



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, 9 SEPTEMBER 1999

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

Thursday, 9 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 Bartlett, Ms Gambaro, Ms Gillard, Dr Nelson

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

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Committee met at 9.03 a.m.

NIGHTINGALE, Ms Del, Manager, Employment Services, Brotherhood of St Laurence

SIEMON, Mr Donald McIver, Social Policy Coordinator, Brotherhood of St Laurence

CHAIR—Thank you for coming along this morning and for what I know is a lifetime of commitment to people in this area. I declare open this public hearing of the inquiry into mature aged unemployed people and welcome the witnesses and others in attendance. We will be taking evidence today from individuals and representatives of service providers. The purpose of this inquiry is to identify the social, economic and industrial issues specific to workers over 45 years of age who are 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 experience 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 there is something that you wish to provide of a confidential nature then simply indicate that to us and we will certainly consider that request. Could you give us a precis of your submission and then we will discuss it and conclude at 10.15.

Mr Siemon—I thank the committee and particularly welcome your initiative in holding this inquiry. I understand this was one which the committee itself felt was a matter of importance. There is a lot of public attention on youth unemployment. It is very important to give serious attention to the situation of older unemployed people.

The Brotherhood of St Laurence is a Melbourne-based service agency with a budget of about \$30 million. We operate a very diverse range of services across Melbourne, including early childhood services, family support services, material aid, accommodation—particularly for older people—and employment services. Del Nightingale, who is here with me today, manages the employment services which we run in the southern region—Frankston, Westernport and so on. The organisation has a longstanding interest in and commitment to working with unemployed people which goes back to the late 1970s, with the King St Job Centre. We have been actively engaged in delivering services funded by ourselves and some funded by government across the 1980s and through the 1990s. We have operated a diverse mix of those services in different places.

Prior to the changes to the Job Network we were engaged in job skills and Skillshare programs, case management, Job Club, open employment—a whole range of different programs. Most of that variety continues today with different funding. We currently operate some job matching services, intensive assistance, a community support program, JPET and open employment. We have a group training company called STEP and a furniture works program which Del manages in Frankston, a specialist training organisation. We are part of the Job Futures network in terms of the tendered services for Job Network.

We are mainly here today to assist you with questions arising from the submission, and because you were particularly interested in our service experience, which is why Del is here. The three key things from our submission which I draw your attention to are our belief that when you are talking about older unemployed people you are talking about a very diverse group and people with distinct experiences of, and attitudes to, unemployment and aspirations about future employment that need to be recognised. We have to look at responses, both social security responses and labour market program responses. Those responses should be in keeping with community norms as well as aspirations such as 'everyone should work'. We have to look at it in terms of community norms for that age group. We make some broad suggestions about possible directions for responses in the social security and labour market program area. Del might like to say a bit about the key things which come from her experience and then we will be open to questions.

Ms Nightingale—The work that I am involved in we call broadly 'the peninsula', meaning the area that is bounded by Dandenong, up to Mordialloc, down to Portsea, across to Hastings and around into Gippsland, in some instances. We run from our site an intensive assistance program and a job matching program. We are involved in a fairly large community support program relative to the other programs that are up and running. We therefore cover the whole gamut of the job network provision as it stands at the moment. We do not hold a contract in relation to Jobsearch training, but we conduct Jobsearch training on site as part of our service.

The service as we operate it in relation to labour market programs and case management has been known as a service that provides specialist care support and additional enhancements to those people who have severe disabilities. I am not talking just physical; I am talking about the barriers to employment that crop up that we can list for you later.

We are known in our region as being an agency who will tackle these things. Consequently, the contract case load on my site is 150 at any one time. We have seen 240 of these clients and a major proportion of those people are over the age of 40 and over the age of 50. In that region we are seeing a significant proportion of those people who are in the older age bracket. That is not to say that the other providers are not. The other providers are also seeing these people but perhaps not in the same proportions. It is also not to say that we are skewing the situation. In our region a high proportion of people who have found themselves redundant or in a long-term unemployment situation are not successfully re-entering the work force.

I am in the right age bracket for this. I say that to the clients too. I am interested in the problems they have when they are trying to reactivate their labour market prospects. I am interested in how they overcome the difficulties they face. Consequently, in an ad hoc fashion we have been supporting them in a range of ways, including such things as training and support for establishment of their own home based businesses.

CHAIR—In your submission you referred to the data. One of the thematic points put to us is that the number of people officially registered as unemployed in this age group is underestimated. I think the official figures are that there are between 140,000 and 145,000, nationally, unemployed in this age group. Do you have any further light to shed on the real extent of the problem?

Mr Siemon—It depends on how you define the real extent of the problem, but the data is pretty clear that, among those people who are working less than full-time or who are out of the work force but would like to get back into the work force, the fractions for this age group are somewhat higher than they are for other groups. There is more disguised unemployment. It seems to be going down to below the 55 threshold now. I do not think it is going down quite as low as 45, but certainly you could say that at 55 plus, maybe getting down towards 50, there is a significant degree of disguised unemployment. That is the reason that if you are looking again at the mature age allowance, you might look at dropping down the access to it to a little earlier. I do not know that I would go lower than 55 at this stage.

We are probably looking at a year or two of better jobs growth. If that is sustained, as we all hope that it will be beyond a couple of years—I do not think anyone can predict much beyond that—then some of those longer term trends may start to reverse a bit. I do not think we should be looking at policy changes which expect that the trends we have seen over the last few years would necessarily continue indefinitely. Certainly you could be looking at policy responses which accept the fact that the 55-plus group probably needs more attention. It is a very rough judgment, but that is as far as we got to.

CHAIR—In the film *The Full Monty* a subtext is that the fellow loses his job, does not tell his wife and keeps pretending that he has a job. To what extent is that a real problem? Can you tell us about it? You said in your submission that some people get to the point where they even sell their houses because they are too ashamed to register for unemployment.

Ms Nightingale—The socioeconomics around that would not affect the area where my office is based, which is in Frankston, as much as perhaps other areas of Melbourne where you might expect that the aspiration of the family and the community would be that you have a paid job and your mortgage is up to date. There is definitely, generationally, a learning in the Frankston and the Dandenong area that you can hit hard times and be knocked sideways by it and that the rest of the community is aware of this and will be sympathetic to it. I do not think we see the percentage that I have seen in the past in other places where I have worked, in the eastern suburbs. However, having said that, there are several residential domiciliary areas around Frankston and Mornington where this is apparent and those people are coming in on our case load. They are people in the main who have had previous training at a tertiary level, very often. You can see perhaps aspirations to achieve which have been frustrated by the circumstances they find themselves in. There is a real determination not to come to grips with where they are at.

One of the areas we see more of is the redundancy package scenario, which is that the person uses the package and may stay out of the Job Network registration process for up to two years. When they come to us their financial situation is desperate. We need to allocate them time with a consultant for financial advice and assist them to restructure their situation. Very often they are in a situation where their house is beyond recovery and they have to give it to the bank, as it were. That is a scenario that we are aware of and work with. If you want figures, the percentage would not be more than 10 per cent.

My figures on that are that homelessness and associated accommodation problems are around 13 per cent for our case load. We would not say it was a major aspect in terms of a

barrier but for these people—and I am referring to people whose previous employment history has been very stable—there are a number of significant issues they have to cope with, starting with what they do about their family and how they tell their family where they are at and what their family needs to cope with next. It starts with that and rolls from there. It might involve retraining, for example.

CHAIR—So about 10 per cent of your case load would be those kinds of people.

Ms Nightingale—Yes.

CHAIR—They probably have never been unemployed before.

Ms Nightingale—That is correct.

CHAIR—They do not know where to go to and are ashamed to go anywhere and register.

Ms Nightingale—In denial as well saying, ‘This is not happening.’

CHAIR—One of the many issues that we are particularly interested in looking at is the way in which redundancy and dismissal processes themselves are managed and to what extent they actually contribute to the problems that these people face. It is not just the subgroup that we are now talking about. To what extent do employers not manage the dismissal process at all well? Families are not involved or informed, and neither are welfare support agencies, service providers, government agencies and financial advisers. We have heard cases where people are literally frogmarched out of a building or people are just given their last pay and off they go. They are given a redundancy package and no advice at all about where to go or what to do with it. Have you given any thought to how we could improve that situation? Often the employer is in serious trouble. That is one of the reasons why the jobs are going. Is there scope for development of some sort of code of conduct in this area?

Mr Siemon—I suppose we have not really done much work at all on that. There are a couple of very quick observations. One is that while there are some organisations who are clearly looking to use out placement type services to manage some of that process and provide some linkages I guess for people when they are leaving employment, there is probably a lot more that could be done. One of the things which we probably as an employment agency could be looking at in parallel with what we do with schools is building some links directly with employers at that level. But I do not think it is an issue that we have really taken up significantly as a service provider and it is certainly not something that we have done. We do not usually deal with people the minute that they walk out from a job. A lot of people by the time they are with us have been unemployed for a year. That sort of process is well behind them so we would not really have anything other than a bit of impressionistic and anecdotal data, I suspect.

