more men engaged in the program than women.

CHAIR—Do you feel that the way in which employers deal with dismissal and redundancy processes has a detrimental impact on this age group in any way?

Ms Heycox—I do not think we have any evidence one way or the other to comment on that.

Ms Thomas—Our most recent experience has been with BHP in Newcastle. They have actually been very thoughtful in their approach to retrenched workers and put a range of strategies in place that do not discriminate on the basis of age. However, it will be interesting to see the outcomes of that retraining and of people re-entering the work force with different skills, et cetera.

Ms Heycox—Of course BHP are closing the shop and dismissing everybody; they are not just singling out the older workers.

Ms Thomas—But they are embracing them in their retraining and retrenchment services.

CHAIR—In your submission you talked about employment incentives for people in this age group. What sorts of incentives would you like to see the Commonwealth government undertake?

Ms Heycox—I am in two minds as to whether a straight wage subsidy will be the answer. The largest barrier is the attitudinal one rather than the cost of wages. You need some sorts of steps to convince employers that they cannot afford to be laying off their

skilled, experienced workers. They cannot afford it from a firm's perspective but also the country cannot afford it. As the population ages, we have to find some way of maintaining the level of work among the older workers. There are just not enough young people coming through to support all of us in our old age.

Ms Thomas—I do not think this is a strategy that could make a huge impact, but a promotional strategy which outlines the benefits, with case studies of how certain firms have integrated people into the workforce through retraining those who have been retrenched, could be beneficial. At a state level in the past there have been employer awards congratulating people on not discriminating against age, and some of the publicity that surrounds this is very good for the mature age worker.

CHAIR—I was thinking about today when we had one of the QBE representatives speaking to us about employee share ownership who described their younger employees as interested in partying and such things and thought they might benefit from listening to some of these submissions.

Mr SAWFORD—It is interesting what you say about the attitude—I mean, the attitude of governments in the developed world, the OECD, after the Second World War has changed. The belief system has changed so dramatically and yet the processes that we have in place to deliver different outcomes for mature age workers seem to have got lost somewhere. For example, we used to once believe that public institutions were good: we did not say that private was bad just that public was good. Now we have a belief within not only this country but throughout the developed world that public is not good, that private is good. We used to believe in moral good; now we believe in the principle of user pays.

We used to believe in full employment. In every OECD country, if you graph the hours per week worked by employees, there is a continual line going down from 1850 all the way to 1978, and then every OECD country turns around and starts going up so that the people who are in work are working longer, and yet you have this unemployment problem. If you look at the structural problem in terms of developed societies, and examine the last 50 years, you will see that investment has quadrupled and that productivity has almost got to the quadrupled stage. Yet employment has grown by a third and we do not seem to have dealt with a whole range of issues. Mature age workers is one and first job entry for young people is another.

How much of this attitude that Sally mentioned is basically just another way of saying the labour market has changed so dramatically that we have not found ways of accommodating the losers, and there are a lot of losers? This is in every country in the world; this is an international problem. We have almost an epidemic. There is 10 per cent acknowledged measured unemployment. It is interesting that you made the point about the 1980s. It is almost a doubling, isn't it? There is a recognition now that there are almost two million people in this country who are either unemployed or underemployed. In dealing with mature age unemployment, have you any confidence that we are doing more than just fiddling at the edges?

Ms Thomas—This is a small program. It is a good investment by government, but it is \$3 million state wide. If you did an analysis of need out there, it is probably much greater than what we think. The case management model is a very good one.

Ms Heycox—The fact remains that New South Wales is the only government that is fiddling, even at the edges, with this one. Other states are moving in that direction. The South Australian budget recently announced initiatives for old workers. The West Australian budget did the same—although, I do not think there are any additional dollars there, it was just repackaging what they already do. The Queensland and Victorian governments have older workers as a component in some of their labour market programs. New South Wales is still the only state with a dedicated program aimed at older workers. On the attitude thing, I am not sure. I think it is a question of: why should employers be picking up any different messages from what is generally pervading all our society and our media? It is basically a youth cult thing—attractive beautiful people are all under 25. It is the same thing. Employers are just people; they pick up the same messages.

Ms Thomas—There are a lot of myths. For example, I think we highlight in one table that employers believe that older people are not comfortable with technology. I think that is changing so rapidly as to be really outdated. I also think the language we use becomes pejorative very quickly. We had feedback on this program, for example, that they did not want it to be called the Mature Workers Program; they wanted it to be an employment program for over-40s.

