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, 16 SEPTEMBER 1999

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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND WORKPLACE RELATIONS

Thursday, 16 September 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 Barresi, Ms Gambaro, Dr Nelson, Mr Sawford

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 8.30 a.m.

TAYLOR, Ms Jennifer, Executive Director, Office of Employment and Youth, Department of Education, Training and Employment

TUNCKS, Ms Cathy, Director, Employment SA, Office of Employment and Youth, Department of Education, Training and Employment

CHAIR—Welcome, and thank you so much for taking the time to come along to speak to us today. I declare open this public hearing of the inquiry into mature age unemployed people and welcome the witnesses and others who are in attendance. We will be taking evidence today from a number of witnesses. 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 ways to help individuals as well as to address the loss of skills and expertise in organisations.

I remind you 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 if at any stage there is anything that you would like to say in camera, then please indicate that to us and we will be very happy to consider that request. So perhaps you could give us a precis or overview of the department's submission and then we will discuss it.

Ms Taylor—Thank you for the opportunity to address the inquiry. This issue is one that is particularly relevant for South Australia. According to the latest data, South Australia faces not only a declining population but also an ageing population. South Australia has traditionally had a strong manufacturing base which is responding to the need to be internationally competitive and introducing great technological change to achieve the necessary productivity gains. The car industry in South Australia is a very good example of this. This has meant that there is a need for new or different skills in the work force and a realisation that in some cases technology has had an effect on work force numbers, particularly amongst the mature aged.

In addition, South Australia has a lower skill level in comparison to other states and internationally. The inference is that the notion of skill levels correlating to employment outcomes has not been embraced by the wider population. Also, the concept of lifelong learning being essential to ensuring continued employment is only now being embraced. This combination of factors has particularly impacted on the mature age work force population of South Australia. The issues highlighted in our submission require careful consideration by the standing committee. These include the mismatch of skills possessed by and sought from the older unemployed, the duration of unemployment for this group, employer attitudes to older job seekers and the employment expectations of the mature age unemployed. These are not unique to South Australia but need to be seen in the South Australian context.

Our submission outlines the response of the South Australian government, in particular the programs being implemented as part of the 1999-2000 employment statement. While

these address some of the options being considered by the standing committee, all of the options are relevant. The unemployment rate for the mature aged in South Australia has risen from 2.6 per cent in 1980 to 6.1 per cent in 1999. Comparison with the national average, 2.9 per cent in 1980 to 5.1 per cent in 1999, shows the disproportionate effect in South Australia.

The issue of skills mismatch between mature age job seekers and potential employers is again not a specifically South Australian issue but is magnified in the state. The manufacturing industry, which I said earlier has underpinned the state's economy, is undergoing rapid technological change with a corresponding impact on the mature age work force. Many of the workers are not only mature age but tend to possess few qualifications. The combination of these factors with the elements of employer attitudes towards employing mature age workers and the expectations of people, who for the first time in their working career find themselves out of work, compounds the situation.

The other compounding factor is the reluctance of this group, particularly the male component, to reconcile the notion of individual value rather than value based on employment. The generational value system of the mature aged, again particularly the male population, is dependent upon the notion of worth according to the ability to provide for the family unit. The impact of unemployment has many social consequences in this scenario. Early intervention strategies are crucial to the maintenance of self-worth and confidence. The job seeking skills and knowledge of the labour market of this group are also diminished. Our submission details programs the South Australian government has implemented to address this issue.

Another critical issue to address is the building of entrepreneurial skills in this group. A number of mature age people are taking the opportunity to enter into small business following the acceptance of voluntary redundancy packages. Many enter into this area with few skills or ability and a lack of knowledge regarding the services that are available to assist them in business start-up. While the government has implemented a number of programs to assist business start-up, increasingly we are seeing larger numbers of mature age people in difficulty in small business operations. Although the evidence at this stage is largely anecdotal, it is a concern. Mature age people who have accepted voluntary redundancy often use the payments received for capital expenditure on small business.

Without the appropriate skills and knowledge level, a number of these businesses fail, leaving the individual with no provision for retirement. In a large number of cases, and again based on anecdotal evidence, venture capital has not been easily accessible for this group, leaving no alternative than to use redundancy payments to fund business start-up. Consideration needs to be given to providing greater access to venture capital for business start-up for this group, which could be linked with the necessary training requirements, thereby preserving the superannuation options for this group while expanding their ability to contribute to the economic growth. While a state government can implement programs such as those the South Australian government has outlined in our submission, a national approach to addressing these issues is essential.

CHAIR—Do you have anything else to add, Ms Tuncks?

Ms Tuncks—No. I would support what Ms Taylor has said in that submission. We are trying to do a bit from the state perspective, but I think that really it requires a concerted effort from the Commonwealth in order to be able to make some of the changes that need to occur and to address the severity of the issues facing this group.

CHAIR—Amongst the data you have provided us with is the labour force participation rate for women aged 45 to 54 having risen from 46.8 per cent in 1978 to 70 per cent in 1998, a trend which you would expect has probably occurred across the country. The increasing movement of women into the work force, particularly in this age group, is obviously something we try to encourage as a nation. Has it contributed in any way, for example, to the problems in the labour market in this area? Boyd Hunter and Bob Gregory did all that work plotting the movement of household income from 1979 to 1994 and I just wondered if you had any view. What has been the impact, basically?

Ms Taylor—I would say that has not had a huge impact. Generally, the women entering into the work force are entering into the different types of jobs in casual or part-time employment. The re-entry of women into the work force has not been at the expense of the mature age male population.

Ms Tuncks—They are different sectors.

CHAIR—It is just interesting that when you follow participation rates for women from 1978 and plot them alongside mature age unemployment in this age group, they tend to follow one another.

Mr BARRESI—You mentioned that women experience fewer difficulties, partly because they take lower-paid, lower-status jobs. We hear so much about lower-paid, lower-status jobs almost being a thing of the past with technology, so which areas are the women moving into? What kinds of positions are they moving into?

Ms Tuncks—Health care, aged care, hotels.

Mr BARRESI—It is a growth industry.

Ms Tuncks—They are growth industries but they are also very much casual, part time and generally pretty low paid in that area. They do not offer job security.

CHAIR—The Mature Age Employer Incentive Scheme pays up to $2,000 to each employer for hiring an older worker. I understand from budget papers that there are about 2,000 positions in total. Has that scheme already started, how many positions have been filled as a result of this and have you done any evaluation of it at this stage?

Ms Taylor—That is a program that is commencing in this financial year. Hand in hand with that program is the Mature Age Awareness Program which we are just about to commence. We will not promote that scheme until we do the awareness raising, although we have had a small number of take-ups following the announcement of the scheme. It is certainly in our strategy to implement that. We are at the very beginning of that and it is important that we link that to the awareness raising of employers. We are about to go out, I

think in the next month or so, across the state with that awareness raising campaign. We are also providing forums for the mature age unemployed, to raise their awareness about the scheme.

CHAIR—What is the attitude of employers? I presume the scheme is based on research of employer attitudes. Have they said to you that wage subsidies would encourage them to employ people in this age group?

Ms Tuncks—If I can answer that question through a bit of a back door, we also have a Small Business Employer Incentive Scheme for business to take on trainees and apprentices. It was in part the success of that program which prompted us to look at a similar approach for the mature aged. As Jennifer quite rightly said, we are right at the very beginning. I think we have something like 30 businesses that have taken on someone already with minimal promotion—only the announcement by the minister and the Premier, basically. It will be promoted through the Job Network brokers—because that is a group which can use this as a selling point to employers as well, to look at taking on a mature age person—and through various mature age organisations.

CHAIR—How does the $2,000 work? Is it a one-off subsidy?

Ms Tuncks—No.

CHAIR—Or is it the end of a six-month period of employment?

Ms Tuncks—It is available for up to 12 months, up to 52 weeks. A person has to have been in the equivalent of 20 hours a week for 13 weeks for the employer to get the first $1,000 and 26 weeks to get the second $1,000.

CHAIR—The reason I am asking is that a number of people have suggested that a wage subsidy, amongst other things, would be useful. How do you know that the people who are going to be employed as a result of this would not have been employed anyway?

Ms Tuncks—You could say that they may well have. By working through the Job Network brokerage and through the various networks, we are aiming to get some of the longer-term unemployed, but the program does allow for newly retrenched people to be picked up by business as well. It really has a couple of prongs to it. I accept what you are saying, and it could always be an argument, but it is something that will facilitate and help to get those people into employment, particularly if we are working through the Job Network brokerage, because they must be unemployed for a minimum of three months before they become eligible.

Ms Taylor—I can add to that. Our evaluation of the Small Business Employer Incentive Scheme where we looked at that issue, particularly whether these people would have been employed anyway, shows that the greater percentage of employers would not have taken on the trainee or apprentice. We also work with organisations in South Australia such as DOME, Don't Overlook Mature Expertise. They are the on-the-ground people. The information we get from them is that for this scheme it will be very relevant to the people. They are not being taken up by employers and, again, it is that issue of employer attitude to

employing the older worker. If we can change that by the education campaign, if we can change that by providing some incentive to at least get that person into a job, the prospects for ongoing employment are greater.

CHAIR—Changing employer attitudes obviously needs to be based on some research as to what the impact or otherwise of employing older workers on a work force may or may not be. There is a general view, although there is not a large body of research to support it, that mature age workers have less absenteeism, they actually are employed for longer periods of time than might be younger workers, there is generally more stability in the workplace. They have the kind of wisdom which they can reflect to the younger employees.

But I noticed we were having physiotherapists coming to see us this afternoon, and I thought 'What the hell for? It is nice of them to come along, but what do they have to offer?' I notice the information they have to present to us is that mature age workers have higher rates of occupational disease. Basically what they are saying to us would confirm what I think a number of employers believe: that their injury rate is higher and their occupational disease and disability rate is higher as well.

Ms Tuncks—It will be interesting to see which occupational categories that might or might not apply to. Is it more in the production type activities, or is it in white-collar areas?

CHAIR—Naturally a lot of people are saying—and I fully agree with it—that we need to change employer attitudes towards the employment of people in this age group. But, before doing that, one would need to have some fairly reliable information to present them with.

Ms Taylor—Exactly. I do not think there has been a huge amount of research in looking at that, although in terms of the worker injury rates there has, of course. Again, as Cathy has said, it depends on the occupational category, the type of work they are doing in terms of manual handling. Again, we need to present not only awareness about employing older people but perhaps how to address some of those consequences, bringing in the occupational health and safety as well.

Ms GAMBARO—Ms Taylor, one of your recommendations, option 7, is that the standing committee should encourage the Commonwealth government to undertake or commission an investigation into the interaction of mature age and young job seekers in the Australian labour market. Can you just expand on what you mean by that.

Ms Taylor—Yes, I can. Also, I will get Cathy to add some detail to that. There is an issue about the interaction with mature age and young job seekers. Again, it is the view that if you address the issues relating to mature age you may do so at the expense of the younger job seeker. In South Australia we have an issue with high unemployment rates at both ends of the scale, so the programs we need to look at need to address both of those and not one at the expense of the other.

We have some research which looks at the different types of employment requirements of both those groups and also the fact that the younger job seeker tends to come in at the lower end of the work force, if you like, and the mature age are looking perhaps to re-enter

into that market. So is there going to be that competition between mature age and younger job seekers? Or is that not the case? Are mature age job seekers looking at a different segment of the market? How do we integrate programs for encouraging young job seekers into employment along with mature job seekers as well? As I say, it is a particularly relevant issue for South Australia with our youth unemployment rates. But then we also have a corresponding factor with the mature age job seekers.

Ms Tuncks—What Jennifer said is very representative of the South Australian situation. Going back to Jennifer's introductory comments, if you look at the fact that we have had a manufacturing base with fairly low-skilled workers, particularly in that mature age worker group, the likelihood of them entering at higher levels within the work force when they are retrenched is probably not there. Some of the production workers, the meatworkers, some of those people who might well be relatively illiterate in many cases, do not have the capacity to enter the labour market at higher-level job classifications. If they are trying to get back into the work force and are looking at what opportunities are available for them—even with training, I would add—they might have to enter at that lower level within the labour market.

That then does create a bit of tension, I would think, between the capacity of the young people to access jobs that might have been there for them as well. It does need research. We do not actually know what sort of impact there might or might not be in this way. That was one of the reasons for making that particular recommendation. We believe that there needs to be research, because when the state government does put in place activities for young people there is criticism that the older group is missing out and the issues affecting them are not being addressed, and vice versa when you put in place activities for the mature aged. We are very conscious of this in terms of the labour market forums we are going to be running and the mature age awareness campaign and the grant scheme we have in place. There will be criticism from various sectors of the community that attention is being paid to the mature age worker at the expense of the young unemployed, particularly when South Australia has a very high unemployment rate for the young.

Ms GAMBARO—What you have just spoken about would apply in lower-skilled positions. DOME spoke to us yesterday about the success rate of placing white-collar workers versus blue-collar workers. I think they had a 50 per cent success rate in placing blue-collar workers. In your research, is it accurate that it is much easier and that white-collar workers have more difficulties participating back in the work force?

Ms Taylor—Anecdotally, yes, I think we would have to agree. But you need to look at what reasons sit behind that. Some of that has to do with the expectations of the person. The white-collar workers have a greater expectation of the type of work they would look for in re-entering the work force.

Ms Tuncks—Especially the male.

Ms Taylor—Yes, as I said.

Ms GAMBARO—When you say 'the male', that keeps coming up. Is that because there is a predominance of middle managers, white-collar males and we have not yet seen the

emergence of women in that middle manager range? You said earlier that they tend to be in the low-paid, low-skilled area.

Ms Tuncks—Yes, production workers.

Ms GAMBARO—Is that the only reason that is the case?

Ms Tuncks—I do not believe that would be the only reason but I think it would be a significant factor in contributing to that. We have made the point in the paper that women are also prepared to accept lower-paid work simply to re-enter the work force, whereas mature age men tend to look at trying to get a position that is equated to their previous position. It is not always the case that they can do that. They have made the comments themselves that if they had been prepared to accept a lesser paying job they might well have re-entered the work force earlier or had less difficulty in re-entering the work force.

Ms GAMBARO—So accepting a lower-paid, lower-skilled position in your opinion would have made that transition a lot quicker?

Ms Tuncks—For white-collar workers. It would appear so, yes.

Ms GAMBARO—You were talking about an education program to increase awareness of employers about employing mature age people, and almost every submission we have had so far has talked about that. When we have spoken to various groups, the thing that keeps coming up is that when mature age people are being employed there are certain restrictions or barriers. One of the barriers is that younger managers feel they are unable to work with older people or are unable to give an older person direction. You know, 'We are employing this person. I am going to be their boss. I am 28, they are 53. I am going to have some problems giving them directions.' Do you think there is scope also for an education program within the corporate environment?

We are dealing with different work practices now than we ever have before and the workplace is changing. People are working longer. They are living longer and more productive lives. Those issues are probably different from what they were 30 or 40 years ago. We are talking about a corporate culture. We can do all the educating we can on the outside, but what can we do to make sure there is acceptance internally?

Ms Tuncks—Yes, it is a management training issue as well. Probably even universities and various management programs that corporate organisations send their aspiring managers to have not addressed the very issue that you are talking about. I think that is a very pertinent point you have raised. There needs to be that awareness raising in that particular area—and not even just the corporate sector; potentially the government sector as well. I would not think the issues were very different.

Ms Taylor—In the public sector in South Australia, for example, training is given about managing diversity within the work force. That is, if you like, another string that needs to be added to that bow. When we talk about the diversity of the workplace it is not solely about gender, it is not solely about ethnicity. It also needs to include age and managing older workers. We have heard that issue raised on a number of occasions too. The difficulty of

younger managers supervising or managing older workers is an issue that needs to be addressed. In terms of managing a diverse work force it needs to be included in there, yes.

Mr BARRESI—I notice that on 3 June the South Australian Equal Opportunity Commission delivered a recruitment and selection seminar where they were promoting antidiscrimination practices to recruitment consultants, employer organisations and business representatives. How successful was that? Did you get employer organisations and recruitment consultants turning up?

Ms Taylor—I am not aware of the outcome of that, but I can certainly find that out for you.

Mr BARRESI—Should we have more of those sorts of seminars?

Ms Taylor—Certainly. As part of the campaign that we are proposing to run with the mature age awareness campaign, we are targeting—as Cathy said earlier—the Job Network providers, but also employer organisations, recruitment consultants, the whole gamut of those who interact in that employment relationship.

Ms Tuncks—But we have very limited resources in order to be able to do that. It really becomes almost a one-hit activity which, in such an important area, needs greater emphasis over a long period of time.

Ms Taylor—Which is why we are working with and encouraging people like the Job Network providers, DOME and those types of organisations to participate with us in that activity.

Mr BARRESI—Do you think we are getting to the stage, because of the ageing of the population, where we may have to think about the merits of having a reporting system for companies, similar to what they went through years ago with affirmative action, on aged employees, or is that using a sledgehammer approach?

Ms Taylor—It may be. I do not know that we have got to that stage yet, although it is an issue that is going to become of greater concern, as you say, as the population ages and, particularly in South Australia, as the proportion of older people to younger people increases. We have reporting in the public sector now on the percentage of youth in the work force and you may be right that we also need to have a report on the proportion of older workers in the public sector.

Ms Tuncks—It may not need to be a sledgehammer approach, as you have pointed out, but just something that contributes to future government policy in the area of employment generally. It could be tackled from a perspective of, 'Look, we'd like to collect data.' The information is there—Morgan and Banks, I think, in our report here—that companies are already showing a decline in their work force in terms of the age of their work force; it is getting lower all the time. There is clear evidence that there are significant changes occurring. That then is in contradiction to the ageing of the population and that then has to reflect what sort of impact this is having in terms of social impact.

Ms Taylor—The very fact that you have to report, such as the affirmative action reporting, is also a useful tool in the awareness raising. Certainly, we know that having to report on the percentage of youth that you have in your organisation has raised that issue about employment opportunities for young people, traineeships, apprenticeships, et cetera.

Mr BARRESI—Last week in Melbourne we heard evidence from some very long-term unemployed people. Their stories, I guess, were typical of most long-term unemployed: 700 applications, those sorts of things; 140 interviews. One of the stories that we heard was from a gentleman who claimed that he presented himself to a job provider, he had the first interview, and then he never saw that person again for 12 months. He was basically told, 'Don't call us, we'll call you.' The Job Network provider received the government funds and the individual did not get any service.

What can we do in order to ensure that these Job Network providers do not just simply concentrate on those who are job ready, particularly where the unemployed may have to think about a total career change? I think one of the problems that we had last week was that those who presented themselves were pretty well fixed on their views about, 'I've done 25 years of work in this particular field. Why should I forsake 25 years of experience and accept anything?' I guess there are two issues there. One is trying to convince them to take that total career change and, on the other hand, having the Job Network provider not concentrate on simply job ready unemployed.

Ms Taylor—That is an issue that we have also come across. It has been raised by some of the long-term mature age unemployed. Certainly, DOME also raised that with us. It is an issue, and it is about some form of scrutiny of the activities of the Job Network provider to ensure that not only do they undertake that initial assessment of the person but there is some requirement for ongoing contact and reporting. I think the term used is 'parking' of these people. They are usually in the FLEX 3 category, which is the more difficult, long-term unemployed. The Job Network providers receive funding supposedly for the necessary retraining and reskilling, based upon the fact that these people are more difficult to place.

Again, anecdotal evidence that we have heard suggests that in some instances—and I would like to think that they are isolated instances—the experience of that person is not unique. The Job Network and the FLEX system is obviously a Commonwealth issue and, in terms of state scrutiny of the system, there is not a huge amount that we can do other than, where we come across those instances, to raise them with the appropriate agencies and at the federal level.

Ms Tuncks—If I could add to what Jennifer is saying, we get heart-rending stories coming in to us that we are having to respond to from a state perspective and we do make sure that that information gets forwarded to the Commonwealth. I think what you have highlighted are points that we have raised in here about the mature aged not wanting to change either, thinking that they have the skills and that they should therefore be able to get a job in those areas, but I do think that there needs to be some clear thought given to the services that are provided to the mature age unemployed and particularly the longer-term mature age unemployed.

I do not believe that the Centrelink and Job Network arrangements necessarily, the way they are structured, are appropriate for dealing with the totality of the picture for those people, because it is about their personal wellbeing, personal selves, development of self. It is about trying to retrain them and it is also then about job placement. I think that perhaps people who have been given the job in Centrelink to do the assessment—and this has come through from a number of the ministerials that we have had in the agency—feel that they have not been given a fair go and that people have not understood their issues, in particular the implications that finding themselves unemployed have on their standing in the community, their standing with their partners, their family, their friends, their economic circumstances, all of those sorts of impacts. They feel that these people really are not interested in trying to find them a job because it is too hard. When they go to the Job Network brokers, exactly what you have said has happened.

In terms of the Job Network brokers, I would perhaps be looking at what the contracts actually specify; at whether the whole contract is not just about so many placements and things like that. They could have some very specific information in the contracts that these organisations have with the Commonwealth that says that they are required to actually have placed in employment so many numbers of long-term mature age unemployed. You can become much more specific within the contracts so that if they have a contract and they are dealing with that group, they actually have to deliver some outcomes for that group. I think perhaps the way the contracts are structured—and I do not know the details of the contracts—does not necessarily facilitate that happening.

Ms Taylor—There is also the issue of early intervention and trying to stop the problem before it actually gets to that stage, before these people become long-term unemployed. One of the issues that surrounds that is a reluctance on the part of older workers who find themselves unemployed to register or to seek the appropriate advice, help, support, et cetera. As I said in my opening statement, it is about that value of self-worth; it is about, particularly in that age group, being seen as being valued by the job that you are doing or by the fact that you are in employment. A reluctance to admit that you are actually one of the unemployed in the mature age group is a key issue.

CHAIR—We were actually going to ask you whether you have any ideas as to how we can encourage these people to register early. Of course, by delaying their registration, for all kinds of personal reasons, which is part of their grieving process, they are actually significantly disadvantaging themselves. How could we encourage them to register early? The other thing I was thinking about was the wage subsidy concept. It would be money better spent if the subsidy was given at the point where the employer was feeling that he or she was going to have to get rid of the person, or at least deploy them, to actually keep them in that work force for a few months, because it is a lot easier for them to find a job while they have one. There are a couple of things there.

Mr SAWFORD—Can I just acknowledge your positive contribution via the submission. I found it a useful addition to our inquiry, but could I just ask some questions in terms of clarification more than anything. Were the announcements that were made in the May budget on the Mature Age Employer Incentive Scheme, the Mature Age Labour Market Forum, et cetera based on any research or were they just political announcements?

Ms Tuncks—A bit of both would have to be the answer there.

CHAIR—We actually went through that.

Mr SAWFORD—Did you? I am sorry.

CHAIR—But by all means answer it again.

Ms Tuncks—The announcements were based on work with the Don't Overlook Mature Expertise organisation, some reviews of activities by external consultants and recommendations about the sorts of things we might wish to undertake, and also the fact that we had a Small Business Employer Incentive Scheme for apprentices and trainees which was highly successful. It provides a financial incentive to employers to take on a trainee or an apprentice if they are in a small business and have not paid payroll tax in the last financial year. The success of that program suggested that if we did the same sort of thing for the mature aged, it may well have the same impact in assisting in the employment of the mature aged, particularly in the small business sector, which is where we want to target the activity.

Mr SAWFORD—Did you deal with the issue of substitution?

Ms Tuncks—Yes.

Mr SAWFORD—I am surprised Kickstart is still around. The program has been so discredited by governments of either persuasion in the last 10 years. I have never seen so many things announced on repeat occasions which were exactly the same thing. It is still going, is it?

Ms Tuncks—I am surprised you made that comment. Yes, it is.

Mr SAWFORD—I have been to them. There is the same thing announced over and over again.

Ms Tuncks—The name is there. Perhaps what exists is not what the original program was. It operates through regional development boards. It is one of a number of programs where funds are given to regional development boards in South Australia under a performance contract arrangement to deliver employment outcomes at a regional level in line with our economic development strategies. It is not a program as such. It is resources given to those boards to enable them to use those for job creation purposes in their local areas, and it has proved to be very effective. The Regional Development Task Force in South Australia found that the way that the resources are used by regional development boards has very considerable acceptance in the regions and is delivering outcomes.

Mr BARRESI—Is this like the Commonwealth contract funding? Is it similar to the concept?

Ms Tuncks—Except it is much more flexible in terms of the way that the regional development boards can use that money. They contract with the state government. It is not just Kickstart money. It is information technology skills money, it is equity resources, and

our Working Towns program funds also go out to regional development boards under a very distinct performance contract arrangement which requires them, in accepting the funds from the state government, to deliver a level of employment outcomes within their region.

Mr SAWFORD—Do you have details of some employment outcomes for mature age people out of Kickstart?

Ms Tuncks—I can give you details of the over 20 plus. We would also specifically be able to draw out some information on others, but we have not collected data on 45 plus through the program.

Mr SAWFORD—Not at all?

Ms Tuncks—No, not in the past. That is something that is being considered now.

Mr SAWFORD—Can I just refer to a paragraph on page 5 of your submission. It is the middle paragraph, where you say:

The statistical picture for mature age women is more encouraging than for their male counterparts.

Is that really accurate, when in fact women have a much lower participation rate? We are not comparing apples with apples, are we?

Ms Tuncks—This is the statistical data that has come out from the ABS and the like. I guess ABS statistics can be read in a variety of ways, but it would appear that mature age women are re-entering the work force more easily and showing lower levels of unemployment than mature age men.

Mr SAWFORD—Mature age women have a participation rate of 70.2 against men of 87.6. You can read that a whole lot of ways, but one way you could read it is that more mature age women are hidden unemployed.

Ms Taylor—That could be one interpretation. That paragraph really refers to the outlook and picture for women in the work force in relative comparison to their male counterparts, but it talks about the forecast and outlook for women.

Ms Tuncks—The other point I would like to make follows up something that you said earlier. I think when families find themselves with their male counterpart unemployed, often it is the women who will actively go out and seek to try and find any sort of employment in order to be able to contribute to the income in that household. They will go and look for some of those jobs that you mentioned earlier.

Mr SAWFORD—They are more willing to accept part time and lower wages.

Ms Tuncks—Yes, that is right. So they will actively try to get income into the family household in order to support that household.

Mr SAWFORD—I have a question on the length of unemployment. In your reference you mentioned the crucial first six months. I am not disagreeing with that, but many people have emphasised that it is actually three months. What is your view on that?

Ms Taylor—That is probably right. The earlier the intervention or the earlier that a person can get back into the work force, the greater the confidence level, the less the loss of skill—all of those things. Really, two weeks is ideal, but if you are looking at a definition of long-term unemployed, after six months you would start to consider a person heading into the long-term unemployed category. Within that first six months, if there can be intervention strategies, they tend to have more success, if we can get people into the work force within that six months. That six-month period is a general cut-off. You are quite right. Ideally, as I say, getting people immediately back into employment is what you are aiming for, but the longer they are unemployed, the lower the confidence. You start to see the drop-off in skills, and I would think after six months they start to classify themselves too as longer-term unemployed.

Mr SAWFORD—One last question on employer attitudes: are the attitudes that are consistently put up—and you again reinforce the same ones that other groups have—more a reflection of the service provider than the employer or the prospective employee? My colleagues are sick of me using this example, but here goes again.

CHAIR—Never!

Mr SAWFORD—There are 700,000 unemployed in this country, there are 700,000 underemployed, there are 700,000 hidden unemployed and there are 70,000 job vacancies. That equation says a whole range of things, but honesty and realistic appraisals sometimes do not even get considered. Do you think some of the employer attitudes mentioned by yourselves and other groups reflect the difficulty of those service providers in finding real employment opportunities? It is a bit of a cop-out in a way, in the sense that we want to be kind to people, we do not want to be cruel, and sometimes in trying to be kind we are being dishonest.

For example, there is a phrase there that says older workers are ‘difficult to train, lack flexibility’, and so on. I have actually taught older people. I have taught five-year-olds and I have taught 60-year-olds and I can tell you, the older the learner the easier they are to teach. Old people are easy to teach, with one proviso: you have to know how to teach. You have to know what you are doing, because their life experiences are such that they know what is going on in the world, they are not fooled easily. You gave the example at Centrelink. Part of the problem there is that a kid, a poor kid, is on the front desk because the other ones do not want to be at the front desk because it is intimidating. It is intimidating. So the poor kid goes on the front desk. Some 50-year-old middle manager, who has had a lot of experience, is dealing with a kid who has none. It is just asking for trouble. What is your response to my comments?

Ms Taylor—Could I respond first. When we were talking about older people being more difficult to teach—

Mr SAWFORD—Everybody says it. Do not apologise. I just think it is wrong.

Ms Taylor—No. What we are saying is that employers believe that. I think you are quite right. Employers believe they will have more difficulty in instructing or teaching or managing or supervising an older worker, particularly where the person instructing is much younger. There are those perceptions around and they may not be reality. Generally, people who enter into any form of education or training at an older age do so for non-compulsory reasons. They are not in the age group where they have to be at school. They are not doing something that they are not interested in and, therefore, I think your experience is quite right: older people are there because they want to be. With the unemployed, in some cases it is about reskilling and, while there may be some reluctance to accept the need to be reskilled, generally there is also a financial imperative in doing that. I think you are quite right about older people's motivations for entering into training and, therefore, if they are more motivated in entering into training, they are more likely to succeed.

Ms Tuncks—I think there would be differences in different groups, again. Certainly, I have to agree with what you and Jennifer have said: if older people make a decision to go into education and training, then they are very motivated. But we have talked about the people who say, 'Why should I retrain? I've got all of these skills.' They actually do not see the need to do it and that is probably the difficulty.

Mr SAWFORD—Sometimes they are right.

Mr BARRESI—This refers to the question asked before. I see two different issues there. One is whether or not they are wanting to have a career change.

Ms Tuncks—Yes.

Mr BARRESI—The other one is whether or not they are flexible enough to undergo retraining within the broad career path. The employer perception, I believe, is a bit of a cop-out, because we have also heard evidence to the effect that there is a greater flexibility amongst those workers. I sense that employers and managers have got themselves in a frame of mind of saying, 'Well, if the mature age employee that I've just put on is not responding to the organisational change and the dynamics, then it's because they are stubborn and inflexible.' If it is a younger person who is not responding then, 'It's because they don't have the work ethic.' It is a bit of a cop-out from employers for not analysing their own internal management structures and styles and the training programs which they use. But I do think the career change and the retraining are two separate issues.

Ms Tuncks—Yes. It is the unemployed person, too, looking at what is the appropriate thing for them. I accept very clearly your description of what happens with a 50-year-old going in and confronting a young person at a desk in Centrelink or somewhere like that. One of the things I would like to see is a review of the services that are provided to this particular group through Centrelink, to see whether or not there can be some recognition of trying to pick up this particular group at a very early stage in their unemployment so that they do not have to be unemployed for X number of weeks before they can get any services.

CHAIR—Yes. To come back to where I was before, I have a few things to run through.

Mr SAWFORD—Can I follow on from Phil's comments, just before you go back to that.

CHAIR—Okay.

Mr SAWFORD—On the cop-out issue, another thing that is strongly said is that the nature of work has dramatically changed. It has changed in some industries, but in a lot it has not changed at all. You may happen to use a computer, for example, but that is just another tool. You might as well say it is like reading; it is no big deal. The nature of work has not changed at all.

Ms Taylor—In some instances, particularly in the mature aged, that is an issue because it does require new skills and it requires retraining to use the computer. You may be totally computer-literate, but for—

Mr SAWFORD—No, I am not, but it is not terribly difficult to use.

Ms Taylor—It is not terribly difficult to use once you start to use it, but it is that fear of, again, new technology, change to your workplace.

CHAIR—It is like the pensioners with the ATMs, Rod.

Ms Taylor—Yes.

Ms Tuncks—They will not use an ATM.

CHAIR—They are easy to use, but there is that barrier, isn't there?

Ms Taylor—Yes.

Mr SAWFORD—It is probably like our generation with the video. What I am saying, seriously, is that there are many cop-outs. It is very easy, very glib, to say, 'Well, the nature of work has dramatically changed.' It has not.

Ms Taylor—I would say you are perfectly right in some industry sectors and I think you are wrong in others.

Mr SAWFORD—Well, take your positions.

Ms Tuncks—We have not changed.

Ms Taylor—Yours may not have!

Mr SAWFORD—Take the public service, take teaching, take nursing. There are some technologies that nurses have today that they did not have 10 years ago, that is true. But, essentially, the name of the game has not changed terribly much. If you are in sales and marketing, if you are in tourism, things have not changed. The services may be better, but the nature of work has not changed. There were people who were compositors at the *News*

or the *Advertiser*. They have all disappeared; they have gone. There are some positions in motor vehicle manufacturing that have disappeared, but most of them are still there. They are still there, the same as they were 20 years ago—fewer of them.

Ms Tuncks—But in most cases I would say that they are having to use new and different tools to do their work and, in a lot of those industry sectors, the reskilling that is necessary to do that can be frightening, and can be frightening for older workers. There are also, I think, employer perceptions again about the ability of older workers to learn how to use new tools. That is also an issue. It does not mean they cannot.

Mr SAWFORD—This is my last comment, because I know Brendan wants to go on. I have been at numerous conferences where you have had employers, prospective employees—be they young, old or in between—and service providers. I can tell you that people who keep using the language of 'The nature of work has changed', 'This has changed'—putting up excuses—are not the employers or the employees; they are the service providers. I had the belief it was the employers who were saying this, but you keep hearing it from the service providers. Perhaps there is a truism to this, in that if you are a service provider in the current labour market, it is very difficult. It is not easy. So here is a way of justifying in some way your lack of success.

Ms Taylor—Yes, you may be right.

Ms Tuncks—I would like to pick up on one point. You made the point that, for example, in the automotive industry—which is a really big industry, of course, in South Australia—there are fewer people doing the jobs and so there are more older people who have been working in that industry who are suddenly not working in that industry. They have skills which have been very specific to that industry, but those skills are no longer in demand. There is not another automotive organisation that they can go to because the big ones are declining in terms of the numbers of people they require in that area. It is that particular group of people who do need to get some different skills, maybe enhance the skills that they have, to be able to move into other sectors. But in a state where we have had a very strong manufacturing base and there is a decline in the number of people working in that area, there is an issue in terms of the nature of the skills of that particular group.

Mr SAWFORD—In the motor vehicle industry it was called redundancy.

Ms Tuncks—Yes.

Mr SAWFORD—They decided to do the tooling, et cetera, in other places. These people found redundancy packages very attractive, and went.

Ms Tuncks—Yes. But then they do not necessarily use those redundancy packages effectively.

Mr SAWFORD—That is another issue.

Ms Tuncks—Yes.