CHAIR—But would it help if you did? For example, if ABC company has five people in Frankston that, for whatever reason, it believes it is going to have to displace, in the

process of dealing with those human beings in their imminent unemployment, would it help if the Brotherhood of St Laurence or someone else were involved?

Ms Nightingale—In the peninsula we have actually tendered successfully for a role with the Defence Community Organisation which assists the spouses of Defence personnel when they relocate. It is not a redundancy situation as such but a lot of the processes that we take those people through are parallel to the sorts of things you would need to do with someone who has been made redundant. We work quite closely with the DCO on that and we aim to run services at Crib Point for the spouses. We are becoming more practised in those processes when it relates to a situation where the person has lost their job. Of course, in the case of these spouses, that is what has occurred. They have had to leave their job in one location and move to Victoria.

The other thing that we do on site is that we run an open office for the purpose of job seeking. If the person is registered with us at our office, then they are able to access the facilities in the office. That includes the Jobsearch access on the Internet. It includes the use of phones and fax and the use of computers and they will get some passing ad hoc assistance from consultants.

For the purposes of the cost of all of that, I say to my consultants, 'No more than one interview unless you come and see me about it, because these are people who are, at best, going to be placed through us for a fee of \$230 from the government.' What we can actually provide for them is fairly limited, but access to our facilities is available to those people who come to the office and therein, of course, likes the rub. Until they have come to the office, we do not know they are there. But we are working from our base and the question you asked, Brendan, was really about how proactive we are being in terms of approaching employers who may be facing this kind of scenario themselves. We have done virtually nothing like that yet.

CHAIR—It is not a criticism of you.

Ms Nightingale—We just have not done it yet. It is just something we have not had time for.

Mr Siemon—I think it is a very interesting idea and it may be the sort of thing which, in the past, has been dealt with, in a sense, industrially or that maybe in the past we would have looked at a regulatory approach to, but it may be better to be looking at it as a combination of employer education and a conscious effort to have some form of service network available for that sort of stuff. I think that is an interesting possibility. Either way, there is a problem there which needs to be addressed. I think that is probably true.

CHAIR—Obviously, it is a major life event for which the person goes through a grieving process and, to use a medical analogy, if you are amputating somebody's leg, you do not wait 12 months before you start some rehab and occupational therapy and emotional support. It is usually within a few days of the operation. In this case, while some employers are, frankly, bastards like other human beings, many are, I feel—and I have been in this position myself—deeply upset and troubled about the fact somebody has got to lose their job. But as a way of humanising that process, some people have even suggested, for

example, that it is easier, and I believe this is the case, to find another job when you have already got a job. If you can go through a process where the person knows that they are going to be losing their job in a couple of months, if there are some support agencies involved and they are actually aided to find another job, there would be employers who would say, 'This is a useful way to go.'

Ms Nightingale—That is the Davidson and Axsmith model with the pink slip and the assistance with the outplacement consultant for three months. It is really very useful and it provides a transition. It is actually more complex than that though and the reason is that very often, particularly in the era that we have just come through, where middle management has been decimated, the person is going to have to go through a complete reassessment of what it is they are going to do next. It is not going to be based on what they have just been doing. It is going to be based on a complete turnaround of their view of what is possible and, for that to occur, they need to make some significant shifts in their own perceptions. That does not happen quickly. Having been in personnel for a long time, I suspect that the reason the outplacement consulting does not always work is that the person is not yet ready to make those changes that are going to be needed if they are actually going to be working in a fulfilling situation, but in quite a different situation from what they have just immediately come from.

CHAIR—Sure.

Ms GAMBARO—To follow on from that last question, do you think that there is also a reluctance on employers' behalf of phasing out people because it is all productivity based? I will give you an example. When someone gives you a month's notice that they are about to go into another job, from my experience—and I have also worked in the personnel industry—the productivity of that person over that month is not always of a high standard.

Ms Nightingale—It is at risk, isn't it?

Ms GAMBARO—It is at risk. It is being compromised. Do you think that it might have a bearing on some of these transitional programs that management cannot come to terms with the fact that someone is either employed or not employed with them and that there is no middle ground? Do you think that it is more a work practice perception?

Ms Nightingale—I do not know whether it is more a work practice perception, but that certainly would be something I would say would be part of the mix. The point I was referring to was that the employee who is placed in a redundancy position is very often justifiably disturbed by what is occurring and has a very real understanding that they are being devalued. This was Brendan's point. They are grieving, they are angry, and all of that is justifiable. It blocks whatever else is going to occur next. Until it is dealt with, you do not go anywhere. If this transition time were available to deal with those matters, that would make sense to me. To have the transition time and expect every single person you meet as a client in this arrangement to be psychologically on the ball and ready to move is unrealistic. Some of them move very quickly and are fantastic, but a lot of them are not, and they need that time to move through and process that stuff.

Ms GAMBARO—I asked a group that presented to us yesterday about the flexibility of older men versus older women in the work force and whether older women were much more flexible in their attitudes to take on different types of work and have open minds towards new areas. What has been your experience?

Ms Nightingale—Gender divisions are an interesting concept. I am somewhat reluctant to get into something that I see as a gender based division because I think that you could probably say there is a skewing in favour of one gender or the other in relation to the adaptability of the person to move on. Statistically, women do not have a high percentage of the senior management roles in this country anyway.

Ms GAMBARO—I take your point there.

Ms Nightingale—So they are not necessarily going to be saying, ‘Right, I’m moving from here to the next chieftain’s job.’ It is not really going to be statistically something that they would be more likely to say. Consequently, they could be looking at a lesser role. They would be doing that quite realistically. I am not really sure that I want to say that it occurs more with females than it does with males. I have met some feisty females who were really insistent that they were going to do what they were doing. It is very difficult to work with them.

Ms GAMBARO—I have one other question with regard to social security benefits. You have mentioned that there was a reluctance for people to approach social security and they waited until they were in the most dire strait of financial situations to come to you. Is the reluctance to approach social security up front because we have a generation of people, the baby boomers, who have never had any dealings with government departments in their lives and who do not know how to approach them? Is it more, in your opinion, an admission of failure that they have to go to social security?

Ms Nightingale—Both of those things. But, to be positive about that, something that is very strong in people still is their understanding of their personal integrity and what it means to maintain their household and support their children. They would not beg for their sustenance; they would work for their sustenance. At that level it is a very fundamental and honest value that they hold. I would work very hard to assist them to see that they are not devaluing that by registering.

I start by talking to them about the need to have health insurance. The best way of giving themselves and their families health cover is to have that health care card. Once they are registered, all of that flows automatically. When I talk to them my first point is that they need it for health insurance reasons. Now with the Job Network, I can say they need it also because they can access the providers who are seeking out the vacancies. It is extremely difficult for them to work with most of the providers if they are not registered. It is not supposed to be difficult but, in actuality, it often is.

CHAIR—Are there currently social security and tax laws we maintain which are making it more difficult than it should be for these people over 45?

Mr Siemon—There are a couple of things that are worth drawing attention to that are peculiar to the age group. Firstly, I think we should have a good look at the requirement to draw down super for this age group for social security. I am not sure that it was a good decision. More generally, and this is not age group specific, for single people there is the high effect of marginal tax rates. We were having a conversation about this before we came. Del can talk more about this from her experience. What is interesting is the extent to which older people, perhaps more than younger people, are in the rational calculator category in the sense that they do the sums and work out the impact of work—and particularly part-time work—on their income. If you talk about low paid part-time work, where do you actually get any returns? That is the first thing. Perhaps the older people know how things work and they can do the sums.

Secondly, there may be an issue about the situation where people do a bit of casual work here and there and the extent to which their cash returns are reduced even further than a calculation of the effect of marginal tax rates would suggest because they are getting taxed as though they were second jobs. Del could make some additional comments on that. This means that, say, a single person is not only hitting a 70 per cent withdrawal rate on earnings but the top marginal tax rate on some earnings which means that they are getting over the 100 per cent effective marginal tax rate. That may not be true when it is averaged out over the full year but may be the case in the short term.

CHAIR—In other words, they are unemployed but there is no incentive to have any casual or part-time job because the amount of money they get out of it is not worth it. In fact, they are probably worse off.

Mr Siemon—The incentive may be there for a bit of work for single people, because they get the benefit of the \$30 a week free area or whatever it is and the slightly lower rate, so they have some positive incentives to do a bit of work. If they hit the two days and three days it becomes harder. Work we have done on child care affordability shows you get a similar sort of pattern. For mothers facing the prospect of low paid work, it is worth them working one day but stops being worth it working two days or three days, then it becomes worth it again when you get into four or five days. How those things cut in depends on the family situation.