As it is the International Year of Older People, we have had lots of documents and frameworks come across our desk in government, and we always have to ask, ‘What do you mean by ageing? What do you mean by older? What do you mean by mature?’ Basically, it can be anything. The International Year of Older People, I think, is more the 60-pluses—I am not absolutely sure about that, but that is the outer edge of the age bracket—whereas, we are talking here about anyone over 40. In terms of strategic interventions, the use of language which does not become pejorative very quickly would be a good move right across society.

Another interesting story about mature age workers was the development in Victoria where the government and the unions were negotiating—it is a very big complex, a very large square—

Ms GILLARD—Federation Square.

Ms Thomas—where apparently the unions struck a deal with government—and I do not know who was pushing the initiative. The final outcome was that the blend of the work force was going to include so many traineeships and apprenticeships, and so many mature aged workers. I find that a very interesting strategy because, as we find in most of our work, there are no solutions that are unilateral. There really has to be the joining of the forces of industry, employers, governments, the communities and the individuals themselves. It is a collective approach. I think that is an example of a negotiation on a building—

Mr SAWFORD—Are you aware of any other examples like the Federation Square one?

Ms Thomas—No, I am sorry. There could be places around. We have a network of colleagues who work with employment strategies in other states and territories. We could email them and find out. But that is one that has stuck with me that seems to be an approach. In terms of large scale interventions, EEO started with public institutions with legal requirements, if you think about it. It would be very interesting to do a search of international labour market approaches to this with some of the more enlightened countries.

CHAIR—Thank you very much. Dr Wooldridge certainly had problems with the definition issues of older Australians.

Mrs GASH—How many workers would there be in your program? How many people do actually work in your program?

Ms Heycox—How many participants or how many people?

Mrs GASH—No. How many people are employed by the program?

Ms Heycox—We have 51 funded organisations that deliver the service for us. Each of those has one full-time worker and a part-time administrative assistant devoted solely to the delivery of the program.

Mrs GASH—I am in the unique situation on the South Coast now in my electorate where youth unemployment has almost reversed to mature aged people being unemployed, and it is quite an interesting exercise. In your opinion, with your knowledge, are they basically skilled or unskilled?

Ms Heycox—They are mixed.

Ms Thomas—A blend.

Ms Heycox—This is the difference between a young unemployed person and a mature aged unemployed person. Young unemployed people tend to be much more homogeneous: they have all done X years of school and maybe they have worked in McDonald's but in their short lifespan they have not done much else. A person who is 45-plus has done all that, plus they have been in a range of different jobs. The chances to vary the experience are vastly different.

Mrs GASH—Are there more of them in regional areas, as opposed to CBDs?

Ms Heycox—More projects or more people?

Mrs GASH—More people.

Ms Heycox—I do not think the unemployment rates among older workers are greater in the country than they are in the city.

Mrs GASH—You do not think they are?

Ms Heycox—No. I do not think so.

Mrs GASH—Would the unemployed people, in your opinion, be prepared to donate their services on an extended Work for the Dole program?

Ms Heycox—We have, as part of our program, a work experience component. They are able to work up to 140 hours in a work experience placement. All are in private sector jobs rather than the community sector that the Work for the Dole program focuses on, so that is donated labour.

Mrs GASH—How does that work? Is it productive?

Ms Heycox—It is an extremely productive component of the program. It is over a period of up to eight weeks. We stretch the 140 hours over eight weeks because a lot of these people are on social security and social security has a minimum requirement that they be available for Job Search.

Mrs GASH—That is correct.

Ms Heycox—A lot of them actually end up getting jobs as a result of, if not their direct work experience placement, then related. Just the fact that they have made themselves available for one employer who may not have a job makes them attractive to another employer. It is a very successful component. The difference with the Work for the Dole program is that they are placed in community sectors and there is often not a job that they can follow on from.

Mrs GASH—That is part of the Work for the Dole criteria.

Mr WILKIE—My view is that—you might like to comment on this—a lot of people who become unemployed at 45-plus tend to get very disillusioned very quickly because they have had a long history of employment or other involvement so they believe that they have got the skills and should be able to get a job. Suddenly they cannot get one quickly and they become very disillusioned. Their self-esteem goes down extremely quickly.

I am of the view that people in that position should be automatically eligible for labour market programs equivalent to someone who is a long-term unemployed participant. I am just wondering what your views are on that? Do you think they should be automatically eligible for things like FLEX 2, FLEX 3 and other programs to assist them to get into their own businesses?