Ms Taylor—If I could finish on that point: you may be quite right about the attitudes of the service providers in looking at getting the message out about mature age people. We also need to change those attitudes in service providers, if they are there.

CHAIR—I have a few questions to ask. Given that the general unemployment rate—and for people in this age group it is lower than across the board—the long-term unemployment rate, particularly here in South Australia, is much higher, is there an argument for allowing these people to access FLEX 2 and 3 earlier than those under the age of 45? What period would you suggest would be appropriate before they qualify?

Ms Tuncks—I would say yes, because that is the comment I made earlier. If we are talking about the fact that you need to get these people early so that they do not get on the long-term unemployment cycle, I would suggest that six to 12 weeks would be an appropriate period. I am making a bit of a guess.

CHAIR—That is okay. At the moment these people, in your view, are disadvantaged because they have to wait a year to qualify.

Ms Tuncks—Yes, for the FLEX 3. I think it really needs to be almost at the time they become unemployed that they are picked up in some way. Maybe there needs to be some arrangement within Centrelink and the Job Network arrangements that allows it to happen for that particular group. I would also suggest that perhaps there needs to be consideration given to Job Network agencies that have some expertise in dealing with the mature aged, rather than necessarily seeing it as part of the total package.

CHAIR—South Australia is, in one sense, not different from any other state, although I think your state has had more experience with redundancies on a large scale because of the historical nature of your economic base, but redundancy and dismissal processes themselves seem to be handled with an enormous variety. Some employers handle it very well, many do not and some appallingly so. It seems that a number of the problems people have in their career transition period relate to the way in which they have been dismissed or made redundant. In some cases, in fact in many cases, there is inadequate, if any, financial advice given; families are not involved in the process of their leaving employment; social welfare agencies; Centrelink; job placement providers. Has your department had any experience in actually getting involved at the point of removal from a workplace? If we could get to them at that point, before they are actually out there and unemployed, then perhaps it would be better for everybody.

Ms Taylor—Yes, I certainly agree, but that is not something we have been involved in.

Ms Tuncks—We are not directly involved but we have been involved, for example, where we have had regional development boards and it is known there is going to be a closure of meatworks and that sort of thing. We provide the funding there. They have worked with those organisations so we are not directly involved in that interface. We have also been involved, through the Department of Industry and Trade, where they have identified circumstances where they want to get in early and be able to work with people, and where some of the resources we have available through our various activities have been employed.

Mr SAWFORD—They have been more successful when the economy has been expanding rather than when it has been contracting.

Ms Tuncks—Yes.

Mr SAWFORD—They have not been successful, have they—not really?

Ms Tuncks—No, not in that regard.

Mr SAWFORD—We have not found that way, yet, around the contracting economy.

CHAIR—Is there a place for employers, having developed in consultation with them, of course, some sort of code of behaviour or conduct which sets out for them guidelines for dismissal and redundancy which include families being involved and DOME and community organisations and all that sort of thing?

Ms Taylor—It is really all linked to human resource management training, starting when people are employed. We have provided a scheme that assists employers with a human resource advisory service to help them with those hoops and hurdles at the start of employment. There is no reason why that should not continue right through the whole employment cycle. It is particularly relevant for South Australia because we have such a high proportion of small business here. Generally, management in small businesses are not trained in the hiring and firing of staff. That is where you get problems. We have encountered large numbers of problems, for example, in the employment of trainees or apprentices with the contract of training. It is the education and provision of advice directly to the employer in the workplace that resolves those issues.

The notion of having early intervention strategies before the person is made redundant or loses their job, I think, has a lot of validity and would overcome that issue of the reluctance of the person themselves to admit that this is happening to them. Generally, they do not involve their families in those processes and do not access the assistance that may be there early enough. If you can get to them in the workplace and encourage managers and employers to do that, it is certainly a very valid strategy.

CHAIR—You mentioned venture capital which is related in one sense to the NEIS program. Firstly, in terms of NEIS, we have had people say to us it is overly bureaucratised and that you can essentially start up, under the strict guidelines, an undercapitalised microbusiness, but you cannot get assistance to purchase a business that is already working and is successful and perhaps a sound investment. There is a bit of a dichotomy there. How could NEIS be improved? There are precedents for government assistance for business start-up, particularly in the indigenous area. How could that be improved? What are your thoughts on the venture capital issue? You mentioned that in your submission.

Ms Taylor—I will deal with the venture capital issue first. I mentioned it in the context particularly relevant to those people who accept redundancy packages and often make poor decisions about what to do with that. Again, it comes back to that information. Because they generally are unable to access perhaps the venture capital necessary in the amounts they may have in their redundancy package, they use their redundancy package instead of providing

for superannuation or their retirement. They are forced to use that money to invest in a business.

As I said, the evidence is anecdotal, but they seem to have difficulty in accessing venture capital. There are various schemes—you are quite right—throughout government that provide access to small amounts of money but not in the terms that these people might be looking to invest in. Buying a franchise, for example, is quite often seen as a very attractive alternative for these people, but they invest their redundancy package in that without the necessary skills, perhaps without the necessary training or experience about running a business or even a franchise, and come out of it without anything. Linking the access of venture capital to almost an enforced training component of that, which provides them with those skills, is one way of reducing the failure rate and increasing the potential for success.

CHAIR—There are a couple of issues there and one is that we know people take redundancies thinking they have more money than they have ever seen in their life, a lump sum, with little, if any, advice given to them. Then a year later they regret they actually took redundancy. Perhaps there should be some requirement for people at that point to receive some external advice on whether taking redundancy is a wise thing to do at all. That is one thing we are thinking about. Then there is the other issue of, as you say, franchising—and Teresa probably knows more about that than any of us—and making unsound business decisions with what is really their life savings. The third issue, as I say, is NEIS and whether some people, who could probably succeed and would be more likely to succeed in NEIS, actually are not eligible for it. That is another issue.

Ms Tuncks—I think that is a real concern because the NEIS training program is a very good one. I would suggest it does provide people who are looking at entering into small business with a very sound basis, particularly if they have good organisations providing that. The state government has a very small program—and I stress 'very small'—in the self-starter program, where we actually provide up to $3,000 in a grant payment to people looking at setting up a small business. But one of the requirements is that they have to go through and complete NEIS training or the equivalent of NEIS training. The business plans are assessed at regional development board level and there are only 30 grants for people who are over 25. I am talking about a very small program. It started out as a program for young people 18 to 25, with 30 grants. There are now 30 grants for those post-25 and there is a huge demand for that particular program so very selective decisions are being made. It is operational around the state and each of the regional development boards has about four grants available to them so that they can make decisions locally about small businesses in their areas. A number of those people are certainly, from our perspective, in the 40-plus age group. It does help to get some successful and creative small businesses off the ground. We believe it is having an impact in helping to provide opportunities in some of our regional centres.

Mr BARRESI—Can you point to some outcomes there?

Ms Taylor—Yes.

Ms Tuncks—Yes.

Ms Taylor—In terms of business start-up, yes, and successful business start-ups.

CHAIR—Could you send us some material on that?

Ms Taylor—Yes, certainly. There is also a scheme which operates for young people called the South Australian Youth Entrepreneur Scheme which is operated by Business Vision 2010 out of the chamber of commerce. If we look at that, it may be relevant for the mature aged. It looks at providing the sort of advice young people might need to start up a business, which is not different from the sort of advice anyone would need to start up a business, but it provides a mentoring service where people get access to the experts they need—the accountants, the lawyers, the paint people or whatever is necessary. They have to draw up a business plan. They have to go through various hoops and hurdles and can access financial assistance through that scheme. A similar scheme for the mature aged is also an option. I think that has been going for about 12 months and has certainly seen some success.

Ms Tuncks—And the state government supports that as well. We contribute some assistance.

Ms Taylor—The majority of funding for that scheme comes from the private sector which supports that and the majority of expertise comes from the private sector.

CHAIR—I am sorry that we have to finish, in one sense, but could you firstly send us the information you do have about business assistance and start-ups and, secondly, we would have an interest in having a lot more detail about the Mature Age Employer Incentive Scheme.

Ms Taylor—Certainly. We have some guidelines.

CHAIR—You seem to be venturing into the unknown in one sense but, as Rod says, if it is based on some research of employer attitudes we would certainly like to see that. I thank you for the effort in coming along and talking to us, and if there is anything else which comes up that you want to pass on, please feel free to do so.

Ms Tuncks—I must also say we sent Maureen a copy of the South Australian government's employment statement for 1999-2000 as well, which has in there a description of the whole range of initiatives, which may also give you a little bit more information about some of those activities.

CHAIR—Thank you.

[9.48 a.m.]

CARSON, Associate Professor Edgar, Member of Policy Council, South Australian Council of Social Service

DOWNES, Mr Malcolm James, Senior Project Officer, South Australian Council of Social Service

CHAIR—Welcome, and thank you for putting a submission together and coming along to speak to us.

Mr Downes—We will not cover our submission in any great detail, because it was pretty concise and you have probably seen a copy, except to reinforce something you have probably heard a number of times already, which is that, from our reading of the situation, employment for over-45s is a very complex issue. The people reaching that situation arrive at it with a very wide range of different sets of circumstances and so any approach has to take not an individual, not a portfolio, approach, but has to take a holistic approach, looking at the entire person, looking at not only employment issues but overriding financial issues, family issues, health and so on.

In rereading our submission there are a couple of things we noticed which I would like to run through with you briefly now before we make ourselves available for questioning. In the opening paragraph on page 2 of our submission—and again it is something you have probably heard a number of times—we do not believe we have placed sufficient emphasis on the extent to which people in the over-45s age group are discriminated against. We have included some later statistics to indicate that. But over-45s do report something like three times the number of instances of being rejected on the basis of age than all other age cohorts, so it is a fairly substantial problem. I guess people have alluded to that and I think it is something we need to pay attention to. That is, in fact, reflected in some of our recommendations later on.

On page 3, 'Employment generation', I think the reason we stayed out of that was because it was seen to be a very party political approach and fairly controversial and, to some extent, we felt it was not part of the over-45s scenario. But, in fact, looking at it, we thought we had some observations to make. We have used a very small case study of the health and community services industry in South Australia and we are suggesting, of course, that employment generation should not be a matter of simply paying people to paint rocks, as has been alluded to in the past. Essentially, it should be part of a whole approach to an issue and it should take on social and economic dimensions as well.

We suggested, for example, something like the health and community services industry in South Australia, which is a very big employer and has shown considerable growth, and one which does employ proportionately significantly higher numbers of older people. Taking into account the decline in health and community services in states such as South Australia, investment in those services not only returns a benefit to the community in terms of the services but also can serve some employment agenda for an older age group. So in those circumstances we would suggest that employment generation, not in its old, discredited form, but in a fairly well-targeted and rational form, could have some benefits.

The third matter, which is reasonably minor and again may have been alluded to some time before, is the problem of older people, who in some cases have acquired a significant number of assets, being locked out of receiving benefits and support through things like NEIS. I will not labour that because, again, you have probably heard it before. But it does seem very important to recognise that those liquid assets for people in the 45 to 50 age group do represent economic and psychological security. We feel that the policy could be made flexible in perhaps reserving or setting aside or quarantining in some way some of those resources to allow people to participate in some beneficial programs, such as NEIS.

Finally, just in very broad general terms, we have had the benefit of a report in South Australia from the Regional Development Task Force. The point of that was essentially a substantial criticism of a very ad hoc department based and narrowly economic view of what had happened to rural and regional South Australia. The recommendations were for a very much more integrated, more tightly focused, inter- and across-portfolio approach. We suggest there are two ways in which that thinking could be applied to this particular age group. One of them is that Commonwealth policy on unemployment does tend to be very narrowly portfolio based, that employment does not see welfare as part of the deal and welfare does not see employment as part of its patch. And for this age group particularly there are some very serious crossovers.

I think also in providing services to people over 45 we really do need an integrated approach that does not attempt to separate out the various parts of their lives but looks holistically at their set of circumstances as they approach unemployment in that age group and, as one of your earlier speakers said, as early as we possibly can get in, because early intervention, getting advice and direction, seems to be one of the keys to assisting these people most effectively.

CHAIR—Thank you, Malcolm. One of the things that you referred to in your submission was the fact that people in this age group in particular define themselves through their work and, whilst losing their job and becoming unemployed is clearly an economic disaster, it is also a human tragedy because, particularly for men—although that is changing—there is a whole loss of identity and all that sort of thing. Rod will probably raise this with you too. Is there a place for us perhaps to start thinking about changing our attitudes towards work? Women often feel lesser citizens if they are at home looking after kids. People feel demeaned to be unemployed, because if you do not do something in this country you are not paid, then you are less important than somebody else. It is the same with old age pensioners, often. Is there a place for some sort of attempt nationally to effect attitudinal change?

Prof. Carson—I want to say first that the evidence that I have seen and that I have gathered in the work that I have done has told me that first and foremost people over 45, when they lose a job or when they are seeking a job, are doing it for financial reasons. I will explore your question, but we should come back to it and not lose the point that the over-45-year-olds that I have had most dealings with are really quite concerned about the loss of the resources they had built up, the loss of their assets, the fact that often they still have families that rely on them. They are worried about the shift in the labour market to casual work, even if they can find work. The insecurity means they are worried at a time when they are starting to think about preparing for developing their retirement plan, generating their savings, their

nest egg, in light of the way the pension is changing to focus on superannuation and so on. So while I am happy to go down the track you have suggested, we should not lose sight of the fact that there are really quite important financial implications. Perhaps we could come back to that.

CHAIR—Yes. I think, as you and others have said in your submission, they are often pincered by parents at one end and children at the other.

Prof. Carson—Absolutely, and so we should not lose sight of that. Having said that, we then think about the big issues that are most important for people in this age group trying to find work. The work that I have done has suggested that there are four strands, four principles, that we might look at in terms of an integrated approach for helping people who are unemployed in that age group. I think the first issue would be supporting them in terms of their personal development, their emotional support and counselling. Secondly, there are then job search skills, because a lot of people in that age group have not actually sought a job in the recent past and have to think about how to actually do that.

Then there is specific skills training and we have to think about that as well. The fourth point would be the business of age discrimination. I suppose there are two issues there. One is the stereotypical perception of older workers and the assessments that employers make about whether it is appropriate to take them on. So there are some strategies about generating demand, and we need to work through that.

CHAIR—We discussed with the Mercy people yesterday in Perth that these people are going through a major life event, like losing a limb or losing a husband or something like that. We focused very much on the machinery side of it but the pastoral care is often not there.

Prof. Carson—Absolutely. One of the observations I have made is that employment agencies, very well intentioned, believe that they need to do that foundation work before they can be effective in developing the job search skills and the specific work skills, and often that means that they have to present their success in terms that do not best capture the success. That is not fair to them, does not recognise the good work they do, it leaves them to fudge the outcomes, basically, and that is not good. So I certainly would argue that that more comprehensive approach that we did in South Australia in the seventies and early eighties has not been valued enough in the way we have provided support subsequently. We know why. It is not that there was any conscious devaluation of it but because of the redefinition of how one ought to provide employment services. I think there has been a loss of recognition of that.

CHAIR—Malcolm, in your remarks you referred to human and community services. In a different inquiry we were involved with, Teresa asked questions about the domestic services sector, which seems to be a growing part—caring for older people at home and doing the domestic tasks that are never going to be overtaken by technology. Other than the government—state, federal or whoever—employing people, who are often older people, to mow lawns, prepare meals, clean houses, et cetera, what could we do that might encourage employment in that sector?

Mr Downes—There has been a trend towards keeping people with disabilities in their own homes. In South Australia and elsewhere people have been deinstitutionalised and there is still a substantial need. A lot of the people with disabilities in the community are not being serviced adequately. I am avoiding your question; it would be very easy if we had several extra billion dollars and we could place people in there. Older people are also being kept in their homes and that represents a real economic benefit. It is, in fact, cheaper to provide assistance for people in their own homes than it is to institutionalise them. Some of the economic benefit could be maximised by moving some of the resources out of intensive care into home based care. Other than that, I have no particular economic miracles to offer.

CHAIR—It has been suggested that, for example, we could have a mechanism a bit like 'le cheque emploi' that the French run, or some kind of tax expenditures used on a means-tested basis for people who have been assessed as in need of being in care. It would mean that if I paid to have my elderly grandmother looked after at home, there would be some tax relief. Have you given detailed thought to that?

Prof. Carson—No. I looked at some of that material overseas and it is clearly an important issue. I do not think we have gone far enough down that path here in Australia generally.

CHAIR—The government made a decision in 1996 to essentially require people to draw down on their assets before they became eligible for social security benefits. I certainly understand the logic in the short to medium term. I suppose people do not like the idea of social security resources being given to people who might have $1 million in a superannuation plan. Perhaps some would argue—and I suspect you may be amongst them—that it might be described as a short-sighted policy. What impact has it actually had on the ground for people who lose their jobs, who are over 55 and looking for work? Can you tell us?

Mr Downes—Not in a statistical sense, but it seems fairly logical that a lot of people who have provided substantial assets for themselves would also be people who would be in a position, given access to something like NEIS, to make it work particularly well. They may well have skills. People who would be poorer and perhaps could then access NEIS may not be the people who would actually extract the most benefit from it. By not allowing people to quarantine some of their liquid assets, we may in fact be locking out some people who could go on to be productive and potentially even be employers themselves. We are not asking a great deal of the public purse to support something like NEIS. It is a very lean, cheap operation. The more able and appropriate people who access it, the better it will function and the better we will all function.

CHAIR—We all benefit from business success.

Prof. Carson—One of the things you mentioned earlier was a pincer movement. One of the bits of research I have been doing recently was with young people, looking at the impact of the common youth allowance. One of the things we found was that the over-45-year-olds were often the parents of the young people who were disadvantaged in getting the youth allowance because of the income of their parents and the assets they had. Increasingly, these people were saying they were disadvantaged because the prevailing ideology is that families

take more responsibility for their young people. When their kids are reaching the late teens and early 20s is precisely the time when these people have trouble maintaining themselves, because they are made redundant.

You said you were particularly interested in how older people deal with the loss of status, loss of involvement and attitudes to work issues. I said that financial matters were really quite critical. But if we think about coming to terms with the changes in the labour market and recognising casualisation, as I was saying, it is at a time when they are expected to plan for their retirement. They find they are getting squeezed at both ends, by greater needs in some respects, at a time when they thought the kids would effectively be off their hands. At the same time they are actually losing the capacity to have secure, predictable employment. While I did not find it in the research I was doing, looking at over-45s, it came up quite strongly when we were doing some of the research we are in the middle of at the moment. We are looking at mutual obligations in young people. The role of the family and the role of over-45-year-olds as heads of families is an important issue we need to think about.

Could I say two things about what we might do about it. Firstly, retraining is clearly important. One of the concerns we found is that when people over 45 are obliged to be part of a Work for the Dole scheme, it is quite demoralising for them to think in terms of that. The voluntary component is not particularly important. Most of them actually want to be involved for financial, social and domestic reasons. The concern is that it is demeaning to be seen to be working for the dole. It might be worth thinking about a different kind of scheme that still recognises contribution to society and mutual obligations but does not phrase it as a Work for the Dole scheme as such.

Secondly, it is important to have appropriate training and work experience. Work for the Dole typically is conceptualised in terms of work acculturation as much as it is about specific skills training. Most of these people do not need work acculturation as much as they need reorienting and specific skills training. The flavour of Work for the Dole is problematic for over-45s as well as the compulsory element, I would suggest.

The next point is education generally. Increasingly, we are talking about lifelong learning when we talk about education. I have already said to you that when we think about over-45s we should not just think about them in isolation, we should think about them as family members. Equally, we should think about them as learners. If the government's policies on support for young people, on the role of the family and on education are saying things about lifelong learning and family responsibility, we need to think how it impacts on people who are made redundant or are seeking work.

We do not have recognition of prior learning well enough developed in our education system to help older people slot into training programs that will build from where they are. There is a lot of variety. We cannot talk about the over-45-year-old and assume there is some stereotypical person. We have middle-aged managers who have been squeezed out because of streamlining. We have manual workers, particularly in South Australia. We have women re-entering the work force. We have to evaluate their different capacities and their different needs. We do not do enough of that because the schemes we have, like Work for the Dole, do not allow for that kind of flexibility. I have suggested that linking the family

policy and education policy is something worth thinking about, not just employment policy. We mentioned the welfare policy as well. That is a general proposition worth bearing in mind.

Mr Downes—Underpinning what Ed was saying and coming back to your original question, even after 25 years of substantial unemployment the work ethic, the desire to work, the fact of being in paid employment as one of the cornerstones of existence, is still alive and well. In this group it is more alive and well than anywhere else. We have to be very careful not to be patronising in the sense of, 'We're going to try to talk you into doing something that's slightly less valued in the community.' Paid employment is highly valued in the community. The money it brings and the status attached to it is still very strong.

Prof. Carson—We started off this discussion by you asking about whether there is a case for reconceptualising what we think work is and our attitudes to work. We suggested to you that we needed to talk about some other things before we got there. We needed to talk about financial issues, about how policies interact and complicate the system. But to come back to your question about whether we should think about a different approach to employment, the big push in South Australia at the moment is around the area of volunteers. There is a dramatic focus on that. The fact is, there are already huge amounts of volunteering going on in South Australia, particularly in this age group. I have not done the research myself but I have seen figures that suggest there is a ratio of about 10 to one older people compared to younger people doing volunteering.

There is no shortage of evidence that older people—45 plus, that is—see that they have a commitment to the community and get benefits from the community in terms of unpaid work. We should not assume that one would benefit from a reorientation program, a publicity program that says contributing to society is valuable and you do not need to be paid to do it; there are all sorts of other things. Just because you are not paid as a worker does not mean you are not a productive member of society, and so on. The evidence is that people vote with their feet, and do that quite a lot, in this age group.

Mr SAWFORD—Many of them are financially secure in their own terms.

Prof. Carson—Yes.

Mr SAWFORD—'Financially confident' may be a better term. They are satisfied with their existing income levels but they need more out of life and it is not measured in monetary terms. Most of Australia has had a long history of volunteering.

Prof. Carson—Absolutely.

Mr SAWFORD—It is not acknowledged, mind you.

Prof. Carson—Volunteering, of course, is changing. One of my colleagues in my social policy research group is involved in Volunteering SA. He is reporting to me that increasingly they are finding young people being involved. This is partly because they are obliged to because of community service organisations but partly because they see volunteering as a first step towards finding work. They have been told they should get out and be involved, it

is a stepping stone, and so on. Unfortunately, the evidence is that it has not been as effective a stepping stone as it was in the past. In the past it was not seen as a major career option so, if you wanted to do it, there was not a lot of competition for you to get that foot in the door and then move into paid work. Increasingly, people think it is a thing they should do and will benefit from doing. What we are finding is that volunteering experience will lead to more volunteering experience.

CHAIR—But in terms of cultural values and expectations, if we had some research—which is clearly one of the things we have found there has been an inadequate amount of in terms of labour and mature age people—and we can demonstrate that volunteerism and a volunteerism ethic is more likely to lead to an employment outcome, then that is starting to shift things. When I say, by the way, 'in terms of work expectations', it seems that in Australia we define ourselves through our work. If you do not have a job, you feel you are of less value than other human beings. Whoever is in government and whatever policies are pursued, a significant number of Australians will continue to be unemployed and young people will face a period where they do not have jobs. Whatever the economic disaster that represents for those individuals and for all of us, it is compounded by the fact that we say in all kinds of ways, 'You are less important than any one of us at the moment because we have jobs.'

Prof. Carson—That is a fair comment, but it is actually more complicated than that. What we are finding is not simply a reduction in work available. We are finding that, but what we are also finding is polarisation in the labour market. We are finding some people who have no income—no-income families in particular—at the same time as we have lots of two-income families that are working 60 or 70 hours. We know about that, but the problem that we have is that differentiation. That opens up questions about what is an appropriate working week, and it opens up questions about how we shift to part-time work, how we shift to job sharing that is not insecure. It is not about the hours that people work or the likelihood that they might reduce the role of work central in their self-identity and in their life but the insecurity that goes with losing their job and not being able to get one, or thinking they might but they are not certain if they will get one.

That uncertainty, as much as the relative weighting of work in their daily life and in their self-image, is really an issue, as is the perception that some people are still working very hard and doing very well out of the system at the same time as some people are not at all. We have lost the middle ground and the question is whether there are strategies that we might put in place to deal with that polarisation, that widening of the gap. That is a big issue certainly for the people that we have talked about. Sometimes it is the luck of the draw, which side of the coin you are on.

Ms GAMBARO—Can I just continue on with how we define work. Some years back I worked for a personnel agency, and whenever we advertised for 20 hours a week, we were inundated, so that the mailman had to actually come back in a van with bags of responses. I have always been an advocate of job sharing and, being a woman myself and having left the work force to rear children, I have looked at job-sharing practices and us as a government getting behind that. I have on a number of occasions spoken to relevant ministers about it. I see that as a very important role for women.

I want to talk to you about the changing nature of work and the casualisation of it, and also about leisure and not working. You were mentioning that we have people who work 60 to 70 hours a week and then you have the lower end of the scale. What is work? We have spoken to a lot of groups who mentioned portfolio jobs, and I have been guilty of this myself; I have had three part-time jobs. Do you see a job-sharing job extended to perhaps male workers, where they could work for 2½ days a week for one company and 2½ days a week for another company? You spoke about the over-45s and their traditional role, their traditional thinking about work and providing for the family. Do you think that would fit into their thinking or would it require a major attitudinal change?

Prof. Carson—I do not think it requires a major attitude change. I think it requires the opportunity and the legislative restraints being removed from employers to take people on. I think there is a concern that it is easier to have one person and work them hard than it is to have two people, because of the on-costs, because of the more administrative complexity and so on. First of all we need to think about whether it is an arrangement that suits employers. I think for people looking for work the portfolio arrangements are quite sensible and common. It is not that unusual if you think about lots of blue-collar workers and white-collar workers. Blue-collar workers typically in Australia have a very high proportion of what you might call pseudo self-employment, subcontracting arrangements, where they actually work notionally for themselves but what it means is they have a regular job for a few people. If you look at the building industry, if you look at manufacturing, there are actually lots of that kind of portfolio type work that has not been labelled as that in the past. In terms of white-collar workers, in terms of middle managers who lose their jobs, I think they have expectations that they work on project based work that involves working for different employers. So I actually think in the work force, by and large it is not as big a shift as some people suggest it might be. It is not such a dramatic new development in the work force. I think the uncertainty that is involved in the kinds of arrangements that some people are confronted with, when they had more secure arrangements, is the big problem rather than working for more than one employer, working across different sites and so on. I do not think that is as big an issue as some of the other issues.

Ms GAMBARO—You spoke about the administrative problems. There are also some very good positives, in that if the particular individual in a job-sharing situation becomes ill or goes on holidays you have someone who can just step into the job and not require any training whatsoever.

Prof. Carson—That is right. Absolutely.

Ms GAMBARO—I would like to ask you about reskilling and updating the skills of females. We have had evidence presented to the committee from various groups who say that females who were actively participating in the work force do tend to update their skills and continue to do so. Whether it be computer skills or lifelong learning or whatever, they do that more readily than their male counterparts. How can we get that middle management male stereotype to keep retraining and reskilling? What seems to happen is that they will lose their middle management positions and then they will think about reskilling and retraining.

Prof. Carson—I am not sure what research you are referring to. Is it that upskilling for women is a function of the industries that they are working in more than their individual predisposition to retrain? If you look at the changes in the labour force, what we are finding is that the men typically are losing manual work on the one hand or middle level management on the other hand. The growth for women's work by and large has been in retail. There has been a change in the technology that you have to deal with in retail, and in clerical, office work, there has been clearly a major upgrading. So how much of it is technology driven as opposed to attitude and predisposition driven? I would suggest that it is about changes in the nature of the work rather than about women actually having different attitudes to the men.

Ms GAMBARO—I think a different attitude.

Prof. Carson—That is an important issue. Can I say one other thing? We look at women increasingly finding work. They are the ones that are successful. Women find work because of the nature of the growth in services, particularly retail and so on. I did a piece of research two years ago for a WREIP program. Are you familiar with WREIP, Women's Research and Employment Initiatives Program?

CHAIR—Yes.

Prof. Carson—We looked at the predecessor of the Job Network when contractor case managers were being funded to compete with what was Employment Australia, that subset of the CES, to provide specialised assistance to women workers based on the notion that competition between those agencies, the contracted case managers and Employment Assistance Australia would give the women better service, where they could choose where they wanted to go to get the help, they could choose quite specialised assistance that would help them get the kind of retraining they wanted and so on.

The work we did across three states found that most of them did not have enough information to make rational decisions about who to go to to get assistance. They made quite pragmatic, quite sensible decisions based on things like whether the bus stop was close, whether it was near the kids' school and so on. When they were placed in the job, they basically took whatever job they could get. The notion was that women were making conscious decisions about how they wanted to work, where they wanted to work, and the labour market programs in place would help them make those informed careful decisions. Unfortunately, we did not find that. The system was nowhere near as rational as some of those kinds of suggestions imply. It was much more a survival mode than it was being in control of their destiny in the labour market.

There is still a sense that lots of people who are unemployed and who are trying to get into the labour market do not feel they are in control of their destiny. One of the things we have to do is think about how to manage that, particularly for over-45-year-olds, at a time when they have to start thinking about retirement. If they are in a super scheme and they downgrade their hours, it has implications for their payout subsequently. Their income in the last three years of their employment has implications for the levels of some of their employment payouts. So there is a disincentive to reduce their working hours at the same time as we are saying socially it is probably a good thing to do, and in terms of demand for

work it is probably inevitable, but we have not adjusted our superannuation mechanisms and our retirement mechanisms to deal with that.

I come back to one of the points I was making earlier. We have to think holistically about this. We have to think about how it relates to family policy, to education policy, to retirement policy as well as to broad welfare, personal counselling and support, just as much as we have to think about it as an economic issue, as an employment issue. It is that first and foremost. The over-45s are still concerned about getting work, still concerned about getting income to be able to look after their family, but there are all those other things, and one of the concerns that I would have, and one of the things that we have seen in SACOSS, is that there has not been that more comprehensive kind of approach evident in programs that sometimes in and of themselves are quite sensible and appropriate. They do not add up to a comprehensive package that actually helps people.

Ms GAMBARO—Can I just go back very quickly to service industries. When I was teaching services marketing before I went into politics, I used to quote to my students that the services sector made up 70 per cent of the GDP. I suspect it is more than that now.

Prof. Carson—Yes.

Ms GAMBARO—Can I just go back to the males and females, and it is traditionally females working in the service sectors. You find that this particular sector of the economy is growing, and I just want to put something to you. Are males hesitant to take up jobs in the services sector because they are lower paid, or is it more because you are dealing one to one with people and you need to have fairly effective communications skills in having to deal with people directly? I am not trying to stereotype here.

Prof. Carson—Good, because I was just going to pick you up on exactly that.

Ms GAMBARO—Having worked in service industries, most of the people that work in service industries do tend to be women. Is that because of the nature of the pay? If the service industries are going to be the growth industries, do we need to promote the positive benefits of the sector to people who may not have considered it as a work option in the past?

Prof. Carson—When we say the services sector, you are talking about what?

Ms GAMBARO—Hospitality, health services. We spoke about some community type services.

Prof. Carson—Yes. The reason I ask that is because when we talk about the service sector, in South Australia 95 per cent of the growth is 'services', broadly defined. That includes tourism and hospitality but also personal services, and that means a lot of different things; I will come back to that. It also includes financial services. So 'services' means a lot of different things, and there are different strands in that. On the one hand, we have the growth in the number of retirement advisers and investment advisers. The gender balance I think is quite different from what it is in the personal services or in tourism and hospitality. But within the personal services, if you are thinking about assistance with home care, you have domiciliary care on the one hand and you have Jim's Mowing and all the household

maintenance stuff on the other hand, and they are both really big growth areas. Equally, they involve one-to-one relationships. So the notion that some jobs are characterised more by a propensity to interact with people is something that I am wary of because in fact I think most work involves interacting with people.

CHAIR—In this age group, is it more a case that the men want a career and the women are more prepared to take a job? I realise that is a simplification of it. The man is more comfortable with a badge that says, 'This is my career. I'm defined in this way,' whereas the woman is much more pragmatic and says, 'I need a job and I'm prepared to do that.'

Prof. Carson—There still is clearly some of that. We need to be aware of the assumption that, 'Over-45-year-olds are my parents and older.' I am over 45 and I lived through the sixties, seventies and eighties. We are the product of 20 years of redefining the role of women in our society. So when you talk about 45-plus, we are not talking about people who lived through the Depression, by and large. We are, certainly, to some extent.

Mr SAWFORD—They were born from 1945 to 1955.

Prof. Carson—Exactly. So we need to be a bit careful about the differentiation. It is still there, there is a residual element, there is no question about it. But I do not think it is the case that the best way to explain different patterns of employment is in terms of traditional conceptions of what is appropriate for males and females. Secondly, the differentiation used to be because of child rearing; women stayed home to rear the kids. Increasingly, women are working at the same time as they are rearing the kids, so that sort of notion is not as important. As I said to you earlier, what we see is not self-selection, so much, between men and women; it is more the changes in the nature of employment opportunities generally.

If you look at a spatial arrangement, what you see are two-income households in a lot of our eastern suburbs and no-income households in our northern and western suburbs. Does that help us to understand the way in which people get jobs? You cannot say that it is the male members of those households who do not have the jobs and the females do. There is a growth in female employment, but I do not think it is as much about attitudes and conceptions of appropriate roles for males and females as it is about opportunities to get work. Often, if the growth is in retail or in routine clerical work, women can get it more easily than men can, either because men were not trained in that way or because they were more highly paid and there is a reluctance to actually give people a job if they believe they are overqualified for it. Some men will not take the job because it is demeaning, because they were the breadwinner in a full-time, highly paid and prestigious job previously and they do not want to drop down to some routine, part-time, less prestigious job, but I think it is more about what the opportunities are.

Ms GAMBARO—Thank you. I am glad you cleared that up for me.

Mr Downes—The other issue is the nature of the industry. For example, in the home care industry there is a clear preference for people of both genders to have females looking after them in personal care situations. In disability I think something like 90 per cent of the people providing home based care to men or women are women.

Prof. Carson—Can I just say one other quick thing. It will take two seconds. It is not part of my research, it is anecdotal, so for what it is worth: I used to live in North America, in Massachusetts. One of the fascinating things there was the typical age of waitresses. We think of hospitality and working in McDonald's as a young person's thing here. The McDonald's in the town I lived in used to have signs outside on the windows, reading, 'Mothers' hours available.' They would encourage middle-aged people, mostly women, to work there. So there are some cultural patterns, a difference between the US and Australia in terms of the typical age of a hospitality worker. I do not have an explanation for it, but I noticed the difference. We somehow assume that there are people inclined to do certain jobs,

Mr SAWFORD—I have three questions. One goes back to the use of your term 'comprehensive', and you used 'holistic'—and I will come back to that in a minute. But initially you came to those four principles where you acknowledged the personal support required that was sometimes overlooked in current service providers, not that they are doing it deliberately but they are not being—

Prof. Carson—They are constrained from doing it.