Ms Nightingale—It is exactly as Don says. You can work it out in terms of a formula. There are two streams of calculations that need to be understood. The first is related to the tax. Effectively, this casual job becomes a non-tax threshold deduction situation. You cannot claim that because it is effectively the second line of income. The first issue is that your tax rate is quite high. If you work only one day that is not an enormous problem because there is virtually no tax out of one day's work. It becomes a truly significant problem at three days.

The other line of calculation is related to the benefits that you are receiving and the deductions that will be made as you earn. You can safely earn \$50 to \$60 without a very significant deduction—virtually no deduction. Beyond that point, it becomes more significant. Again, at three days it is significant enough to say you would have probably reached the 70 per cent reduction rate, which is the Centrelink terminology for this. Once

you have reached the 70 per cent reduction rate for a period of time, you will actually be off benefits. So you have these two lines of calculation to be done.

We find, on the whole, it is the older people who catch onto this and do these calculations. Once they realise it is okay to work one day, they are actually ahead. If they work two, three or even four days, they are actually missing out. So it is either virtually a tiny part-time job or a full-time job, and the in-between scenario, which is the more common scenario in our region, is very reluctantly accepted. But, again, I am working with people who very often have good, solid levels of integrity and they will accept it because they actually do want to work but, financially, it is crazy. If I was being honest I would say, 'Don't bother—it makes no sense.'

Mr BARTLETT—Can we just pursue a couple of other areas regarding social security. What about the situation where older people are more inclined to move in and out of jobs? Maybe they can gain full-time employment, but for a short period of time, for a few months, and there is the impact of the qualifying period for social security. Do you see that that works adversely for older people more than it does for younger people?

Ms Nightingale—I am not sure whether I can say that. On the basis of the work that I have done I do not feel that I can make a comparison of that kind. But what I can say is that in our region the regulations that were brought in about nine months ago relating to cyclical employment, which affects our region across the board industrially and in the rural sector, has affected our older people really in a quite major way. That regulation is related to the fact that if you have in excess of six weeks full-time employment at a high hourly rate, you will need to wait the full waiting period in order to be reregistered. That is to cover what Centrelink perceives to be an advantage that these people will have because they have had a seasonal job—for example, fruit picking. If you work a 12-hour day you actually do end up, after a period of time, with a reasonable cash situation. To overcome what Centrelink sees as an advantage, they have actually delayed the reregistration of that person when they come back to Centrelink at the end of that contract.

Mr BARTLETT—Can you suggest a way around that for older unemployed people who are not doing actual seasonal work, such as fruit picking, but whose employment pattern is irregular and may be at times casual, may be at times part time, may be at times full time but for only a few months?

Ms Nightingale—In fact, I have a staff member in this situation whose age is 62, and he would have been, in my view, the best sales person I have ever employed. He works an 18-hour week and he works in eight-week blocks. He reregisters at the end of that eight-week period. He does not work over Christmas and he does not work in January. So, in other words, he and I have worked out a formula for maintaining his registration. We advise people who are about to go into what they perceive and what we perceive to be short-term employment, even if it has not been stated as a contract, to actually set up some arrangement where they can be easily accessible back into the Centrelink registration.

Mr BARTLETT—So the system does allow that. Do you see ways that we could improve the system to make that easier?

Ms Nightingale—What I am saying is that we are being creative.

Mr BARTLETT—Yes.

Mr Siemon—Yes, we are finding ways of accommodating the system. There are a couple of things. I think the unions' credit scheme which was lost was designed to provide some equity in the earnings treatment between people who had a regular level of part-time earnings across the year and those people who had high levels for short periods, and so the tax treatment of people over the year was essentially the same—they would end up with similar levels. The loss of the earnings credit scheme, with the exception that a variant of it still exists within the youth allowance system, is something which could be restored and which would help. At the very least I would have thought you could be looking, again with the mature age allowance, at the mature age allowance being eased back to where it was before in terms of carrying some of the pension entitlements. That would be a way of addressing it, particularly for that age group.

I think that while the experience of casual and short-term work is now relatively common, and for some unemployed people that is the bulk of their employment opportunity in some places, it is a worry, and I am not sure that the pattern is terribly different for older people versus other people. I think it is very easy to generalise too much or just use age groups as the criterion but also ignore the complexity in the experience. The situation of someone who is a teacher who can only get—even though they are only in their thirties—contract positions for a term at a time for some years has some similarities with the situation of a person who can only find a bit of casual work here and there. But it is not quite the same—there are different patterns. Calling them all casualisation, part-time work, episodic work or whatever can disguise things a bit. I am not sure that you would want to do anything which is age specific, other than possibly use the mature age allowance and try to get somebody earning credits back in for that initial payment. It is a problem across the whole age group because it is there for young people and it is there for prime age workers—or at least some prime age workers.

We gave you some evidence of a study that we had done, which was pretty depressing, about urban families who were low income at the start of the recession. One household out of the 15 who were low income in 1990 had got a stable, decent paying job six years later. It is a very small sample, but it is a pretty depressing story for that particular population in inner Melbourne.

Mr BARTLETT—You mentioned lowering the qualifying age for mature age allowance as distinct from Newstart allowance. What do you see as the benefit of that? Is it particularly the activities test?

Mr Siemon—The good thing about the mature age allowance is that I think it was probably appropriate in the situation where you have a lot of people who are early retiring and semi-retiring. That is the community norm. It seems to me to be reasonably appropriate to have a bridging transitional arrangement there in the social security system, as with youth allowance. Youth allowance is really there in the social security system as a transitional payment for people who are fully dependent to fully independent. That is my view of how

we should read it, and I think it is appropriate to have a transitional element in the system around retirement.

Mr BARTLETT—Do you see any benefit in lowering the threshold age?

Mr Siemon—I think lowering it to 55, but I do not think I would go any lower than that.

Mr BARTLETT—What do you see as the benefit of lowering it?

Mr Siemon—There are two benefits. A lot of those people who feel that they are unlikely to get jobs have had a good reality check and a lot of experience—obviously, there are some people who are all over the place; there will always be some. They know how the world works. They have a good understanding of their networks; they know what their job prospects are. If they really feel that they are unlikely to be getting work, we do have to ask how much we burden them with a lot of activity testing.

Those people who are confident about getting work are going to do it anyway, by and large. The easier activity test helps those people who have some serious disabilities and problems, which is another group. I also think you want to ease the withdrawal. It gives you an opportunity to ease the withdrawal rate, to provide a greater certainty to a group of people. We know, on the evidence, that once you become unemployed there is a high probability of remaining unemployed for quite long periods of time. It seems to me to provide all those sorts of benefits. If you could possibly package some other stuff into it, like bringing a credit scheme back in, it would be terrific.

Mr BARTLETT—One of the other suggestions you make in your submission is the extension of the NEIS to cover the purchase of existing businesses. Have you dealt with many mature age unemployed people who would like to purchase an existing business, but do not have the business skills, and would therefore benefit by participation in a NEIS?

Ms Nightingale—The percentage is about 10 per cent. In some years maybe 12 to 15 per cent of clients on case management express an interest in being involved in business. More often they are attempting to develop a business themselves. The issue for us is: can that process be extended? The NEIS works very well, but you have to qualify to be part of it, and the qualification criteria are quite selective. Even though you might have a reasonable plan of action, and a feasibility study that is complete, you may not be accepted. That creates a group of people whose frustrations are thwarted. They are not able to move. That is the group that we have been focusing on. We have been looking at a feasibility study ourselves for assisting people with what we are calling 'micro business loans'. We have just organised for consultants to put together a study of that for the Brotherhood of St Laurence. As an employment person, I am involved in that committee.

We are looking at addressing this issue where a gap occurs because, for some reason, the person who has a really ideal scenario has not met all the criteria or has not got the collateral to be able to take out a loan. That is an issue with people who have run into trouble. We are looking at ways of supporting those people and/or providing the collateral for them to be able to take out a loan under our scheme.

Mr BARTLETT—Which of the selection criteria would you change?

Ms Nightingale—In relation to the fact that they do not come into the NEIS?

Mr BARTLETT—Yes.

Ms Nightingale—That is not answered with any one criterion, because, for example, you might not be accepted into the scheme because they already have three dog washers in the program and they do not want any more.

Mr BARTLETT—That is understandable.

Ms Nightingale—It can be what really looks like a viable business in concept but, for some reason quite external to your own conditions, it is not accepted. It is quite complex in that sense. I do not want to be judgmental about that.