Ms Heycox—I have got a number of things to say about that. Firstly, I agree that they do get discouraged very early and, as Sam said in her introductory piece, if the program gets to them early before the motivation lapses, then the chances of them getting a job are greater. As for eligibility for FLEX 2 or FLEX 3, I do not think the evidence is there yet that FLEX 2 or 3 are terribly helpful for this group.

I have a copy of a Centrelink document—I meant to bring it with me but I forgot—that is actually permission to exit. An unemployed person over 50, after the first three months, is

encouraged to sign a piece of paper for any one of a dozen different reasons which then exempts that person from the requirements to turn up and participate in FLEX 2 or 3. What sort of message is this sending?

CHAIR—So that is something that should be changed?

Ms Heycox—Yes. I cannot imagine where that has come from and it seems to me a method that is encouraging the FLEX 2 or 3 provider to register these people, have the up-front fee, but after three months say, ‘Thanks very much. We do not need you anymore.’

Mr BARTLETT—So that applies right across the age spectrum?

Ms Heycox—Over 50. People who are over 50 are actually actively encouraged to leave the FLEX 2 or 3 system.

CHAIR—We will make a note of that and I will write on behalf of the committee to Mr Abbott and ask him what that is about.

Mr WILKIE—Congratulations on your program. One quick comment: I think you are selling yourself short when you do your outcomes evaluation here because you are looking at people placed in your budget. I think you should look at people assisted as well, as opposed to your budget, because your outcomes would look a lot better, I would assess.

Ms Heycox—Actually our outcomes do not look too bad.

Mr WILKIE—Your outcomes are excellent based on dollars per placement.

Ms Heycox—Dollars per placement makes this a very competitive program.

Mr WILKIE—That is right. I would be interested to see how many overall as well, as opposed to the budget, because I think it would make it look even more favourable.

Ms Heycox—In fact, the document you have got is now five years old. We are getting very close to the conclusion of a follow-up. One of the points our current one highlights is that we do not have the information on the participants that we need.

Mr WILKIE—Congratulations on that. I have got no criticisms of your program. When you lost places for Skillshare where you could have put people, did that have an impact on your organisation and programs? Did you have to fund courses yourselves? Did you have difficulty in trying to find places available?

Ms Heycox—The abolition of Skillshare has had a major impact on our program. It is getting a bit controversial here and I do not want to talk about our last report, but a lot of the organisations that deliver our project for us had been former Skillshare organisations. They were able to use a complementary approach to the delivery of our program and the Skillshare programs. If they are funded to run a Skillshare course and suddenly they have got two empty spots in their course, it is a simple matter of pulling in a couple of mature workers and giving them a bit of training courtesy of Skillshare, and vice versa.

Up to now we have always run a strand II which provides similar sorts of training courses. They were able to put their Skillshare people into our strand II courses. With no Skillshare, a lot of the organisations have folded because that was their main bread and butter work. Those that are still existing but did not manage to pick up a Jobs Network contract are struggling because their overheads are not spread across a number of programs. Also, the short training courses that they were able to access have dried up.

Mr WILKIE—Have you had to fund those, or are they just not getting the training?

Ms Heycox—As Sam was saying earlier, instead of funding courses we are moving to fund more directly the people. There is a wide range of courses available. The private training market has developed across the country in the last 10 years or so. There is a proliferation of training courses out there, it is just a question of matching the people with the courses, and the right sort of courses.

When we run courses through our program we find there is never enough. We cannot spread them equitably around the state. Last year we had 16 different organisations running one or two courses each. It is just not enough. What we are going to do now is pay the client. Once they find their own course we will pay the course fees for them rather than run the program.

Mr WILKIE—But that is an added burden for you.

Ms Heycox—It is an added burden for us and it may not necessarily work. Our experience with the program suggests that older people like to learn with other older people. They do not like to learn in a classroom full of fresh young things straight out of school who know how to learn and know how to pick up on the information. They learn in very different ways when they are older and they have had more years of experience.

Ms Thomas—It also assumes that you have a group of people with the same learning needs, but we are finding this diverse range. We are trying to sharpen the focus of the program. Instead of saying 12 or 15 people all need IT skills, we would rather feed them into existing IT programs. Maybe there is someone there who wants an assistant in nursing. As I mentioned earlier, we also recognise there are no single solutions by single entities.

We actually live in communities that are very rich in learning opportunities. We are increasingly convinced that we have to tap into them. We all know them. There is TAFE with a good range of programs here. But for the mature age worker often they find there is a direct link with entry to the course and current employment in the industry. That is a priority for certain courses. Then you have the adult and community education sector where there is a proliferation of courses that are available, and you have the private providers.