Mr SAWFORD—They are constrained from using it.

Prof. Carson—Yes. They often are committed to doing it.

Mr SAWFORD—Do you think in some ways, if you go back—we always romanticise the past—that one of the problems perhaps with service providers in the past in the field of employment was that they were so process oriented or they were outcome-overlooking and they never had a purpose?

Prof. Carson—Yes.

Mr SAWFORD—What you are actually saying is that you need a purpose, you need a process, you need an outcome.

Prof. Carson—Yes.

Mr SAWFORD—And at the moment we have gone too far the other way and we are becoming 'outcome' and that is not a purpose.

Prof. Carson—Yes.

Mr SAWFORD—That is the first question, if you would like to perhaps comment on that.

Prof. Carson—Absolutely. Regarding the argument that we should recognise the importance of personal development and emotional support and counselling as an alternative to an outcomes focus, in fact it is an integral step and what I argue for are articulated procedures, so it is the first step of the subsequent job search training, specific skills training, advocacy of behalf of the age group and so on. You have to think about the steps that need

to happen. If you only think, 'This is an important element', and focus on that without the others, then you do not have the right balance. What I am suggesting is that because we focus on outcomes we do not necessarily recognise the importance of building that foundation. And we do not fund the agencies to support them in doing that, so it is much more difficult to get the outcomes they want, and often they have to build the operating costs of doing that personal development and counselling and support into their budget in a way that is not then acknowledged in their funding source. It is a real problem. **Mr SAWFORD**—The Sisters of Mercy in Perth yesterday made a similar contribution in terms of a comprehensive approach, and I am sure all of us would encourage you to continue that. I think we need to take many further steps down that particular line. One of the other matters that sometimes confuses the issue is sometimes a simple one. When you use the words 'comprehensive' and 'integrated' I think people know what you are talking about.

Prof. Carson—Yes.

Mr SAWFORD—When you start using terms like 'holistic' there is a whole range of other baggage that gets attached to all of that. In terms of service providers, you have your own jargon—and so do politicians. From the politicians' point of view—I will not speak for service providers—they do it because they cannot explain the situation in simple language. They do not have the absolute truths to be able to explain themselves satisfactorily, so they resort to jargon. I suspect that service providers and bankers and teachers do exactly the same for exactly the same reasons. How much is jargon a problem when you are dealing with clients, both at a government level, which is us, and also at a client level?

Prof. Carson—I think that is a fair comment. If jargon is a smokescreen for not being able to explain it and map it out, then it is a problem. Whether it is a problem in terms of the agencies dealing with their clients, I do not know the short answer. I do not know if I could really speak to it. It is a fair point. I do not have an answer.

Mr SAWFORD—This is only anecdotal. I would have a view that Phil Barresi shared, that sometimes the attitudes that are put forward to inquiries like this come from the employers and the employees. In going to a number of workshops, Malcolm, which we all do, I always found it was not them saying it. It was the service providers saying it all the time.

Mr Downes—What particular pieces of jargon did you have a problem with?

Mr SAWFORD—The standard lines: that older workers are inflexible, they are more difficult to retrain, they resent this, they do this, they do that. Even though I went there believing the employers were saying those things, it was actually the service providers saying them all the time. I have come to the conclusion, basically, that this is because if you are a service provider, unemployment issues are incredibly difficult. As you say, there are so many complex issues, often not acknowledged by government and by other services within the community.

I am going to use this equation again and put it on the record: 700,000 unemployed, 700,000 underemployed, 700,000 hidden unemployed, 70,000 job vacancies. That is what service providers have to deal with every day of the week. That is not a terribly positive

situation to deal with, yet they have to be positive in dealing with their clients to get their own job satisfaction and also to meet an outcome driven funding regime.

In those sorts of circumstances, do you think we are not being particularly honest with government, because when government says, 'We want you to make this work,' what most service providers do is make it work. They will do anything. They will make it work to get that funding because it secures employment, it secures a whole range of other things, and the client is sometimes given, I think, false realities in terms of what are realistic expectations of their re-entry into the labour market.

Prof. Carson—One aspect of that would be the extent to which funders offer funding to agencies to provide training in the expectation that the reason people are unemployed is because of lack of skills, and so there is a tendency then to train without the clear link between that training and a subsequent job. Again, the connection is about whether there is an argument for the agencies to lobby government more enthusiastically about support for employment. Maybe it is whether it is subsidies, whether it is promotional campaigns, whether it is about transitional arrangements, whether it is about changing the way in which agencies are funded, different kinds of loadings perhaps for different age groups, different use of the client classification instrument to acknowledge the difficulties of over-45-year-olds perhaps. There are different things that could be done.

The question underneath your point, Rod, is that perhaps the whole mechanism of contractualism, of funding agencies on the basis of bidding to get the right to find people jobs, does constrain their advocacy role on behalf of their clients, and the answer is that that is a really crucial issue as far as SACOSS is concerned. I think SACOSS deals with that on a regular basis, worried about its constituency being constrained in precisely that way, and the peak bodies like SACOSS itself are constrained in precisely that kind of way.

Mr SAWFORD—In my last question, can I use one example you gave in your specific recommendations, recommendation 7, in terms of a range of incentives to employers to employ older workers. I would have thought from a holistic, comprehensive view that is very dangerous in terms of substitution. If you are going to encourage, say, 2,000 workers, you are going to have substitution, surely?

Prof. Carson—Yes.

Mr SAWFORD—And in the final analysis what is the purpose of that?

Prof. Carson—Substitution and displacement are certainly big issues any time we evaluate any labour market program, there is no question about that. I am not opposed to some element of substitution if it prevents long-term unemployment in particular age groups or particular regions of the state. I think there are arguments for that kind of intervention. My own opinion is that private sector wage subsidies are much more at risk of substitution and displacement and windfall effects than are public sector job creation schemes, particularly in the human services. We know we need more health care, we know we need more human services. I would argue that the government investing in that area, in public sector job creation in that area, does not have anywhere near the substitution and displacement effects that private sector wage subsidies do, because there is a screaming

demand for care of the aged in their own homes, for example, that is not going to be displaced. You are not going to be displacing workers by increasing the work there. And it is true that if the emphasis is only on subsidies to private sector employers you run more of a risk of that.

On the other hand, I think what we in SACOSS and what I personally would feel is that we should not dismiss that as one of the arsenal of weapons or instruments that the government should use to try to reduce unemployment. The argument for private sector subsidies is about getting people into workplaces where they might have the opportunity to be kept on in an unsubsidised job. It does displace some people, but that is a conscious trade-off you make against certain groups being absolutely demoralised by losing the skills that they once had the longer they are on unemployment, and long-term unemployment is a really big issue in South Australia.

Mr SAWFORD—Perhaps you might like to amend your recommendation. I think you are right about the public sector stuff. I think the public sector does have opportunities that do not create as much displacement.

Prof. Carson—Particularly in the human services.

Mr SAWFORD—And maybe that needs to be specified in that recommendation which does not distinguish between public and private.

Mr Downes—Also it might be used in conjunction with something that Brendan and Teresa alluded to, which is persuading employers to in fact split up some of the jobs to reduce the amount of overtime. If these subsidies were used creatively, we could entice them to create that extra job out of the overtime that would be suitable for an over-45 person.

CHAIR—That is right. In the health sector it is cheaper to employ one person to do a 70-hour week than it is to employ two to split the hours.

Prof. Carson—Yes, and that is a big issue too.

Mr SAWFORD—Maybe that is where the subsidies ought to go, in the on-costs, but specify that they will only pay for that. It is not a job subsidy. They will only pay for the on-costs if one job is then created into two.

Prof. Carson—Yes, that is a sensible suggestion.

Mr BARRESI—You have covered some of the questions I was going to raise through your responses to Rod. I was particularly concerned about that issue of Job Network providers 'parking' their older clients, and we hear this from those who are long-term unemployed. I think you have given us a couple of insights there in terms of how perhaps they can be addressed, which is great.

I want to return to the issue of women finding work. You have sort of answered it in Brendan's question. Rather than there being a greater predisposition for women to take on a lower paid job, can I put it to you that perhaps another way of looking at that in terms of

their greater participation is that the employer perception itself is to the advantage of the woman, particularly when considering Rod's point about inflexibility and the perception that older workers are inflexible.

Perhaps a long-term unemployed female presenting herself to an employer is less of a threat to that employer and less of a potential problem—I am saying this is all in terms of perception, not in terms of reality—compared to a long-term unemployed male. Some of that may be because of aspirations of career advancement: 'I was a middle manager, therefore I'm going to come into your organisation and I'm going to tell you how I did it in my organisation.' I just want you to address that, Professor, if you can, from the employer's perception of that hiring decision, distinguishing between the male and the female.

Prof. Carson—I have not done research directly on employer attitudes in the hiring process. I think what you are saying has some merit and anecdotally we can believe that is the case. There was a publication done for the Commonwealth government last year, which I researched with some of my colleagues from the National Institute of Labour Studies, looking at recruitment and selection trends. What we tried to establish was the role of a variety of factors in employers' recruitment strategies. Without prejudice or cynicism to employers, the first thing we would say is that there is a bit less rationality in the system than we might believe when we stand back and think about it.

Mr BARRESI—We believe that.

Prof. Carson—That certainly is the first point. Secondly, the kinds of decisions that they made were often about who was familiar to them and word-of-mouth recruitment and referrals, and support from people already working in the organisation, working in the firm, were overwhelmingly important. About half of the jobs that Australians find are through word of mouth in varying degrees. That is quite clear. My own research shows that—I wrote a PhD on it—but also the ABS data show that. The decisions that employers made on who they would employ were often about who they were able to find through the contacts of people working in their firm.

That does not answer the question about whether they took a male or a female who was linked there, but it raises the question about whether the people who are putting in a good word for employees are more likely to put in a good word for males or females, for those kinds of reasons you have suggested. Do they believe that the person they would recommend will disrupt things, will embarrass them if they come to work, will undermine their reputation? I do think anecdotally there is some suggestion that women are seen to be less likely to expect and maybe insist on certain kinds of support and training and so on. So I think there is an element there.

However, it is more about the notion of what kind of work is being generated and more and more the work that is being generated is the work that we typically think is suitable for women. So the re-employment of middle-aged managers is certainly a problem and the idea of not employing people who are seen to be overqualified for the job is a problem. That then begs the question of retraining, lifelong learning and repositioning and so on. We do not do that well.

Mr BARRESI—I have some questions specifically on Centrelink and Job Network, because you have made some observations about the operation of those two organisations. Some of your clients are critical of Centrelink and Job Network. We hear anecdotally some of the criticism, although it varies from location to location. You have made comments about the waiting time at call centres and how the call centres can be improved, as well as some suggestions for changes to programs that Centrelink and Job Network deliver. Can you expand on that for us?

CHAIR—Not too much, because we have only five minutes to go and Rod wants to ask another question.

Prof. Carson—First of all, the client classification instrument does not fully recognise that mature age workers often have difficulty in a way that I think is necessary, particularly in South Australia with a high proportion of unemployment and a high proportion of older workers. The way in which Job Network contracts were struck has not valued the extra work that is involved, the recognition of the importance of FLEX 3 work with older workers. We do not see a spread of specialist providers in the Job Network that we would have expected to find when it was first developed. Most Job Network providers are accredited as a generalist, not a specialist, and they partly do that because they do not want to limit their potential client base, as I understand it.

In the tender that went on the web recently for the new round, there is much more emphasis on encouraging specialist providers. I have talked to people in DETYA and Centrelink and their understanding is that will bring forth more specialist Job Network providers. But certainly up to now there has not been much evidence that there have been Job Network providers who have tried to develop that specialist expertise in terms of older workers.

Mr BARRESI—You have made some suggestions to the ministers and their departments. Is that correct?

Prof. Carson—Yes.

Mr BARRESI—What has been the reaction to those suggestions?

Prof. Carson—Not much, because the recommendations have been overtaken by restructuring on more than one occasion. I think it is fair to say the recommendations I have made to the Commonwealth government have usually then been buried in reports that have not really been implemented. We have been paid for the work and it has been satisfactorily received, but it has not really been generated.

Mr BARRESI—I am sorry, I cannot believe that!

Prof. Carson—Okay. At the state level, that is not the case so much. When I have made recommendations about supporting certain kinds of labour market programs, including older workers, they have been picked up rather more. So at the state level, I do not see that so much; at the Commonwealth level, I do a bit more.

Mr Downes—I will just add very quickly that the Centrelink call centre is not a good way to resolve complex, detailed questions for older people, who often face a very complex set of issues. It does not work. We have made representations directly to Centrelink and been told simply, 'Well, it's a resource issue. We've got so much money. That's all the service we can provide, and that's the only way we can provide it.'

Mr BARRESI—We did not ask this question of the previous witnesses and they acknowledged that they would have liked to have spoken about it. Perhaps you can comment on the difficulties in addressing regional long-term unemployment here in South Australia, particularly within the nature of your geographic locations and the high centralisation you have.

Prof. Carson—It is certainly a real problem. Because of the reduction in manufacturing in our regional centres, because of the falling away of commodity prices, we do not have the kind of growth in our rural areas that we might. In the past we thought the minerals boom would rescue us and, to some extent, Roxby Downs has generated a lot of employment and has picked up some unemployment in Port Augusta, for example. So there is some activity in the regions in minerals and mining that have compensated for the reduction in employment in manufacturing and in agriculture.

We are trying in South Australia to stimulate certain kinds of local initiatives through the regional development boards and they are doing quite well, as far as it goes, but they are really constrained for a number of reasons: we do not have the water; we do not have the population base; transport is a big problem. Along the coast the aquaculture and so on is actually quite an interesting example of a growth area, but it does not solve the state problems to have that kind of activity going on. That is the first point. Secondly, there is the problem of families on the land. One of my colleagues is increasingly finding that women are having to work off the farm in order to make ends meet and, because of the reduction in employment in the regional centres that service that, it is limiting them. So they look for more work and do not always manage to find it. It is a problem in the country in a lot of areas.

In terms of services that SACOSS provides, one of the observations we have made is that to the extent that there has been an official statement of support for development in the regions, that is good as far as it goes, but there is also a very clear, explicit statement that there will not be any so-called artificial devolution or decentralisation because it is meant to be driven by stimulation in the private sector. The government has actually said that in its report. The worry is, what it does not do is value the multiplier effect of investing in the human services. There are all sorts of potential growth benefits of investing in support for older people in those areas with health care and housing and so on, so I think we have missed an opportunity at the state level to recognise how the public sector is a major employer and has a real flow-on effect in terms of the multiplier effect. We have not done that well enough.

Finally, from the evidence that SACOSS and ACOSS have, the agencies that support people at disadvantage in those regions are doing it really tough—not only their clients but the agencies—because increasingly we are moving to a funding mechanism that is about

bidding for contracts. At the same time, we have this principle of devolution out to the regions. It is the subsidiarity principle.

The subsidiarity principle argues that you should devolve responsibility to the level and to the area in which it is most appropriate, the lowest level appropriate. Fine. But the contracting principle at the same time cuts across that and, theoretically, gives responsibility to the regions, at the same time as it makes it hard for those regions to bid for the resources to deliver the services. So our commitment to regionalism is terrific in principle, but it is actually quite constrained in practice.

Mr BARRESI—You are going to have a potential problem—I imagine—because you have one-company towns in South Australia, perhaps more so than any other place.

Prof. Carson—Yes.

Mr BARRESI—You have Whyalla which is dependent on one company and you have Port Pirie and Peterborough which are dependent on the rail industry, for example. So there must be some concerns down the track.

Prof. Carson—Absolutely. There is no question about that. In the south-east it is not quite such a problem but in lots of other parts of the state it is. The Riverland has a lot of diversity. Viticulture has grown quite dramatically through the Riverland. We do have growth areas. It is not all doom and gloom, it is not all disaster, but we have massive areas in the north and west where it is not easy to see how the private sector is going to pick up and stimulate those areas and I think there is a bigger role for the Commonwealth and state government.

Mr SAWFORD—I just want to make a comment. You might find an answer in the Commonwealth, state and local government abandonment of infrastructure spending over the last 25 years. I have a question about research. In this particular inquiry and in others that this committee has conducted, we have been appalled at the lack of quality of research in terms of the areas that we have looked into. There is in this particular area what I call serial research: a little project here, a little project here. The UK, for example, seems to have a propensity to do very good longitudinal research and comparative research which seems to be highly absent in this country.

Prof. Carson—Yes.

Mr SAWFORD—In doing this inquiry and in other inquiries, having longitudinal research or comparative research would be incredibly useful. Why is there in this nation a dearth of comparative and longitudinal research?

Prof. Carson—There are a couple of reasons. Technically it is not easy to mount. You need to be confident of a resource base to do it. Increasingly, while my research group researches restructuring in the human services and restructuring of the state, we actually also live it every day. We are responsible for changes. In the university sector, there have been more cuts than almost anywhere else and, even though I am a fully paid, continuing person employed at the university, it is expected that I have to actually fund my research by getting

contracts from funding agencies. That undermines the research agenda to some extent, because we are reliant on project funding. If I want a research assistant, I have to find funds to pay them because the university is funded less and less to pay for teaching. It is assumed that there will be research and community service as part of its role, but they are not funded. So funding on an ongoing basis is a problem and the confidence of research groups to set up long-term projects is a problem.

Having said that, FACS at the Commonwealth level is talking about implementing a longitudinal study of disadvantaged and low-income people as a panel study. I was talking to people from Canberra about a month ago. There are some strands of it. We did the major youth longitudinal study a few years ago. There is some of it, but we do not certainly do as much as overseas, there is no question. Part of it is because we do this short-term contract based work.

Mr SAWFORD—How can government encourage longitudinal research?

Prof. Carson—If we were to move to declaring ongoing projects—three-, five-, seven-year projects—instead of six-month projects. Government, like lots of people, wants the answers quickly, so lots of projects that we see are about short turnaround. That is a difficulty.

CHAIR—Yes, long-term longitudinal work. I am sorry we have to finish. Thank you very much for, firstly, the work that you and your people do in keeping our society together but, importantly, also for putting your submission together and coming along to speak to us. It is greatly appreciated. If you have any supplementary points or ideas or anything at any stage, then please feel free to send it to us. Thanks to both of you.

[11.06 a.m.]

HOPE, Mr Keith, Project Officer, DOME Association Inc.

STEINERT, Mrs Janice Ann, Chief Executive Officer, DOME Association Inc.

WOOD, Mr Russell, Employment Development Officer, DOME Association Inc.

CHAIR—Thank you for coming today to speak to the submission, which was extremely good. Perhaps you could give us a precis and overview of your submission and then, as we have with everybody, we will discuss it.

Mrs Steinert—For fear of boring you silly, I would like to refer to the humanitarian aspects of our submission. That is really what the previous speaker was talking about. We see much evidence of accountability in government programs, with grants and payments increasingly being measured in terms of outcomes and benchmarks. We understand and agree there must be the attainment of benchmarks for the purpose of accountability but, equally, we believe in the need for a balance between measurable outcomes and compassion, which we feel is lacking in all funded programs, particularly by the federal government. We see this as an absolute imperative if we are to give this group equal opportunity in the job seeking process.

One could be excused for feeling that the dignity of the unemployed is sacrificed in the pursuit of outcomes. No attempt is made to link support to need in this society. There appears to be very little understanding of the issues being faced by the mature job seeker. We find that most experience difficulties other than their unemployed state and if these issues are not addressed it is quite conceivable that this sector will become just another long-term unemployed statistic.

DOME is confronted on a daily basis by the human tragedy of the mature job seeker. The following is a synopsis of people who recently joined and this is by no means rare. Can you imagine what it would be like looking for work whilst worrying about which to get rid of, your telephone or your vehicle, both of which, of course, are necessary in your job seeking activity? But it does come down to those basics: wondering how to motivate your unemployed child when you have been having trouble finding work yourself, and likewise your wife, was a circumstance which we were recently confronted with.

Worrying about your husband finding out your address after ending a physically abusive marriage. Trying to cope with job seeking after a psychological breakdown, which leaves you vulnerable to examination of your work history. There are some people out there who are literally frightened of their resumes, of being questioned, because of spaces in terms of perhaps physical or psychological problems they have had in the past. Coping with difficult teenagers and still having to present well at an interview. Frantically looking for work before your family and friends find out that you are actually unemployed. Trying to remain motivated and job ready whilst your spouse does not really understand why you are not getting that job—and that is very much a common occurrence, particularly if the person has been in employment for a long time. Being in your 50s and knowing you can no longer do

the job you were so good at, where you had the respect of your peers whilst you were performing your duties.

Receiving literally hundreds—and some will say thousands—of job rejections and all the while trying to keep a positive attitude. It can be even worse when you do not even receive notification that you did not get the job. Experiencing the humility of being asked to convince a 20-year-old human resource manager of the validity of your credentials. Having to approach government departments, schools and/or utility providers to seek permission to make payments by instalments for the first time in your life at maybe 58 years of age. Leaving your spouse and children because you cannot stand the perceived judgment in their eyes of your hopelessness and your moods. Being a 55-year-old father of five who worked for the same company for 30 years, now retrenched without transferable skills, with no idea how to make himself attractive to an employer.

Each of these stories relate to recent DOME clients. The examples are not exhaustive and could be multiplied many times if we kept a dossier on everyone who walks through our door. We do hope, however, that you noticed the common thread coming from these stories: they are all different and they all relate to older workers. By the time mature age people find themselves unemployed they have had a lifetime of working, social, community and family experiences which make them all different. They are different people. If people arrive at unemployment with different life experiences then the solutions to their problems or circumstances must also be different. We must have a mechanism that allows us to understand the life experiences and aspirations of mature age unemployed people before we can apply corrective measures that may lead to an outcome, such as training and job seeking skills. But all this takes time and, in the cut and thrust of the competitive job market system, time is one element that has not been factored in.

The humanitarian aspect of unemployment has been discarded. It can be argued that these are welfare matters. I would strongly disagree with that perception. They are stressful matters, but they should be dealt with in an employment seeking atmosphere as they relate one to the other; one compounds the other frequently. It is only when a job seeker is helped in a holistic way—I am sorry for using that word—where there is a mutual respect between the helper and the client and being given the luxury of time to develop a relationship of trust, that a difference can be made with a particular job seeker to assist him back into the work force.

You might say that the philosophy of DOME is old-fashioned and the level of intervention we offer our clients is unrealistic in a modern age. But we know that our services are contemporary for the client base we work with. People over the age of 45 have been brought up with a certain set of values, a certain social responsibility, family responsibility and a worth ethic. At the most traumatic time of their lives they need to relate to peers who operate with a similar philosophy. Mature age unemployment is a social problem and should be tackled within the confines of social support. While social problems can be aggregated statistically they are not solved through simplistic outcomes. Social problems require the deployment of time, effort and resources and the sooner mature age unemployment is recognised for what it is, the sooner it can be tackled.

Finally, I would like to touch on that perennial problem of discrimination. We are all told discrimination is illegal in the job seeking process but, believe me, it is there. It may be subtle. It may not be in print. It may not be in the media. It may not be directly spoken about with the job seeker, but too many mature age unemployed people know of its existence. We believe a major success of community organisations over the past decade has been, in particular with DOME, our ability and willingness to intervene on behalf of mature age people to ensure that they are emotionally and physically able to look for work. Without those two joined together we will have a longer long-term unemployed group of people. Thank you.

CHAIR—Thank you very much, Janice. Just before we leave the human side of it, have you dealt with people who have been like the character in *The Full Monty*, that poignant subtext of the film where the guy loses his job and does not tell his wife and keeps pretending he is going to work?

Mrs Steinert—We have, frequently. They come into our office with their suitcases, their three-piece suits and their wives believe they are at work. But unfortunately, of course, they have to bring home an income, so their bank accounts are kept from the family and it becomes a whole deceit they live with which brings more stress every day that they do it. Yes, that does happen. It is not frequent, but it does happen.

CHAIR—Yes. Perhaps on a more practical side, a lot of people talk about early intervention. What could be done to improve early intervention or to facilitate earlier intervention than we are getting at the moment?

Mrs Steinert—Early intervention relates to those people who have recently been unemployed. Most of them have the belief that they will get back into a position similar to the one they have just lost, for whatever reason. It is really very difficult to speak with those people and to try to encourage them to perhaps look in other directions. If they have been a manager, that is what they want to do again. It is only time which brings their expectations of the future down. They really do need to have counselling. They need continual counselling to accept that that moment in time in their lives is over and they have to look at the options out there rather than just the tunnel vision of what they have been. It is on the cards, particularly in the white-collar area, that they are not going to get that job back, or something similar.

CHAIR—Would it be possible for that process to at least begin at the point of separation from their employer?

Mrs Steinert—It should be. The earlier the better.

CHAIR—One of the practical things you were recommending was the mentoring training program. Can you just explain what you envisage there, or what you actually run?

Mrs Steinert—I will call upon Keith because he looked after the training aspect of our organisation and the mentoring.

Mr Hope—What I was alluding to there was an opportunity in the private sector to engage older people under a dual role, both as a worker and also as an on-the-job trainer for newer people coming into a firm. Perhaps that is an area which could be promoted and/or explored.

Mrs Steinert—I guess it is that we believe in a mix. We do not want everybody to hire just mature age job seekers. The mix is appropriate in terms of the personal value it has and the employer's opportunity to succeed. If you have a mix, it has to work well. There does come a time when the employer perhaps is looking to get rid of his staff, or does not quite need as many as he has. If that could be looked at as a mentoring job and perhaps with fewer hours, they can still work together but the employees still have some respect for themselves and see themselves as valued. That way they can be edged out in the end, if that is the intention, rather than the chop that comes, and being escorted off the premises so that they do not perhaps muck up the computer.

CHAIR—One of the things we are considering is the concept of a code of conduct developed for the way in which redundancy dismissal is handled by employers, some of whom are in trouble themselves, of course. In fact, a number of people that have spoken to our inquiry have suggested wage subsidies, amongst other things, and the state government here has announced a wage subsidy scheme, albeit in a limited form. Could the wage subsidy system be used perhaps to as good, if not better, effect if it was used to support your mentoring program? In other words, there is a subsidy applied at that point where clearly an employee might still have a limited life left with the company, and in fact the subsidy is provided to assist them with perhaps the mentoring but also to help them to find another job. It seems to be easier to get a job if you already have a job.

Mrs Steinert—It certainly is.

CHAIR—Have you given any thought to that sort of idea?

Mr Hope—I guess from a practical point of view it would be very difficult to implement. Not wanting to be ungenerous to the private sector, I think if there is a loophole to be able to gain wage subsidies or any financial advantage, companies are going to take advantage of that very readily. Where do you draw the line between a company saying, 'Well, person X is no longer wanted by our company, therefore I will apply for a subsidy to keep him on for a little bit longer,' as against the company having no intention of getting rid of employee X but just taking that subsidy to keep that person on?

One can draw a parallel with the state government's traineeship program. I tried to get some statistics recently on the number of mature age people getting access to state government traineeships, and they supplied me with figures. It turned out that a considerable number, about 16 per cent of the traineeships, went to people over the age of 40. When I queried with the department how many of those traineeships went to unemployed people being taken on, as against existing employees just being transferred to a traineeship so that the company could get the wage subsidy or the traineeship subsidy, they could not answer that. They did not at that time have a breakdown of those figures, but they suggested that something in the order of 90 per cent of mature age traineeships were in fact existing

employees transferred to a traineeship so that the company could get a wage subsidy through them.

CHAIR—It just seems that perhaps somewhere between nothing and the exploitation of employees, there might be some system which actually reduces the job displacement at that end.

Mr Wood—I do see some merit in that. What you are suggesting there is that instead of the Mature Age Employer Incentive Scheme being used as a six months and then a 12 months payment, there is merit for mature age people being put in somewhat of a supervisory role. If we take a fitter machinist, for example, his floor life has basically gone, he really does not want to perform that function too much any more, but he is well capable of supervising and overseeing perhaps a lot of younger workers. I see much use in that. I think that does have merit.

CHAIR—Sometimes you obviously want to get an employee out of the workplace as soon as possible because there is a serious problem—there is no question of that. Some employers are bastards but a lot of employers are good, decent people who, for financial reasons, decide they have to displace the worker but might be prepared to have them in the workplace for another three months whilst they are actively looking for another job. Sometimes there are remedial problems with the business itself which could be addressed which would stop the person, and others, perhaps losing their jobs in the first place.

Mrs Steinert—I think it has a great deal of merit because previously, before the abolition of retirement age, an employee knew when he or she was going to leave, and the employer knew, and it was a gradual winding-down. It was a simple function because that was it, he was definitely going to leave. The employer perhaps put up with him or her a little longer than they would normally, but there was going to be a cut-off point that both knew about and could work towards. These days there is no cut-off point, and you are right, not all employers are scallywags, and they do not want to do it, they do not want to experience the unpleasantness of it, so quite often they do it clumsily, and it can be a shock to the employee.

If there was some mechanism whereby both understood there was going to be a time when that person left, rather than the shock that comes—and, as I said, it is done clumsily and I could tell you some horrific stories about the way people leave—if that could be edged into by both, it could be gentler and certainly kinder.

CHAIR—A phased separation of sorts.

Mrs Steinert—Exactly. I think that would be a very good idea.

Mr SAWFORD—DOME has been going since 1981?

Mrs Steinert—Yes.

Mr SAWFORD—It is interesting, because I think it was one of the first groups in Australia to address this issue. 1979 was the beginning of mature age entrenched endemic unemployment.

Mrs Steinert—Yes.

Mr SAWFORD—So DOME in South Australia got going very quickly. In that time have you noticed changes in the clients? For example, the people who were born between 1935 to 1945 had limited educational opportunities. They went through the tail end of the Depression, a world war. They came out of that when they were 15, which would have been 1950, so they had reconstruction and there were plenty of jobs around, albeit manual and so on. That group is now heading towards 65, they are the 55 to 65 age group, but there is another group coming, and that is the group born between 1945 and 1955 who are our age, aren't they, Russell? We are almost over it, speaking for myself. But there is another group, too, who were born in 1965. They are a different group. All of these groups have had different experiences, different educational qualifications, different labour markets. What changes have you noticed in DOME about dealing with those clients, particularly the 55- to 65-year-olds, and the next group underneath, the 45s to 55s? Are there any significant changes in dealing with them?

Mrs Steinert—There is a change with regard to the women. There are many more women now who are out there looking for work. It is quite probable that there has been a period of time when they were out of the work force, so their skills are quite outdated. Some of you would not even know what a comptometer was. They had jobs on machines that are no longer in existence. It is one of those ledger machines. These were good jobs in those days. Or they might have been a typist, but they have been out of the work force for a long time. So that is a group that relates particularly to that middle area.

In terms of the older compared with the not quite so much older group, the older ones do tend not to be interested in training. It is harder to get those people into training. The younger they get—and when I say younger, I mean 55—they are more interested and accept the need to train. What one has to do when we are looking at the oldest job seeker age group is convince them not to decide to retire in their mind because they are fairly rigid in what they were and cannot see a job ahead for them. They tend to retire in their mind even though they are a job seeker. This is where you get your long-term unemployed from, or some of them. It takes a lot of encouragement and a little bit of pressure to get them to consider doing something else other than that which they have done all their lives.

Mr SAWFORD—Jan, are these people being realistic? Two solutions are consistently put forward by groups that come forward to this inquiry. One is retraining and the obvious question to ask is: retraining for what?

Mrs Steinert—Exactly.

Mr SAWFORD—The next solution is incentives. Then you almost ask the same question: incentives for what? To displace 2,000 people already in the labour market and swap them over with 2,000 people out of the labour market? You have again acknowledged both of those issues in your submission.

Mrs Steinert—It has been said to me, Rod, that those people who choose to retire in their mind, and just go out on Thursday on pension or unemployment day or whatever, develop a lifestyle that they can live with. It has been said to me that they are the lucky ones. They are as contented as they can be whilst waiting for a pension. That has been said. There is some truth in that because it is jolly well frustrating if you still want to work.

Mr SAWFORD—Your colleagues in Perth, in your equivalent organisation, said to us yesterday that in finding placements for blue-collar workers they had a 50 per cent success rate, which was pretty positive, but for white-collar workers it was 20 per cent. Their real problem was finding allocation or placements for white-collar. Do you have a similar experience, and how much is lifestyle involved in terms of, say, the manual worker having perhaps some outside skills? They can go fishing, they might be motor mechanics, they can get involved in a cash economy. If you are a white-collar worker, trying to get involved in a cash economy is pretty difficult.

Mrs Steinert—Yes, it is really hard, and I do not have statistics to present to you. However, there are a lot of white-collar workers and we have a lot of them in our organisation.

Mr SAWFORD—Is your experience similar to the Perth group?

Mrs Steinert—Yes, it is to a degree, but we encourage the white-collar workers to look for other things. Healthwise many of them need to. For instance, bank managers: we were inundated when the banks started going into sales rather than managing and they got rid of the managers who had no experience in sales. So out they all came, and they came along to us in their three-piece suits. They wanted a middle manager's position. They did not have any skills in terms of accounting; all they have done for many years is managing. That is the way they saw their future. They need to have a lot of counselling to change direction.

Many years ago, when I was a child, there used to be a thing called vocational guidance for everybody, particularly for kids coming out of school. Nothing is more needed than vocational guidance for the mature, because they need to change. Either they change or they retire in their mind. These are human beings with a great deal of things to offer, a great deal of skills to offer, and if they retire in their mind, then I see that a terrible thing has happened. These are people who are still fit and healthy and mentally fine, but they have retired. You have wasted a human being's skills.

They need counselling, they need guidance as to what they can do. I do not know how many people come to me that can no longer do the job that they did and say, 'What can I do?' I have never met them before, and they ask me, 'What can I do?' or they say, 'I'll do anything,' which is just as difficult. They need proper vocational guidance counselling. They really need to get inside their brain to see what skills they particularly have and what appeals to them and try and marry the two up. We see them change, there is a lot of counselling we do, but we are not qualified vocational guidance counsellors, and that is what they want most of all, because you would probably have a greater changing of direction in placement in this area than in any other age group.

Mr SAWFORD—How is your organisation funded?

Mrs Steinert—We are funded by the state government.

CHAIR—Just before we go on to that, should the careers guidance service be integrated with the Job Network providers or organisations like yours, or should it be a stand-alone universal careers guidance office that deals with people aged from 15 to 60?

Mrs Steinert—If it stands alone then I guess we are looking for a for-profit organisation. That might be difficult because many of these people are unemployed and receiving a benefit, but many of them are not; many of them are superannuated and independent from the provider. If it were something that was free to all, it would have to be linked in with an organisation.