Going back to what you were saying about the mature age allowance though, I just want to point out that there is a gap occurring. One of the reasons I am really very concerned that we do something about the current age level at which you can take on the mature age allowance is that, as a Job Network provider, we have been notified by Centrelink that we can attempt to place our case managed clients who are over 50, if they are unsuccessful, in three scenarios. We can write a letter about that to Centrelink and explain that we have attempted to place these people and it was not successful. Centrelink will then take steps to remove them from our case load, which will leave those people in limbo in that the support structure available through case management is no longer available.

When I had a conversation with my Centrelink about that I laughed and said, ‘You don’t understand; 87 per cent of my caseload is over 50. Why would I want to give them all back to you?’ When you look at other providers, an increasing number of people may be entering into the case management area but are exiting out of it. Then they are in this gap stage while they wait for the possibility of a mature age allowance to occur for them. Reducing that would reduce that stress. They are very stressed by this. It would be in many ways better for them to be allocated an allowance and let them get on with the things they want to do in their lives because many of them are very useful as volunteers in the community.

CHAIR—When you say ‘failing three will be unsuccessful’, does that mean three possible job situations?

Ms Nightingale—Yes.

CHAIR—That is pathetic. We have dealt with people who have applied for 250 jobs. We have a lady coming in today who has applied for 350.

Ms Nightingale—Obviously, from our point of view, it is not acceptable because that is the group of people we are mainly working.

Ms GILLARD—When you say three events, is it three job interviews?

Ms Nightingale—Three series of marketing themselves. You have gone through that process with them three times. It does not necessarily mean three interviews but they have gone through this process with you three times.

CHAIR—I see.

Mr BARTLETT—Don, in your introductory comments you mentioned the job growth that you expect to see over the next year or two, and that it might help mature age unemployed. Do you see it as a problem that their skills in many cases might not match that jobs growth, so what we will see is even a shortage of labour for prime age and younger people, and still unemployment for mature age people, so the job skills are just not matching the demand that is there?

Mr Siemon—I do not have a good enough knowledge of skill requirements at the moment in Australia to be able to say anything sensible about that.

Mr BARTLETT—But from your experience with these people is the lack of suitable skills a problem?

Mr Siemon—I think there are different groups within older unemployed. There are some for whom it is a clear skill issue, people who have spent a very long period of their working life in industries where the jobs no longer exist. There are also groups of people who have been in middle management positions; people who have quite a lot of adaptability to different circumstances where that is less of an issue. I am not sure that skills are the sole element in long-term unemployment among older people. I think there is also the problem that some employers look and say, ‘This person is on their way down in terms of energy and whatever,’ and there is not necessarily a full recognition of the skills and experience that person is going to bring to a job. There is a bit of soft discrimination in terms of older people. I think it is a complex of those things.

It is probably true to say that we get a lot of jobs growth; it is not going to turn around mature age unemployment very fast, just as it is not going to turn around youth unemployment very fast. I was trying to say that, if we did strike it lucky—and the optimists about the economic future were right—and did have sustained high levels of job growth for a couple of years and then some fairly steady job growth and no serious recession coming along, then some of the trends about underemployment with older people might flatten out and be reversed. It was that sort of point that I was getting at.

Ms GILLARD—On that mature age allowance question, the public policy question is really what rate of dependency we are willing to accept as a society. As you would have seen, there is an emerging debate about the disability support pension and whether that is disguising the situation. ‘Disguising’ may be too heavy a term, but I cannot think of another one at the moment. There are a number of people eligible to receive the disability support pension who, in another employment market or with different supports and strategies, actually do have a capacity for work. I would be interested in your comments as to whether you see anecdotal evidence of that in the field; that, if their medical condition enables them to, people are electing for the disability support pension rather than trying to go through the

rigours of the employment market because they sense there are no positions available for them. They might be right about that.

Ms Nightingale—The DSP is the only pension, of course, and with that comes the implication that you have it until the next review. You cannot say that about allowances. They are a little more tenuous. So there is a real advantage in having the DSP if you can get it, and I think a lot of people understand that. That is the first point.

I am aware that, to get the DSP, quite a bit of construct needs to be put in place. Depending on where you stand in that sort of thing, so you attempt to assist your client. The difficulty for me personally is that, to be eligible for the DSP, you must demonstrate that you are unable to work for a period of two years or more. However, once you have the DSP, you are eligible to work for up to 20 hours a week. It seems to me we have not actually focused on that and asked: what does that mean; what are we doing here?

I understand that with some disabilities like blindness you are a holder of the DSP for life, and of course that is a different scenario. In a situation where a person gets the DSP after having been injured in an accident, that is good, but they can immediately come to the office and seek part-time work. Unless we clear that up, it is difficult to take this debate too much further. We are missing some of the main points.

Mr Siemon—I have some very quick observations about DSP. I am sure it is true that there is always a bit of disguised unemployment, as it were, within DSP. I suspect part of the recent growth in DSP parallels the growth of long-term unemployment. We have probably become a bit better at making it clear to individuals whether or not they are entitled to it. The actual process of case management which was introduced in 1995 probably meant that it became clearer to some people that they were entitled to this because of their level of disability.

I do not think a lot of cheating has necessarily gone on. My recollection is that the tests have actually been tightened up. I am sure there are some people who are now more aware that it is a possibility. There may have been some degree of what you might see as cost shifting from the states of people who previously would have been covered by work care insurance into the social security system. I really do not know how big all those things are in terms of the growth or what proportion of the growth those three things would explain, but they are all elements within it.

The other observation I would quickly make is that it is a concern if we allow the pension system to become too superior to the unemployment allowance system in terms of its entitlements. There are some things we want to have in the pension side of the system because we know that they are there for people who are on the pension for extremely long periods of time, perhaps for the rest of their lives. We want to have somewhat superior entitlements, but we cannot allow the gap to get too big because it could grow, not in cash terms but in terms of the treatment that people receive. Again, for me that says that maybe there is some sense in having a better transitional bridging payment and mature age allowance. Otherwise, we run the risk of having people either in the awful bit of the social security system or in the nice bit of the social security system and we could increase the

incidence of people spending all their time desperately trying to get into the nice bit of it. So we have to watch that gap, I think.

CHAIR—Can I just come back to the NEIS program. Should NEIS be amended in some circumstances to allow people to buy an established business?

Mr Siemon—That was not a recommendation we had. We just had an observation in there from the 1994 interviews.

CHAIR—Do you have a view on whether that ought to happen?

Mr Siemon—I must confess that I am cautious about that because of the failure rate of small businesses. I personally, and, I think, the Brotherhood generally have been fairly cautious about the social security system moving into banking territory. I know that people flirt with it occasionally. Peter Baldwin did, as minister, and we occasionally get proposals for social security entitlements to be rolled up and offered as a lump sum. The real risk of doing that is that you actually leave people with no entitlement at the time when they need it.

Similarly, you may be exposing the state to all the high-risk parts of the system. If you have a banking system out there that is working efficiently and is able to offer good judgments about what is or is not a good investment, I am not quite sure that you want to have the social security system second-guessing that. If you wanted to provide greater access for a group that is missing out, you would probably be better to do it through government funding of some form of specialised agency rather than by getting Centrelink to somehow administer that role. I would be cautious.

Mr BARTLETT—I am not talking about any financial assistance, just the provision of those management courses that NEIS operates.

Mr Siemon—Oh, I see.

Mr BARTLETT—Would you see that they could be valuable?

Ms Nightingale—It shifts the criteria on which they are accepted, doesn't it?

Mr BARTLETT—To do the course, yes.

Ms Nightingale—In the current scenario, they have to come up with a unique concept. What you are saying is that maybe they could actually be accepted into the course, knowing that they were going to be purchasing and running this business. So it is widening the criteria.

Mr BARTLETT—But without any financial commitment by the government.

Ms Nightingale—Yes.

CHAIR—At the moment the system helps you to establish an undercapitalised micro-business which, in itself, is a very high risk, so that begs the question of why the NEIS system cannot help you to buy a carpet cleaning business that has been running for 10 years.

Ms Nightingale—Yes. It is an interesting concept. When I first went into personnel, I bought a business. Subsequently I realised that I did not need to, but the purchasing of the business had an enormous psychological impact on me personally: it just had to work; it could not fail; I had paid all this good money for it. So there is a psychological thing there that is actually quite interesting: if you do buy it, you have to run with it and make it work.

Ms GAMBARO—Just on NEIS again, in my area the demand for places almost always outstrips the number of places available. As a government, can we offer more places? Has it been your experience that the number of people wanting to get on the NEIS is always higher than the number of places available, or has there been an increase in demand in the area where you work?

Ms Nightingale—Our experience in the Mornington- Frankston-Westernport area is that the queue is always longer than can be accepted. I agree that that is the case for us as well. It is a case of funding. If you are accepting more of those people there are two things: you are extending the funding and you are changing the criteria in some way.