Coming out of state governments you have a range of programs. In New South Wales we have the Contracted Training Program which is very sharply focused on skills gaps and whatever. So we are saying that you are probably better at encouraging people to be even more refined in his or her choice of training rather than one size fits all, that they need to all have an IT course.

Ms Heycox—The difficulty with the proliferation of training is that, yes, it is all available, but it all comes at a price. If you have been out of work for 12 months then \$200 to do a course can be a real problem.

CHAIR—I was going to ask you about that. Obviously some people, after they become unemployed at the age of 46 for example, have quite a bit of money behind them whereas others have nothing, and commitments. Is there a place for some sort of targeted subsidy for workers in strand II to help them into retraining, whether it is TAFE or private providers or whatever you like?

Ms Heycox—We think there is, and that is what our pilot coupon system will aim to do.

Ms Thomas—In the Contracted Training Program, which is a significant program in New South Wales, we have industry training service centres with a program coordinator who coordinates all these programs out in the field—the Mature Workers Program, the Contracted Training Program, et cetera. They can make wise choices about which groups go to which training and which training is needed. It is harnessing the resources that are out there and targeting them in a more specific way.

Ms Heycox—The Contracted Training Program that Sam was talking about is actually an ANTA funded program which is available under different names in all states. That is just our local name for it.

Mr WILKIE—You mentioned before how you need a range of things available for long-term unemployed and mature age unemployed to enable them to get back into the work force, and you touched on subsidies to employers. How have you found it now that there are no subsidies available for employers to take on mature age people? Has that had an impact? You get them ready, but how do you find not being able to offer an employer any subsidy?

Ms Heycox—The difficulty for us in the last 18 months has been the impact of the Job Network and the drying up of what previously had been good networks of employers. The Job Network providers are now operating and some of them are able to offer a subsidy for an employer to take a worker. They do not discriminate and say, ‘This older worker is as marketable as this younger worker.’ If they put a price on each of these potential employees and offer the employer a range of employees, the chances are that they would pick the younger one who comes with this incentive payment.

Mr WILKIE—It depends on the provider.

Ms Heycox—Yes, it depends on the provider, and it depends on the employer. They are not all offering it, and not all employers are taking it, but our anecdotal evidence suggests that it is there.

Mr WILKIE—Concerning providers who are providing employment subsidies, do you believe that they tend to offer subsidies where they believe they will get an outcome and therefore a further payment, and that they are less likely to offer a subsidy for a mature aged person on the basis that they are unlikely to receive an outcome payment at the end of it?

Ms Heycox—Yes.

Ms Thomas—It depends on the philosophy of the organisation too. You would get some people who operate like that but there are some very committed organisations out there like the Salvation Army, Mission Australia and Centrecare. So there is actually a philosophy that might overcome that, but if you are talking about your private provider it might be a driving force.

Mr WILKIE—But even if they cannot afford to do it, they cannot do it because the money is not there at the end of it.

Ms Heycox—As I said before, I really think the wage subsidy as an issue is secondary to the attitudinal barrier they have got to get over.

Ms GAMBARO—I have a few questions, Mr Chairman. I will be very, very quick. In all of this discussion about mature age employment—and Australia is not the only country that has difficulties dealing with this, and Mr Sawford spoke about that earlier—you either have a job or you do not have a job, you are retrenched. Can you see some sort of transitional thing occurring where an older person is retained by a company, kept on in some sort of part-time capacity and perhaps paid 50 per cent of their entitlements or benefits, but then slowly, over a period of time, phased out?

I want to ask you about that particular aspect because a number of companies in Italy have opted for their workers to retire at very early ages, at 50 and 55, but have found themselves experiencing more problems because of that. They have had very capable people who have had 30 years experience but they feel undervalued, et cetera. That was one of the questions I was going to ask you.

You mentioned a Centrelink letter the other day, and I had a funny situation arise a few days ago where an older gentleman who had been unemployed had received a Centrelink letter asking him to go to training. He found that very offensive and upsetting. He really grilled me about the fact that he was going for training and that he had been preparing resumes for all his life. He was a professional resume training person. He came into my office and dropped me off his resume and, having worked in the personnel industry, I could see why he was having difficulties. We have seen the photos—the only thing missing are the baby photos—but they are about this thick. How do you get people who have a very inflexible attitude like that and who are very angry into some of these training programs?