CHAIR—It is like a tourism bureau. If you want to travel somewhere, you can go to the tourism bureau and they will tell you all sorts of things.

Mrs Steinert—Exactly.

CHAIR—If you want to travel through life, in terms of careers, there needs to be a similar facility for which there is a responsibility for public resources.

Mr Wood—And options.

Mr SAWFORD—Where would you put them? Is there an existing organisation, government or non-government, that you think is an appropriate place for that? Or are you thinking that something new ought to be created? There is always a danger of creating a new bureaucracy.

Mrs Steinert—We are very much trying not to push DOME here but I have to say—

CHAIR—You do not have to; everybody else pushes it.

Mrs Steinert—I have to say the DOME association—

Mr SAWFORD—You could do it.

Mrs Steinert—Of course we could do it. We do it now but not in the way it should be done. About 1,400 people a year come through our door and we presently have a membership of about 2,500. That stays fairly static because we can only cope with a certain amount of new members. They are all in that category; they all need to look or assess or reassess or change direction. Therefore, a vocational guidance program is really needed for every mature age person. They themselves do not know whether what they have to offer is marketable. They need some guidance and you cannot do that in an hour's interview.

CHAIR—Coming back to your holistic approach—

Mr SAWFORD—Comprehensive.

Mrs Steinert—That sounds fine.

CHAIR—it is the same in medicine: you can treat a person's spinal cord injury but if you are not dealing with their emotional and social milieu, you can fail. Perhaps in terms of career guidance they have to be over the grief and bereavement of their job loss before they are ready to be hit with this.

Mrs Steinert—Exactly.

CHAIR—Some people can do it earlier and others take some time.

Mrs Steinert—Absolutely. I would have to say there would be nobody better to do it.

Mr SAWFORD—Brendan has just gone on to the next question, but how are you funded?

Mrs Steinert—We are funded by the state government. Our funding has changed. I think it is to keep people in policy in jobs. Each year it is changed. We are funded annually. We were previously funded, up until a couple of years ago, to take anybody who was over 40 into the organisation to give them the service we offer. They had to be unemployed and had to be actively looking for work. We could take people who were looking after themselves financially or who were linked in with the providers, or the CES as it was then. It did not matter. We did not look at their bank account—nor do we now—and their financial status was irrelevant to us. This year, for the first time, we are funded to only cater for people who are not case managed.

CHAIR—Intensively assisted.

Mrs Steinert—Yes, intensively assisted or eligible for intensive assistance, which is making it very difficult for us. There is a void being left there by the federal people. It is a void that is not being catered for under the Job Network providers and we are filling that.

CHAIR—We have certainly encountered that. I see that is also amongst your recommendations.

Mr SAWFORD—You have not told me what the funding is.

Mrs Steinert—The funding is $150,000 plus.

Mr SAWFORD—That is for 2,400 people? How many people do you have like yourselves, who are voluntary?

Mrs Steinert—We have three full time and two part time.

Ms GAMBARO—One of your recommendations relates to FLEX 2 and FLEX 3 and the time period it takes for people to go on those programs. In your opinion, should they be accessed earlier? How early should they be accessed?

Mrs Steinert—I think it is obvious for the inquiry here today to suggest that there is a great need out there for some service to these people because they are becoming parked or—

Ms GAMBARO—That is what I was going to ask about.

Mrs Steinert—Consequently, we have to get them before that happens. Any service which is given right at the beginning can only be of help to the client and to the government in the financial aspect. It has to come urgently when they first become unemployed.

Ms GAMBARO—You said something a little while ago about people who resign themselves to the fact; that they will give up, they will not look for work. Then there are those who actively want to work. The ones who resign themselves to not working opt out until they can go on the pension, I think you were saying.

Mrs Steinert—Some can go onto the mature age allowance.

Ms GAMBARO—What is that time gap? Is that increasing? Are we talking about people who are in this sort of transitional period for 10 years, eight years, five years? And have you seen any changes in that? Is it happening earlier because people are being retrenched earlier, et cetera?

Mrs Steinert—I do not think there is a great change. I think it is an individual thing. There are a lot of people out there aged 63 who are frantic to find work. They might be in their second or third marriage, have a third lot of children—and that is not rare—or they might be sole parents or self-supporting people. I have not seen a sign to show that it has changed. It is the individual who needs to be picked up and given lots of counselling. The individual decides that. It depends on their home life, how happy their wives are to have them home or whether they are giving them curry.

Ms GAMBARO—Is that a problem? I have heard that it is.

Mrs Steinert—It is. But, thank goodness, at times we have wives who bring their husbands in to see me because they are not going to come through the door on their own. It is because of the stress, the embarrassment, the recognition of 'I need help'. So their wives bring them in. Then, of course, the wife disappears and they stay. We give them encouragement and so forth.

Ms GAMBARO—Disappears temporarily, or is there a large percentage of marriage breakdowns?

Mrs Steinert—There is. There are a lot of wives and young people—young children, in fact—who say some fearful things to their parent who is not working: 'Other people are working. Why aren't you? Is there something wrong with you? Why aren't you trying?' The pressure comes from many directions. But there is no age limit on when they retire, in their minds; it is the individual. There are some people out there in their 60s who are frantic to find a job.

Ms GAMBARO—Last night I was in a car with one of those middle management bank managers you were speaking about. I could see the physical distress he was still having, dealing with that emotional aspect. I asked him if he had been to DOME and I think he had

made a quick visit. How do you inform employers of your existence? How do you get your name out there?

Mrs Steinert—As I explained, $150,000 is not very much in terms of advertising. Russell and another employment developer—

Ms GAMBARO—You are it.

Mrs Steinert—We have two.

Mr Wood—I am one of it.

Mrs Steinert—They actually go out there physically knocking on doors. We have a letter drop. We send out 20 letters per day. We make follow-up phone calls to those employers and we get an employment officer to knock on doors. It has really worked quite well in terms of outcomes.

Mr Hope—Can I make a comment about FLEX 2 and FLEX 3 that you were alluding to beforehand, and perhaps make two observations. One is that people over the age of 45 statistically have a greater tendency to be long-term unemployed. I think a Flinders University study shows that people over the age of 45 on average are going to be out of work for something like 100 weeks. Given that there is that risk factor up front and given that the coalition paper, which was published before the coalition came to government some time ago, recommended that people over the age of 45 should go immediately to FLEX 3, I am curious as to why that was not implemented. Given that the risk factor is highly documented through research and given that it was a government recommendation, why was it not implemented?

CHAIR—I can only suggest that we got a new system. None of us were involved in its implementation, in developing it. We three support it because we are government members, but I cannot speak for Rod. One of the areas we are looking at closely is this whole issue of access to FLEX 2 and FLEX 3 for this particular group of people.

Ms GAMBARO—Everyone has made the same recommendation to us, so we are looking at it very closely.

Mr BARRESI—I have four questions I would like to ask. One has been covered in other submissions but you seem to be the only ones who have touched on the other three so far. You touch on marketing, which seems to be consistent in all the submissions that have been made: we need to go out there and market the fact that we should be putting on mature age unemployed. Various submissions have also referred to the fact that it was a recommendation of two previous inquiries. It worries me that reports have been shelved. What do you propose in terms of this marketing program? How would it take place? I have a real scepticism about seminars and conferences because I think they are just a once-off big bang type of activity.

Mrs Steinert—And it is very hard to get employers to those seminars. We have been involved with seminars run by ourselves and others. There always seems to be, at the last

minute, a drop-off of employers because they are busy and they do not see it as making money for themselves, which is understandable. The state government has a program. It was announced in the last state budget that they were going to have some marketing program for employers during this financial year. We have not been told how we can be involved in that. I understand it has just been planned but I am not sure if they are going to call for tenders. We found that one to one is the best. Employers are busy. Do they want to go to any function or read very much in terms of documentation as to who they should hire? It is just not important to them until they are ready to hire. They usually have an idea what it is they want anyway, so it is not easy to have some advertising campaign.

Mr BARRESI—Should there be some form of informal reporting by employers of their 45-plus work force in terms of the proportion of the work force which is in that category, similar to the affirmative action requirements?

Mrs Steinert—I have thought of it and compared it with affirmative action. That certainly worked, as I understand it. From our point of view and for the clients themselves, programs that look after the mature aged would probably be helpful, but it is a fairly heavy Big Brother type of thing that they might not really be happy with.

Mr BARRESI—You have mentioned in your report that many unemployed mature age clients would like to access traineeships. That is excellent, because it tends to knock on the head the perception we are told employers have that the mature aged are inflexible and not willing to engage in new career paths or training. What type of traineeships are they saying to you they would like to go into? You did make some comment about backroom IT but it has to be more than that. That is not going to be the answer.

Mrs Steinert—It is a little bit like Work for the Dole. People tend to think that anybody over 40 would feel that working for the dole was not appropriate. Work for the Dole is an unpleasant description of what the function is. Nobody really likes it. It is quite unpleasant, to say the least, but I have people come to me who financially can take on a traineeship, because I guess that is really where the beginning and end of a traineeship is in relation to mature people. If they have a lot of dependants, and a dependent wife who is not working, or vice versa, then traineeships are quite out of the scenario for them. But there are a lot of people who would like to. There is no pattern as to what they want to learn. But, again, it is the individual: I will always come back to the individual because each individual requires something different. But it does need to be available to them. I have had people come to me and say, 'I wouldn't mind working for the dole as long as I was going to learn something.'

Mr BARRESI—I guess I was trying to think of the type of occupations or industries where they are saying to you these traineeships are more appropriate for them. Can you share with us what they are saying?

Mr Hope—It is across the board. I think the problem with traineeships is the very point of where a traineeship is initiated. The traineeships generally are initiated at the employer level. That is, the employer says, 'I want to take advantage of a traineeship program by bringing somebody on.' That is where the culture problem is because employers have a perception that traineeships equate to young people. Employers do not readily correlate an

older person with a traineeship, so therefore the older person does not get that initial opportunity of even being considered for a traineeship.

Mr BARRESI—Would the qualifier in accepting or having access to traineeships by the mature age unemployed be that they would expect that prior learning be recognised as part of it, so that they are not going back to base level?

Mrs Steinert—I believe so. They see a value in that. I think it would be fairly insulting if that were not recognised in some way or other, because if a mature person goes to a traineeship they take more with them in terms of skills, in terms of whatever, than the young folk do. We all have young people and we know the experience of the young people is fairly catastrophic, but in terms of a mature person one would have to say that a mature person would take more to a traineeship than a younger person would. There would need to be less training for them. That should be in some fashion able to be recognised. Likewise, if I could say, Work for the Dole is the same. I have had people who would like to contribute. They feel they are getting a benefit for nothing, and say, 'If I can contribute to the land by working two days a week or whatever and I am learning something then that seems to me a fair swap.' But, again, I would not like that to be anything but voluntary because there are an awful lot who would not be interested.

Mr Wood—If I can just come back to the point of traineeships, dealing with employers as I do quite a lot of the time, the food and hospitality industry people have approached DOME and me and talked about employing mature age people, talking about the transience of younger people and mature age people being more stable perhaps. That is their perspective. However, putting that in front of mature age people, even though they may not have all the skills required for some of those jobs, traineeship is then entertained. It then becomes almost a negotiation between the employer and the trainee, with someone there trying to work out how to bring into account all the recognition of prior learning and all of those factors. Yet the person actually believes they are a bit more competent than just your average person walking in off the street doing the traineeship.

Employers see that as a less expensive way of putting a person on and being able to pay them less to do the same, if not more, than a trainee would. As Jan said, they have those life skills, they have communication skills. They are already there. They do not have to be worked on. Mature people generally have that up front, face to face and they are quite adept in dealing with people. They have been doing it for quite some time.

Mr BARRESI—You make an observation based on the feedback you are getting—although I notice you do not make it a recommendation—that DOME members reject self-employment for various reasons but that they would not invest in any venture unless there were safeguards. How realistic is that? If we provide safeguards for that group we could very well be accused of trying to pick winners in the process, and other small businesses and individuals who have gone out there and invested and risked what they believe are their life savings willingly have not got those safeguards.

Mrs Steinert—I can understand your question, but you too must understand the position with regard to somebody, for instance, who is 56, has been retrenched, has been given a package. He has that package but he is having trouble finding work. The days go by, the

months go by and 12 months, 18 months has gone by and he still has not found work. Do you think, when there is no guarantee of him ever replacing that amount of money—which generally is not great—when he knows in his mind there is a great chance he is never going to get a job, would he sacrifice that, take a chance? That is the way they look at it. I am not saying that is the way everybody looks at it.

Mr BARRESI—Some do take the chance and succeed.

Mrs Steinert—Some do take the chance, and many do and do not succeed, and they hear about those. So unless you are a gambler—and I guess this really does not have a lot to do with age—

Mr BARRESI—I am not sure whether it has much to do with gambling either.

Mrs Steinert—No, unless you take a chance—

Mr BARRESI—I think it is to do with preparation and business planning and all those business skills that come with it.

Mrs Steinert—Unless you take that chance, though—and it is a chance. There are statistics about how many small businesses start up and fail within the first 12 months and three years and so forth, and they read those, and unless they are a little bit of a chance taker they are not going to do it.

Mr BARRESI—What safeguards are they looking for?

Mr Hope—I do not think there are, and I think we are making the point that is one of the reasons why a lot of mature age people will not go into self-employment.

Mr BARRESI—So rather than saying we should introduce safeguards—and you have not made it a recommendation—

Mrs Steinert—No.

Mr BARRESI—is it better, therefore, as a way of reducing that fear of failure, that we provide to those who are going to set up a business the services and the counselling required, such as marketing analysis, business planning, identifying financial investment sources, doing a customers' needs analysis and all the sorts of things that go with setting up a new business? Perhaps we could provide that, almost like a NEIS program.

Mr Hope—I think there is another dimension to this, and that is the age of the people we are talking about. For example, if you take a person who is 25 and they have, say, a $50,000 windfall, and they go into a venture and stuff it up, they have another 30 years of their life to make good, to make back that catastrophe. If you have a person who is 55 and he has a $50,000 windfall and he stuffs up, how much longer has he got in terms of his working life to recover that?

Mr BARRESI—I understand the problem and I understand why they would feel it is a risk. I guess what I am saying is, rather than just simply saying, 'Look, you are going to have a guaranteed success,' how else can we address that insecurity? Is it through what I have just proposed in terms of providing that full business service consultancy?

Mr Wood—Education, some training, some counselling—yes, all those services.

Mrs Steinert—Anything that would convince them. I am not suggesting that everybody over 50 is not a risk taker. That is not what I am saying.

CHAIR—Reasonable steps to minimise risk.

Mrs Steinert—Exactly—if there were reasonable steps. A number of our people do take on small business but there are a few that do not qualify for the NEIS program. They are a bit borderline and therefore do not qualify. I have had a lot of interest in that, also. So if that was made a little more lax in terms of who qualifies for the NEIS program you probably would find there were more people taking it on.

Mr BARRESI—Yours is also the only submission I have read so far which makes a comment about the assets test being too low. You have given your reasons for it. Is there anything else you want to add that is not already in there in regard to that recommendation?

Mr Hope—That comment was prompted more so by a single member of DOME who is finding it very difficult to exist within the confines of the amount of assets he is allowed to have. I think he is fearful that when he turns 55 he is going to be forced to access his super in lieu of Newstart or as a supplement to Newstart. He knows the amount of super he has, and whilst it is above what we could call an artificially low barrier at the moment, it is not going to be sufficient for him to be able to continue with even the very modest lifestyle he is enjoying at the moment.

CHAIR—Thank you very much for taking the time to come and speak to us about this. It is extremely important, obviously. If there are any supplementary ideas, views or criticisms that you have to put forward, please feel free to send them on any time.

Mr Wood—Thank you.

[12.04 p.m.]

COWIN, Mr William James (Private capacity)

WHISH, Ms Alison, General Manager, Port Pirie Central Mission

CHAIR—Thank you very much for attending today. I appreciate that it is not the easiest thing to come down here, particularly to speak to a process like this. Could you each tell us about the capacity in which you appear today.

Ms Whish—I am General Manager of the Port Pirie Central Mission.

Mr Cowin—I am a mature age job seeker who Alison asked to come along and have a chat to you people.

CHAIR—Thanks, Jim. Perhaps if you could give us an overview of your submission and your views and then we will have a chat about it and conclude just after 12.45.

Ms Whish—Shall I make a start and then you can chip in with your bit.

Mr Cowin—Go for it.

Ms Whish—The brochure that was handed out is just our general Port Pirie Central Mission brochure to give you a bit of contextual comment about what we do. It is from that experience of managing a diverse, not-for-profit, non-government organisation that covers a fairly significant part of northern rural South Australia that I speak. We run about 19 different programs, a number of them in the employment area. We have about 70 paid staff and about 120 volunteers who make up the service delivery in that area, although not all of them are working out of Port Pirie. We have staff dotted around throughout that region.

The context in the mid-north and Upper Spencer Gulf area of more recent times is one of fairly significant reconstruction. You would be quite aware, I am sure, of the demise of the railways out of Port Augusta, and would have some inkling as to what that has meant. Whyalla is shrinking before our very eyes because of the changes in the economic base there. In Port Pirie the smelter, for example, has gone from employment of 2,000 down to 800. They are investing quite heavily at the moment in a technological upgrade which I would predict will reduce actual human employment even more in the future, although that is a personal speculation rather than my being party to Pasminco's plans.

The rural context is one of dropped commodity prices and a shrinking small rural community. So in the mid-north, which we work in most intensively, we have a population of perhaps 30,000 across that area, 14,000 of whom live in Port Pirie and the rest are either in farming communities or in towns of up to 4,000 in size, including places like Peterborough, which is another very significant spot as far as our services go. Having moved from Adelaide into the region, I am still new enough to see things in fairly sharp focus in some ways, because of the background and training I have, to try and make sense of what I am seeing.

What would appear to me has been happening in previous generations is that in the farming community it has been a reasonable expectation for farms to be handed on, generation to generation. The young people coming through at the moment are not able to have that expectation any more. When it comes to the workers of a more mature age, where farms in this region would have had a family living in the second house on the property and there would have been a permanent full-time job for a farm labourer of semi-skilled or unskilled capability, that job is now not there or it has become a casual or part-time job opportunity.

Through our Job Network services we see a number of people that we have been able to assist into sequential casual employment. For example, we are just recruiting workers for South Australian Bulk Handling, the silos, for this year's harvest—if we get one. Looking at some of the crops on the way down this morning and seeing what the wind is doing to them, I do not know that it will be a very heavy harvest. As I say, where somebody might have been able to be working on a property for basically the one farmer for their working life, that is no longer the case. There is this fragmented employment. In many farming families it is the situation that a mature age partner is looking for off-farm income in order to maintain that sort of lifestyle, or people are having to travel across the region. From around Crystal Brook, for example, there are several families with people who commute to Roxby Downs on a travel in/travel out basis. They are the sort of context comments about this.

We have significantly high unemployment levels, higher than state average unemployment levels, in all the age ranges. It is heaviest in youth unemployment but for the older workers we find that they are often coming from an experience of stable work for 15, 20 years and then something has happened, like an employer has reduced their employment capacity and somebody is retrenched or something like that, and they find themselves with skills that no longer match the current demands of the work force because of this sort of repositioning of the picture around the place. But then the mission, with a payroll of 70, is a fairly significant employer in the region.

We are probably about the sixth biggest employer in Port Pirie, if you think about it. I have a continual paradox of knowing that there are heaps of unemployed people there but not being able to recruit the skills that I need. When I worked in Adelaide I would have recruited professionally qualified people for the same sorts of jobs that I am employing for in Port Pirie and struggle to get appropriately professionally qualified people. I have been trying to recruit solicitors so that we can open our new community legal service now since mid-June and I have had a very poor field of candidates. That is the only thing that is stopping us from getting on and opening that service, which is sorely needed. That is a bit of a side comment to the argument, but that is what I am seeing, this significant paradox.

Getting back to the particular area of expertise we have and the knowledge we have gained from our work and the people we meet through the mission, I was interested in the comments about self-employment from the previous speakers, although I only came in on the end of that. We run a NEIS program, which you are obviously quite familiar with. I consider that is a very significant and important part of the picture of services for older workers. Not all of our NEIS applicants by any means are in this older age range, but there is a proportion of them and I think I made specific mention of that in the submission. We have about an 82 per cent success rate with our NEIS program.

I am absolutely unarguably, incredibly proud of our Job Network staff and particularly the NEIS worker. He is one staff member who works through that whole region and in the last three or four years, because of the 70 or 80 businesses he has supported to be set up through that region, many of those businesses are now employing a partner and a few part-time or other workers. We have not had something take off so resoundingly that it has got a payroll of 50, I must say, but it is good, solid, steady growth, and I think that is really important. It is not a complete answer in itself but it is a very valid program to have there in a range of options.

I think part of what assists to manage those sorts of concerns that the DOME people were raising is the fact that this particular staff member puts a lot of energy into mentoring people in that first 12 months. He provides far more contact than is actually prescribed in the program and I think he gets the results because of it. And that troubleshooting, that hand-holding, if you like, enables people to do it. As I say, a proportion of those businesses that have been supported through our NEIS program have been those in the age range that you are particularly interested in.

There are also a few businesses that are with older people who are not NEIS eligible because they are not receiving Centrelink payments but we have been able to fund them to go through the NEIS training program and do the small business course because we have been able to get some additional funding through the Regional Development Board. I think that is an important aspect, that people who are not necessarily eligible because of their income level, not because they are high-income earners but just because of other eligibility considerations, should be able to get access.

I will give you a specific example of a couple from over the Flinders Ranges, Clare way. They are off a property. They have a son who is in his early 20s that they want to hand the farm on to but they know that in the present climate the farm is not going to provide income for the two households so they are looking at a way of getting an alternative income stream for themselves so that they can hand the property on and let the farmer get on with his farming, and the older fellow and his wife will pull out while they have still got some health, because that is what they have made decisions for. They have been able to go through this NEIS-like program doing the small business course and have developed a tourism related business that hangs off the Clare Valley. It is early days yet but it is looking promising. So there are those people who, probably because of assets or something like that, are precluded but they do not have a high ready income stream that is important. We have met a lot of these older workers or potential workers through the Jobsearch training where again we try and help build people's self-esteem. That is often very knocked around by the experience of being retrenched or being out of work for an extended period. We also have a community support program contract at the moment. Our contract numbers were 70 but just listen to the area we have to cover with that. The neighbouring service is based in Port Augusta which is an hour's run up the highway from Port Pirie, but south the next neighbouring service is Elizabeth. So we are being expected to service referrals from all up and down Yorke Peninsula, right across the mid-north, Peterborough and Clare, for a payment of $700 per person for the year.

If I send a worker to visit somebody in person in Peterborough, it is 120 kilometres each way, and the award reimbursement rate for use of a private car is 50c a kilometre. You make

two trips or so and a couple of STD phone calls and you have done your money for the year for that client. It was a fixed priced contract across Australia, regardless of where that was. I hope it is never done like that again. They are the 'administrivia' sorts of things that can get in the way of providing appropriate services for people. Jim has been participating in that program so he might have some things to say from his end of things later.

What we are finding with that program is that it is meant to be an advocacy service, and support by referring people into specialised services. That is fine in some parts of the country but we are struggling to be able to find the services to refer people to. For example, some of the older workers have developed mental health issues and some have drug and alcohol concerns. Our drug and alcohol worker in Port Pirie went on four weeks leave last month and there was no service delivery in effect in the region for that month. The theory was that the clients in our area would be covered by the worker in Port Augusta, who is part time. That is how thin and fragile the services are, for instance.

Our family planning worker—that is still relevant for this age range—is a 0.4 position, with a total budget allocation of about $25,000 a year. That funding has just been withdrawn. He was covering the region up to Coober Pedy. He is fully booked for things all through next year and he has been told he is to finish up by the end of September. But we are not unused to that sort of thing. Services are vanishing before our eyes.

The recommendations that I would like to suggest for your consideration are that job support and job creation initiatives are very important. For example, the NEIS program and things like that can sit alongside and answer a particular group of clients' needs. The demise of SkillShare has left a bit of a void in our region in that there is no ready way of easily running training courses for skill development for wanted skills. Their Job Network does not cover that in quite an adequate way.

The theory is that for FLEX 3 for case management people there is money in the way that the fee for service works, to put people through training courses, but of course a lot of people are not eligible for that. They are just categorised by the instrument from Centrelink as being Jobsearch or job matching people. I would far prefer to support people earlier. I do not want people sitting around being unemployed for 10 years. You have got far more to recover if people's self-esteem has just been zeroing down in all that time. So there are some real limitations about accessing and an organisation like ours for example mounting a training course if we had a pool of people who would benefit for building their skills. We have been placing a lot of people over in Clare in the viticulture industry but they often need basic introductory courses in vine pruning and stuff like that before they are able to access those positions.

This is talking really early intervention stuff. I think it would be wise to look at some scholarships for some country people to access tertiary training of all sorts because with the way the various supports and payments are structured at the moment it is extremely difficult for people to be supported in the capital cities accessing post-secondary education of professional or paraprofessional things. That is perhaps typically for younger people but I do not think it should be limited to young people because, for example, taking your classic female role of having been out of the work force for 20 years parenting, then finding themselves in their mid-forties needing to produce income for the household to support the

educational aspirations of a bunch of teenagers but also—where farming and so on happens—the income is not there to support that so well, I think that having it open to all ages would be quite helpful, either in the form of cadetships or whatever.

The Wyatt Trust here offers some small scholarships to country women who want to return and do further training. The hospitals in the region have terrible trouble in getting appropriate nursing staff. It is just a ridiculous situation to find ourselves in. I think some brokerage money attached to the community support program clients could be helpful because in a rural context you sometimes have to buy in the services that are required because they are not readily available. As that program is conceived at the moment, that is outside the intention of it, but that is a suggestion from me.

As I said, a little bit more flexibility around the way NEIS works would be helpful, and also to think about the support to volunteer programs. A fairly stark reality of our region at the moment is that people who are in their 50s may have to face the fact that they are not going to be in paid employment any more but there is no reason why they cannot enjoy reasonable quality of life and satisfaction by being an active part of the community, so long as there is basic income maintenance available. We have had a couple of the post-55 age range volunteers who have been referred from Centrelink, one of whom was acting as our caretaker at the mission. It was fascinating over a three-month period to see the way this man's self-esteem improved and his capacity to talk and just engage in a social exchange took a leap a mile wide through being part and parcel and having some pattern to his week.

I interviewed another fellow who is part of the community support program the other day about working as a volunteer. I said, 'When are you available?' and he said, 'Any day except Thursday once a fortnight when I do my shopping,' and it sounded very much as though he was not out of his little flat in Port Pirie apart from Thursday fortnightly to do the shopping. That is a very limited life view, and the country is missing out on a lot when people are not able to give what they can offer.

Work for the Dole has its place but is not an automatic answer to all of these situations, I would say, and I have some considerable reservations about how that is being enacted just for the moment but I do not particularly want to get off on that tangent today.

Mr BARRESI—In respect of mature age unemployed?

Ms Whish—The whole span, but yes, it can potentially be of use but I do not think all the eggs should be put into one basket. There needs to be a diversity here, especially with these mature age workers. They have all come from various different pathways, you cannot generalise, although I obviously just have to a large extent. But they have all got their own particular context.

CHAIR—Thank you very much, Alison. Jim, would you like to tell us whatever it is you would like to tell us.

Mr Cowin—Yes, I would like to. I was and still am on the community support program. A bit of a rough thumb sketch of my story: I was until very recently looking after my elderly father who did not enjoy very good health in any way, shape or form. The upshot is

that he passed away in March and I find that at the age of 36 I am now, for want of a better word, free to live my life for myself. I do not want that to sound bad, if you know what I mean. I am not happy he has gone but now I am on the threshold of what you guys were on when you were about 21, 22, something like that.

The thing is, I live in a small country town called Gladstone. I do not know whether you have ever heard of it; not a bad sort of a place but it suffered from the same problems that a lot of towns have over the years. Successive governments, both state and federal, seem to think that they can downsize things, take things away from small country towns, put them all in the city and that is fine. Well, it is not because you see these communities fold back and wind back and they have got less and less to offer people. People have got to leave, so these communities slowly die.

Gladstone of course was a big government town, huge railway set-up there, jail, army, Electricity Trust of South Australia, Telstra, that sort of thing. That has all slowly disappeared and now people are having to leave the community. You see a death of community which is not a good thing, you see families split left, right and centre, extended families too, and I guess in my situation had those avenues still been there, I could have stayed at home, could have done the caring role that I did do, but could have still had a way of earning a wage. Now of course I am faced with the situation of more than likely having to leave the extended area really that has been my home all my life. That is where everything I love is, that is where just about everyone I love is, but now having to head off undoubtedly somewhere else, maybe to Adelaide, who knows? I have got nothing against Adelaide. It is not a bad sort of a place but it is not home, if you know what I mean.

I do think that counselling and that sort of thing comes into it heavily too. People like Alison can only do so much. The Uniting Church or the Central Mission can only do so much and I guess government can only do so much. Everyone has got to work together to try and find solutions to these problems. But I think the problem, the drift to the urban areas, is something that needs to be addressed because there are people who really do want to stay where they have always been. What I am trying to say is—I have run out of words, which is unusual for me.

Ms Whish—What you were saying as we were coming down in the car was that because you had made the decision to be a carer, and although you are not technically 45—

Mr Cowin—Not even physically 45.

Ms Whish—I thought the situation that Jim was in was a fairly typical one for a small number of the older workers where people have been engaged in caring for an aged parent, and it is often older women, often saving them from being institutionalised but then in middle life finding themselves either living in the wrong place but it is the right place, or just not with a good skill match for what is available. The point is well made about Gladstone, where even 15 years ago there would have been employment opportunities that would have dovetailed with those caring responsibilities. Some of the people who still have the responsibility for raising children find themselves in those sorts of dilemmas too because of the caring responsibilities.

Mr Cowin—I am not the sort of person who sits on his backside and expects the whole world to come to him. I have always been very active within the community. This is a good thing about country towns and we did talk about this driving down too. You can still be a part of the community, you can still lead an active life because you are simply not anonymous. Everybody knows you and in one sense that is a good thing and in another it is a bad thing because they all know your story or, if they do not, they soon make one up. But you can play an active role in community, like with the jail, which is now a tourist attraction, and now it has gone private. Before, when it was committee run, I was vice-chair, I was chair, I was secretary, I was treasurer, and that was terrific. I have been secretary of the Community Development Board which is not a small thing by any means.

I am still actively involved with local drama. I am very involved with community radio in Port Pirie through country music and I must be doing something right because I get people like Slim Dusty ringing me at home saying, 'Hey, we love what you're doing.' So I am not an idiot, and I have got a lot of talent that I can give but I guess the big point is I do not know how to utilise it for me. This is where things like training come in. I have always been a big believer in counselling in more ways than one. It really is a wonderful way of straightening things out with your head with someone who is trained but generally someone who does not know you. It is really terrific to have those sorts of facilities. The unfortunate thing is, of course, things do get wound back, budgets get cut and it seems to me that it is more the rural areas that seem to miss out than the city.

Ms Whish—So, Jim, what you are saying is that what would be helpful to someone in your situation is things to help you to make use of what you have got through life experience and native cunning but turn it into something that people want to employ you for.

Mr Cowin—Absolutely. Like with the radio, for example, there is no good reason why I could not do that on the ABC if I knew just how to get in there, or something like that. I am just using them as an example.

Mr SAWFORD—Jim, I went to Gladstone three or four weeks ago and I did a little bit of the mid-north stuff and then down to Lincoln. It is interesting to look at a place like Clare, for example. It has expanded. I am a regular visitor to Clare for other reasons, quite obviously, probably.

Mr Cowin—Their product?

Ms GAMBARO—Horticulture.

Mr SAWFORD—Viticulture, that is right. I go there for viticulture. But when you look at places like Wirrabara and Laura, it is sad.

Mr Cowin—Yes.

Mr SAWFORD—One of the things that is actually missing there is the infrastructure that once supported those country towns. You go to Eudunda, there is another place, you go to Clare, even the west coast; Lincoln is expanding, Tumby Bay is expanding. There are

places in regional Australia, not just in South Australia, that are expanding, where others are contracting rather badly.

Mr Cowin—I guess the thing with Gladstone is that it was a government town, by and large. Clare of course is a private enterprise town.

Mr SAWFORD—There are plenty of government things in Pirie too.

Mr Cowin—Yes.

Ms Whish—There have been.

Mr Cowin—Yes, but when you think of the wineries and things like that, you think of private enterprise, don't you?

Ms Whish—While this is an inquiry looking at the situation of older workers, I am seeing things with a bit more of a holistic view in some sense because of the interconnections with—

Mr SAWFORD—I think the question that Jim has raised about what is happening in regional Australia is an issue we have to address. We acknowledge that.

Ms Whish—The school retention rates in the high schools are dropping alarmingly through that region. They are between 40 and 60 per cent. It is far less for Aboriginal children, of course. I was preaching in Hawker a fortnight ago and talking to one of the families there whose younger son is just finishing year 7. They are a farming family on a property out of Hawker and the older boys had been sent down to Adelaide to board with grandma to get access to secondary education. Grandma is now too frail to have this last child of a big family come and stay for high school. This lad has some particular special needs that I do not think are probably getting very well answered just at the moment even. The options for even getting basic secondary education appropriately delivered are not good. You then perpetuate that cycle of people with limited skills and reduced employment opportunities, at whatever stage in life. That is something I feel very passionate about.

Mr BARRESI—You have outlined to me one of the great problems you have got and that is, in order for you to provide the service to the mature age unemployed or any unemployed to get a job, you are also relying on other services around you and you cannot fill those positions because they are not there. They are just not there.

Ms Whish—Jim commented about counselling. That is a huge need for that area at the moment.

Mr BARRESI—So you are doing it with one hand tied behind your back.

Ms Whish—Yes.

Mr BARRESI—Let alone the fact that there may not be any jobs there, just getting the support services in place is difficult.

Ms Whish—Yes. I will never forget a fellow who came in to seek emergency assistance last year: a married couple with three children; I do not quite know what his employment history was but he was out of work. They were seeking emergency financial assistance from us because he had made two trips to Adelaide chasing up job interviews and it was the tank of petrol in the clapped-out Holden that they were driving that was the extra expense. They managed really well on their social security payments, but the cost of these two trips to Adelaide had just teetered the budget over the balance, and I think an electricity bill had come in. Our emergency financial assistance is so rationed these days and so woefully under what the demand is.

Mr SAWFORD—I want to go back to a positive thing. You talked about NEIS. You said you had a lot of businesses that were highly successful and they are still going, and you mentioned the continuation of the person who was allocated, the one person still there over the four years.

Ms Whish—Yes.

Mr SAWFORD—What sorts of businesses were they?