Ms GAMBARO—You also have a peninsula that you take in. I represent a peninsula that is isolated from Brisbane by a bridge and no rail link. Is mature age unemployment higher in areas that are isolated, such as a peninsula? I would be interested to hear what you have to say about that.

Ms Nightingale—The employment figures for the southern Mornington area are as high as anywhere in the state in the sense of it being a severe area. The analysis is complex because you have also got an area of very satisfactory employment as you come back towards Frankston and socioeconomic factors change. But we have low cost housing which attracts people who have already some sense of social disadvantage anyway. That is a cyclical thing—it continues. We have three main areas in our region: one is in North Frankston and one is south of Mornington going down the peninsula towards Rosebud, and the other is the area around Westernport in which Hastings is the centre.

Ms GAMBARO—Thank you for that.

Mr Siemon—A related point is the extent to which transport itself in some areas becomes a barrier in terms of employment possibilities, particularly when you have people who have been long-term unemployed. In fringe areas or areas where there is little public transport, the ability to run a car is pretty important. I think you found that in your services.

Ms Nightingale—Yes. Thank you for that.

CHAIR—We have to finish but I will just stick my neck out and ask you this. Has the new system of finding jobs for people, the employment network, improved, remained unchanged or disadvantaged people in this age group, in particular, in finding work? Whilst I represent one side of politics and not the other, it is interesting to know because we hear a

lot said, both critical and supportive, of the new system. In your experience is it the same old problem of not having much impact or is it a better way or is it in fact not quite so good?

Mr Siemon—I will make two very broad comments and then you might like to fill in some detail. The two broad comments I would say are that the level of aggregate funding which is there, is one issue. Leaving that aside, the issue of the total number of funded places, the restructuring through the Job Network, is probably too early for us to have a very strong opinion on. There are lots of bits of it where we can talk about finetuning and so forth.

We are involved in an evaluation exercise with the University of New South Wales in trying to evaluate the services. We are only just beginning that. So we do not have a very clear opinion. We know that our services work well in particular areas and for particular problems, but we do not have a very clear assessment of whether this is better than the old system. In many ways you can see that there are elements in the changes which are a continuation of the direction of change which was there before. There are some aspects of it that are really positive.

One of the things in terms of older people is probably the lack of specialised programs. There are still some specialised programs for particular subgroups of younger people. There is not a lot there for older people. It may be something we should look at, in our view. Do you want to add to that and fill it out?

Ms Nightingale—I think it is too soon for us to be definitive about whether it is working or working well or not working, really. What I would say is that we are cool and calm on top and paddling like hell underneath most of the time. Our site office in August consulted with and supported 693 people. That is with one receptionist and one administrative person and two job matching consultants. That is a phenomenal number of people to see in a month. We placed 47 people into positions. We also had a swag of new clients come in on case management. So we are a very busy site.

I think that a lot of the other providers are working in that kind of pressure-cooker environment. One of the things, from a work point of view, that I would say is, 'Watch out for burnout.' The anecdotal evidence is mounting that this is an extremely difficult scenario to work in. If you are doing it conscientiously you are going to feel the cost of it in human terms, and it will be some time before we can measure that. We believe we are doing well, but I know already that the human cost is significant.

CHAIR—Thank you very much for coming along and providing us with this submission, and if there is anything else you want to add or other submissions you want to comment upon at any time, then please send it through to us.

[10.21 a.m.]

GALLET, Mrs Wilma, National General Manager, The Salvation Army Employment Plus

CHAIR—Welcome. I would like to remind you that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings of the House of Representatives. The deliberate misleading of the committee might be regarded as a contempt of the parliament. The committee prefers that all evidence be given in public, but if there is something you wish to say that is not to be recorded, then simply ask us and we will consider that request. Please give us a precis of the Salvation Army submission, which we will then discuss.

Mrs Gallet—The Salvation Army Employment Plus is the Salvation Army's employment service. Today, I represent the Salvation Army more generally, so I will be talking from the service experience perspective of employment services and from the social program perspective generally on behalf of the whole Salvation Army.

As you are probably aware, the Salvation Army has been working with unemployed people since its founding over 100 years ago. More specifically, in the last 20 or so years we have been running employment programs in Australia through a whole range of labour market programs that have been government funded. We have done that through our Employment 2000 centres throughout Australia. More recently—in the last 18 months—we tendered for the government's Job Network services, and I think we are in the top five largest providers of intensive assistance services to long-term unemployed people. We have 65 offices throughout Australia and we operate in every state except the Northern Territory.

I guess the major focus of our submission was more looking at the emotional and personal impact that unemployment has, particularly on older people. Late last year, we were approached by a company—the Roberts Research Group here in Melbourne—who wanted to do some social research as a community service. They spoke to us about any specific projects we might be interested in having them research on our behalf. I was particularly interested in some studies that were done in the UK in the 1970s by Richard Harrison. I do not know whether you are familiar with the Harrison studies of 1977 and the Harrison curve. I have sent a copy of the submission, but essentially that is the Harrison curve.

Those particular studies looked at the emotional impact on people when they become unemployed and at what happens to them over a period of time. We wanted to have a look at those studies to see whether or not the experience was still the same in the 1990s. The Roberts Research Group brought together some focus groups. I think we had about 50 people in all—people who were predominantly over the age of 45. We hoped to do some comparisons with young people vis-a-vis older people, but we found it very difficult to get young people come along to research focus groups, so we focused primarily on the older groups.

We found that the results of the Harrison studies are pretty much the same today—that is, when people first lose their job, they experience shock. But, after a short period of time, there is a sense of optimism because people think, 'I can get another job.' They start

thinking about things in their last job that were not so pleasant, and they start to look forward to a new beginning. There is a sense of optimism. The emotional cycle goes down and then they start to go up. But, as the period of time increases and the realities of financial pressures, boredom and diminishing self-esteem start to set in, the cycle starts to turn and people start to experience anxiety, fear, pessimism and depression until, eventually, many people almost become resigned to their situation.

They get to the point where, in self-protection, they almost give up looking because they have been rejected so many times as they spiral down. Sadly, this is often when the intervention happens—when people are already at the bottom. What we need to do when we get people into our service is to work on those basic issues around self-esteem and confidence. What we ought to try to do is to look at intervening a lot earlier, when people are starting to spiral downwards.

The Roberts research talked about the four main pressures being experienced as being financial concerns plus the new pressure of filling time productively, particularly for older people who quite often have been in the same job for 20 years and who have a real sense of work ethic, because they suddenly have nothing to do between 9 and 5. A couple of the focus group respondents said things like, 'We are not trained to spend that leisure time; we do not know what to do.' That has become a challenge for us. So, while we are helping people to find a job, we talk to them about how they should fill their days—things like community resources, a trip to the library, or even just a walk in the forest, and personal self-development because people get stuck.

For the first four or five weeks, people can cope quite well with the fact that they are not employed, and they do jobs around the house and so on. But, when that time starts to lengthen, they start to panic, and they start watching midday television and not knowing what to do. Boredom becomes a real issue. Declining self-respect comes across with everybody we speak to, particularly in the older group. There is a real sense of a lack of self-esteem, self-confidence and self-respect, and there is a sense of a diminishing chance of ever getting another job, because the longer people are out of work the harder it gets. Employers are reluctant to automatically take people who are unemployed for the longer term.

As far as our service is concerned, we found that the research confirmed what our consultants already know. That is the sort of experience that they have with people. It was good to have that validated in formal research. What it has helped us to do is to refocus on how we assist people. When we first get people in we focus on rebuilding their whole self-esteem, their whole self-confidence. We do that through a whole range of mechanisms. We run personal development groups, and we give people resources. We have some particular resources we use that we have adapted from something in the States. There is a very optimistic book written by Debra Angel called *No-one is Unemployable* about how anybody can overcome a barrier. We have adopted these resources under licence and are using them in Australia to work with people in overcoming their barriers.

One thing that is becoming more and more evident is that—without trying to negate or detract in any way from the serious problem of youth unemployment—the continued focus on youth unemployment seems to have an even greater negative impact on job opportunities

for older people. In fact, one of our people told me the other day that they were addressing a Rotary group of quite community spirited employers who felt a moral obligation to create more jobs for young people because of this focus on youth unemployment. That sometimes starts to frustrate us, because it almost ignores the fact that it is very hard for older people as well.

In our submission we are really recommending that we need to have some sort of community awareness campaign that really puts the issue of older unemployment on the map. We talk about things like the Quit campaign, the TAC or the Work Cover campaigns where the general public start to appreciate that there are older people who need a job and who have got so much to offer to employers.

Some of the positive initiatives that we are engaged in include looking at generally raising people's self-esteem and helping them with confidence. One of the good ways of assisting people and helping them to regain confidence is to get them into volunteering activities if there is not an immediate job available. It is all about people feeling that they have something to contribute. We are in a fortunate position in the Salvation Army in that there are a lot of opportunities where we can plug people in for volunteer work. We also do some skills retraining, particularly IT skills and looking at emerging industries such as hospitality and personal services.