Ms Heycox—That is the big issue, and we touch on it in our submission. By and large, the greatest resistance we see is among men over 50. How do you convince a man over 50 that his last 35 years work experience count for nought and he has to start retraining for something entirely different. I do not know how to do it. It is something that the program is grappling with.

Ms Thomas—But I think case management and the skill of the case management worker can assist these people. I have not been associated with this program for long—just over a year—and I went to a conference recently and sat next to someone who actually was a very senior bureaucrat in the department of immigration and was retrenched. He initially went

through all these stages and eventually joined a program. The skill of the case management person is important. If anything is going to result in a shift of attitude, it is that one to one counselling with someone.

Ms GAMBARO—Just on that, when companies retrench older employees, many of them are supposed to conduct out placement and training programs. In your opinion and in your experience, are companies doing that adequately or are companies renege—and I have had limited experience with this as well—not providing the counselling, not providing the services, sometimes outsourcing it to other companies and not providing that initial counselling which results in a great deal of resentment and some of these self-esteem issues that we were talking about.

Ms Heycox—Some of them are doing it and some of them are not. That is the answer there. Obviously BHP has been working very strongly, and a lot of it with our local projects on the ground in the Hunter, to get its workers into other sorts of training or into other sorts of jobs. A couple of weeks ago, the mine in Oakdale just closed its doors.

CHAIR—I come back to what I asked you earlier on. There are many dimensions to this issue, but my experience has been that a lot of the seeds of the problems that these people experience are sown when they are dismissed or made redundant. Often the company itself is in trouble and that is why it is going off. It can be managed better. Some companies do it extremely well.

The BHP thing with the steelworks was a very public example and the Oakdale thing was at the other extreme. One of the things that I have been thinking about through the course of our inquiry is that there ought to be some sort of code developed jointly between industry, employer organisations, unions and government and welfare agencies that actually sets an ideal way for dealing with this. I found when I was practising medicine that often the first I knew that somebody had lost their job after 20 years was when the wife would turn up with domestic violence, a child wetting the bed or something two months after the event. The gates would close at 5 o'clock on a Friday night and that is the end of them. There has to be a better way of dealing with that. That may not necessarily help the employment prospects, but it might help the transition period.

Ms Thomas—One of the things that came through from this conference that I attended was the influence of peers. I am not saying it will work in every situation, but there was great strength from the actual group and some people were very good at facilitating group sessions where participants actually shared experiences. That was very healthy and moved some people along who may not have moved along if they had just been on their own. There are spin-offs from this program other than individual case management.

Ms Heycox—Our current program review highlighted that as an issue too. I mentioned work experience as being particularly important; the other issue that came out of that program review is the importance of what they sometimes call 'mini job clubs'. These are small groups of people facing similar experiences. They gee each other up, find each other jobs and encourage each other. Our project workers involved in that sort of thing say it helps their workload because it shifts their job onto the group, and they all then take collective

responsibility for getting each other jobs. It works very well. Six to eight people all suffering similarly is often very influential in getting some of them work.

Ms GILLARD—The material on your program outcomes was very well displayed. I wonder about your long-term outcomes and whether you have material—and it might be part of the subsequent review that you are doing—that would enable us to see, after the placement, whether people are still in employment six or 12 months later or, in terms of the placement, into training. What is their experience post training? One of the criticisms made about labour market programs—and people would have different views about whether it is valid or not—is that there is a lot of recycling of people through training and work experience opportunities without ever getting them back into so-called real jobs. To disaggregate some of that, you probably do need the long-term statistics.

Ms Heycox—There are two issues there. First, for someone who is in their 50s, a real job might last 18 months to two years; they are not looking for a job that is going to take them 25 years into the future. But we do not have much post-program outcome data available.

Ms Thomas—We do not have longitudinal studies. Maybe we should.

Ms Heycox—The administrative costs of this program are very low; the amount of money that is available to sponsor organisations is similarly fairly low. You can tell that from the cost per outcome. So we do not really have a lot of leverage over these organisations to encourage them to do follow-up work on their clients.

Ms GILLARD—I understand that. You say, in the description of the program, that you are assisting people who are not eligible for FLEX 2 or FLEX 3 assistance, so you have defined your niche away from that. Are they not eligible because you are intervening at an earlier point in time, or are there other explanations as to why they are not eligible for FLEX 2 or 3?

Ms Heycox—We have specifically excluded FLEX 2 and 3 eligible people from accessing the program because we felt that, when the criteria were drawn up about who was eligible for FLEX 2 or 3, there were so many people who fell outside that we thought we should target our program at those people who are unable to get assistance through the mainstream Commonwealth program.