Ms Whish—All sorts of things. The bakery in one of the Copper Triangle towns—I think it was Wallaroo—which won the best pie of the state prize last year was one of them. There is a place called Boats and Bits that provides fishing equipment to recreational anglers, as well as professional fishermen, in Pirie. The Cider Cellar that has opened up in Burra was one, the tourism related one—quite a few on Yorke Peninsula are tourism related—a home renovation business; somebody else is vegetable growing, another business was artificial flowers/forestry—really diverse stuff. There is a kangaroo shooter who does work up in the Flinders Ranges.

Mr SAWFORD—So no pattern?

Ms Whish—No. If you could find a pattern in that—no, not so far as I can pick.

Mr BARRESI—What about those people who were on the land, who have had to perhaps walk away from their property and get started again? What are some of your experiences with them?

Ms Whish—I have got limited personal knowledge of that. On the eastern side of the gulf we are still a little bit short of people walking off their properties, although I suspect that will start happening in the Orroroo area soon. That is more an Eyre Peninsula picture, on the western side. A lot of the employees at Roxby Downs are people who either still have properties on Eyre Peninsula or who have left properties on Eyre Peninsula, because of course they were often familiar with driving heavy trucks and could make the transition in skills to driving big mining turner pullers and huge trucks and things like that. So I cannot give you a particularly fluent answer on that.

Ms GAMBARO—The success of attracting new businesses to the region: I remember once going to a place called Wangaratta and the IBM factory there. They did not just decide to set up in Wangaratta. The state government gave concessions, land tax concessions, I

think, rate free concessions. Are there any companies who have set up in the region? There is a peninsula where I come from and it is very isolated from the mainland. There is not going to be any more employment because there are no growing industries. The only way that we will get employment to it is if I am successful in attracting some companies to the region. Have you had any recent companies that have gone?

Ms Whish—Again, that is something the Regional Development Board would be better placed to answer. But I am aware there is the clay mate, which was a local invention. This is something that you run over your paddock and it does something to clay soils which improves the productivity. I am a theologian and a social worker. You are expecting a lot!

Ms GAMBARO—It is. But I thought I would ask you that.

Ms Whish—It is a small enterprise that started up a couple of years ago and they are being fabricated in Jamestown and Port Pirie, I think. It is a modest employer. It is not a small business because there would be over five in employment now. There are odd little stories like that, but that is what is needed. The mayors of Whyalla, Port Augusta, Port Pirie—an interesting trio—are absolutely passionate, all three of them, about trying to work in partnership, to bring alternative enterprises to the region and, I think, are beginning to make constructive noises.

Ms GAMBARO—And they are working together. Are the area consultative committees working okay there?

Ms Whish—That would be an overstatement.

Ms GAMBARO—Okay. When you say that they are 'interesting', are there personalities—

Ms Whish—The Area Consultative Committee has been a disaster in our area. There has been a new CEO appointed within the last month or so and we all have high hopes, because the Barossa one works really well.

Ms GAMBARO—That is very positive. Jim, I would like to ask you one question.

Mr Cowin—Sure.

Ms GAMBARO—You said being in a small country town everybody knows you, and those who do not make up stories about you. Counselling: is it really hard to get counselling in a small country town? Does everybody get to know your business? How do you go about having some sort of anonymity?

Mr Cowin—Very simply. You go to a counsellor when you happen to be in Adelaide or you ring them up. I would have no problem in going to somebody in Port Pirie for that, but obviously the people who do that sort of thing in Gladstone are also the people you run into in the supermarket or you talk to down the street and, not that they would, but there is obviously that psychological barrier there, 'Gee, I don't know if I want to tell her or him my deepest, darkest secret.' I guess it is more of a psychological thing, but sometimes it is much

easier to talk to a stranger about those sorts of things because you may never see each other again. You do not know each other from a bar of soap, and you may not see them again. But someone you know well—

Ms GAMBARO—It is very hard.

Mr Cowin—Yes.

Ms Whish—That is my absolutely highest priority—unmet need for the region—and the number one service that I would like to get established through the mission is a generic counselling service because it is virtually inaccessible to the communities through this area. We have a women's shelter that is constantly chock-a-block, we have a youth shelter that is virtually full all the time. I see people who are struggling with some of these issues of life-cycle change, grief and loss about not being able to continue in traditional farming pursuits, grief and loss about unemployment, about sending kids off to the city, all those sorts of things. They have the normal sorts of relationship stresses and strains that anybody has and you cannot get even basic early intervention generic counselling into place because it is non-existent.

Remember this region is a very poor region. We are being hit in the face by the poverty. The median income for South Australia is about $254 a week—I am talking 1996 census figures—and in Port Pirie it is $202, in Peterborough it is $189. Now, 76 per cent of the community in Pirie is supported by Centrelink payments. That means people do not have money to put into donations to the Central Mission or other fundraising ventures. It sets up a bit of a vicious cycle in terms of what a community can do. People have got time and energy and a degree of skill to put into community endeavour and they are very good volunteers—30 per cent or more of the region's community are involved in volunteer work of some sort—but they do not have the personal resources which are able to be gifted away in charity and philanthropy to enable those things. So if I got $50,000 to $60,000 free-range money from somewhere and a generic counsellor with a visiting service through the mid-north, this is what I would use it for.

Mr BARRESI—There has been a bit of talk about the lack of infrastructure and investment in the area. Is there a sense of anticipation and preparedness that is starting to take place in that northern area with the Alice Springs to Darwin railway line? I know it has not been built yet because the money is not there, but are people starting to realise that, 'Maybe there is an opportunity here and I should really start giving something,'—not necessarily in terms of building the line but the supporting industry and all the other businesses that go with trying to support a work force like that?

Mr Cowin—I will say, Phillip, very quickly, that we are a railway family and the attitude would be, I think, with most of the people I know and railway people and their descendants, this has been talked about since 1917 and it would be great if it happened, but we will believe it when we see it.

Mr BARRESI—Yes, but this is the first time there has been money committed to it already.

Mr Cowin—Yes.

Mr BARRESI—There has been $100 million from the government and they have already done the EIS. Isn't it down to the stage now where they are—

Mr SAWFORD—There is $300 million—$100 million from the Northern Territory, $100 million from South Australia, $100 million from the Commonwealth.

Mr BARRESI—Yes, that is a commitment which has not taken place in the past. Is there a feeling that even if it does get built, 'It is all going to go to Adelaide anyway and Alice Springs and we are not going to get anything'?

Ms Whish—These are communities that have had their expectations raised in all sorts of ways, only to have them disappointed and dashed in various ways. When there is a recruiting agent setting up shop in the local town hall saying, 'Come and sign on here,' then they will get enthusiastic about it.

Mr SAWFORD—They have been promised too often.

Ms Whish—Yes.

Mr Cowin—I can see that the tourism side of it would be the way the area would get something out of it. Two passenger trains pass through Gladstone—the Ghan and the Indian Pacific. Wouldn't it be great if they could all come up and see the jail? I can see more of a scope for tourism, if that were to happen. It would be the best thing that could happen to this part of Australia.

Mr BARRESI—I guess I am thinking not when the line is finished but in the construction of it.

Ms Whish—Yes, the building of it.

Mr BARRESI—There is a work force to feed, to house, to shelter, to clothe, to transport—all those sorts of things that go with it.

Ms Whish—No, it is not feeling real enough on the ground at the moment for the vision to have been captured, shall I say.

CHAIR—I am sorry to say that we need to finish at that point, Alison and Jim. Thank you very much for everything that you are doing in the area. In one sense, the problems you are dealing with are, in fact, at a different level from what we have been dealing with in our inquiry. It is obviously very important, but some of the needs are more overwhelming and more fundamental than some of the things that we have been dealing with in this inquiry—for example, counselling. Counselling is available in many other areas where we have been. Some of the most fundamental needs that you have got are going unmet. But thank you for talking to us, providing a submission and if there is anything else you can think of that you would like to impress upon us, do not hesitate to send it along. When I hear Slim and Joy singing, 'The Indian Pacific is always on time,' I am going to think of you, Jim.

Mr Cowin—Thank you, Brendan.

Proceedings suspended from 12.47 p.m. to 1.30 p.m.

LEE, Ms Anna, Chair, National Ergonomics and Occupational Health Physiotherapy Group, Australian Physiotherapy Association

LOWE, Mr Michael, Director, Australian Physiotherapy Association

WORTH, Dr David, Chair, South Australian Chapter of the Ergonomics and Occupational Health Physiotherapy Group, Australian Physiotherapy Association

CHAIR—I would like to welcome the representatives from the Australian Physiotherapy Association to our public hearing. Do you have any comments to make on the capacity in which you appear?

Dr Worth—I have also been asked to represent the Ergonomics Society of Australia, as this is a joint submission.

CHAIR—Very well. Could you give us a precis of your submission, which we will then discuss, and finish at 2.45.

Dr Worth—The 1995 national health survey on injuries which was released in October 1998 indicated that 2.8 million Australians or 16 per cent of the population of Australia at that time had a current injury or an injury related condition. Of those people 1,061,000 had a work related injury or injury related illness. That is, 38 per cent of all people who had injuries or injury related conditions at that time had them as work related conditions. Of those, 54 per cent or 572,000 were over the age of 45 years. Therefore 3.3 per cent of all Australians at that particular time were 45 years and older and had a work related injury or injury related condition.

Taking that into account and the fact that older workers suffer work related injuries and conditions with effects likely to be magnified by aggravation of age related degenerative processes, their productive capacity is likely to be permanently reduced, making rehabilitation and return to work programming difficult and in many cases impossible. In looking at these people and the effects this has, this places an unresolvable weighted financial burden on industry, and especially small industry, usually through workers compensation levies and premium systems. The cost of labour is therefore increased through rehabilitation and claims management costs, ultimately increasing the market cost of goods and services.

Therefore we suggest some consideration be given to shifting the cost burden away from the labour market to the social security jurisdiction in this age group, especially when it can be demonstrated that at the time of any assessment the injured worker over the age of, say, 50 years had such a poor possibility of return to work and capacity for work that rehabilitation and return to work programming may not be a viable option and the worker remains deemed totally disabled for work. This currently occurs in many of the workers compensation systems focusing on rehabilitation and return to work.

Such an assessment of work capacity is usually carried out in the workers compensation jurisdictions but not in the social security jurisdiction and, notably, under the threshold requirements for eligibility for the disability support pension. We therefore suggest that the

Commonwealth government consider adopting such assessments for all applicants for this particular disability support pension. APA members are experts in these assessments and wish to be involved in assisting the government to implement them.

Just by the way, such assessments carried out from time to time would assist in many disability support pensioners, including this age group of injured workers, should they fall into this group, gaining insight into their capacity facilitating return to work and thus a reduction in the number of disabled Australians being eligible for this pension, even accounting for the increase by virtue of the inclusion of older workers with work related injuries or injury related conditions. This appears to be in line with proposed government changes, as reported in the *Weekend Australian* of 28 August 1999. I have some cuttings which we can discuss later.

Therefore we seek the establishment of a working party, as set out in our submission, to examine the jurisdictional change and assessment recommendations with power to recommend appropriate changes to state and Commonwealth government legislation, particularly workers compensation legislation. We seek representation on such a working party as medical experts involved in these assessments from day to day.

I would like to thank you for the opportunity to present our evidence and applaud the initiative of the government in establishing this inquiry. I would like to hand over briefly to Anna who will present some workers compensation data.

Ms Lee—I would just like to highlight the urgency of some of the injuries which occur. We have quite a significant amount of permanent disabilities. Secondly, I would like to just try and implement some thinking perhaps, at least in looking at prevention strategies that can be linked in with this review and other government programs that are established. The latest statistics we have are from 1996-97. The 1997-98 ones will be out next month so we can update it then.

If we look at permanent disability rates, there are over 121,000 deemed totally disabled. They are not able to work at all, so they have been classified totally disabled. Of those, 32.4 per cent are 45 years or over. That is nearly 40,000 of them. The two biggest areas that have—

Mr SAWFORD—When you say ‘totally disabled’, you are saying that they were previously able, to disabled.

Ms Lee—Yes. They were working, had an injury and now they are permanently disabled. The manufacturing industry seems to have the highest amount. They have something like 30,000—28,000 or 29,000—which happens to be 23.25 per cent of the total group of disabled. Of that 45 years and over group, there is 32 per cent of those, so it is a significant amount. Of course, we all know in the health and community services it is an enormous number of injuries occurring there for whatever reason or variety of reasons. Again, in the 45 years and over group, the permanent disabled make up 38 per cent of that group of disabled people. It is quite a significant amount and if you put dollars to it, it makes it even more frightening.

They are national figures but not including Victoria because they have a different collecting system and it is not compatible with the rest of the states. So that is a figure from all the states except the ACT and Victoria. Victoria are adjusting their figures so they will be more compatible. Looking at Victorian figures on their own, they are quite similar and have that high permanent disability figure in theirs as well. That is not including those who have been disabled for a long period of time, more than six months. If we look at those figures they are quite significant too. They are probably the ones who are finding it very difficult to find work as well. Carrying a disability, being over 45 or over 50, makes it very hard. If they are coming out of the manufacturing industry then their skills are fairly limited. You can imagine these people have been working often in the same area for 30 or 40 years and it is very hard to change their vocation.

In New South Wales we still have similar sorts of statistics. The age statistics for the number of people who have had permanent disabilities is around 5,000. That is 71 per cent of the total number of permanently injured people; 43.7 per cent of all injuries—that is including those who are not permanent injuries. So, again in that 45 and over group, the statistics are pretty frightening. As David pointed out, a lot of these people are designated permanently disabled based on medical criteria rather than a physical or functional assessment. What we were saying earlier was that perhaps if functional assessments were done with these people you may be able to find they are less than permanently disabled.

In these statistics, too, people over 55 years old have a 1½ times higher incidence—taking all the age groups—so that is quite a significant statistic as well.

CHAIR—What was that, Anna? People over the age of 55—

Ms Lee—Have 1½ times the injury incident rate of all age groups.

CHAIR—The rest of the work force. Right.

Ms Lee—Yes, if you take all the age groups then that particular group has 1½ times the injury rates. I think in New South Wales the males in the 60 to 64 age group have the highest incident rate and women in the 50 to 59 age group. Just as an example of cost, taken out of the statistics there, with respect to the labourers and related work—that reaches about 18,000—2,700 of those are permanently disabled. Their average time lost in weeks is 14.1 weeks. The average cost of these injuries is $15,000.

What I would like to do now is talk about linking it with other government initiatives. There is one called Active Australia which was started in 1997. It is a national move to try and get more participation in exercise, just any sort of exercise. It is pretty scary. There are only about one-third of us who actually do any regular exercise outside work. We know that physically active people have a 50 per cent less risk of back pain in particular, taking that as an example, than those who are sedentary. These are based on 1984 figures, but I think the current figures are very similar.

The direct cost of low back pain, if we take that as an example, is $244 million. If you combine that with indirect costs it brings it up to about $2.7 million per day. If we can reduce back pain by five per cent by giving them exercise, we can save $48.8 million for

each extra 10 per cent of the population which is active. If we look at the forward results of that then we have fewer people who are in that older age bracket with an injury who may be in the situation of trying to find work.

My suggestion is that we look into this aspect a bit more. There is an opportunity in this hearing to bring the point to notice, to perhaps develop some policy or some work with the other groups to accelerate the outcomes and to perhaps investigate the outcomes of the national participation framework, and to see if we can work with that a little bit more. I do not think it is unreasonable for us to expect companies to implement exercise programs or healthy lifestyle programs to encourage their older workers, or to retain their older workers in a much more physically functioning state. That is certainly done in other countries and seems to work there.

Of course, being a physio, I like to promote the physiotherapy side of things. I think we are very well placed, with the understanding of work and anatomy, physiology, biomechanics and all sorts of activities of functional assessment, to be involved in these preventative programs and also in trying to get these people back to work. That is all I have to say.

CHAIR—Thank you very much. I must say I am a bit confused. Can you just explain to me, in plain language, if I am an employer and I am looking at people over the age of 45, how much more likely are those people to suffer an injury or an occupational disease than someone in a younger age group?

Dr Worth—The prevalence increases with age by a factor of at least 100 per cent. The prevalence in the 1995 health survey showed that 7.5 per cent of people aged less than 15 years to 21 per cent of persons aged 55 to 64 had a work related injury. But the 21 per cent in the 55 to 64 age group is the highest level and it drops back to the 16 per cent equivalent to the Australian population for 75 years and over, so there is an increasing prevalence which tapers off over 75.

CHAIR—It peaks in the 55- to 64-year-old age group.

Dr Worth—Yes.

CHAIR—I missed the first bit of that. The injury rate in someone under the age of 15, did you say?

Dr Worth—7.5 per cent.

CHAIR—Then what is it from 45 to 54?

Dr Worth—Back to 16 per cent.

CHAIR—Then in age groups 25 to 34, it is lower.

Dr Worth—Yes, and 55 to 64 is 21 per cent.

CHAIR—So employers who have stereotyped views of mature age workers are correct; they represent risk. From an employer's point of view then, the data you are presenting to us would reinforce what a lot of them are thinking. One of my friends, who employs a lot of people, said to me, 'Mate, I'd never employ somebody over the age of 40, particularly from certain cultural backgrounds, because they're a huge workers compensation risk.' Whether that is true or not I have no idea but—

Dr Worth—Yes, it is true.

Ms Lee—That is a huge proportion of the population, so you cannot ignore them.

Dr Worth—The other problem you have with that group is that once a member of that group sustains an injury, re-employment is more difficult than it is for people on either side of that group.

Mr BARRESI—Have you had any discussions with the department over what proportion of those who are unemployed in that 45-plus group are carrying a work related injury? To me, from our point of view, that is what the implication is. If it is going to be hard enough for an employer to put someone on who has been unemployed for the last two or three years and is over 45 years of age—and they have hesitation in doing that—why would they even consider someone who is injured? I am just trying to get a feel for the magnitude of the problem.

Dr Worth—It is complex. That is an excellent question. The difficulty often is that when a person who has an injury is looking for re-employment, all sorts of disguises are available so that the person will apply for a job and even obtain employment well before the injury is identified. That comes back to the way in which people are employed, are assessed pre-employment, and the law in regard to discrimination against people who may have a disability but can still perform the job. The question then is of the accuracy and precision of assessing a person's capacity to do the job safely without re-aggravating a problem which pre-exists that employment.

Employers will use contract labour for that very reason, so that in terms of their hiring contract with a contracting agency, they are able to say, 'Look, this person seems to have an injury. Can you send us another one, please, and take this person out and put him elsewhere.' This happens on a day-to-day basis.

Mr SAWFORD—I am confused, as well, about these statistics. I assumed they came from the New South Wales government but they do not. Where have they come from?

Ms Lee—There are some statistics from the New South Wales government, but the first lot I gave were from the national Worksafe statistics, which cover the whole of Australia.

Mr SAWFORD—So they have come from Worksafe?

Ms Lee—Yes, the national workers compensation statistics. I also have taken the New South Wales statistics directly from the New South Wales WorkCover, because it is the largest group. What is the confusion? Can I clarify it at all?

Mr SAWFORD—All this is flowing in the face of the evidence that we have been given. Let me give you an example of DOME in Western Australia, who came before us yesterday in Perth. They were saying that in relation to blue-collar workers, who you imagine would have had more injuries, they were 2½ times more successful in placing blue-collar workers in jobs then they were with white-collar workers. No-one has mentioned disabilities in this inquiry thus far, other than in a general sense. In fact, only the other week, I had an employer, a meatworks basically, come to me. They have had enormous problems and one of their problems was with the medical profession, all aspects of the medical profession, including doctors who had reputations as being very soft on assessing injuries. Their view, as directors, was that doctors were in fact the worst people involved in the whole rehabilitation sector, because they were so dishonest in their assessments of individuals.

Ms Lee—As I was saying earlier, the initial assessment which says that someone is permanently disabled comes from a doctor, not from any other part of the medical profession. It is based on perhaps a 15- or 30-minute consultation, whereas if you were looking at a more accurate assessment of someone's disability then you would need to do something a bit more functional and bit more prolonged over a period of time, with some objective measures like lifting and carrying, pushing and pulling, and those sorts of things. I know they are not by any means ideal and fault free, but they are far better than looking in a clinical setting at what that person can do. With those functional assessments you take into account more work related tasks. If it is a blue-collar worker, you would look at some of the job tasks that they would do and you would run them through that and assess them on the basis of how they perform. If it was an office person, you might sit them at a keyboard and assess how they work there, so it is a bit more accurate in that sense.

Mr SAWFORD—I have a lot of firms in my particular electorate and I have been pretty impressed with the way in which, in terms of carrying and lifting, a lot of those work practices have been changed. In other words, with technology and equipment, things are not carried, they are hung and shifted.

Ms Lee—Yes, absolutely.

Mr SAWFORD—Storing things in warehouses has changed. No-one lifts anything any more.

Dr Worth—I do not know about that.

Mr SAWFORD—But in a lot of industry no-one lifts anything.

Ms Lee—It is much improved. But, you see, that also is just a small section of it. We know that manual handling training, from our point of view, is not effective on its own. It needs to be done in conjunction with changes in the workplace like the ergonomic changes you have just described, and employees looking at their own personal healthy lifestyle, as I was saying before, exercising and making people more active. It does not have to be Jane Fonda type exercise; you can just go for a walk every day. We need to look at it in a global sense so that it is healthy lifestyle, exercise, changes in the work environment—that is a critical component of it—and looking at the training as well.

Mr SAWFORD—I am not disputing the need for regular exercise at all, but a few GPs who are friends of mine will simply say that the worst patients they have in terms of having injuries are the netballers, the footballers, the rugby unionists, the people who are active in sport. They are the worst patients in terms of having injuries. Many of them are sport related.

Ms Lee—We agree with you. Everything has to be done in moderation. The problem with netballers is that they play on terrible surfaces. Again, it is the environment, not so much the activity itself.

Mr SAWFORD—You see all these people wandering around, jogging mile after mile. They are all smiling, I don't think. They are pulling all these awful faces.

CHAIR—One of my colleagues said last week that if you have the urge to exercise, you should lie down until it goes away! But the point you made, certainly in that report, is that activity and exercise, at least in the workplace, will reduce risk of injury.

Ms Lee—Yes.

Dr Worth—I think the difficulty, though, with people over the age of 45 is that they generally will start to present with the usual age related degenerative processes and changes. That in itself is normal. However, if you then superimpose a netball injury or a work injury on somebody who is 55, the interaction between the degenerative changes and the injury itself makes it more difficult for that person to return to normal activities than a person who does not have the degenerative changes impacting on the injury effects as much.

Mr Lowe—As a clinician I can probably shed some light on some of the advantages of the more sophisticated testing procedures that are available these days to ascertain those who are just suffering from physical signs and symptoms, as opposed to those who have incapacities. I think they are different things. Unfortunately, clinical assessments are not going to determine capacity limitations because they are only confined to looking at what moves, what does not move, what is strong, what is not strong, not necessarily how someone performs a function or activity.

I think that is where we are talking about the group that falls outside that normal domain: the injured worker who subsequently does not ever attain the ability to get back where they should be for their age. Clinically, if they are an easy pick, they will be obviously significantly impaired and restricted. I do not think they are the group we are really talking about. We are really talking largely in terms of the difficult assessments. Those who get through the system are more those who perhaps do need a more detailed examination because they have clinical grounds for making a decision, but they do not necessarily have the capacity restrictions that should force the decision.

That is an area that I think affects anyone, a medical practitioner or whomever, who assesses clinically and makes a verdict. It may be very obvious, very severe case, but there are a large number who fall between the two extremes. They are the iffy ones, the ones who will probably find themselves with some residual disability, and there is a reluctance on the part of employers to take them back into the work force.

CHAIR—I am still struggling with some of the data. But, essentially, there is an increased risk of injury and occupational disease to a person over the age of 45, that risk increases with age and peaks in the 55 to 64 age group. Your suggestion to deal with that is to take workers compensation—at least for this group of people—out of the insurance based system and put it into the social security net.

Dr Worth—That is for those people who are assessed as having little or no chance of being employed by virtue of that disability.

CHAIR—Functionally assessed by people who are clearly trained to do so?

Dr Worth—Yes.

Mr BARRESI—But doesn't that send a signal that we are giving up on those people?

Dr Worth—No.

Mr BARRESI—They may very well want to be still participating in the Jobsearch process.

Ms Lee—Absolutely. But these are people who have already been given up on.

Mr SAWFORD—They are already on disability support pensions, are they?

Dr Worth—No, they are not on disability support pensions.

Mr SAWFORD—They are not?

Dr Worth—That is my point. The point is, they are left in the workers compensation systems. That is Comcare and the state legislative system.

Mr BARRESI—So the ones who are in receipt of the workers compensation?

Dr Worth—They are receiving income maintenance from workers compensation. That continues. That is an incredible financial burden on industry itself per se and, equally importantly, these people are pushed through the processes within that system. They are regularly reassessed, they are sent out for independent medical assessments on a regular basis to make sure that they are still deemed as being totally unemployable or totally incapacitated. The cost of maintaining rehabilitation, workers compensation management, case management, insurance costs and all the hidden costs—which are generally bandied about as the hidden costs being five times the actual costs—is enormous. That continues in the workers compensation system, so you have a whole bunch of money being spent with no effect and no possible effect.

Mr BARRESI—I might be ignorant on this, but if you take them out of the workers compensation system because they are a burden on industry and therefore you are relieving industry of the obligation for the workers compensation fund to pay for it, isn't that saying to industry, 'Don't worry about it. The social security system is going to pick up their charge

down the track anyway'? Where is the incentive for me as an employer to make sure that I have a safe work practice? At the moment it is a stick approach. Unless you have a safe work practice in your risk factor, your industry is going to work up in terms of the multiplier.

Dr Worth—I agree with you. I agree 100 per cent, except it does not happen. The 45 and over group are dumped now. They are dumped on a third party paying system. Nobody cleans up their act in the workplace because of the fact that they are carrying a workers compensation liability in that age group of people and the workers compensation systems are tuned that way. For example, section 35 in South Australia—Rod, you would know more about it perhaps—has the ability to deem a person totally incapacitated for work. At two years they do a two-year review. They then pay them income maintenance at the rate of the difference between what they could earn in employment without that employment being available to them—and that has recently been made law—and the money that they were earning before. They are just left on that system earning a workers compensation pension. They are just left there. There are hundreds of them.

If you go to the workers compensation offices, the insurance offices, the agents for WorkCover in South Australia, they are all in the bottom drawer. Nobody is working on them. Nobody is doing a thing to help those people; it relieves the cost burden. Firstly, the cost burden is far more expensive than the disability pension. Secondly, the eligibility, the threshold for getting a disability pension, has nothing whatsoever to do with capacity to work and yet the headlines are now 'Work for the disability pension'. But to get a disability pension, you have to have something like loss of half lower back movement, which is meaningless. That is something to do with permanent residual disability and it has nothing to do with function, capacity to work. This is the initiative from the social security department.

In order for that to work, you have to be able to say, 'Well, if this person can be paid this amount of pension and be reassessed at a certain time, maybe they can then be encouraged to look for work in accordance with their capacity and come off this system,' equally as it might but does not work in the workers compensation systems.

Ms Lee—You do not actually remove the incentive for employers, because these people are still under the workers compensation until they are deemed permanently disabled.

CHAIR—Sure. It is a transfer cost from the private to the public system. The converse way of looking at it, of course, is that the employer might be a little more inclined or more relaxed about taking on someone in this age group, knowing that the long-term costs are not going to flow on to workers compensation premiums because of what you are proposing. But in the end somebody has to pay for it.

Ms Lee—Yes.

Dr Worth—We all pay for it.

CHAIR—Plus there is a lot of money wasted. We know there are a lot of things done in the workers compensation roundabout that are not done in the public health system that relate to motives other than the patient's best interests.

Dr Worth—That is right.

Ms GAMBARO—You were talking about what was deemed a disabled person. This varies from state to state, doesn't it?

Dr Worth—Yes, it does.

Ms GAMBARO—I cannot quite put my finger on the specifics, but in Queensland two to three years ago, I think, the legal fraternity were up in arms because a person was deemed to be disabled. They had to have so many percentage disabilities. Do you know what that is? There is no consistency, from what I see. You mentioned back injuries. Are they higher in people of non-English speaking backgrounds? What injuries come up there? I am from non-English speaking origins. Are there injuries that are more prevalent in non-English speaking backgrounds?

Ms Lee—In different cultures. I do not think we have specific statistics on that.

Ms GAMBARO—No data on that?

Ms Lee—No, but I can hazard a guess as to why there appears to be a greater number. It is because most of the non-English speaking background workers are in the manufacturing and construction industries, so there is a higher incidence because they make up a bigger proportion of the work force. They are generally unskilled blue-collar workers in construction or in manufacturing.

Ms GAMBARO—Brendan was talking earlier about the greater percentage being in the 55 to 65 age group. This is a hypothetical question: how many of those people do you think—they may have physical disabilities—give up on life and give up on work, or may be unhappy with their work situation?

Dr Worth—It is an enormous factor. In my practice I have people whose whole personal lives have changed dramatically. They have lost their assets, they have sold their house, their car and so on, all the way through to suicide. In this age group these people cannot get back to work and the personal losses to them are so horrendous that they have personal tragedies in their lives and in their families.

Ms GAMBARO—This question is about the role of the general practitioner in this. You are right that general practitioners only see people for 15 to 20 minutes. Do you think there is a conscious effort by a general practitioner who, let us say, has been seeing a 55-year-old for most of his life, who has a certain empathy with his patient and sees this as an easy way out for his patient—and there might be some psychological factors that are not related to the physical disabilities—that might in the general practitioner's interests allow him to put his patient on a disability pension?

Ms Lee—That is why I think it is a good idea to take these people in that situation out of that environment and give them to an independent assessor, where they are assessed on a more objective measure, using whatever equipment is required, rather than based on the patient's relationship with the doctor perhaps or relying on the patient's report of their

disability. I see that myself. I deal only with chronic people who have been injured at work, and they often say things not intentionally to deceive you but it is their perception of the situation. It is based sometimes on ignorance and sometimes on a misunderstanding or a lack of knowledge. When you delve into it and you assess them, the picture is quite different. So taking it out of that subjective area and putting it into a more objective area goes part-way to solving that problem.

Ms GAMBARO—I have one last question about the women. I think it is the New South Wales figure that I am analysing. The figure is for males, 45 to 49, in the graph on page 20 and then females in the same age group, 45 to 49. There are 2,477 females versus 4,872. Is that because, typically, males are in blue-collar manufacturing type industries?

Ms Lee—Yes.

Ms GAMBARO—Would that be the only reason for that?

Ms Lee—It is partly that.

Dr Worth—I think the natural distribution of work in terms of heaviness and what is required across the two genders plays a role in that, generally speaking. But you also have the nature of the distribution of jobs as well—heavy work versus repetitious work—so it just depends on the injuries.

Ms GAMBARO—Thank you for that.

Mr SAWFORD—I am getting the impression that basically you want to shift the cost factor of work injuries from the private to the public sector. That seems to be the whole gist of your argument. Is that correct?

Dr Worth—No, I would say that that definition is not correct. From industry, from the workers compensation, which includes the public sector workers, to the social security jurisdiction. There is a shift in where the cost burden will end in that move, but one would have to say it is not going from private to public. It is going from the employment or the labour market section of the community to the social security section of the community.

Mr SAWFORD—No. You are saying from private to public. That is what you are saying.

Dr Worth—No.

Mr SAWFORD—What do you think the social security system is? It is a public system.

Dr Worth—But you are saying all employment is private.

Mr SAWFORD—No, it is not. But the public employment, both state and Commonwealth, over the last 10 years or even 20 years has diminished greatly and the bulk of employment is in the private sector. You wouldn't disagree with that, would you? The bulk of employment is in the private sector.

Dr Worth—In the workers compensation arena, particularly in South Australia where I come from, the Crown exempt employers are, I think, about a third of the workers compensation.

Mr SAWFORD—The public sector?

Dr Worth—The public sector, yes.

Mr SAWFORD—They were once a third of the employment factor. So that is not unusual, is it?

Dr Worth—I do not dispute that, in terms of the way in which the labour force is employed. But what I do say is that in the workers compensation burden, the public sector carries about a third of the total WorkCover scheme in the sense of cost.

Mr SAWFORD—My response to that is: so what?

Dr Worth—Yes, but that is the public sector. So it is not shifting from private to public.

Mr SAWFORD—You mean shifting from a state-public to a Commonwealth-public? That is what you really mean?

Dr Worth—Yes.

Mr SAWFORD—Perhaps I will go back again. You want to shift state-public and private injuries to the Commonwealth?

Dr Worth—Yes, in that age group of people who are deemed totally incapacitated for work.

Mr SAWFORD—I find what you seem to be saying a bit objectionable. I do not believe in self-regulation. We only have to look at John Laws, the banks, Alan Jones, any organisation—the ABC for one. Self-regulation does not work. You seem to be just throwing self-regulation out the window.

Ms Lee—I do not understand.

Dr Worth—I do not see that.

Mr SAWFORD—These companies who have had work practices, which many of them have improved, particularly the better companies, have improved dramatically. If you are saying to me that there are problems with state based WorkCover and workers compensation, I do not have a problem with that. I would have thought you would have worked through those issues before you would say, 'Oh God, woe is me,' and hand over the lot to the Commonwealth. I do not see any sense in that. Why would the taxpayer wear that? Because of private business's poor management and public sector state poor management, and because you say, 'Well, the Commonwealth is going to be the cash cow and is going to wear it all'?

Dr Worth—The assumption in what you say is that the person in that age group who suffers a work related injury only does so because of poor practices in the workplace, and I dispute that. Those people have a particular added problem, an added burden of age related changes which are not anybody's fault. They are no different from somebody who has uncontrollable hypertension in the workplace, which is a compensable disability in South Australia.

CHAIR—It is an interesting concept. I have been thinking about it. In fact, only yesterday I said to Maureen, our secretary, that we should get the Insurance Council to come and speak to us. They are basically risk-rating employees in terms of age and the industries and occupations that they are working in and that sort of thing, to see what their well-founded views are about the risks of employing people in this age group. Then I was thinking if, for example, the evidence is, as you have put to us today, that a 55-year-old is a higher risk to an employer, how could the Commonwealth assist that? How could we in some way reduce the risk that that person presents to a prospective employer?

I was thinking maybe we could have a reinsurance pool and the Commonwealth could make some contribution to that so that it was defraying the risk of insuring workers compensation and there was no risk for employers. At the moment they tend to average premiums across a particular industry occupation, but there must be some employers who think, 'Well, if I employ everybody under the age of 30 and make sure I have no-one over the age of 30, I'm going to reduce my risk.' I suspect if more employers were aware of what you put to us today, they would be even less inclined to employ older people.

Ms Lee—But you also have to balance that with experience and all those sorts of things.

CHAIR—Of course, that is right.