What we are also trying to do, particularly with older people, is help them to look at home based businesses because a lot of older people have got ideas, hobbies or passions. So, we are starting to look at mentoring opportunities, almost like mini incubators where we link people together. With the funding that we receive through intensive assistance we are able to assist them with some purchases. We might help them to purchase a fax or a phone or an answering machine or some small item that might help them establish themselves in small business.

We have also done things like set up clothing libraries. This is where the corporate sector can be of more assistance. There are some very good corporate citizens who are able to donate to some of these initiatives. A couple have been very generous towards the Salvation Army. The clothing library that was established received a donation of 20 brand new suits from a tailor in the city. BHP has donated a couple of what we call 'jobmobiles' which we use to actually go out and service people in remote locations.

But I think the corporate sector could probably do more by offering mentoring assistance to unemployed people. In particular, I am talking about companies that are about to downsize. Some of the larger companies that are looking at making people redundant have the resources to bring in outplacement agencies, but often a lot of downsizing happens because the company is going offshore or it is closing down and it does not have the resources to provide any assistance for older workers.

A lot of older people have not applied for a job in 20 years because 20 or 30 years ago you just walked into a job, you did not need a resume, CV or an application. Sometimes a friend just got it for you. Knowing how to write a resume or a job application or how to perform in a job interview is very important these days.

What the current labour market is all about is new to a lot of older people. If companies could at least recognise that at that redundancy stage and give those sorts of resources to people who are being made redundant, that may avoid that sort of spiralling downwards feeling. It does not need to be an expensive program. Some of it can be done through volunteering, but some of it may need to be funded. Whether it is funded by companies or some sort of insurance scheme or government funding or whatever does not matter, but it is certainly something that needs to be considered for companies that are looking to downsize.

We made a few general recommendations in the submission about the early intervention strategies, the community awareness program, but we also referred to things like affirmative action programs. I do not know very much about it, but Senator Newman announced a program looking at companies that employ people with disabilities which gave some sort of recognition. Perhaps there could be some sort of recognition program for older workers. It need not be a financial incentive, it could be just some sort of award presentation or some sort of sticker that people could put on their windows that says, 'We support the employment of older workers,' or something like that. But there needs to be some sort of affirmative action.

Concerning volunteering, a lot of older people are very interested in volunteering but sometimes there are incidental expenses that go with volunteering, such as getting there and getting clothes and so on, that stops them. If there were some way of offering a payment to people to assist them in actually taking up volunteer opportunities, that would be helpful.

Some of our people have talked about the need to have incentives in the taxation system, and even in the social security system, for people to take up part-time and casual employment. With the increasing casualisation of the work force there are opportunities for one week's work here or two weeks work there, and that is very valuable in helping people back into the workplace. But sometimes the difficulties that that creates in loss of benefit, getting back on benefit and so on, acts as a disincentive because there is a little bit of frustration associated with recording their income and then re-applying and so on.

Concerning retraining, I have been made aware of the fact that with the new apprenticeships program, if an individual has obtained a qualification at the AQF 3 or above level, then an employer giving that person an apprenticeship is not entitled to receive the subsidy, and that is particularly difficult for a lot of older workers. For example, if you had somebody who was a plumber but who wanted to retrain as a hardware salesman in a plumbing retail outlet, he could do a new apprenticeship but the employer would not be entitled to the subsidy. Therefore, maybe we need to look at developing new apprenticeships, particularly adult apprenticeships, in some of the new and emerging industries, bearing in mind that people are coming from industries where their skills are now outmoded and the new apprenticeship system is a way of helping them make that transition.

There are some myths about the apprenticeship system. People assume that an apprenticeship automatically means a lower wage but, in fact, it does not. You can pay somebody the full wage. We need to do more promotion with the adult apprenticeships or new apprenticeships. Maybe a change of name is necessary because the name 'apprenticeships' conjures up images of young people in apprenticeships. I am not really sure about that.

Wage subsidies is another issue. The Salvation Army Employment Plus offers financial incentives to employers. We do not like to call them wage subsidies, we like to link them more to a skills development opportunity. We talk to employers about our skills development program. We might say, 'This person does not have the total skills that you are looking for, but if you are prepared to provide some on-the-job training then we will offer the skills development payment.'

The word 'subsidies' sometimes conjures up an image that it is a payment because the person is not quite good enough. We can offer up to \$2,000 for particular individuals, but for some employers that is not the same incentive that they used to get under the old Jobstart program. Maybe we need to look at an additional subsidy program for older people, particularly given the fact that not all older people are eligible for intensive assistance. Maybe there is scope for something to be developed there in line with the new indigenous subsidy program. That basically sums up our submission. Thank you.

CHAIR—Thank you. I have listened to a lot of people come to talk to us and your presentation is excellent.

Ms GAMBARO—We spoke about redundancies and the attitude out there—I think you mentioned it in your submission—of employers not wanting to employ mature age people because they are seen as inflexible; they cannot take direction from younger people. Based on evidence given to the committee, what do you think about the recent statement that most of the personnel managers are young women or young men who are in their mid-twenties to early thirties and that they employ themselves? Is there a degree of truth in that statement?

Mrs Gallet—There is evidence of some age discrimination, but there is a lot of hidden, covert age discrimination. In our society there is a general youth culture; it is good for business to employ young people who have a lot of energy and so on. These prejudices are born out of a whole lot of myths. There is no factual evidence that older workers are less flexible, do not stay in the job as long, take more sick leave or whatever. The cause of these prejudices is much deeper. Your statement is correct. People do tend to gravitate towards people who they can identify with and who are like them. A lot of community awareness has to happen there.

When we see evidence of direct age discrimination, that is easy to counter. You have an opportunity to talk to the employer and tell them that not only is what they are proposing illegal but to ask whether they have considered this. You can start promoting the benefits and advantages of employing somebody who is older. It is more difficult when it is covert, when the person is rejected for some other reason but secretly knows the reason they did not get the job was their age.

Our survey and research project bore this out—most long-term unemployed older people think that age is their key barrier. The tragedy is that the age is getting lower and lower. When I started working in employment services, older workers were people who were over the age of 58, now some of our consultants are saying that they are people over the age of 40. We are looking here at people over the age of 45 but they are starting to say that even people over the age of 40, if they are made redundant, are going to have difficulties. That poses particular problems, even for myself, on a personal level.

Ms GAMBARO—It poses difficulties for all of us. We were just talking about how we might be unemployed in two years time, so we could be in the same boat. In Brisbane there is a company called McDonnell Douglas whose philosophy is solely to employ mature age people. I was speaking to the personnel manager the other day—she is an older person, over 45—who told me that they have a very good atmosphere in the company. They have also found—I want your perceptions on this—that if someone has been made redundant or has retired, say, in the engineering section they call those people back now. They have found in certain areas that the young graduate with two degrees in chemical engineering or mechanical engineering does not have the experience. Some of these retired or retrenched older workers are coming back and acting as mentors. Do you see that increasing in light of what is happening with people being retrenched?

A few years back when I worked in the personnel industry, it was already starting to emerge then. Telstra was one of my clients. They would retrench people, and this sounds crazy, but it was my job then, after a suitable period, to go back and put them on the books as contract workers because there was a skills shortage. This is going back to about 1993. It was absolute madness. Sometimes I wondered what I was doing. Probably the unexpected impacts of this will be a shortage and we will have to get mature people back again.

Mrs Gallet—That is probably true. I have seen a bit of evidence of that. What we are talking about here is practical nous, life experience and just knowing the best way to do it because you have done it for so long. We work with a company in Adelaide, a motel, who only employ older people because of that life experience and that maturity. There are some inspired pockets where you can see some positive things starting to happen and people starting to value older workers. It is not happening as much in the new and emerging IT industries, but certainly metal, manufacturing and engineering companies are starting to feel that there are skill shortages. We are not encouraging young people at school even to think of these options—metal, manufacturing and engineering—because we are streaming a lot of them into academic streams. In some of those more practical type careers we will end up with some skills gaps.

Ms GAMBARO—With the affirmative action program do you see some of these successful companies being used as role models? I agree with you. We do need to have some sort of a program—you mentioned disabilities in a program that is operating at the moment—to give older people an opportunity. And here is a company in Adelaide that has had great success. I would have to agree with you on that.

Mrs Gallet—We should use high profile personalities. If you look at the people on TV—the news readers and the actors and the sorts of people whom the community generally hold in high regard—maybe we could get some of those people speaking out about the value of employing older people as well.