Mr WILKIE—Have eligible people been unemployed longer?

Ms Heycox—No. There are a lot of people who are excluded from FLEX 2 or 3 who have been unemployed for quite a long time—anybody, for example, who had a working partner.

Ms Thomas—They are technically not unemployed.

Ms Heycox—They are not able to access FLEX because they are not on income support.

Mr WILKIE—Is that across the ages?

Ms Heycox—That was across the ages.

CHAIR—Didn't that change?

Ms Heycox—That changed.

CHAIR—Thankfully.

Ms Heycox—It changed in December last year when they said that women over X age were able to access it. Migrants who have been in the country for less than two years cannot access Commonwealth programs anymore. There was a whole range. People who had been retrenched and who have to run down their retrenchment package before they are able to access Commonwealth programs tend to turn up in our program.

Ms Thomas—I do not know whether there will be an opportunity during the questioning to bring this up, but there are groups for whom the background of being an indigenous person, of being non-English speaking or of coming from a very isolated area adds another layer of disadvantage. I think that is something that should be included in your work here. We have not done a great deal here, although I think we have done some work in the submission on Aboriginality, but there are some serious layers of disadvantage.

Ms Heycox—As a state government, we run separate programs for our unemployed migrants and unemployed Aboriginals. That is why we do not have a lot of them coming through our program. It does not mean the unemployment need is not there for them.

Ms GILLARD—You note there is obviously a difference between the state and federal regime in terms of antidiscrimination legislation. That seems to me an important issue in this context because it is about not only who complains but the sort of cultural message it sends if you legislate against discrimination on the basis of age or other criteria. You tell us that 102 age discrimination complaints went into your antidiscrimination board. Would you be able to provide us with anything that would tell us how many were settled by conciliation, how many went the full distance to hearing and, if they did go the full distance to hearing, whether the complaint was upheld or dismissed?

Ms Heycox—I think we will have to take that one on notice. Antidiscrimination legislation is not really within our ambit, but we can go back to the organisation that is responsible for it and follow that up and provide it to the committee later.

Ms GILLARD—I am just interested in getting some sort of feel about the effectiveness of that mechanism.

CHAIR—We can write direct.

Ms Thomas—I think you would have more clout actually.

Ms GILLARD—Okay, sure.

Ms Heycox—I just wanted to follow up on what I was saying before about the exclusions from FLEX 2 and 3 and why we have quarantined our program. My understanding of the availability of Job Network services is that it is on a rationed basis based on the job seeker classification index. Even if a person is eligible, it does not mean they are always going to get access to the service, because it is rationed.

Ms GILLARD—Finally, in terms of the importance of the employer attitude to employing older workers, are there training programs for employers to get them to focus on selection on the basis of merit rather than age or gender or anything that might distract from the true criteria of merit?

Ms Thomas—I do not know of anything.

Ms Heycox—There is nothing currently running in New South Wales. In the program's history, I am aware that they ran a publicity campaign in about 1993-94 that was aimed at encouraging employers to take on older workers. I think it was fairly small. It ran its course and there has been no follow-up.

CHAIR—But you support perhaps the idea that there needs to be a national re-education campaign about our attitudes, and perhaps to unemployment generally, but in particular toward older people.

Ms Heycox—There is no question about that. I think a good starting point for that would be to examine government practice to see what messages it is sending out.

CHAIR—From what you are saying, you have identified some. Presumably, there may be a number of areas—perhaps unintentionally in many cases—that just actively discriminate against people in this age group.

Ms Heycox—Yes.

CHAIR—We will follow up one with Mr Abbott.

Ms Heycox—Sam also mentioned the mature age allowance. That might be something else you follow up. That was introduced in about 1991-92 as an interim measure in the last recession. The social security department, for whom I worked at the time, introduced it for a two-year period just to get over the crisis that was happening with that recession. It is still there. It effectively says that older people who have been unemployed, once they turn 60, no longer have to participate in the job search requirements that younger people who are unemployed have to do.

Ms Thomas—That is catch-22 though.

Ms Heycox—Yes. They were not entitled to a pension. They were paid Job Search allowance, but they did not actually have to do anything about job searching purely because of their age.

CHAIR—Right. Yet we run into the pension bonus scheme.

Mr BARTLETT—That was going to be one of my questions. What is your suggestion with regard to mature age allowance? Should that be scrapped? Should an activities test, therefore, apply to mature age unemployed or should we just change the name?