Ms Lee—If you are taking things in isolation, it biases the picture. I think a lot of employers would balance the value of having somebody with experience and not having to supervise or train them, et cetera, as opposed to having a very young work force. But getting back to Rod's thoughts, I do not think we are shifting—

CHAIR—In fact, as a part of getting back to what he is on about, I think it is a cost shifting issue. But you said, David, 32 per cent of those who are totally disabled are over the age of 45. Is that right?

Dr Worth—Yes.

CHAIR—What sort of cost burden are we looking at? If we shift this group out of workers compensation and put them onto the social security system, what sort of money are we looking at?

Ms Lee—First of all you would sift out those that are really disabled and those that are not.

CHAIR—Yes, but assuming you have done that, how much money are we looking at?

Dr Worth—I really do not have any idea. It is a skewed distribution in the sense that those people are going to come away from the workers compensation cost, which is immeasurably higher, and go to a cost situation in social security which is less than—I do not know the actual figures because one would be balancing the actual pension of $360, or whatever it is, a fortnight—the average income that they were receiving under the workers compensation system. It is very hard to do that. But again I have to emphasise that we are talking about those people who would be assessed as accurately as possible as, at the time, being incapacitated for work. If you then do something within the social security system, change it as is being put forward in this article, it may be that that person, that individual, benefits immeasurably by the changes that occur to help them to become employable. That is not happening in workers compensation.

Mr BARRESI—Putting aside costs shifting that may or may not occur, the whole basis from your point of view is that they are going to get a better service rather than being forgotten at the bottom of the drawer the way they are at the moment.

Dr Worth—Yes.

Mr BARRESI—Therefore they are more likely to be able to return to perhaps not a full but a productive work life.

Dr Worth—Yes.

CHAIR—I suppose the unstated part of your submission is that the former employee has a greater incentive to get back into it if they are on social security instead of on workers compensation.

Dr Worth—Yes. The other unstated thing is a corollary which adds to the effect. If that were adopted and the assessments were adopted, the present cost of disability pension may in fact be reduced. So if it was shown that certain people in receipt of a pension—whether in this new group or the pre-existing group—had capacity to work with some form of rehabilitation, as is being put forward by the department and the minister, then it may in fact ultimately reduce total outlays in the social security jurisdiction.

Ms Lee—I really do not think that we are creating any disincentive for workers compensation or the companies to carry on with their changes to improve their workers compensation.

Mr SAWFORD—I am sorry, I might be reading all this quite wrongly, but the way you are coming across to me is that you are saying the state government workers compensation—that cash cow that it once was—right across Australia, is drying up. People with vested interests seem to me to be saying, 'Well, we can't put up with this. Let's get a Commonwealth cash cow.' That is what is coming across to me. I must be very cynical.

Dr Worth—We are not saying that.

Mr SAWFORD—Do you understand what I am saying?

Dr Worth—I absolutely understand your point. I can see where you are coming from, but it is not our intention to just simply move the purse.

Mr BARRESI—What you are saying though is that the state based systems are failing to provide for those individuals. But then the question to me is: why should the Commonwealth pick up the state's failures? Surely we should in fact be highlighting this as a deficiency in the states' systems for them to address, rather than the Commonwealth having to do it through a movement of these people out of the state system into the Commonwealth.

Dr Worth—I do not dispute that for a moment but, as Teresa pointed out, we have a variety of legislation in workers compensation. We also have a variety of provisions within those systems to cope with this sort of thing. There is a joint force, the heads of workers compensation, which is a committee that put out a paper to try to rationalise the provisions of workers compensation across the country. There is no intent, as far as I can tell, for the Commonwealth government to have a say in trying to have an Australian workers compensation system across the continent which would help to resolve a lot of the issues, and that would be the place where this could be addressed in the workers compensation jurisdiction. But as it exists now, you are going to have states and territories saying, 'We're not interested. Thanks very much for your interest. Goodbye.'

Mr Lowe—We have talked almost in a meat market sense about injured workers and tended to lump them together as a body of people, saying that 'This happens' or 'That happens.' I think it is important that the statistics do show that the work practices are improving. I do not think too many people would argue about that. The other thing that is apparent is that no matter how well they continue to improve, we risk situations on building sites and other uncontrollable circumstances where workers will sustain injuries of significant proportions. One hopes that the numbers of people that fall into this category will be ever diminishing but nonetheless they will still be present.

The other thing is that if it does add an incentive for people to take risks in employing those people, that is adding something to the system as well. The other thing that sometimes happens with those who are put on the workers compensation treadmill is that life becomes very stressful and a lot of other chronic illnesses and diseases creep into their lives. The result now coming from this is increasing cost, not necessarily decreasing cost, and I think that has to be weighed up. The submission is basically suggesting that what we do, in fact, is look into the possibilities of a system like this to see how it pans out in terms of the dollars and cents, whether it is appropriate or whether it is inappropriate. We are just putting a suggestion on the table that we believe may be a workable solution to some of the problems that individuals encounter.

Mr SAWFORD—And it is not true that you want to abolish state governments, as some of us would like to do! Basically, what you are saying is what a lot of teachers are saying in terms of education, what a lot of academics at universities are saying, what a lot of people in health are saying, what a lot of people in the police forces around this country are saying: that there needs to be a national perspective. Of course, the consequence of that, in our own Constitution, is that you get rid of state governments. That may not be so terribly easy.

Mr BARRESI—Wasn't there some discussion a while ago about a national workers compensation scheme?

Mr SAWFORD—Yes, there was.

Dr Worth—There has been discussion about a national compensation scheme for many years. I think it was in 1974 that the Whitlam government had a proposal before the Senate in its third reading for a national compensation and superannuation scheme. It has been going for a long time and it has got us nowhere. There are huge vested interests around workers compensation within industry and within politics. But I thought it was even as recent as your government. Wasn't it discussed in the latter years of your government?

Mr BARRESI—Yes.

Mr SAWFORD—Yes, it has been on the agenda.

Dr Worth—I thought it was. I was in industry at the time and we were all gearing ourselves up for it.

Ms Lee—The states will use workers compensation to attract manufacturers or companies to their state, so it is a strong political line.

Ms GAMBARO—So companies who have operations throughout Australia would have to have a legal understanding of compensation in each of the states. Do you have much transfer of people from one state to another and the difficulties of incompatible workers compensation systems?

Dr Worth—There are certain industries that are characterised by that, such as a person who lives in one state and is an interstate truck driver, who travels and has an accident in another state.

Ms GAMBARO—Yes, that is a good example.

Dr Worth—It is axiomatic that employers who have operations across the country are usually major employers and sometimes they are self-insurers. Even though they are self-insurers they have to go by the law of the state regarding the compensation matters they are dealing with. So you then have a second tier of regulation. You have the self-insurer who has to have knowledge of the various state legislation; not only for workers compensation, might I add, but also occupational health, safety and welfare.

CHAIR—Thank you very much. It is an interesting submission, that is for sure. Thanks for putting so much thought into it. I think we do understand what you are proposing. We just have to think some of it through, I think, but that was excellent.

Dr Worth—Thank you very much and thank you for the opportunity.

[2.39 p.m.]

DRAZIL, Mrs Marion Karina (Private capacity)

CHAIR—Firstly, Mrs Drazil, thank you very much for providing us with a submission and coming along to speak to us. It is not the easiest thing to do, particularly to come and talk to a bunch of politicians. Could you tell us about the capacity in which you appear today, and then tell us your story. Then we will talk about it and we will finish in half an hour.

Mrs Drazil—I am 54 years of age, and obviously I come under that whole category. I feel like I am going on for 28, so what you might see is not necessarily how I feel. I would like to thank you for the opportunity to come here because I do think it is very important that people from the community talk to politicians because we do not always have that opportunity. I represent myself and the people that I deal with, in a sense, because I deal with a lot of small business people. I am here on my own behalf; I am not connected with any organisation, but it does not mean that I am not interested and I do not have contacts with those organisations.

I established my own small business two years ago. It was struggling for quite some time. At the moment I am still on social security benefits as well as trying to develop my business. In the last few months it has increased and it is certainly going along in the right direction and I am very pleased about that. I also speak to a lot of people in the same area who have come out of employment for various reasons, mostly because they have either downsized or there just is not a job for them any longer and they have gone into business and they are struggling as well. So this is the whole area that I come from. I am very interested in small business, obviously. I have set up a business referral network to help people in similar situations to mine and they have all expressed the same feelings about how difficult it is to go into small business, but there are no other options.

I guess from the report you will see that we run up against some odd sorts of reasons why we do not get employed. I do satisfy all the Centrelink criteria by applying for jobs. I must be quite truthful and admit that I would prefer to focus my attention on my business and get it up and running so that eventually I will be an employer of other people and I think that is what is important. I come from a background of being an ex-New Enterprise Incentive Scheme person. I have actually been through the system and I think it is a brilliant program and I gained such a lot. I was later invited to come on board as a trainer and facilitator for the New Enterprise Incentive Scheme by the managing agent that actually put me through the first time round. I felt quite privileged to be able to do that. Since then I have been very strongly involved in small business.

I did a little bit of research about this age group. The Bureau of Statistics has some information about people in business. There are something like 841,800 people—about 64.5 per cent—in small business who are between 30 and 50 years of age. I was speaking to Westpac's state manager for women in business and they stated that women are actually going into business after they have turned 50 at the rate of 15 per cent more than men, so this, from my point of view, is the way people are going. They cannot get employment and so they are looking at small business as an option. I have been through some uncomfortable

situations when I have been for interviews. The other information that I had was that a number of business operators over 50 increased by something like 17.4 per cent. This is all information from the Australian Bureau of Statistics.

I believe very strongly that self-employment is an option that a lot of people my age are taking because there is nothing else. I do not think they should all be there and I do not suggest for a moment that everybody should start up their own business. Having been through training people in the same area, I know that some of them are there for the wrong reasons. Some of them should not be there but there is a large percentage that should be there and it should be a little bit easier for them to develop their business. I guess that is all I have to say.

CHAIR—Thank you very much for that. In one of your recommendations you said that all potential business owners should undertake business management training and draft a business plan before securing a business registration certificate.

Mrs Drazil—Yes.

CHAIR—How do you envisage that would work? Are you saying that in other words some people would be denied a certificate because there was no business plan, or if you required everybody to give you a business plan there is no guarantee that those plans would be any good.

Mrs Drazil—Yes, it is being done overseas and, yes, I see it as anyone who is applying for a business registration certificate. If they are going into business I believe they should do a business plan and at least a feasibility study into whether that business has a good chance of succeeding or not. I have actually either read the business plans or assessed the business ideas or whatever of around 2,000 people. I do collect statistics. I enjoy collecting information:

While I was on the program—and this does not apply now because I do not know what happens now—we had on average 88 people apply per month for the program. After they had come in with their idea between about 32 and 34 would be asked to come back for the information session to tell them what the NEIS training was all about. Out of that, we would be very lucky to get 25 people who would actually start. It usually meant we had to go through the older applications to see if there were some chances there. Out of that there would be 17 submitted to the committee for grant consideration. Then if you looked further than that, somewhere like 12 months down the track about half of those fell out, either because they found employment, which is something that does happen quite often where through their research they have actually gained employment, and about half that would still go into small business and have their 12 months support.

Then if you look at it three years down the track, you might have three or four people out of that 88 actually still in employment. These are just my figures, they are not official figures, on assessing how this whole program worked. So if that is the case in that group, surely for everyone applying for business registration, figures like that would apply to them as well. So there are a lot of people registering small businesses that really either do not have any hope of succeeding in those small business or need extra support and help. Really,

when you look at statistics there are only about 18 per cent who actually produce business plans and work by those plans, according to the ABS. That is my personal view, though, obviously.

CHAIR—Yes, I understand. So you are not suggesting that people be denied a business registration number but in the process of applying for one they would be required to provide a plan, the plan would be evaluated or assessed by a panel of people who have expertise in this area, some advice may be given to those people, and then if they wish to still continue, that is their business, literally.

Mrs Drazil—Yes.

CHAIR—That has considerable merit, I would think.

Mr BARRESI—You refer to the German experience.

Mrs Drazil—Yes. I have only read little excerpts from magazines but apparently they do this in some of the European countries because of the same problem, that the success rate was so low in small business that they felt obviously that they needed to have a little bit more knowledge about how business works. It is not the business plan itself that is the important issue, it is the process of planning so that you understand what you should be doing in small business. You learn a lot of things that most people do not realise. This has been a major comment all the time, that you learn a lot while you are going through the process of planning. So they gain a lot of extra knowledge that way before they venture into any sort of business.

Ms GAMBARO—One of your recommendations related to notifying Centrelink after the receipt of payments, not at the time of earning, so that they are not penalised by the reduction in benefits. Can you just expend on that comment.

Mrs Drazil—What generally happens is that if you are lodging every two weeks you need to notify them of what you have earned in that two weeks. Regardless of whether there have been deductions or anything, you need to notify them of what you have earned, even if you have not been paid. So say over the last two weeks I have done some work for someone and I have sent them an invoice but they do not pay by then. I still have to notify Centrelink at that point in time. They deduct that off the benefits paid but I in actual fact will not get that payment from the client until way down the track. That causes many problems if you are relying on something to cover the basics of living. This is a constant shuffling. If you are doing work for someone, you are saying, 'Could you please pay me within this two weeks,' and not everybody does.

Most people could not care less anyway whether you need it or not, and unfortunately this includes the government. I have done a little bit of work for TAFE and their philosophy is that you have to wait until they go through their system. So in the meantime you use your credit card and that goes up and then you find it twice as hard to pay back and all these things, just to survive. I have been through those experiences myself. I do not suggest that we should not notify them—of course we should—but perhaps the notification could come once that has actually been paid. Then the money is physically there.

Ms GAMBARO—So you are saying to me you are just working with a two-week period at the moment, even though you do not get paid?

Mrs Drazil—Yes. And it is certainly not just me, it is a lot of people.

Ms GAMBARO—It is the system.

Mrs Drazil—But if you can work that out so that when you receive payment on invoice, you lodge it that particular fortnight, you will have it deducted anyway—which is okay—but at least you have that money from your client to live on for that fortnight.

CHAIR—That is the principle which is going to apply to GST for businesses with a turnover of under half a million dollars a year, so why not Centrelink?

Mrs Drazil—Yes. These are concerns out there I hear all the time because I am still dealing now with small businesses through my network.

Ms GAMBARO—Marion, being a NEIS educator, you have a very good understanding of how the system works. Are there some improvements that can be made to the scheme? Is it too restrictive? Are the guidelines too inflexible? I was very interested in your comment that before people register they should do some sort of business training and draft a business plan. I am very supportive of that. I think it has come up in other hearings. How can NEIS be made more workable? We have heard that people have great ideas but they have a low capital base and they are not able to expand on that. Can the NEIS scheme be used, say, if somebody wanted to go into franchising and had the money up-front? Let us say they had $200,000 for example. Currently they cannot access NEIS. Do you see any improvements that can be made?

Mrs Drazil—I think there is always room for improvement. Certainly people who are coming out of employment and looking at purchasing an existing business still do not have the skills to run that business. They might have the money to buy the business but they do not necessarily have the skills to run it. That applies to franchises as well. I have actually looked at franchising over the last four years because I believe the success rate of franchises is something in the order of 91 per cent. Small business generally is right down the other end at 24 per cent. The question is: why is it so successful? It is structured, that is why. Everything is already in place; it is structured.

Ms GAMBARO—Having worked in the industry I know franchisors always use that argument in selling their franchises all the time, so you are right when you say that.

Mrs Drazil—But there are good and bad franchises too. It does not mean every franchise is perfect and it does not mean that they are all genuine. There are people going into franchises and, because they have no control or say over where they might be positioned, it might not be the best place. But this is where business training will help the person who is going to invest his payout. It is going to help assess whether this franchise is going to work for that individual. NEIS can be a great help there in the process of understanding business so they know what they should be looking at before they go into the franchise. The franchisors are there to sell their franchise and they claim—and I have spoken to some of the

top franchise people here in Adelaide—they look for the best possible people, but sometimes you question that. Do they? If you have a knowledge or an understanding of business then you can go in there with a bit of knowledge and ask perhaps the right questions. NEIS would be able to do that.

I think NEIS is restrictive. I think it is a numbers game. I hate to say that but, having experienced the process to a certain degree, I worked it out to thirds. A third will be great businesspeople who will benefit tremendously by the program, who will be very successful in the future. A third are just so determined and dedicated to making their business work that they will work at it until they drop so that it does work eventually. Then there is the third group sitting there, using the system so they do not have to look for work while they are training, even to the point of 12 months sitting on the system.

Ms GAMBARO—So you are saying there is a good role for NEIS to be used in evaluating a franchise business as well as going into seed business?

Mrs Drazil—Absolutely, because it is researched too. To put together a business plan through the NEIS program you need to research what you are going into, and it is the researching bit that really helps anybody going into small business.

Ms GAMBARO—Thank you.

Mr BARRESI—I am a bit confused about some of the figures you mentioned. You are saying a third, a third, a third. In here you also mention something about a third failing to complete the course.

Mrs Drazil—Yes.

Mr BARRESI—That seems to be contrary to some evidence we have received from others about the success of NEIS. They are claiming somewhere between a 75 to 85 per cent success rate. Are they doing something which the ones you have been exposed to are not doing? Are we being snowed with incorrect figures?

Mrs Drazil—Yes, I am speaking just from my observation. I know that when I was working for the managing agents we were running at an 87.7 per cent success rate initially. With some of those people who are picked up in that, one partner has applied for NEIS and gone through the program and, because it is a tax advantage to have another partner come on board, they bring their partner in who has not done any business training and so they pick up people that way. Then there is a group of people who work the business. The figures I am telling you are figures that I have picked up through my experience. I know the 87.7 per cent success rate was only done on the first 15 months, I think, of NEIS when I went through it, when I did the calculations and sent them to DEETYA. It was done for the first 15 months. It depends on what you class as success. I am looking at it from outside the system, not necessarily the NEIS system. My success rate works on those principles because that is what I observed.

Mr BARRESI—You also mentioned the average age of those who were successful in the NEIS program is 37½ years of age.

Mrs Drazil—Yes.

Mr BARRESI—Do we know what percentage of those who were over 45 and in a NEIS program succeeded?

Mrs Drazil—No, I do not know. This was just something I had to do for the managing agent at the time and that is why I have those figures, because I had to put that together. That was the average age coming through that particular managing agent. But for the over-45s I have no exact figures. I was talking to Mission Employment because I am still within those circles, or my contacts are within those circles, and I get on well with the new managing agents. I was talking to Russell Boreham, who is the person here for Mission Employment, and he stressed that the age group coming through is older. The concern was that there were older people coming through and they need to do something. Most of his applications came from the older age group rather than the younger age group. This was just in talking to him and being curious. I always ask questions.

Mr SAWFORD—Are you aware of any private sector equivalents of NEIS?

Mrs Drazil—There are training programs out there but none connected to any sort of funding. I know TAFE run some small business courses because I have actually delivered some for them as well, but nothing other than that.

Mr SAWFORD—Is TAFE a better vehicle to deliver?

Mrs Drazil—I personally do not believe so.

Mr SAWFORD—You believe NEIS is?

Mrs Drazil—Yes.

Mr SAWFORD—In its current form?

Mrs Drazil—There is always room for improvement in everything and I believe there is still room for improvement in NEIS, certainly to open it up to a wider range of people who are looking at purchasing businesses and franchises. In that way it can improve. I understand the argument that if NEIS supports people going into existing business what will the reaction be of those people struggling who are in business already, so this is something which has to be looked at as well.

Mr BARRESI—This morning we had the state department come and talk to us and they touched on two programs which seemed to be related to business development. One was Kickstart and the other one was Self Starter.

Mrs Drazil—Yes.

Mr BARRESI—What are your views about both those programs? They spoke glowingly about both programs and how they have evolved from their base to something which is far more worthwhile now. What are your views?

Mrs Drazil—I have actually delivered to Self Starter, which was connected with Kickstart at the time a few years back. That was for younger people under 25 and the commitment level certainly was entirely different from that of the older people. I think there were 15 young people who started and we ended up with something like seven who actually applied for Self Starter or Kickstart. I have to get these right because I have been out of the system for a while and you lose track. Kickstart was more of an employment program. I did not have much to do with Kickstart but I did with Self Starter.

Mr BARRESI—They have written down here 'employment and business development program'.

Mrs Drazil—I cannot make a lot of comment about that because I really do not know a lot. All I know is that through Kickstart we went on to Self Starter for young people. That is the connection for me. As far as I was concerned it was in that sense. I delivered something like three, four or five of these young groups but with limited success, I believe. Keep in mind these are my personal views. I do not have access to the information that they have. These are my observations. I can only comment from what I feel and see. I certainly do not believe in polishing up things to suit people.

Mr BARRESI—We always want to check or verify what the bureaucrats tell us.

CHAIR—A lot of people talk about mentoring in small business. You obviously have thought a lot about small business and you spend a lot of time trying to help other people. One of the thematic propositions put to us is that there needs to be mentoring.

Mrs Drazil—Yes.

CHAIR—You need people who have been through it who have some skill, expertise and perhaps even wisdom to impart to others who are mentoring them as they go through. Have you given much thought to that?

Mrs Drazil—Yes.

CHAIR—How could it work? Who should do it?

Mrs Drazil—Having done quite a bit of mentoring for the NEIS program participants, I believe it is very necessary. They need someone who is accessible to talk to about their small business. You do not run into problems once a quarter, you do not run into problems whenever you should show your books, so to speak. I believe that is probably a major necessity, to have someone there you can certainly go to when there are concerns in the business. It is not only for problems, it is also for getting support which sometimes you do not get from your family or your friends or other people. People in small business certainly need mentoring. I know we did through the NEIS scheme, once every quarter in the end with one group session. I know that is nowhere near enough. Certainly I would imagine that mentoring would be necessary once a month. That is how I see it—consistency.

I know I commented about volunteers in this report of mine but I do not see the volunteer system working effectively, only because they have other things to do in their lives

and the mentoring has to fit in with what they want to do. You might find that a person starts out in business and has a mentor for two months who is a volunteer, and all of a sudden something comes up and that person cannot mentor him so they find someone else who has no idea what was going on, and then there is a conflict of ideas because one has one opinion of something and the other another. I believe a structured mentoring program at least once a month is vital, especially in the first 12 months of business.

CHAIR—Thank you very much. We appreciate your coming along and speaking to us today. It has certainly been great for us.

Mrs Drazil—Thank you very much.

CHAIR—If you have any other thoughts as we go through this whole process, Marion, feel free to write us a letter and let us know what you think.

Mrs Drazil—Thank you.

[3.08 p.m.]

WILLIAMS, Ms Valerie Ruth (Private capacity)

CHAIR—Thank you very much for taking the time to write to us and come to speak to us today. Could you tell us about the capacity in which you appear today and then give us an overview of your submission, and we will then discuss it.

Ms Williams—I have come as an individual who is very interested in the issues concerning employment, particularly for people over 45. The interest is a personal interest but it is also a professional interest in that currently I am executive officer for an organisation that employs 20 people. Prior to that I have worked with volunteers and was involved in a program run here in South Australia which was seeking to attract older people to volunteering. These were particularly people over 50 who had been either made redundant or taken packages, with a particular focus on men, and the intended focus was men of a blue-collar background.

During my nearly two years in that position I heard many stories of people who were in that position—quite unhappily—and the sort of experience they were finding in terms of trying to get into the work force, the repeated rejections, the fact that they were picking up volunteering as a last straw to try and help them just maintain self-esteem. Also during that time and prior to that time I have often on employment panels seen that people over 45 are particularly disadvantaged when they seek to enter the work force or seek to re-enter the work force. There are a number of factors.

I will just speak to the part at the end of my submission. I am particularly aware that as we become healthier and live longer, thanks to medical advances, et cetera, our time during which we are considered useful and productive members of the employed work force is reducing, so if you are not between 25 and 40 and you are not currently employed it is very difficult to enter the work force. The government has taken a number of strategies to address the under-25s but there does not seem to have been a lot for the over-40s or over-45s. I think it is as young as over-40 now. And yet people in that age group now are quite capable of working in a really meaningful way and contributing to the greater economic growth of this country, right through to 70, 80. There is no reason why people have to stop work at a certain age. Particularly with the removal of compulsory retirement ages, people can keep working and are able to.

I keep hearing stories. Just last week I heard of a geologist aged 44 and all six of the geologists for his company aged over 40, have just been made redundant, due to a mining company merger. There were probably other reasons. That is just what he said, the over-40s. I have used a few examples that I have come across but I could certainly provide heaps more examples just from talking to people. I guess I am focused a bit on men because of the fact that that is what we were looking at in that program but we were also obviously aware of the issues facing women.

I do not know whether you want extra inclusions but this is an extract from a magazine I am sure none of you read in your spare time, called *That's Life*, and it says, 'Just don't tell them you're 50'. It is just an excerpt from a woman over 50 who has been seeking

employment. I am happy to provide that if anyone wants to have a look. It is just about the difficulty the lady is facing trying to find what is not a terribly highly qualified position. As I said, I am sure that it is not a magazine that many of you spend your time reading but it sometimes has quite topical articles. She just documents some of her personal experience.

Are there strategies and measures that we can take to make employers in the private sector more willing to take on board older people? That is one of the things I would like the inquiry to look at. I hate to use the term but it is a little like affirmative action for older people, so that as soon as your first few grey hairs emerge you are suddenly considered not suitable to be employed. There is that factor, that once you are over 40 or over 45, you have a lot to offer but employers are not necessarily looking at you in that way.

The other side of things too—and this may have changed because I have not kept up with what is happening in helping people get jobs—is that the first three months after losing a job or being made redundant are critical because that is when you need the help, not after you have been out of work for six months or 12 months. This is particularly so for an older worker, and again I will say particularly a male, because I think men are very much shaped by how they see themselves as a contributing member of paid work force, and women perhaps less so, at the moment. That is definitely changing. I have seen that happen with men in their 50s who have lost jobs, not necessarily highly skilled jobs, who are absolutely devastated, and then when they start getting rejection after rejection the damage to self-esteem is huge. So the critical time for help for older workers to re-enter the work force is not after they have been out of work for six months, it is actually the first three months. I do not know if government schemes have changed, but certainly when I worked with volunteers three or four years ago, a lot of the schemes did not kick in until you had been out of work for six months.

I also mentioned small business. I am very wary of schemes that assist people to set up small business. I noticed the previous person was talking about NEIS and the evaluation time frame was 15 months. I have a number of friends who are small business owners. The reality with small business is that the five- to 10-year time frame is what you are looking at. You are not looking at the first year or the first two years. If you are still successful 10 years after you were set up, you are doing well. I used the extract from this *Rich Dad, Poor Dad* book. This guy is currently on the lecture circuit in Australia, I think. The extract is about how difficult it is to set up small business.

What worries me for older people setting up small business, either with or without government help, is it is going to need a fair degree of capital. The previous presenter talked about people with packages. There are a lot of people who do not have packages when they lose their jobs. Not everybody gets a $200,000 payout. There are an awful lot who get four weeks pay when companies fold. There are a whole lot of different things that happen when people do not always get those big packages. That will change in time. More people have super and so forth. My dad is an example. He was 58 when he lost his job. He got four weeks pay and that was it. And that was after working since he was 15 as a blue-collar worker. I heard those stories time and time again when I worked with blue-collar workers in their 50s who had lost their jobs. There were not big packages. They were lucky if they owned their own homes.

So to say to somebody in that position, 'Well, go out and get your own business' and, 'Here's a franchise for $200,000, off you go' is just laughable. It is not going to work. Also, if you are propping up one struggling business with a government scheme and another one is trying off their own bat, there is a lack of equity there. You might have two delis competing with each other two streets away, and one has NEIS or that sort of scheme advantage and one has not. They might be in exactly the same position. I am wary about the bandaid approach. I think it needs to be something more constructive. A logical mentor for a small business owner is probably a lawyer, a banker, or an accountant. They are the traditional mentors for a small businessman or woman. I am wary about schemes that are setting people up to fail, I guess.

I will mention volunteering too, only because that is what led me into this. Volunteering is an option to help people keep their self-esteem up. That is one reason why I mention it in the way of people learning skills but it was more my intro into how I got involved in this interest or this area of interest.

Mr BARRESI—We had a submission earlier from one of the professors saying that Work for the Dole is fine except that perhaps for those over 45 it is not quite appropriate because Work for the Dole is more about developing that work ethic which those over 45 already have. It was suggesting a program perhaps modelled around Work for the Dole but more geared towards the 45-plus. Do you have any views about how that should look because, being from a voluntary organisation in the past, you have probably got some experience in both Work for the Dole and general voluntary work.

Ms Williams—Firstly, I do not think Work for the Dole and volunteering should be used in the same sentence because they are very different. Volunteering you do of your own free will and not to get a government benefit at the end of it. They are quite different.

Mr BARRESI—But they are used together—

Ms Williams—Yes, they can work together.

Mr BARRESI—and they offer a large voluntary network. In my electorate, the entire eastern suburbs of Melbourne, they do get Work for the Dole people as part of the program.

Ms Williams—Yes. I just thought I would mention that caution because it is something that has cropped up repeatedly. But you are right about Work for the Dole: a lot of that is about the work ethic, getting people into a workplace, getting them to feel what it is like to be working. And I think for the over-45s a lot of that is quite insulting because they have a very healthy, strong work ethic in many cases, particularly in that first six months after losing work, and I think longer than that; twenty years later it is still there. It is perhaps a generational thing. So a Work for the Dole scheme would have to be providing meaningful work. They would have to be able to be doing things that they felt were using the skills they had.

That is not to say people in that age group cannot learn new skills. Look at the computer. I did not grow up with computers. I have had to learn it myself. If we look at the people say 10 years older than I, a lot of the computer skills are self-taught and if people are going into

clerical or admin type roles, then they need those computer skills. So it is not to say people cannot learn new skills past 45 but the current Work for the Dole schemes I think seem to be more, like you said—

Mr BARRESI—That is why I am asking for your view, as someone who previously came from a voluntary organisation, as to whether there is a way of modifying it to incorporate voluntary work. Because there is no doubt one of the big traps for those who are long-term unemployed, and we are hearing that through the witnesses, is there is a whole issue of lack of self-esteem and self-worth and really not having a purpose, and that constant rejection after 200, 300 letters or interviews. It really does sap you. Perhaps through some sort of voluntary work—

Ms Williams—Yes. There is a huge breadth of volunteer positions and they are often overlooked. So often volunteering is focusing on health and welfare or on sport, and people are completely oblivious to the vast number of volunteer positions there are in management roles, whether it is the guy who does the local community centre accounts or whether it is the person who is the chair of the local committee that runs the kindy or whatever. There are a huge lot of highly skilled roles in volunteering, and too often that is forgotten. That is what I found, that volunteering is for all schemes. A lot of people had set ideas that if they were a volunteer that meant wheeling the tea trolley around or doing quite menial tasks, when in actual fact there are some highly skilled roles for volunteers that people are not aware of. The scheme I worked on was state funded. That scheme did not continue. It was not an ongoing scheme. It was about letting organisations that had volunteers involved know that there were other ways they could involve volunteers that were much more meaningful for those volunteers. A good volunteer or Work for the Dole scheme actually matches skills and interests with the work that needs to be done. If you do not do that, you lose people.

Mr BARRESI—Thank you very much, Valerie.

Ms Williams—I hope that answers your question in a roundabout way.

Mr BARRESI—I would be interested in reading the rest of your answers.

Ms GAMBARO—I am glad you answered that question about volunteers because you are right: there is this perception that all that people can do is Meals on Wheels. How do we get the message out there that there are specialised jobs in volunteering that do require considerable brain power?

Ms Williams—Obviously the media is a good ally there. There has been some work done in South Australia with the volunteer summit done at state government level which I have been reading in the press, just alerting people to some of the other roles that are involved in volunteering. One of the biggest barriers, though, to meaningful roles for older people in volunteering were the organisations that involved volunteers in the first place. For instance, local government was a classic. I established the volunteer programs at Unley Council back in 1983, I think it was. There was no realisation that the local councillors and the mayor themselves were also volunteers, so a volunteer was somebody out there who drives a community bus or who delivers home library service but they totally overlooked the fact that the local councillors were themselves volunteers. There is a lot of educative work

that still needs to be done on that area. Organisations like Volunteering SA, which have a counterpart in each state and territory, are probably well placed to do that. Each state definitely has a volunteer centre or a volunteer referral centre. Some of them are quite active.

Ms GAMBARO—You are currently the executive officer where?

Ms Williams—The SA Divisions of General Practice, so I work with GPs now.

Ms GAMBARO—I was going to say, that is a big shift from working with volunteers, going over to Division of General Practice. Do you think that Division of General Practice and doctors in general encourage volunteering when people do come in to see them?

Ms Williams—No. There is a limit to how much you can do at a 10- or 15-minute consultation.

Ms GAMBARO—If someone comes in who is highly depressed, has lost their job—

Ms Williams—There has been research done. I think Dr John Litt has done some work in the infamous green book about health promotion and how much time you have in a practice. I think it is 1½ to two minutes per consultation if you are lucky. During that time you have got to talk about nutrition and smoking and getting fit and getting into volunteering and self-esteem. I mean, it is a bit hard to fit, basically. That is a bit of a flippant answer but, seriously, I do not think there is enough awareness for those people who are addressing issues like mental health issues or anxiety or depression to look at volunteering as an option, which it can be for many people. But it has to be one that they are happy to take on. It is not the standard cure for everyone who is depressed or has lost self-esteem. There are a lot of angry people who I spoke to during those two years I worked at the volunteer centre who had picked up volunteering as a last option—'I don't really want to do this'—and actually found that it was really good. There were others who just could not do it. It just was not productive for them to be involved.

Ms GAMBARO—I know in my area mental health programs are being funded through the Division of General Practice. Is there a role for the Division of General Practice to become involved with mature age employment issues for the over-45s, particularly in relation to self-esteem and depression?

Ms Williams—I think it is a fairly tenuous link. I think it is more by accident that I am in that role and that I am interested in this area.

Ms GAMBARO—I am just putting it to you because I know that they do fund mental health studies in my particular area. There is, from evidence we have received, a fair amount of depression.

Ms Williams—There certainly is, and I think it gets worse the longer you are out of work. Of the people whose examples I cited in my submission, one or two have experienced marriage break-up and one or two have developed mental health problems since losing their jobs. They are only a few examples, but it was quite endemic, particularly with fellows. Who they are is what they do for a living. If they do not make a living, it is quite destructive. In

terms of the role of GPs and divisions, divisions generally, in South Australia particularly, are not doing the broader public health work at the moment. A lot of that is state government responsibility, the health promotion. There is only so much, as I said before, that you can do within a consultation. Awareness of what is around is useful, but most doctors have a drawer full of the brochures they get from all the agencies that offer all these services and they do not have time within each consultation to decide which service suits that patient.