Ms GILLARD—Your study shows a cycle—it is commonsense—where people are depressed initially, then optimistic and perhaps enthusiastic about their prospects and then go into a slump. I think you said that that points to the fact that if we could intervene earlier—presumably in the optimistic cycle—then we might get better outcomes. Can you give us a view about what we ought to do in relation to the models of employment services assistance that we have now to enable that to happen?

Mrs Gallet—Probably the key is getting people at the point of redundancy. It is not so much the employment services area. It is finding out which companies are about to downsize, how many people are going to lose their jobs and having somebody come in then and talk about the realities of the labour market and what they have to look for and giving them practical skills to do jobs searching, telling them where to look and how to look and so on. It is not so much another arm of the Job Network. Perhaps it is some sort of reporting arm for companies. I can remember years ago that if companies were downsizing more than 50 workers or whatever they had to put in a report to the Commonwealth Employment Service. Maybe it is something like that—that where companies are looking to retrench large numbers of people there is some sort of agency that is informed about that and we start looking at intervention at that very early stage.

Ms GILLARD—So it is not about moving intensive assistance further up the life cycle of employment but about offering a better service earlier on?

Mrs Gallet—Offering more intensive job searching techniques at the point of redundancy. You are aware of the job seeker classification instrument, so length of unemployment is one factor. There are other factors. People do not necessarily have to be long-term unemployed to get in; we do pick up some people earlier on. But because of the start-up of Job Network, most of the people who came into intensive assistance in the early period were long-term unemployed. We are starting to be able to intervene earlier because of the at-risk category. There definitely needs to be some sort of way of catching people before they become unemployed.

Ms GILLARD—Is the definition of the at-risk category—it might be a bit too early to tell—adequate or inadequate?

Mrs Gallet—There are ongoing debates about the benchmark, the number of points people have to get to make it into intensive assistance. I understand that there have been some adjustments over the last 12 months in lowering that benchmark. There has to be a continued focus to work out where the right position is. We would strongly advocate that the most disadvantaged are definitely the people who deserve the first opportunity at intensive assistance. It would be a matter of providing assistance for that group definitely and, for newly unemployed people, some other sort of assistance at the point of redundancy.

CHAIR—We asked the Brotherhood of St Laurence this question. We are looking at the way employers handle dismissal and redundancy processes—some do it extremely well but, unfortunately, the majority do it to varying degrees quite poorly—and whether there is a place for at least a code of conduct to which industry groups are prepared to commit themselves. Often the employer is in trouble, but you could get the employer to at least have a set of guidelines which should be followed, which include informing and involving critical family members—husbands, wives, partners—the social welfare agencies that may or may not be involved, and financial counselling in terms of the management of whatever money is being taken from the job.

Also, is there a place for getting them into some sort of active job assistance at that point? I have employed people over the years who you would worry about staying in the building a minute longer because they might cause problems, whereas with others you would

be very happy to have them around for another eight weeks whilst someone was helping them to get into another job. That is the kind of prevention I feel we ought to be looking at if we can.

Mrs Gallet—A code of conduct is absolutely essential. You are absolutely right. Some employers go out of business themselves—

CHAIR—They are in real trouble.

Mrs Gallet—Yes. It does not have to happen on site in the case of, perhaps, disgruntled employees—maybe this can happen off site—but certainly you could involve Centrelink, the Job Network agencies, family members and perhaps social welfare agencies as well, where people are given information about where to go next. Sometimes people lose their job and they do not even know what Job Network is. They are not even sure where to go, so they sit at home and use up their savings. Then somebody says, ‘You might have got some social security.’ Centrelink, I understand, have financial planners, those people need to be brought in. That is the sort of proposal we would be endorsing in terms of early intervention: employers, in the code of conduct, to commit to offering that. Not everybody would take it up. It should not be compulsory for employees but certainly employees should be offered an opportunity to attend some seminars, perhaps run by government agencies or a collective of interested community representatives. There are counselling opportunities for family members. We used to hear stories of people who do not even tell their family for a month that they have been made redundant. They still exist; the husband goes off to work every day for a month because he does not know how to tell his wife. That sort of counselling is definitely needed.

CHAIR—I have a medical background. If you pull somebody out of a car wreck the first thing you do, apart from resuscitating them, is inform their family. Losing a job is in many ways just as catastrophic an event. Perhaps there is a better way of dealing with it, apart from trying to create employment, Job Network and those things. Perhaps there are ways we can deal with this issue more humanely.

I also wanted to ask you about the community awareness campaign and affirmative action. I am 41, and my kids think I am half-dead, but it is nice to hear that there are employers who only employ older people. But if I were 20 I would be outraged by that. It is another kind of discrimination. It seems to me that our big challenge is to change societal attitudes and the attitudes of employers. There are a number of ways of doing that. We have changed the way people think about smoking and perhaps their attitudes to AIDS and the treatment of women in our society. Do you have specific ideas about how we can go about starting to change attitudes? Research is one. Having a spectrum of employees in your workplace and being able to demonstrate positive impacts on productivity and employer relations is another. Have you other ideas?

Mrs Gallet—I take your point very much about young people. It is about balance, too. We are not looking to recreate workplaces where everybody is over the age of 45; there is real benefit in the generational mix. If we were looking at a community awareness campaign, that would be the sort of focus we would be advocating. You are looking at a workplace where young people and older people learn to work very well together and they interact. You

look at the community benefit of that. In our workplace we are very keen to have enthusiastic, passionate young people working with us, as well as mature people. But there is a great spirit of the older people learning from the younger people and the younger people learning some of that whole-of-life experience. It would certainly have to be a campaign that focuses on a mix, not one at the exclusion of the other.

CHAIR—Is the British proposal, the employers' Forum on Age, a model that we could be looking at here?

Mrs Gallet—I think so. I am not too familiar with the British forum, but we need to have employers involved. The incredible thing is that often the owners of businesses are all over the age of 45, anyway. We have to continue that focus with them, that they could look at employing somebody who is 58 or 63. In the midst of all the bad news there are some terrific stories. Our employment consultants get really excited. I heard yesterday about somebody in Western Australia who is 63 and this employment consultant was just determined to get this person a job. He really wanted to work and they got him a job. He is working with younger people. Case studies like that need to be promoted as well.

CHAIR—Yes.

Mr BARTLETT—You refer to overseas examples of offering incentives to employers to take on mature age unemployed. In your experience in dealing with employers, what type of incentive and what level of subsidy would be required? How do we avoid the problem of employers abusing that and just churning the unemployed through their system in order to attract a subsidy or whatever incentive it is?

Mrs Gallet—I think we probably do need to do a bit of research into it. I spoke to some of the employer organisations and they said to me that their employers were only looking for the right person for the job. The financial incentive is neither here nor there. Maybe we need to go to employers and actually do some research to find out whether employers do believe that a financial incentive is enough for them to take on somebody that they were not inclined to employ. That will then tell us where the real problem is and if the problem is financial incentives or if it is a deeper prejudice. If it is a deeper prejudice, then the financial incentives would end up just resulting in a churning of employees because you get somebody a little bit cheaper for six months or whatever.

CHAIR—On that point, when I was going around the country with Peter Reith to discuss indigenous employment, a lot of employers said to us that a wage subsidy is useful but that it is not the real problem. In fact, in most cases they said the wage subsidy is not what they are really after. It is readiness for the job, work ethic and all sorts of things.

Mrs Gallet—Yes. I think we talked about maybe workplace adjustment payments. If the employer is a bit worried that the older person might damage their back, then you give them some money to buy one of those hydraulic lifts or something like that—a little bit more creative than just a straight out wage subsidy.

Mr BARTLETT—What sorts of schemes do the countries operate to which you refer in your submission?

Mrs Gallet—I do not know too much about those in detail, unfortunately. I think there is a mixture of tax incentives and affirmative action type programs.

Mr BARTLETT—Could I change tack for a moment. The Salvation Army has some centres that specialise in providing services for mature age unemployed. What aspects of those services have you found have been the most successful?

Mrs Gallet—At the moment, in terms of the Job Network, we run generalist services. In New South Wales we are funded to deliver the mature workers program that is funded by the department of employment in New South Wales. Under the previous case management contracts, we did specialise in mature workers. Because of that reputation as a specialist, we still tend to attract a lot of older workers. I think it is about treating people with respect and dignity, building their confidence and really working on that personal development and networking. Those are the most important things you can do to help older people. The mature workers programs that we have in Sydney are essentially job search groups that focus on networking and helping people to access the vacancies.

Mr BARTLETT—What sort of success rate have they had compared with some of your other more general services?

Mrs Gallet—I do not have the exact figures.

Ms GAMBARO—I would like to ask a question about non-English-speaking mature age workers. Do you do any work in that area? What special needs do they have?