Ms Heycox—Not without a campaign to actively encourage employers—hand in glove.

Ms Thomas—And choice comes into this.

Mr BARTLETT—But assuming though that you had those other programs there, would you then require that the mature age people would revert to an ordinary Newstart allowance and still have to fulfil the activities test? Is that your suggestion?

Ms Heycox—Yes. Why not? Why do you draw the line at 55 or at 60? What messages is this sending to people? I think it is saying, ‘This is early retirement, people.’

CHAIR—Mrs Bishop recently told the Press Club that we should all be working until we are much older.

Ms Thomas—How old?

Mr SAWFORD—Is that a desperate plea?

Ms Heycox—We should all have the option to work until we are older if we want to.

Mr BARTLETT—We are certainly trying to encourage that.

CHAIR—That is what this all about, and the minister was right: we have to try to do what we can to encourage people to stay in the work force.

Mr BARTLETT—A number of mature age people I speak to say, ‘We are trying to get jobs, but we constantly find we are overqualified for the job that is going.’ Do you come across many of those examples? Do you think that is just an excuse on the part of the employer to not take these people on because, really, they want to discriminate on the basis on age but want a way out of it? Or is it sometimes a result of the job seeker not being willing to take on jobs that are available?

Ms Heycox—I think it is a combination of things. We have a range of projects and, depending on which location they are in, they have different clientele. We have some projects—two in particular come to mind; one is in Eastwood here in Sydney—where most of the clientele are university educated migrants who are over qualified for anything. There are a lot of Indians, for example. These migrants have the ethnic barrier to get over, but they also have a high level of qualification and do not aspire to do jobs for which they are not trained.

Another issue is who is doing the employment. Big organisations tend to have personnel and human relations employees who are 30-something, and there is evidence that they employ clones of themselves. A 29-year-old girl in a human resources area, with a hiring

and firing capability, is not going to employ a 55-year-old man. It does not matter about his qualifications.

Mr BARTLETT—Is there a need, then, for the re-education of the HR departments in some of our large organisations?

Ms Heycox—It would not hurt.

Mr SAWFORD—I was interested in your ideas about the positive public program. You measure people by what they do, not by what they say. Do you have any data about how many mature age workers the New South Wales government took on last year?

Ms Heycox—I do not have data for that.

Ms Thomas—An interesting fact in the existing work force is that the average age of schoolteachers in the state is 47 or 48, and it is the same for TAFE teachers. So there is a very maturing work force in New South Wales.

Mr SAWFORD—That is not the question I am asking.

Ms Thomas—I know it isn't; it is about new entries. There is an initiative to broaden the age group for traineeships and apprenticeships too.

Ms Heycox—The state government, like government employment services everywhere, is shrinking. I would be surprised if it took on anybody last year.

Ms Thomas—It probably did not take on any employees, let alone older people.

Mr SAWFORD—That leads me to the next question.

Ms Heycox—Who did they shed?

Mr SAWFORD—No, it is a follow-on from Kerry's question. It seems to me that all of us have regular contact with people of mature age who have, for some reason or another, recently lost their position in the work force. My staff and I tend to categorise them—and you should never do this; it is totally unfair, we know, but you do it for your own convenience rather than it being an accurate description.

People who are pessimists come in and it is a case of, 'We'll all be rooned, said Hanrahan.' Basically, they need those things that Sally mentioned—the therapeutic qualities of training programs—and they play a very positive role. You have the optimists, who will survive whatever. They often have some sort of asset that they will change into their own little business. Sometimes those businesses fail, by the way, but that is another story. Then you get—which I find very difficult to deal with—what I call the realists. These are people who say, 'Listen, Rod, there are 10 million people in this country who need a full-time job and there are only eight million jobs.' I know that is the truth. You know that is the truth. How do you deal with that?

Ms Heycox—It was perennial during my years in social security. What is the point of forcing people to work when there are not enough jobs to go around? One of the issues there is the churning of people through the job market. There might be only eight million jobs, but it is a question of: should the same eight million people have the eight million jobs to the exclusion of the other two or should we share the burden of unemployment amongst them all? To a large extent, that is what a lot of those old labour market programs did. They might have just been churning people through, but another way of looking at it was sharing the burden of unemployment: give people a turn in work for six to 12 months and then give somebody else another turn. It keeps their work practices and their work habits up to date even if it does not do much in the long term.