Ms GAMBARO—Thank you very much. I am sorry I have to leave.

Mr SAWFORD—I would like to ask an obvious question on volunteering. It seems to me that the most successful volunteers are often those who, by their own definition, are financially secure.

Ms Williams—That is actually not true.

Mr SAWFORD—No?

Ms Williams—No, not in my experience of working with volunteers. In the time when I worked with Unley Council I worked with 1,200 different people in volunteering. Those who were financially secure were a minority. It was in a fairly affluent inner southern suburb of Adelaide—you know that because you are from Adelaide—in that catchment area.

Mr SAWFORD—You said in a 'fairly affluent' area. That is a contradiction.

Ms Williams—Yes, but those who volunteered were not. They were not financially secure. A lot of them were on pensions.

Mr SAWFORD—No, you are misunderstanding what I am saying. By their own definition, they are financially secure.

Ms Williams—Right.

Mr SAWFORD—Some people can live on $10,000 a year. I could not, but some can.

Ms Williams—Yes.

Mr SAWFORD—By their own definition of 'financially secure'. In fact, I thought this was what you argued in your statement, so I am only restating what you said.

Ms Williams—By their own definition of 'financially secure'. Sorry, I did not catch that part of it. Volunteering versus the paid work force. You have people who see it really as a transition: 'I'm volunteering until something better comes along,' or, 'I'm volunteering until I find work or until I get into a course,' or whatever. Others expect to do it until they are no longer healthy and are unable to do it. It does differ enormously. In terms of their own definition of 'financially secure', there are also a lot of people who are very unhappy with their financial circumstances who volunteered, even in that affluent area, who were volunteering for other reasons; who desperately wanted work but decided that, because they had been trying for so long, they had to do something to get out of the house. There had to

be a reason to get up in the morning, so they volunteered. In my role as volunteer coordinator there, I made sure that we did not take on board people who were not happy to be volunteering.

Mr SAWFORD—I will go to the next stage, and again you may have predicted what I am going to say. Let us talk about the fellows. You actually used the example of the men over 45 who have been in work all their lives, who just got the chop in some way or another and, whether they have got a payout or one month in lieu of wages, they have a working knowledge of the labour market from their own industry.

Ms Williams—They should have, yes.

Mr SAWFORD—Yes. And they often have significant life experiences. Maybe they cannot articulate them, but they have had significant life experiences. If they had reasonable counselling, that would come out in terms of skills. But they are realistic also. I will use this example again. There are 700,000 people in this country unemployed, 700,000 underemployed who want to work full time, and another 700,000 who are not even in the labour market. They are just hidden unemployed.

Ms Williams—I would say that is more.

Mr SAWFORD—We are guessing what they are.

Ms Williams—Yes.

Mr SAWFORD—And there are 70,000 job vacancies. These people are not silly. They know what that equation is. We had someone from DOME come in this morning. There are, I think, 70,000 people unemployed in this state. There were 1,000 job vacancies in the paper last Saturday morning.

Ms Williams—Did you look through them?

Mr SAWFORD—No, they told me. That was their reference, not mine.

Ms Williams—It is an interesting exercise looking through them. I do this regularly.

Mr SAWFORD—There were 1,000. These people know that the realistic expectation of securing future employment is minimal and sometimes the attitude to Work for the Dole—it has nothing to do with Work for the Dole—is that out of those 2.1 million people there are 10,000 initially offered Work for the Dole programs. That is one in 100. 'Why should I be one in 100?' Even if it is half that—one in 50—it is nonsense that this is a way of dealing with an unemployment problem. How much of the bitterness, the anger, et cetera, is a self-realisation of those basic equations, and they do not fit?

Ms Williams—A lot of it is. We are talking about a changing society, really. As I said, we have 20 staff employed. We have one full-timer. I am not full time, only 0.8. We are all part time. I mean, 0.8 is nearly full time, but we have a lot of staff who are on a lot less

than that. So there is a changing employment market and there are people who have been used to full-time work. I do not know which generation it is. Is it my generation upwards?

Mr SAWFORD—Since 1979 the employment patterns have changed.

Ms Williams—Certainly the people of my age group and older are really caught in this and many have not seen it coming. A lot of my peers are university educated, we are aware of these changes, but if you are a blue-collar worker or a person who has worked in the same job for 30 years and not really looked beyond that and suddenly find yourself out of work, you have not done that mapping exercise in terms of where the industry is going.

In terms of the vacancies, if you go through the paper as I do every Saturday—I am looking for friends, not for myself, because I am happy where I am—many of the job vacancies now are highly specialised, highly specific. We advertised one job last Saturday. We were very specific about what we wanted. So there may be 1,000 there, but somebody reading through those may quite easily not be suitable for any one of those 1,000 jobs.

Yes, the anger and the bitterness is about being caught in the midst of change. When you have a society that is changing, as ours is, there are a lot of people who will be angry and bitter because they do realise that they have been left on the sidelines.

Mr SAWFORD—I will use this example: if you and I are in a personal relationship and I delude you or I betray you, there is an enormous hurt in all of that.

Ms Williams—That is right.

Mr SAWFORD—And for many of these people, I think they know. They are out there, they know what the labour markets are like, they know the opportunities are minimal and limiting. Yet there are people in government, and service providers who rely on government funding in order for them to hold a position in order to give someone else a service. There seems to me to be a lot of betrayal and dishonesty in all of this.

Ms Williams—That is also why I feel that encouraging people to set up their own businesses over 45, if you are setting them up to fail, is much worse than not doing anything. That is what worries me.

Mr SAWFORD—And setting up 2.1 million people for 70,000 jobs. Even if you argue that there are another 70,000 jobs in the informal market that are done by word of mouth—and I think that is true; it might even be more than that—these people understand what the odds are, and the odds are not good.

Ms Williams—No.

Mr SAWFORD—And no-one in government or in service providers—whether they are government organisations or not; even the non-government organisations—are actually giving these people realistic chances. The young are always optimistic because the majority of your life is in front of you.

Ms Williams—Yes.

Mr SAWFORD—When you are 45-plus, you are past the halfway mark.

Ms Williams—Yes, but that makes it sound as though it is all too hard, 'So let's not do it.' It is easy to say, 'There's not much we can do about it,' and that we are part of a global economy.

Mr SAWFORD—I think there are a lot of things we can do about it.

Ms Williams—So do I, yes.

Mr SAWFORD—But I do not think they are deluding people.

Ms Williams—No. One of the ways is to work with current employers. I hate to use the term 'affirmative action'. I am sure there is a better jargon term we can use. We have done it with younger people and it still has not picked up. We still have 30 per cent in youth unemployment in this state, which is quite frightening. But for older workers as well, to employ someone over 50—I cannot think of a slogan or a scheme—working with employers, with employer bodies, too.

Mr SAWFORD—There is an irony there too, because if you have affirmative action programs, they basically mean if you affirm one group you have to disadvantage another.

Ms Williams—Yes, that is right. That is exactly right.

Mr SAWFORD—And that has not been understood in previous power plays that have been made on gender, race, or whatever.

Ms Williams—That is what I said with the under-25s. If you have affirmative action for the under-25s, what is happening to the over-25s?

Mr SAWFORD—Affirmative action is one of the consistent solutions that has been put forward to this committee. The incentives that people are arguing for overlook the fact that you are displacing one group in employment for another group. What sort of solution is that?

Ms Williams—That is why I think you really have to look at how a business without government intervention survives and thrives and develops. That is why I mentioned briefly about who is going to provide the advice to people through such a scheme if there is a scheme set up. Is it going to be a bureaucrat, is it going to be someone who is currently running a successful small business, or is it going to be someone who perhaps used to run a business or someone who lectures about running businesses?

The advice is crucial and that is why it is better to set up a systemic solution rather than to have little bandaids all over the place. So you look at who normally supports a small businessperson in terms of setting up a business, and that is why I mentioned before the lawyer, the accountant, the banker. They are the people who would normally form a network for most small businesses, I think. Things that actually pick up on what is actually there and

what works in the private sector are more important than developing bandaid solutions. It does not give you very many concrete ideas to work with, I am sorry.

Mr SAWFORD—What I am leading to is perhaps we should be looking far more laterally at a different range of paradigms and concepts than we are traditionally looking at. In this inquiry thus far, everybody we meet can describe the problem to us. This problem has been with us for 20 years. It has been with us for the generation. In terms of solutions—I hope I am being correct—there have only really been two solutions that have been put forward to us consistently. One is incentives, whether they be taxation incentives or whatever, which really is just substitution. That is all that will do. The other suggestion that has been put forward is training. I am not against training, but you have to have training for something.

Ms Williams—Yes.

Mr SAWFORD—We are not very good in this country at predicting where we need future jobs. Western Australia have just basically imported, through immigration programs, 500 nurses. There are plenty of nurses in Western Australia who choose not to work as nurses because who wants to work in that sort of format? You would have thought, 'Why can't hospitals find a different way of employing people?' If nurses had better working conditions, maybe more of them would take up those positions and there would be more positions there.

Ms Williams—The example I gave you before was about the geologist. There were six geologists who lost their jobs at the time he lost his.

Mr SAWFORD—There were hundreds of them in Western Australia because of the downturn in the mining industry.

Ms Williams—What training incentives are you going to offer an unemployed geologist? Another example I used was an architect. That is the thing about having a laissez-faire approach with a bit of social democracy underneath it, supporting it.

Mr SAWFORD—It is intervention.

Ms Williams—Some intervention. But what will the market support in terms of new businesses? Adelaide does not have many positions for architects, it does not have many positions for geologists, so again it is a case of looking across the country and where people go to find work. You mentioned the 500 nurses. How many unemployed nurses are there in the country? I do not know. But in terms of GPs, supposedly there are 4,000 doctors in Australia who do not have work and yet there is a dramatic shortage of rural GPs across the country. So there is a contradiction there already.

Mr SAWFORD—People choose not to work there, and some of the nurses choose not to.

Ms Williams—Yes, some would say that. I am sorry, I got sidetracked there. I did mention the point that training has to be relevant.

CHAIR—I would like to ask a question before you finish. I want to come back to the dialogue you had with Teresa about the GPs. You said, 'Well, the GPs are too busy doing individual things to have time to worry about volunteerism and all the other things that are important.'

Ms Williams—Yes.

CHAIR—Which is specifically why divisions were created.

Ms Williams—Yes.

CHAIR—One of the problems we have identified is that the person over the age of 45 is being displaced from one job into this transition period, which might last anywhere up to two years, and the earlier we can intervene the better. I think it was the SACOSS people who said, 'The system has changed in the last 20 years for helping them, in that it is much more focused on process and outcomes now.' Everything is outcomes focused and there is not sufficient emotional and personal and perhaps pastoral support given to those individuals. In a medical sense you might say, 'Well, it's like trying to fix a person's broken leg but having no regard at all for the emotional and social circumstances in which it occurred.' So I made a note to myself this morning, 'Could not GPs, through divisions of general practice, actually be contracted to work with Job Network providers?' so that the GPs become health or emotional case managers for the person. Not all GPs of course are interested in that, nor are all skilled. But if through the division the GP can be paid to spend half a day a week in looking after four, five or six people in this group, looking at their needs other than their job placement things, and knowing their families and all of that sort of stuff, might that not be one way of helping them?

Ms Williams—It is a shift in the way general practices view it, but as you mentioned, divisions of general practice are very much about involving GPs with working with each other and with other service providers, particularly with health service providers. Certainly in terms of strategies about youth suicide you have GPs actively involved with the local school and the local community. There is an example of Dr Graham Fleming at Tumby Bay where the project is focused on young people but it is actually involving those three parties working closely together.

CHAIR—But if your division of general practice, for example, could apply for funding or the GPs themselves could consider the prospect of working with a network of job providers and DOME, for example, in actually assisting in the more pastoral and health kind of care of people in transition, there is a funding mechanism that could actually fund them to do that—

Ms Williams—We have just moved to a three-year outcomes based funding plan. I work for SA Divisions of General Practice which is the peak body for the 14 divisions in SA. All the divisions have had to hone down what they wanted to do to what fitted within their budget. So they have actually got quite focused three year plans. Something like that would be in addition to that.

CHAIR—Yes.

Ms Williams—The new MBS items are not going to address it, the coordinated care, case conferencing type items.

CHAIR—But if this committee could be of a mind to recommend to the government—because this is specifically what divisions are actually designed for—that it at least trial this sort of model in areas, South Australia would be a very good place to trial it actually. One of the problems I always had in working in an area of 13 per cent employment—in fact there were huge areas of unemployment—was that often the first you would find that somebody had lost their job was when you saw a kid with bed-wetting or a woman with some sort of emotional disorder or physical abuse or something. The system could be better organised so that the GPs are actually—or GPs may not be the appropriate people, but that someone is actually involved in the system early on in terms of the intervention.

Ms Williams—Yes.

CHAIR—Everything we have been told, which also stands to reason, is that you cannot rebuild the career prospects of a displaced older worker until you have got them through their grief and bereavement about losing their job.

Ms Williams—That is right, and you also find they will not go to the sorts of resources that perhaps a younger person will go to. I use examples of men in their 50s who have not got a clue how the structure or system works, and that is why organisations like DOME I think are highly valuable. Hopefully they have put a submission in here.

CHAIR—Yes, they did, this morning.

Ms Williams—You have older people with other older people working together to maintain their self-esteem, maintain their skills and make a very active push to support those. So they provide a lot of support but that is the sort of organisation that probably needs more publicity, more people to be aware of it. Certainly anybody over 45 that I have encountered who is unemployed—

Mr SAWFORD—They want more money.

Ms Williams—Probably, yes—I have suggested going to something like that. But it is pointless to say, 'Well, go down to the local library and they will help you,' because people are not perhaps going to go to the local library. So the help needs to be where people are going to be sourcing help, and the GP is one place.

CHAIR—Yes, we know. With respect to Colin Mather, with all that work he has done at the Institute of Health and Welfare, we know that 14 per cent of recently unemployed men in this age group have a serious unipolar depressive illness.

Ms Williams—Yes.

CHAIR—But unless their wives are pushing them in that direction, or whatever, a lot of them will not get to a doctor and even if they do, often it is not identified.

Ms Williams—The other organisations perhaps—organisations like Relationships SA which do a lot of relationship counselling, because it is often the relationship that suffers too. There is a lot of marriage break-up around unemployment. It is that crucial first three months where the focus of a lot of the action is both getting through the grief and the bereavement of losing their job and starting to develop a structural plan for 'Where is life going after this?'. That is why I think a lot of the past time lines were not suitable because they were too far down the track.

CHAIR—Thanks very much for that. If you have any supplementary thoughts or ideas or anything like that, please send them along to us. If you could suggest to some of the GPs in the divisions—there is a place for them.

Ms Williams—Maybe they are already doing some stuff too. That is the other thing. I am not well enough informed about what individual GPs are doing. I suspect in some of our rural areas they are actually undertaking quite a bit of that work, just from the feedback I have had from some of them about the work they have done with young people in unemployment.

CHAIR—Thanks very much.

Ms Williams—Thank you for your time.

[3.47 p.m.]

DAWE, Mr Andrew John (Private capacity)

CHAIR—Thanks for making the effort to come in, particularly on an unpleasant day. Could you tell us about the capacity in which you appear. I understand you have got something you particularly want to say before we discuss it, and we will finish at 4.15.

Mr Dawe—I am 45 going on 46 in January, and I have just come as a private individual who is unemployed and over 45 but is also concerned about what can be done to get us all into work or into a better lifestyle. I was asked to speak for a couple of minutes and I was just going to read out what I am saying.

There are many job seekers who, through age, length of time in the system and lack of positions available, face an ongoing problem of ever finding work. During this time they face social, financial and emotional turmoil that affects families in the wider community. Some people will never work in the traditional sense, which is a major problem for those people and society. Unemployment is a major community problem in Australia, especially for the age group over 40. For some reason there seems to be a business community perception that once you become unemployed in that age group you have reached your use by date. The reality in most cases is that you have a wealth of experience and have a responsible and reliable attitude.

Society today faces many problems that are compounded by the effects of unemployment. A vast amount of money is spent to rectify the problems faced by individuals in the community after they have arisen. State and federal governments provide funding to assist people and families once problems have reached a crisis point. My proposal would attempt to improve the situation by decreasing the number of unemployed people and utilising this wealth of resource to its best potential. This proposal would attempt to create an environment that would assist people to find alternative employment in the future. It would also provide positive activities for those who may never re-enter the regular work force. It would also make the community a safer, happier and more productive place to live.

I would like to see positions created through local councils that utilise skills and experience of older unemployed people. The participants would still receive the dole and a bonus of a pre-arranged amount paid by the council or a corporate sponsor or sponsors. The council could fund the bonus from funds that would be saved by reduction, hopefully, in graffiti and vandalism through a visible community presence on the streets. A company like Telstra could be approached to provide funding as a project to reduce the amount of damage caused from vandalism. It would also enhance their corporate image of being a caring and community spirited organisation. There would be the opportunity of obtaining rights to the new scheme and the participants could be known as Telstra community officers or Optus or Holden, et cetera.

In summary I would like to make three points. Unemployment is a major problem in Australia, especially for older Australians, and every effort needs to be made to alleviate the burden for the individual, their families and the community. State, federal and local governments spend millions of dollars repairing the damage of graffiti, vandalism, and

projects that help people when they have reached the bottom of the heap. Also small, medium and large companies and corporations spend millions of dollars on repair of similar damage and corporate advertising.

Therefore it would be proposed that some of this money could be redirected to reduce the number of these crimes and reach people before they become desperate. Thirdly, the concept I proposed is meant to be a catalyst for discussion about establishing a solution to the problem. The solution may be a concept like mine, a combination or a completely new concept. The most important outcome is that a positive solution is found that benefits the individuals, their families and the wider community. There is an untapped resource of experience, knowledge, creativity and human spirit that is being wasted and needs to be put to work for the benefit of all concerned.

I read with interest a plan to offer barter dollars on top of the dole for people working for companies as a part of a new employment scheme. This is a proposal that may work with a scheme like the one I outlined. Last night—and this is something to that which I put in previously—I was thinking about presenting the submission and decided to add another idea that might assist in providing a scheme that was beneficial to all parties. My wife and I are considering renting our home next year and travelling to other parts of Australia in search of work. With this in mind I would like to suggest that unemployed people could be organised into groups that travel Australia as part of, for example, a land army or green corps. They could be part of projects that plant trees, assess and rectify environmental damage and assist in cleaning in up after major disasters. This could also include assisting Care workers in places like Darwin, support and care for people like the East Timorese refugees. I would like to thank the standing committee for this opportunity to submit my evidence for their perusal.

CHAIR—Thanks very much, Andrew. Just going back to your community officer concept, is this something that would apply to people of all ages?

Mr Dawe—It could do. It was just when I first contacted your office the criterion was unemployed people of 45 and over. As I heard, the previous lady spoke about the fact that you look after one area and you may overlook another, so I do not see that it necessarily has to be just for people over 45.

CHAIR—It would be a voluntary thing, it is not like a work for the dole concept?

Mr Dawe—It would be a voluntary thing. One of the aspects I find, as an older unemployed person with a teenage daughter and trying to make ends meet, is that with trying to find work you find that the amount of money you get on social security gets stretched fairly tightly. What I was hoping to do was to create an opportunity whereby there would be some opportunity for people on unemployment benefits to receive extra funds to help their families out and to reach a better standard of living.

As I said in my submission, there may be people who lose their job at 45 and they will be on social security until they are 65 unless governments change it. I know there was talk about only being eligible for payments for a year, and then it was going to the American style system but the way the system is at the moment, people could be on benefits for a long while. I know myself, being unemployed on and off since 1995, that prospect is not one that

I am looking forward to. Obviously there are a lot of people in that boat and I see it as a vehicle to assist people off the dole. Also if there is an ongoing situation where people are on it long term, then for their own benefit they are doing something worthwhile with their time and that has also got to be beneficial to the community.

CHAIR—Have you actually spoken to any people in local government about the idea?

Mr Dawe—I did send a copy of this type of proposal to the Port Adelaide Enfield council. Actually I sent a similar concept through to Telstra, looking at their graffiti and vandalism issue and the fact that they—I think it was in a newspaper report—spend about $15 million repairing telephone boxes. I had to send one proposal off to a person in Sydney who I never heard from, and I did not get back in contact with them because of it being STD phone calls ringing Sydney. I just received notification from the Port Adelaide Enfield council that they submitted it to some people within their organisation and if they thought it was worth perusing then they would get in contact with me. Then I heard your interview on 5AA and that is when I faxed some information, including this proposal, to your office. Then it snowballed from there and I was asked to attend today.

CHAIR—That is correct. I must say I do not have any problems with the concept of work for the dole but I do have problems with the name, and your idea of community officer or something along those lines to me is much more appropriate terminology anyway.

Mr Dawe—That is the other thing. As I put in my earlier submission, in a lot of social situations when you are talking to people, family members or friends or people you have just met for the first time and you get on to the topic of work, you say, 'Well, I'm unemployed' or a job seeker or whatever, and there are certain stigmas that go with that. If anyone were able to say, 'Well, I'm a community officer,' even if the wider community knows what the scheme is all about, it just gives you a handle to put on it that is not just the fact that you are an unemployed person or a dole bludger as they used to say.

CHAIR—Yes.

Mr SAWFORD—Andrew, in terms of unemployment we have had this massive unemployment, endemic unemployment with us for now 20 years throughout the developed world, not just only in Australia. Part of your submission, part of the answer is in local government. I think there are a whole range of opportunities there that could be funded in a lot of creative ways. But I think in terms of current employment levels we have actually got nowhere in 20 years basically. Certainly people have had positive results but overall nothing of great consequence has changed. In actual fact if you look at the figures they probably have got worse. We measure unemployment differently. It is not measured the same as it was prior 1990, so we are not actually comparing apples with apples.

Mr Dawe—I understand you only have to be receiving one or two hours of work to be considered as being not actually unemployed. That is how I understand the system. So there is obviously a lot of people that are not in the figures we get because for one reason or other they are not eligible to be in the figures but they are still technically unemployed as far as having full-time work or a reasonable amount of work.

Mr SAWFORD—Your concept essentially is, for example in Telstra, that there must be millions of dollars spent in repairing Telstra phone boxes all over Australia. What if that money was spent maximising employment opportunities that reduced the damage to their equipment? The same with councils, they have enormous transport systems. It is interesting that we have just come from Perth, and having a look at their almost graffiti free transport system. There is a very good reason for it, I would have thought, because there are people on the trains everywhere. So obviously there is a cost factor to all of these things, and perhaps what you have really suggested is looking at current employment levels, current issues that are happening, cost factors in the community and looking at another way of maximising employment, and I think basically your suggestion is a good one.

Mr Dawe—I believe I have got certain qualities and skills that I have acquired because I am now 45 and I was employed in the work force from when I was 17 till I was 41½ years old, and there is just a wealth of experience and knowledge that is just going to waste. As I say, millions of dollars are spent to pick you up off the floor when you become an emotional and psychological wreck. I would like to see people not get to that stage and see some things happening that make a benefit to the individual and to the community as a whole.

CHAIR—Can you just tell us what sorts of experiences you have had going through your period of unemployment. With the risk of seeming impertinent you seem to be as well adjusted to it at least as you can be. You seem to have a positive outlook. But what have you been through? Can you just tell us?

Mr Dawe—My position was outsourced in 1995 from the state public service, and for a lifestyle change my wife and I went to Kangaroo Island because I spent a lot of time there as a child and I hoped to get into the tourism industry over there, and actually ended up doing things like two seasons at the local abattoir where I became a chiller supervisor. So I had three months where I was working seasonal work and so it has not been three years totally without work. My wife was diagnosed with cancer 18 months into us moving over there and she had to have high-dose chemotherapy and she has been in remission now for about three years. So that has been an underlying problem and that is one of the reasons that we are back in Adelaide, because she has had to have ongoing specialist visits and CAT scans and things.

I am now back looking for work in Adelaide. At the moment I do approximately equivalent to about 2½, three days a week volunteer work with Wheelchair Sports Association. I am a creative ideas person, I have got my own computer set up at home, so I spend a lot of time working on ideas and sending off job applications and contacting people, so I guess I keep myself fairly active. But I must admit the longer time goes on it does get harder to keep positive. Some of the systems I find difficult are situations whereby I may be offered the opportunity for work but it is on a commission basis, and by the Social Security rules you actually have to notify them when you have earned the money, not necessarily when you have got it.

I think there is an underlying problem that there may be a disincentive for people to actually attempt different opportunities that come up because of the fact that you may do work for someone, you put it down on your Social Security form that you have done the work. I had the situation where I produced 50 overhead transparencies for a person going to

New Zealand for 12 one day conferences in New Zealand. I actually earned $400. I put it on my Centrelink form and explained to them that I do not mind losing the money but can they wait until I have actually received it because the invoice had to go to Sydney. Three weeks later I actually got the money and because it was an interstate cheque it took four days to clear.

So there is that situation but there is also the situation where you can actually do work for people and they are reliant on other people paying them, especially on commission work, and you may never see the money, but Social Security does not even want to know that you have earned this money but you have never received it. So you get to a situation where you think why put yourself in that situation because you are going to lose the money from your benefit, your family is going to suffer because you are not going to have money to live on. Then if you have never received the money because the person you have done the work for does not pay you, you actually have not got anywhere to stand. You cannot go back and get repaid. It is not only getting the money back that you have lost, it is the fact that you have not got the ability to survive for that time.

CHAIR—Yes, I understand.

Mr Dawe—So I am getting to the situation where I am getting a little bit more negative. You continue to pick yourself up, you go for it and then you might get a kick in the teeth, so you pick yourself up and I have just continually picked myself up and dusted myself off. This situation I had with Centrelink a few weeks ago, I just thought: is it worth doing it? And that may be a wider community thing where people may have the opportunity to give something a go but they do not because they know again it is going to affect their benefits and their families will actually suffer.

CHAIR—We will actually have a look at that. As I said to an earlier witness today, if we can require businesses to cash account under a GST system, it ought to apply to Social Security as well.

Mr Dawe—As I said to them, I do not mind losing it once I have got it.

CHAIR—I wish everybody had your approach.

Mr Dawe—That is it. When I explained it to them, I said you get penalised for being honest. That is what the system is trying to get people to be and I was always brought up to be that way. I was actually unemployed for six months when I went on benefits because of the way I was brought up, and never having been on social security, I always believed you were supposed to look after yourself. So I used my own savings to live on and it just got to the stage where I had to bite the bullet.

CHAIR—Then you found out the hard way you were penalised because you had delayed registering for at least six months.

Mr Dawe—That is another problem. I found on the island doing seasonal work that you might get three, four or five months seasonal work and then go back on the system but you were not eligible for any retraining or anything because you had to be unemployed for 12

months or 18 months to be eligible. It was a vicious circle. You do the five months, go back on the system and you might get off it for a month. You might for the majority of the time be on the system. I used to ring up about retraining and different schemes that were available and they would say, 'Well, how long have you been unemployed?' 'I have just gone back on it after being off it for four months.' 'Well, you are not eligible because you have not been out of work for the required period.' That to me is a bit of a problem.

Mr SAWFORD—What did you do in the state public service? You took a package, did you?

Mr Dawe—I was a technical assistant

Mr SAWFORD—In what department?

Mr Dawe—Mines and Energy. My position was partially targeted, and it got to a stage where there was that much fear within the organisation about people losing their jobs eventually and being put onto contract. There was a whole wide range of issues and I decided to make a family decision. I did not put up a fight not to go in the end; I decided to go.

Mr SAWFORD—You lived in Semaphore then?

Mr Dawe—No, we lived in Unley then. I actually helped to set up a self-help group for unemployed people when I was working, a group called Alternative 3. It runs from Fullarton Park Community Centre. They started about 10 or 12 years ago and I understand they are still running and they get funding for a coordinator. But we were living there then.

Mr SAWFORD—Then you moved to Kangaroo Island.

Mr Dawe—Yes.

Mr SAWFORD—Seasonal work.

Mr Dawe—Yes.

Mr SAWFORD—Then for your wife's health reasons you moved back to Semaphore.

Mr Dawe—Yes, we moved back and we have been at Semaphore for a year.

Mr SAWFORD—I notice you came to my office but I do not remember. So you saw someone on my staff.

Mr Dawe—I sent a letter and a resume and some other information through to your office and someone contacted me. I did get a letter back but unfortunately I cannot remember the exact details of it.

Mr SAWFORD—So you did not come into my office.

Mr Dawe—No.

Mr SAWFORD—It was just correspondence between my office and you.

Mr Dawe—Yes, that is right. Actually I think I did speak to you on the phone.

Mr SAWFORD—Did I ring you?

Mr Dawe—I think you did, yes. Yes, so we have been there for about 14 months now. What I added to my original submission was that if I do not get regular work we are looking at renting our place out. I will most probably start getting interstate papers and moving.

Mr SAWFORD—You have made contact with Port Adelaide Enfield.

Mr Dawe—Yes.

Mr SAWFORD—And do you intend to make contact with Charles Sturt, or you have not done that yet? Are you not in Charles Sturt at Semaphore Park?

Mr Dawe—Where we live in Semaphore is only a street away.

Mr SAWFORD—On the boundary.

Mr Dawe—I actually did contact the Charles Sturt Council and the Port Adelaide Enfield Council and basically got the same response, that they would pass it on to the relevant people and if they wanted to speak to me about it further they would get in contact with me. I never heard anything more. I did not have any more feedback than that. I thought it had died a natural death.

Mr SAWFORD—You have two local councillors there. I think one is Ralph Johnson and I have forgotten who the other one is. Maybe both those people should be contacted. Maybe you should arrange a face-to-face meeting rather than do it through correspondence or over the telephone.

Mr Dawe—I made my initial contact through writing but I did put in my correspondence that I was prepared to meet with them if they thought it was worthwhile. When I heard Dr Nelson on 5AA I just decided to put it into a different forum.

CHAIR—Andrew, thank you.

Mr Dawe—My pleasure.

CHAIR—It takes a lot of effort to do what you have done and we very much appreciate it. Your idea is a very good idea, in fact, not dissimilar from my contribution when we were having a debate within the government on Work for the Dole. If you have any other ideas as we go through do not be frightened to send them on to us. I wish you, personally, and your wife, every success for the future.

Mr Dawe—As I said, I am not saying I have all the answers, it would just be nice for something positive to be done. The more ideas that get put up, the closer we get to finding an answer.

CHAIR—Yes. With all the problems you have yourself it is inspiring to see someone thinking of others. Thank you.

Mr Dawe—My pleasure.

[4.14 p.m.]

BALL, Ms Katrina Mary, Manager, Research and Evaluation Branch, National Centre for Vocational Education Research

ROBINSON, Mr Christopher James, Managing Director, National Centre for Vocational Education Research

CHAIR—Welcome. We will perhaps run through the submission and then we will discuss it and finish at 4.45.

Mr Robinson—Thank you very much for the opportunity to appear before the committee. This is an extremely important inquiry and we have been very pleased to prepare a submission which we hope will assist you in your deliberations. We have particularly focused on the issues to do with the participation and outcomes of older people in the vocational education and training system in Australia. Hopefully it will provide some background to that particular avenue and the role it might be able to play in improving the labour market prospects of older persons, particularly those who have become unemployed.

I think the inquiry is incredibly important and also timely. There is one overall issue I wanted to draw to your attention which we did not include in our submission that I think is extremely important. We have been looking at demographic projections recently about the age structure of the Australian population. Over the next 20 years the number of persons aged 15 to 24 is projected to stay the same as it is today, even though the population is going to increase by about one per cent a year each year over that period, unless we have a major change in immigration or some such other unforeseen circumstance. Yet the population of people aged 45 to 64 will increase by nearly 50 per cent from about four million today to nearly six million in that period.

That will have tremendous implications for how we need to think about issues such as the one you are addressing and the fact that so many of our education and training responses, I think, are still rooted in a concept of looking at the issue from the point of view of entry level training of younger people entering the labour market. Actually these statistics really mean that the issue of retraining and skilling of older people is going to become much more pertinent than it has been to date. I think that is an important point.

Mr SAWFORD—Just on that age structure, the department in Canberra at a previous hearing three or four weeks ago said to us that the situation for mature age employees was improving. The point they were trying to make was that when you look at the people born in 1935—they are that 55 to 65 age group—they have been a very difficult group in the sense of limited education, they have lived through a different cycle. Then you have a group now who are 45-plus and they are basically the 45s. Now you have a 55, et cetera, and even 65. The prediction was that the people who are now the 35 to 45 group are more likely to hang on to their positions much longer into the future and so there will be different problems. The problems we have experienced over the last 20 years are not necessarily going to be the problems of the next 20 years.

Mr Robinson—No. I think they are right in saying that perhaps the education levels and so forth of the older group in the future will be higher than the older group now. That is true. But I think also, though, it is not only the demographics which are going to change so dramatically, but rather the need to reskill more often to keep up with the pace of change, the way jobs are changing, the skills that are required in those jobs. The sort of training at the start of your working life that will put you in good stead for many years type of syndrome is changing.

I think you are right to say the problems will be different but they will be immense in terms of the amount of effort that will need to go into new initiatives for this group if we are going to have a highly skilled labour force and if we are going to be able to have more effective measures to re-engage or upgrade the skills of people in that age group. I think it is changing the scene.

Mr SAWFORD—You are referring to technologies and skills that are not even known now that may need to be known in the work force 20 years down the track.

Mr Robinson—Yes. The demographic patterns I mentioned mean that in the past we would have focused on training new entrants to the labour market, younger people in those new skills, but in the future we are going to have to keep people in the work force longer, I think. We are going to have to have many more and varied ways in which they can—

Mr SAWFORD—To support Brendan and me in our retirement, in the way we are accustomed.

Mr Robinson—Yes. We have all been thinking of early retirement but now we will have to think of late retirement perhaps. It does mean that the focus of this inquiry on how to reskill older workers so they can be re-engaged in the work force is not only important now, but it is going to be important into the future for many more people. That is where we are going to have to get the source of new skills more and more as time goes by as these demographic changes occur and as the pace of change in the skill requirements increases in the labour market. The nature of work is changing rapidly, more rapidly than ever before and, as you said, there are many skills people are going to need that do not even exist yet.

Mr SAWFORD—Is the nature of work changing? Take teaching. That has not changed a great deal. Take nursing. Yes, there are some technologies that nurses know these days that were not known 20 years ago, but it is essentially the same job. If you work in the financial institutions, the modus operandi of the way you work via screens is different, but actually the work is the same. We keep saying the nature of work has dramatically changed, people in retail—the biggest employers of all—hospitality. Some of the skills may have been upgraded in terms of comparison with 25 years ago, but the nature of the work is the same.

Mr Robinson—Yes. There are a lot of different things happening. Certainly the need for information technology skills is now becoming commonplace in most jobs, whereas IT was limited to certain areas of the labour market not even as recently as a decade ago.