Mr SAWFORD—Some countries have actually tried job creation in a creative sort of sense. This is not trying to create false jobs in the market because we know what happens to that in the long term, but it is in a sense of change, giving the money to the person in the sense of the Australia-New Zealand solar society—that is not their actual title but that will do. They did a study where they found that they could create 15,000 or 20,000 jobs in Australia if the government gave a subsidy or rebate of some sort to anyone who put in a solar hot water heater. There were some provisions to it: all the stuff it was made of had to be sourced in Australia and none of it could be imported, they had to be Australian owned firms, et cetera. There have been people on both sides of politics who have, at various stages, followed those sorts of ideas but I have never seen one taken up in this country. Do you have any sort of creative, more lateral solutions to job creation or have you come across ideas that are particularly applicable to mature age workers that you perhaps could put forward to this committee?

Ms Thomas—I think your next witness is Sol Encel. Is he coming today? He has done a very thorough review of the literature in developed countries and he has some models that have been very successful in partnerships between industry and sometimes charitable organisations and sometimes government. Some of those are pretty creative and some of them have been very successful. I do not have an intimate knowledge of them. What about you, Sally?

Ms Heycox—No. Our program is not actually aimed at job creation. It is aimed at service for the unemployed person.

Mr SAWFORD—I understand that.

Ms Heycox—Job creation in New South Wales is the responsibility of the state and regional development department. There are some creative ways that they could be going about it—and I do not know enough about what they do to say that they are not doing it. An idea that appeals to me is the concept of government purchasing coming with strings, where a government lets a contract with an organisation. The Victorian government, for example, says, ‘You can have X million dollars worth of government business but you must have a work force that takes on this many trainees as part of it.’ I can see that could be expanded for older workers as well: ‘The profile of your work force should look like this in order for you to get this government business.’

Mr SAWFORD—I pose one last question to Sam. You mentioned longitudinal studies. Would it be of use if this committee, in considering recommendations, actually considered funding longitudinal studies—

Ms Thomas—Yes.

Mr SAWFORD—which is something which we in the country have not addressed properly?

Ms Thomas—That is right.

Mr SAWFORD—In your work do you find yourselves hamstrung a bit, in terms of lack of data that is around?

Ms Heycox—Absolutely.

Mr SAWFORD—And what sort data? Sam mentioned longitudinal studies. Would you like to be a bit more precise or specific in terms of what sort of data would be very useful to you?

Ms Heycox—What would be useful to me would be an accurate picture of our older work force so that we knew who was unemployed and what sorts of skills they have, what sorts of educational qualifications they had and whether, among those older people in the work force, the ones with less education are more likely to become re-employed than the ones without—or whether, by the time you are 45 or 50, your actual formal education level becomes irrelevant and it is your 25 years work experience and where that has been that determines whether you are more likely to become unemployed rather than your education level.

Ms Thomas—There is a lot of quite hard research that needs to be done.

Ms Heycox—I said before that the state government has been downsizing. One of areas that has actually gone has been our research capacity.

Ms Thomas—I would like to throw something else in here that we have not had an opportunity to discuss. The small business outcomes in this program are significant—the number of people who actually establish and succeed in small business.

Mr SAWFORD—The optimists.

Ms Thomas—Yes. And the clever people who pick the right thing, like a woman who goes to birthday parties and gives clown performances and is expanding into a whole range of activities related to what ostensibly started off as being a clown at children's parties.

CHAIR—Sort of micro-businesses.

Ms GAMBARO—Do you have a scheme called a NEIS scheme in New South Wales?

Ms Heycox—It is a federally funded program.

Ms GAMBARO—I recently went to a graduation. A lot of mature age people are undertaking those courses. I might end on this light note. One of the businesses that is a raging success is that of a woman who founded a business called ‘Zero Gravity Bras’ for more well-endowed women who needed more support. The business is a roaring success. Here is an example of someone who is doing very well. These schemes—you talked about birthday parties—are just fantastic.

Ms Heycox—I can give you another example. My young brother is a graduate of the NEIS program. When he left university about 10 years ago, he established a trucking courier business. It got just big enough to be a nuisance to one of the big national carriers and they bought him out. He subsequently went to work for the national carrier in country New South Wales and, to cut a long story short, he now has his own business. The national carrier has gone out of business in that part of New South Wales and he put the Christmas dinner on 40 tables last year, he tells me. He employs that many people. It was a good program.

CHAIR—Thank you very much for providing us with such a good submission and for taking the time to come and speak to us. Thank you very much.

Ms Heycox—If there is any follow up, you know where we are.

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 4.53 p.m.