Mr SAWFORD—True.

Mr Robinson—That has changed dramatically. I think that will change even more in the future. I think the issue is also that it is not just people's professional and technical skills which are important. There is a notion—it is a term I do not like, but they are referred to as soft skills and they are not soft at all. They are the abilities to analyse information effectively, the human relations skills, the networking skills, the ability to work with people in other countries. There are a lot of new skills that have not been so important in most people's jobs that are now becoming much more important in many more jobs in the work force.

Then there are the changes to do with the way people are employed. The rate of casual employment in this country has increased rapidly in the last 10 years to become nearly 30 per cent or over a quarter of the work force. People now have to get their training in different ways. They cannot just rely on getting it from their employer and that sort of thing. People need ways to be able to access training better so that they can take more responsibility for their own training themselves. In the past they would have obtained that from the large corporation or large organisation they worked for. There are a lot of differences that do actually impact on how people have to think about and organise themselves in this. We have not really yet developed all the capacities to handle this at this stage. I think there is a general context that is leading to quite a different scenario for many more people which is more complex in some ways. That is going to have a big impact and it is going to be very important for older persons.

The other issue I wished to raise was that although the participation in VET by older people is lower than for other age groups it actually has increased rapidly in the last decade.

CHAIR—What are the figures on that, Chris?

Mr Robinson—The number of VET students aged 45 to 54 by 1998 was nearly 200,000—190,000 or so. The plus 55- to 64-year-old group is some 50,000. So we have nearly a quarter of a million people who are in that older category in the VET sector now. That works out at 6.6 per cent of all Australians aged 45 to 54 who would enrol in some kind of VET program or other in the course of any one year.

Mr SAWFORD—Are these employment directed programs or self-improvement programs?

Mr Robinson—They are all sorts of things, but people enrolling in a publicly funded vocation and education training program. So it could be a full course, or they may just be enrolling in a module or two.

Mr SAWFORD—Do you know whether they are doing it for employment enhancement or not, or are they doing it for self-improvement and personal development with no job attached?

Mr Robinson—Most people will be doing it with a vocational outcome in mind. We have surveyed the students and so forth. That does not mean they have been sent there by their employer. In fact, the bulk of them would actually be going under their own steam.

CHAIR—You also surveyed their employment outcomes a year after they had finished, did you not?

Mr Robinson—Yes, up to a year. We measure it in May of the following year, so they could have finished any time during the previous calendar year. I will come to that later. It is 3.1 per cent of the 55 to 64 age group who are participating as well. That has actually risen and there is quite a high level of participation by people in that age group, much more so than in universities or other kinds of training.

Another key point to focus on is that in terms of the focus of this inquiry on people entering business, the most popular programs undertaken by older persons in the VET sector are in fact in the category business administration and economics, which are mainly business studies programs. Around 20 per cent of the people in the older age groups are undertaking programs in those categories, so the VET system is an important source of training about business for people who may be moving from having been wage and salary employees to starting up their own business later in their working life.

The other point I wanted to make was in relation to that issue you raised about the employment outcome of participation in VET by older people. What we have found is that it does not change the overall employment rate all that much. Similar numbers are employed at the start of their program and at the end. But what it does do is to increase rapidly a conversion from part-time to full-time employment. For instance, 45 per cent of the student body in the age group 45 to 54 are employed full time before they undertake the VET program and 60 per cent are employed full time after. With the 55s to 64s it is 35 per cent rising to 54 per cent, so although the overall employment rate stays much the same, it actually has a big impact on people being able to get more employment and go over to full-time employment.

Mr SAWFORD—You said the employment rate remains the same. Are you suggesting that there is displacement in the labour market?

Mr Robinson—The VET program assists people in that age group to get more employment or different employment or extra employment.

Mr SAWFORD—I understand that, yes, but you said the employment rates are staying the same. Are you saying by omission that there is a displacement effect caused by that, so these people are becoming full time?

Mr Robinson—They are able to secure full-time employment, perhaps at the expense of other age groups or perhaps in new employment.

Mr SAWFORD—But do you know whether that is the case?

Mr Robinson—No, I have not looked at the wider implications. But this pattern is actually evident in other age groups as well. One of the big impacts of doing a VET program is that people may be employed part time at the start and there is a high rate of conversion to full-time employment.

CHAIR—We have also been told, though, that having a part-time or a casual job is often a stepping stone to a full-time job.

Mr Robinson—Yes, that can be the case. People who have had a part-time job go and do further training and then they are able to get a full-time job out of it. So it is actually having a beneficial impact there. The other issue is that if people are unemployed at the beginning of the program, about a third of them are getting a job at the end.

CHAIR—Also, of course, it is obvious that you would probably choose to have a part-time job whilst you are doing your TAFE course or whatever, so who knows?

Mr Robinson—Yes. The other point I would make about these employment effects is that we see stronger effects for younger people than we do for the older people. So there is a bigger rate of employment outcome for those in younger age groups, if you like, as a result of the training. Training does not fully offset the additional problems that older people experience in the labour market in terms of being discriminated against and so forth by employers who think they are too old but, as I said at the start of my remarks, I think those attitudes will have to change as relatively we have more and more older people in the work force relative to the young.

Mr SAWFORD—We have a representative from DOME sitting at the back. He has been with us all day. They made a presentation earlier this morning. They are a group that has been around since 1981, they are a good service provider and they are a good peer group support mechanism system. They gave an example. Basically, in South Australia they made the point that 70,000 people are unemployed, yet in the papers in a given week, maybe last week, there were 1,000 positions advertised.

Mr Robinson—Yes.

Mr SAWFORD—Many people who have recently come from maybe 30 or 40 years of work and who for various reasons no longer have that work have a reality about the labour market and the reality is a little different to how the bureaucrats see it. They have been in it, and when they see the equations they draw obvious conclusions, and those conclusions are not necessarily positive.

Mr Robinson—No. People face tremendous difficulties, I think, in having to try and change a career. The total quantum of employment is steadily rising, not necessarily as a proportion of the total population, but it is not changing a lot. What is changing is the nature of the jobs and what sectors they are in. It is very difficult for people who have been concentrated in one kind of work, in one kind of sector, to suddenly and easily be able to get the training and make the transformation to a new sector and be seen, even if they can get the skills, as an attractive employment prospect against other people who are already in that industry or who have come to it at an earlier time in their lives.

So, yes, I am suggesting in this submission that the training that you can get from the vocational education and training system certainly can help to alleviate some of those effects for some people, but it is not guaranteed to offset those effects or to make up for the fact that so many of the people getting displaced are in those industries that are declining. There

are people who were very concentrated in narrow technical and professional areas. Now the other jobs are coming out, where they are looking for people with more broadbanded skills that cut across some of those areas I have mentioned before. That can be a very daunting prospect indeed for anybody who has not been used to that. Our education and training programs are still focused on providing people, in many cases, with the technical or professional or paraprofessional skills, yet the skills in demand are actually much more than those. On the employer side, people are looking for those generic skills and a track record in those generic skills.

Mr SAWFORD—The point I am trying to make is about when they look at the equations, when there are 700,000 job vacancies advertised and people saying, 'I have to change my career. I'm a compositor no longer, I'm this no longer, but I can be one of these.' People are looking at the equations and saying the actual alternatives are not 700,000 of the 2.1 million who are looking for part of that. It is 70,000, plus you might add another 70,000 or 140,000 of the informal network. We all know that people in employment go to other jobs and employment and they get 80 per cent of the vacancies anyway and that the jobs available for people unemployed, even for short periods of time, are pretty minimal. They are looking at those equations and it is very disheartening. There are highly skilled people who cannot get employment.

Mr Robinson—Indeed, and the training programs are not going to solve that.

Mr SAWFORD—No.

Mr Robinson—No. That is true. I think the training programs and generally the education and training system can play a greater role in equipping people better with a wider range of relevant skills in the future and I think the systems are going to need to be recast to be able to deliver that better. Nevertheless, no amount of skill acquisition is going to change the structural issues on the demand side of the labour market and the health of the labour market overall. And the way in which we view work and how it is central in our society is going to change, I think, in the future, as people begin to adjust to those kinds of patterns you are talking about.

Mr SAWFORD—Perhaps the real question to ask is: how do governments maximise employment opportunities? For example, if you look at whole ranges of industries like communications and so on, essentially they have not grown, they have actually reduced, even though they are very state-of-the-art in terms of technology. In the chemical industry, the pharmaceutical industry, the steel industry, jobs are being screened off by the millions around the world. In some of those areas where there is expansion of jobs, like environmental management and so on, perhaps we should be taking greater leadership. The Japanese, the Germans and the Americans through the last recession were the only companies that actually expanded consistently and we do not have a great number of those sorts of companies in this country. Do you think maybe we do not think as laterally in terms of trying to predict? I know you do not want to pick winners, but governments are terrible at picking winners.

Mr Robinson—They are hard to pick.

Mr SAWFORD—But you do need government intervention. Where does that government intervention maximise employment opportunities within a nation, using its natural resources?

Mr Robinson—It is very difficult. The patterns we have been seeing have been that the larger corporate structures have been in the areas that have been shedding the employment, particularly in things like heavy manufacturing industry and so forth. We have seen a lot of growth in some other industries, but it is much smaller and more dispersed.

Mr SAWFORD—That was the story of the eighties, wasn't it? The story of the nineties has been that the white-collar workers have been decimated and there are predictions that your colleagues, the doctors, the lawyers, the professionals, are going to be decimated in the next 10 years by people and graduates in places like India, who will be able to contract for the work over communications systems. They do it now.

Mr Robinson—Large numbers of people being employed by large organisations is the area that has been affected the most. That is right. It is in clerical.

Mr SAWFORD—Finance.

Mr Robinson—All those kinds of fields, as well as heavy industry and so forth.

Mr SAWFORD—Insurance.

Mr Robinson—But we have seen also growth in things like light manufacturing and service sector jobs that are now more likely to be self-employed or people employed in small organisations that relate to other, bigger organisations, whether they be in Australia or overseas. We have seen a rapid change actually in the mode of employment, and the standard permanent full-time job—

Mr SAWFORD—There is still a gap.

Mr Robinson—is changing and it is more likely to be casual employment or self-employment. People have to market themselves as the commodity in the labour market more, based on their skills, rather than being able to get a secure full-time position with a large organisation. You are quite right. That sort of thing has been changing rapidly. The experience over the last 25 years, I think all around the world, especially the Western world, has been that there has been less intervention by governments in these matters and governments have more and more, with the complexity of the global developments and so forth, left it to the market to try and allocate the available employment around.

There are areas where leadership will be needed more in the future if we are going to get a better result for more people, which will need to be around issues like how we define employment, how we earn livelihoods from work, whether voluntary work rather than welfare would play a bigger part in the process. I think there is a long way to go. People around the world in the last five years have started to look at some of these issues a bit more and maybe in the next 10 years we are going to see a resurgence of government leadership in some of these economic areas as people try to grapple with the complexities of how to

adjust to the rapid change that we have seen as a result of what you should call the information age, which has actually been as far-reaching in its impact as the Industrial Revolution was in the last century. So I think there are a lot of incredibly complex problems to deal with that are going to require different solutions. We have not put all that in our submission, of course, because it is a bit speculative as to how all this is going to pan out, but I think you have raised a lot of issues that are pertinent to the area you are looking at.

Mr SAWFORD—Over the last 20 years—and dealing not only with mature age unemployment, which has been consistently at a level—there have been false promises in the sense that the new technology will create new jobs, and of course it did, and there are new technologies in the future which will create even newer and newer jobs, but the gaps are still there and, even though the gaps are measured differently, they are probably wider. I do not know if you watch *Good News Week* where Flacco and Sandman have a little section called 'The gap'. They play it from a time angle. But 'the gap' is often used. It is serious satire in terms of what they actually mean by that, that we cannot meet the gaps.

Mr Robinson—Personally I think in 50 years time we could produce high levels of GDP as a nation, with fewer people being employed full time.

Mr SAWFORD—We do that now. If you compare now with 50 years ago, capitalisation has quadrupled, manufacturing output has trebled, energy consumption has trebled and employment growth has grown by a third. And that is the catch. Of course, I think you are right. I think it is going to be even more dramatic in the next 50 years.

Mr Robinson—That means we need to think further about work and how income is derived from that work. We are still trying to work on an employment system which is based on the ones that grew out of the Industrial Revolution in many respects and that is limiting the way in which that gap can be met.

Mr SAWFORD—Actually we are going back to the Industrial Revolution in terms of hours worked per week. From 1979, the beginning of the worldwide unemployment problem, the hours worked per individual per week have increased. The graph for 200 years to 1979 came down and now it has turned around. There is a contradiction in what you are saying, in what we all say, that people are working harder and longer, the ones who are in work. But that has a result that reduces opportunities for other people who cannot even get to the door.

Mr Robinson—That is quite true. There has been a polarisation.

Mr SAWFORD—Sorry, I have taken up too much time.

CHAIR—No, that is all right. We always end up talking about the meaning of life with Mr Sawford. But we need to finish there.

Mr SAWFORD—Because we define the meaning of life wrongly. That is why.

CHAIR—I chair another committee in Sydney to do with air traffic management. Every time I go to that I think I must watch *The Life of Brian* again. Then when I come to this I often say, 'I must go home and watch *The Meaning of Life*.' Thanks for that. As usual, your

data actually dispels some of the myths, particularly in relation to the willingness or otherwise of mature age workers to undertake training and personal development which we know is one of the stereotypes that employers have that needs to be broken. Thank you for everything you do. You really make bullets that destroy myths. Thanks for doing it.

Mr Robinson—Thank you very much.

CHAIR—As we are going through this, if you have got any other information or research you are conducting which reaches its conclusion and you think is relevant, please send it on to us.

[4.45 p.m.]

POLLOCK, Mrs Elaine, Executive Officer, South East Area Consultative Committee Inc.

UNGER, Mrs Elke Wittesch, Consultant on Stopping the Gaps Project No. 3, South East Area Consultative Committee Inc.

CHAIR—Welcome to this hearing, and thank you for coming along to speak to us. If you would now like to give us an overview of your submission and we can then discuss it until 5.15.

Mrs Pollock—Thank you. Area consultative committees, as you may know, are a national network that respond directly to Peter Reith in relation to employment, education, training and youth affairs. We needed to develop a strategic plan for the region and this led to the very short submission we provided earlier on. One of the key things we found was that we have quite a lot of instances of labour shortages. We have got skills in demand—those sorts of things—and we thought before we look at any initiatives we ought to do a major audit of the region, so I joined forces with my counterpart in the Greater Green Triangle, Pat McAloon. We secured some federal funding to undertake a major audit of the Greater Green Triangle to look at surveying up to 2,500 businesses to identify their employment and training needs, as well as business information, because we wanted it to be two-pronged. We wanted to have an understanding of what the business capacity of the region was, as well as the labour market needs.

The survey was completed and a final report was presented in May. It was quite obvious from the information we received from businesses that, on the one hand we have the Job Network talking about difficulties in placing mature age workers and yet almost 50 per cent of the businesses said they would consider taking on a mature age worker.

Mr SAWFORD—I am glad you put that on the record, Elaine.

Mrs Pollock—So there was an obvious mismatch in terms of what we saw immediately in the labour market, particularly when you are looking at the south-east having labour shortages and you have got a pool of long-term unemployed and a pool of mature age workers who are not taking the available jobs. We needed to do some further research, so we sourced some additional funding from the federal government to undertake a major initiative called Stopping the Gaps. I have also got another one called Plugging the Leaks. Another one might be called Fishy Business, that is aquaculture development. So Stopping the Gaps is covering the labour market side of it; Plugging the Leaks is the business side of it, looking at import replacement.

One of the initiatives of Stopping the Gaps was to undertake the secondary research that we needed with those businesses, to ask, 'If you would take on a mature age worker, why aren't you taking on a mature age worker if the Job Network is saying they can't place them?' It was in that role that we appointed Elke as a consultant to undertake the secondary research. It is early days yet—only about 20 per cent of the businesses have currently been

surveyed—so we will not have the final report until the end of October and we will make that available to you.

It is not just a matter of getting the research. What we hope to do is put in place a further initiative that will help us get mature age workers into jobs. We have combined mature age workers and long-term unemployed because, although 48 per cent of businesses said they would consider a mature age worker, about 38 per cent also said they would consider a long-term unemployed worker. I have some information here that I would like to leave with you. It provides you with an overview of the audit and the key findings of the audit which you may find of interest, but I will not talk about that because we are here mainly with respect to mature age workers.

Mrs Unger—I am actually in this category being discussed here. I am matured aged. I was unemployed since December last year and I had a choice of trying to find a job, which I found difficult in Mount Gambier because I was overqualified for the jobs that I was looking for. I left the education department on a voluntary separation package and wanted something else. The alternative was to set up my own business, which is what I have done. I am co-owner or a share-owner of a registered training organisation. It is early days yet, but we think there is a market for that in Mount Gambier. Part of our job was to try and find some alternative sources of finance while we were setting up the business and that is why I applied for the Stopping the Gap project because I thought (a) I had a personal interest in it and (b) the issues were ones that I had faced myself—wondering how to transfer at mid-age to another job, something that was completely different to what I had done before. My generation have still got the mentality that you have got a job for life and when you are faced at 45 with 20 years of productive life left in the work force you think, 'What the hell am I going to do now?' I was never set up for this in anything that I had been doing.

The survey of the businesses is 20 per cent complete. If you are interested, I will give you a run-down of some of the trends we are starting to find. First of all, there is no pattern to ages and employment. Recent employment in the businesses we have talked about has been right across the age band, so there is no predominance of employment for young people, there is no predominance of employment for older people; basically, it is spread evenly. One of the interesting things we have found out is that mature age people who are applying for jobs or long-term unemployed people who are applying for jobs are weeded out, not by the employers but by the recruitment and selection agencies that have been given the job. The employers do not know how many mature age people are applying or how many long-term unemployed people are applying because that work is done for them.

So before the survey is finished, a little sideline will be to actually go to the Job Network agencies and recruitment agencies and work out what their selection procedures are before they hand on the final selection of candidates to an employer. An employer chooses from two or three and there might have been 50 applicants and we do not know what happened to the other 47. The skills of a particular individual are far more important than their age or employment status. Each time the employer says, 'What we're finally looking for is someone who can do the job with a minimum of training. We don't want to have to train someone. We want to have someone who can do the job straightaway.'

We have discovered in the country areas is that each town is an individual little island with its own little labour pool. People are not moving between towns. Employment is being done on a local knowledge basis, word of mouth basis, rather than even an advertising basis. Word of mouth gets around very quickly that business A is looking for someone of a particular type and the locals who are available come out of the woodwork by themselves. In fact a lot of the jobs are being filled without going through Job Network agencies and that is why I think the Job Network agency figures are even more suspect, because businesses either knock on the door of someone they want or locals know that there is a job available and they walk in and apply. At the very least there might be a local advertisement in the paper and that is why I said Job Network figures are a little bit suspect when they say five to 10 per cent of job vacancies are filled by mature age people.

I am personally starting to feel the percentage is much higher, but the Job Network agencies are not seeing the actual process all the way across. Does that make sense?

CHAIR—Yes. One person in fact said to us the jobs that are advertised are for people who have already got jobs.

Mrs Unger—The jobs that are advertised and passed on to Job Network agencies are the jobs that cannot be filled locally. Then we are starting to look at far more specialist skills. One that is very clear already is nursing in the country. One particular hospital has been advertising for over 12 months and is going further and further afield to try and attract some qualified nursing staff to the country. They have to be qualified because there are no local training facilities for nursing. What is needed is someone with experience or training who is willing to go to a small country town to take the job, because there is no-one locally who is available. Even nurses who have married the local farmers have been pulled in and they are looking for more than that.

Something that is very interesting is that employers are not aware that a person up to the age of 64 can be a trainee. It is very much a mind-set that traineeships are for very young people, and even mature age people themselves are not aware of the fact that they could be on the job as a trainee who attracts those incentives and that training support. I think that points to one initiative that we can do quite clearly, and that is market that information into the local community. I recently spoke to one employer who has just put on a young trainee, a school leaver, and had she understood that she could put an older person onto a traineeship I think she would have preferred the older person. But she took on a younger person because she thought you had to be young to be a trainee and get the trainee incentives.

Mr SAWFORD—What sort of occupation?

Mrs Unger—Clerical administration in a legal office, and I think the legal office was wanting the mature age person for confidentiality reasons and the reliability and stability for the comfort level of the clients, I suppose; rather than having a young person at the front desk, having an older person. The long-term unemployed people present a different picture and the first thing an employer asks is why are they long-term unemployed. They are very concerned in taking on someone who has health or a WorkCover history, especially in the jobs I have already talked about. I am talking about an earthmoving company and a

landscaping company, where the job is physical, and they are very careful about taking on someone who has been unemployed for a length of time.

Once again in a small country town you will know why someone is unemployed. You will know what their personal history is and you will probably avoid that person if you have any concerns. Even Mount Gambier is a small country town in this respect. There is no indication anywhere so far that people are willing to support people coming from outside into employment in their town. It is very much an individual's choice to move to a town for a job.

The other question that local employers are indicating is that there are jobs and if the long-term unemployed want to be unemployed, that is their problem. There are jobs available, maybe not the jobs that they want, but there are jobs that cannot be filled, even basic labouring type jobs. They simply cannot be filled because no one wants to apply for those jobs. So it makes me wonder why the unemployment rate is as high as they say sometimes. But like I said, this is only 20 per cent of the survey.

Mr SAWFORD—Have you investigated what some of those jobs are; remuneration, conditions, reputation of employer?

Mrs Unger—No, not a lot of that yet, not at this point.

Mr SAWFORD—Because in a small town like Mount Gambier, they know who the employers are too, don't they?

Mrs Unger—Yes, that is very much the issue.

Mr SAWFORD—It is a two-way street.

Mrs Unger—Yes. So where the jobs are that cannot be filled they are in towns that at this point I have no experience of their knowledge of those employers. So at that point I cannot answer that question. That was not part of the original picture that I was meant to survey but it possibly could be included. I am not going to ask an employer over the phone, 'What is your reputation as an employer?'

Mr SAWFORD—You could ask prospective employees.

Mrs Unger—Yes. The second prong of the survey is actually surveying job seekers. That is not as far advanced because we are facing the question of how to distribute the actual questionnaires across the south-east. We are hoping to get some cooperation from the local Centrelink office, but once again the Centrelink office will only give us access to roughly 50 per cent of job seekers because there are an awful lot of job seekers that are not registered with Centrelink, for one reason or another. I can think of the situation where the wife is not working, does not really need to work but she would like a job. So she does not register. So there are a lot of job seekers out there applying for jobs through advertisements and the Job Network agency but are not actually registered as unemployed. That is another interesting figure if you really want to stop and think about it.

As a result of this I am supposed to formulate some sort of pilot program to bridge the gap between available skills in the job seekers and the skills required by employers. One of the areas that is emerging, although not as strongly as expected, was computing skills. At the moment the skill pattern is just about anything is wanted at any particular point in a different town. All sorts of skills are wanted. There is no predominant thing at this point that you could say, 'Okay, we'll set up a training program for that.' I am not sure if that is actually going to arise. You are only talking about a few people in each town anyway, and it is a bit hard to set up a large training program that will cover all needs for all towns in the south-east.

Mr SAWFORD—So there is no pattern.

Mrs Unger—Not at this point, no. It is only 20 per cent of the surveys. Two-thirds of that 20 per cent will be Mount Gambier businesses and one-third is spent through other towns in the south-east. So it is very early days.

CHAIR—Just in that survey—I am not trying to be politically provocative—are you getting people nominating wage levels or unfair dismissal provisions or any of that sort of stuff as a problem?

Mrs Unger—No, nothing specific. I certainly have not had any mention of unfair dismissal potential. What I have had is the question of the cost of training someone and that is why they would prefer someone that has already got the skills and preferably experience. Taking on someone and training them is a cost factor to business and I would suggest it is a little bit more than the 20 per cent of salary that the national training wage suggests it should be, especially initially. Perhaps over a 12-month period it might come closer to 20 per cent but in the initial period there is a very high cost factor to a business to training someone new, not just in the cost of training themselves but the unproductive time of the trainer. It is a very high factor in the early days in the traineeships.

So businesses are not seeing that in training someone new the incentives are a bonus rather than a carrot. In other words, if the incentives were larger then maybe they would become a carrot, take some less skilled people on and train them themselves. They would rather have people ready trained. In fact, one very large employer in the middle of the south-east said, 'We don't take on apprentices, we let other people train them, then we hire them.' It is a large business which incidentally has a very good record training-wise nationally.

Mr SAWFORD—Maybe the training guarantees should have been kept.

Mrs Pollock—Yes, there is a lot to be said for that, in all honesty. Currently within the region we have got almost 600 trade positions going begging that has been identified from the survey, and that is across the Greater Green Triangle. That is a significant set of skills that the area needs and it is actually constraining business investment.

CHAIR—So they want 600 tradespersons who are already trained.

Mrs Pollock—Yes.

CHAIR—But they are not prepared under the present arrangements to take them untrained and then train them.

Mrs Pollock—That is the current need, that is the need at the moment. In the survey I think they talked about—

Mr SAWFORD—But they do not want to do anything about it.

Mrs Pollock—Yes.

CHAIR—That includes nurses and people like that, I presume, does it?

Mrs Pollock—No, we are talking in terms of across the whole trade area.

CHAIR—Are we talking about electrical, plumbing and stuff like that?

Mr SAWFORD—Electricians, mechanics, all this sort of stuff.

Mrs Pollock—Yes, electricians, mechanics, all those sorts of things. That was the trade.

Mrs Unger—Nursing comes under the classification of professional which was separate again.

CHAIR—Yes, that is right.

Mrs Pollock—Around about 28 per cent of businesses said that they would consider taking on a trainee and almost an equivalent amount said they would take on an apprentice. So there is still 25 per cent of businesses who said they would be interested in traineeships and apprenticeships. So there is still a training culture there but certainly there is a major demand for skilled labour at the present time.

Mr SAWFORD—That is $30 million into your economy, those 600 people, $30 million.

Mrs Pollock—Yes, that is significant.

Mrs Unger—It is almost as hard to get a plumber or an electrician in Mount Gambier as it is a doctor, and it is bad enough to get a doctor.

Mrs Pollock—But we have got the added problem in the south-east that we have got a critical accommodation shortage as well. So we cannot attract families into the region because we have not got the rental accommodation available for them, and issues with medical staff with families is also—

Mr SAWFORD—So the infrastructure is not there.

Mrs Pollock—Yes, very much that infrastructure. We have got developments happening at a significant pace and the infrastructure is not keeping pace with business demands.

Mr SAWFORD—What is happening at a local government level?

Mrs Pollock—At a local government level in terms of responsibility for it, they are trying to look at solutions. We have identified the problem. Certainly with accommodation the problem has been identified and almost 200 units are needed currently within the south-east in terms of rented accommodation. Local government have identified the problem but it is very hard to come up with a solution, particularly when you have not got private investment interested in taking it up.

Mr SAWFORD—There are no building companies in the south-east?

Mrs Pollock—We have got local building companies. But one of our local builders was told by a real estate firm, 'Build a house. We need a house. You'll sell it, no problem.' They built the house last October, just a $65,000 standard home, and he sold it only six weeks ago and he reduced his price to sell it. He went back to the real estate agent and he said, 'You tell me there is demand but here clearly there wasn't a demand.' But the issue is that workers coming into the area are not prepared to buy because they want to test out the area first, so they are looking more for rented accommodation. A private investor is not going to invest in a new home and have to put the carpets down, wondering what sort of tenant they are going to get. So I do not think the region as a whole has actually looked closely at finding practical solutions.

But the Tatiara District Council find it really critical that it is holding back business development. Through my network we have actually emailed right throughout Australia to look at some practical solutions to problems that might have happened elsewhere. A couple of good ideas have come back and they are having discussions with the state government at the moment. I suppose government is the same with the withdrawal of state housing. In the south-east in the past state housing was used as a means of—

Mr SAWFORD—Getting people there.

Mrs Pollock—Yes, that is right. There is a reluctance there and yet there is a reluctance in the private developers' side to look at setting up housing when they are not sure. There is this perception that a transient work force might go and trash the house. These perceptions do exist and they go right through. You cannot tarnish everybody in that way but unfortunately the perceptions go through.

CHAIR—Is there anything else that you would like to put to us?

Mrs Unger—I do not know if it is relevant that we talk about some of the other Stopping the Gap ideas or not, because they are not specifically for the mature aged person. It is for general employment rather than mature aged employment.

Mrs Pollock—No. At this stage we have not come up with the final report and we are very happy to present that final report.

CHAIR—You will give that to us when you have finished with it.

Mrs Pollock—We are quite keen to use this as an opportunity of lobbying the state government and possibly the federal government to look at how we can attract families into the region. And in some areas where we have got unemployment, we have got to do things to train our unemployed people to take up the opportunities. So we have really got to do some of that lobbying work. How on earth can you attract people if you do nothing with your existing unemployed work force as well? There is a great hue and cry within the community, so we need to focus on both issues.

CHAIR—Thank you very much. What you are actually doing is one of the most practical things I have seen.

Mr SAWFORD—Yes.

CHAIR—You are getting the information, for a start, which most people do not seem to bother getting.

Mr SAWFORD—That is right.

CHAIR—You are going about it systematically and it is very impressive.

Mrs Pollock—Honestly, how on earth can you find solutions if you do not have the primary data on which to base the next step. So this audit firstly is very much the building blocks.

CHAIR—I would have thought any government, state or federal, Labor, Liberal, whatever brand, that has got an area like yours where there is a demand for 600 tradespeople that is not being met, would not want that on the front page of the paper.

Mr SAWFORD—And $30 million into your economy which is again a job multiplier.

Mrs Pollock—Yes.

Mrs Unger—That 600 was across western Victoria as well.

Mrs Pollock—Yes, it is across the whole Greater Green Triangle.

CHAIR—Yet the state government, to its credit, is providing $2,000 per mature age worker for a wage subsidy, $4 million of course in total, and one wonders whether in fact a lot more employment could be created if that kind of money was put into some type of infrastructure or something down your way.

Mrs Unger—Yes. Certainly another element of Stopping the Gaps was very much looking at some innovative ways of overcoming the immediate skill shortage. We are looking at things like accelerated—

Mr SAWFORD—Can I just ask one other question? Basically your assessment of the status quo in terms of your audit is an obvious place to start any change to the mechanism but what are your next stages? What are you going to do next after you have done that?

Mrs Pollock—After we have done the secondary data, the collection, we hope to actually then set in place some practical ways. One of the key outcomes of Elke's consultancy was to do the secondary research of those businesses and also job seekers to see what sorts of jobs they are applying for, so then we have got it on both sides. If the issue is that traineeships are viewed still to be for young people, there is an obvious gap there. There is obviously something we can do. So we are looking at putting in place an effective marketing strategy where we can actually provide the match. We may have to go back to the Job Network and say, 'The employers have given you a perception of their recruitment policy but there are at times opportunities where you shouldn't just look at that group. You can draw in additional people that employers may initially say no to.'

So we are hopeful that out of the outcomes we will find practical solutions. All of the projects that we are involved in we have not done as a means of anything that has sat on the shelf. In fact Alan Tidswell, our chairperson, says with anything we do we have to look outside the square and any reports we do do not sit on the shelf; they are actually developed on from there.

Mr SAWFORD—Have you got a framework in your own mind about what comes next, and then what will come next and what will come next?

Mrs Pollock—Yes, pretty well. I suppose I have. I saw the auditor's first one and it was obvious once we got the survey results back that there were obvious areas that we had to do. Because we tackled both the labour market side of it and the business information side of it, we saw that there were opportunities of increasing exports. So we have developed a project that will actually look at work with potential exporters. Austrade are currently working with businesses who are not exporting at the moment and want to increase their capacity but Austrade has told us that there is that level of business who have got the potential to export but have not got the awareness of exporting. We have looked at how we can reduce our imports as well. So I have tackled that side of it.

In terms of the labour market side of it, we have focused on the mature aged and long-term unemployed but we have also focused on what we need to do for those students who are dropping out of the safety net at school. They are not staying on at school to years 11 and 12 and taking advantage of the school work programs that are offered. So we need to also look at some programs for students at risk, particularly when we have got the local jobs.

Mr SAWFORD—A number of people have come to us today and used the term 'holistic'- which I hate really—in terms of the labour market.

Mrs Pollock—An holistic approach, yes.

Mr SAWFORD—Which has other connotations in terms of other people. There is nothing wrong with the word but you have actually integrated it. I loved your statement of Plugging the Leaks because that is what is called analysis. That is what it is. You are the first people to have actually done it. What is the other one? Fishy Business.

Mrs Pollock—Fishy business, yes.

Mr SAWFORD—And Stopping the Gaps.

Mrs Unger—Stopping the Gaps, yes, the gaps between employer and employee.

Mr SAWFORD—And Elaine has explained the framework. I wish you well. You have certainly given me some heart that there are some people in Mount Gambier doing something.

CHAIR—Yes, excellent. Yes, very good.

Mrs Pollock—There are some wonderful initiatives going on throughout Australia but sometimes there is not the opportunity of bringing them to the fore. We are not good at selling what we do at times in our own area.

Mr SAWFORD—No, we are not. Particularly the good people are not good at it.

CHAIR—We actually visited Boonoonar Council last week. In eastern Melbourne there is an ACC there, a Jobs East in Melbourne.

Mrs Pollock—Yes.

CHAIR—Yes, they are like you. They are switched on and they have got some good things going. Not all the ACCs could be described in those terms.

Mrs Pollock—Yes. Certainly pass the message back.

CHAIR—Yes, all right, I will. Thanks very much. Thanks for taking the time to come and talk to us. We appreciate very much what you are doing and we wish you success. I will not say that we are from the government, we are here to help you. But we will do what we can.

Mrs Pollock—Just remember that if in the end we come back lobbying you will know that we have got heart and we come from a base of knowledge.

Mr SAWFORD—Good luck with your new business.

Mrs Unger—Thank you.

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

That the committee receive as evidence and authorise the publication of the supplementary submission received from Mr Andrew Dawe for the inquiry into issues specific to workers over 45.

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

That the committee receive as evidence and include in its records as an exhibit for the inquiry into issues specific to workers over 45: (a) the document received from the Port Pirie Central Mission titled ‘Caring for Country People,’ (b) the document received from Valerie Williams titled ‘Don’t Tell him You are 50,’ article from *That’s Life* August 1999 and (c) the National Network of Area Consultative Committees from South-East Area Consultative Council.

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

That the 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.

CHAIR—I declare the public hearing adjourned. The committee will hold its next public hearing at 9 a.m. on Thursday, 23 September at Parliament House, Canberra. Thank you very much to witnesses, observers, Hansard, officials and of course to the committee members.

Committee adjourned at 5.16 p.m.