Mrs Gallet—Yes. We have a couple of centres that are in areas of higher ethnic populations—Springvale in Melbourne and the western suburbs in Sydney. There certainly are English language needs there and we, of course, refer people to the adult migrant language courses. Conversational English is another thing that we can do for people in helping them to understand Australian culture. Unemployment for non-English-speaking background people in older age groups, I think, would be significantly higher because of those extra language barriers and difficulties.

Ms GAMBARO—You have given us so much to think about here. I really have quite enjoyed listening to your submission. I have no more questions.

CHAIR—I was just going to ask you about volunteerism, Wilma. You mentioned it in your submission and when you were talking to us earlier. How can we encourage more voluntary work amongst this age group? I realise what they are really after is a job, but is there something that perhaps government can do to facilitate it?

Mrs Gallet—It is showing them that there are opportunities there, and that is where the agencies themselves, community agencies, need to identify opportunities for people to volunteer. I find that older people generally are very keen to do voluntary work anyway, and they try to seek out volunteer opportunities. I am not too sure of the details, but there are organisations like Volunteering Australia. I think perhaps promoting those sorts of organisations that actually bring together volunteer opportunities and encouraging people to

register with those agencies may be a promotional exercise that the government could become involved in.

CHAIR—One of the people that spoke to us suggested that there should be some sort of business doctor, which sounds like an interesting concept. If people are having trouble with their businesses, and they obviously have employees, they could go somewhere and see if they could get some external assistance to try and perhaps stop the whole thing from folding. Have you encountered any organisations out there that are doing that? I know there are companies that for a fee will do just about anything to help you.

Mrs Gallet—There was an initiative in Victoria called The First Place, and that was a place where businesses could come and get a whole lot of information on business activities and programs and so on. I do not know too much about that initiative, but it seemed to be quite a good concept where people could come and get a whole lot of advice on taxation issues and business loans and so on. A concept like that, I think, would be very useful.

CHAIR—Okay, I do not think there was anything else I wanted to ask you. I think that is about it. Thank you very much, Wilma.

Mrs Gallet—Thank you; it was my pleasure.

CHAIR—Thank you; it was very good.

[11.13 a.m.]

WALSH, Ms Tricia (Private capacity)

CHAIR—Firstly, thank you very much for coming today and for providing a submission for us, Tricia. We appreciate it. I need to remind you that the proceedings here today are legal proceedings of the parliament and warrant the same respect—some would suggest more—than proceedings in the House itself. The deliberate misleading of the committee may be regarded as contempt of the parliament. The committee prefers all evidence be given in public, but if there is something that you want to say that is not included in the transcript of the presentation, then indicate that to us and we will consider that request. Could you give us a precis of your submission and then we will discuss it, obviously.

Ms Walsh—I am appearing as a private citizen, although I do have links with a number of different areas. I guess if it is appropriate I can identify those as we go through, but initially I appear as a private citizen. As that private citizen, I put my submission together having seen the advertisement in the newspapers because I had not long come back into the work force full time. I was then a 53-year-old, and I gained employment in a situation where my boss was 26 years old. So I have a terrific appreciation of working with a young person. I might add that my history of work has been in schools as a bursar working with young people all of the time. So I do have a fair respect for younger people—as I do for everyone, I hope.

Up until that employment and during that employment, I gained a lot of ongoing experience working with people who were seeking work, particularly from the period 1994 to the present time. From 1994 until last year, I worked with a number of agencies delivering the SkillShare programs and also at community adult education centres, and I met a lot of people who identified to me issues that they had found along their journey. In working with people with adult literacy difficulties, I also picked up on issues that they had which were not expanded on by them but which became apparent as we talked in training sessions.

I will refer to some of my notes on the issues I heard from a diverse range of people seeking work and looking to establish businesses. The previous speaker identified age, and that is No. 1 on my list. Although I have not felt it personally, I have seen it with a lot of other people. ‘My age is against me,’ is something that people say before they will say anything else.

I have seen low self-esteem very often. It comes out in very different forms. It can be anger and very obviously it can be anxiety over getting a job and being able to say to people, ‘I have a job,’ rather than, ‘I am looking for work.’

Another issue is a negative attitude to ever getting further employment. This is understandable in an area with very high unemployment. I might add that I live in central Victoria in a town called Maryborough, and there is some isolation there. Public transport exists, but it does not get people to work in Ballarat and Bendigo terribly easily.

I have overlapped into my next point, which is the inability to access further education and training because of costs but also because of the travel, the time and the obligation to be actively seeking employment. It is a catch-22: 'I need to gain skills but I need to be getting the job.' And I presume there is pressure from Centrelink on people to be getting a job—to be, say, in full-time employment. I do know and appreciate that a lot of people have full-time employment. They know the way to do that, but there are many people who do not know and there are also many people who are not in a situation where they can do that. Again, that is a catch-22.

I have also noted on numerous occasions that a number of people who have been refused employment have been despondent about not hearing back from employers after having applied for jobs. I understand that employers have busy days, but it would be helpful if people could at least be advised that they have been unsuccessful. That is when it would be nice for people to get a little bit of encouragement—again, I know it takes time—and perhaps some feedback in some situations as to how they are going in their job seeking program. I am sure that would help them. Again, it would give them more self-esteem and they could say, 'Okay, I am making some progress here.'

There is also a lack of recognition by many individuals of their skills and special qualities and of being able to transfer their skills to jobs other than those they have had experience in. I would like to link that lack of recognition of skills to the voluntary work that Brendan identified earlier. One of my big things in life is adult education at a community level. It would not exist in Victoria without the voluntary component. There is funding from the state government and that is wonderful, but without the voluntary component it would be really struggling.

I link that to recognition of skills because, in my current job, I see a lot of people and I look at their resumes. They tell me things they have done and are doing because they want to justify to me that they are doing things. They will say, 'Oh, I work at the information centre once a week,' and I will say, 'What do you do there?' so drawing out their skills. People do not recognise that they have workable skills which can be identified by employers. So it is that, I guess—to be able to identify and give credit for the skills gained doing voluntary work, and also to somehow be more respectful of and value voluntary work.

I know we all do, to a certain extent, but there are still people in the community who say, 'It is just voluntary work.' I suppose it is a bit like many years ago when I was enrolling students at school. Invariably it would be the mother who would bring the children to the school, because at that time fathers were in employment—most times—and I would ask the occupation of both parents. Dad was at the factory or wherever and mother would say, 'Well, I'm just a housewife.' I equate that with voluntary work. Both, as we know, have great value within our community. I guess the value of voluntary work, plus special interests and hobbies that people have, can equate into an economic outcome for them, whether it is for themselves in business or whether it is in employment.

I feel that another issue is for people to accept the need for a resume. Many people 45-plus have been in the one job for many years and have never needed a resume. To be suddenly confronted by an employment agency asking, 'Do you have a resume?' when you do not, leads to a feeling of despondency. You think to yourself, 'I should have one, but I

don't; I have never had one. What is it? Why do I have to have it?' So quite often there is resistance to getting a resume, and many people have never seen one.

I suppose I would like to link some of the things I am pointing towards with life skills and to ask whether some of these life skills could be incorporated more effectively within our education system, perhaps in the later years of schooling and certainly in the later years of tertiary education. I do not know how because I am talking off the top of my head here, but perhaps it could be in some form of training as part of counselling up to and post redundancy. We were speaking about redundancy earlier. I see those things as being life skills.

Other issues are low levels of literacy, writing, reading and thinking, and all of those can equal low confidence and low self-esteem. Also, there is a low skill knowledge level of how to apply for jobs and how to approach employers. Of course, that does apply to all ages but, specifically, it is what I am seeing now in older people.

I would add that my current employment is with one of the Job Network agencies, Employment National. I started in my position part time but just recently the position became full time. At the time I wrote this, I had just received an offer of employment for three years. In the last month, my colleague, the 26-year-old, took off for pastures new, and the business centre offered me the position to run the office. I felt quite chuffed about that, and it was a great recognition of the skills that I have.

There is one other comment I would like to make, and that is in relation to the three-year contract. Just very quickly, this week I attended the first day of a conference in Bendigo for lifelong learning using new technology with the focus on older people. One of my colleagues in that area of education, Adult Community and Further Education, said to me, 'What are you doing now, Tricia?' I said, 'I am working for Employment National.' 'Oh yes,' she said, 'and have you got a got a contract? Is it 12 months or how long?' I said, 'Actually, it is three years.' 'Oh,' she said, 'that will just about see you out.' I said, 'Well, I do not think so; I do not know; I am not thinking along that line.' I guess that is a bit of a comment on how some people perceive us in the 50s. This person is actually close to 50, so I am not sure where she is heading.

There is this view of people who are in their 50s. I think some employers think that when you are in your 50s you are getting close to retirement. Also, a lot of early retirement occurs at age 55, I understand. So there are mixed messages out there that I am hearing.

CHAIR—Thanks very much, Tricia. I must say that I agree with just about everything you said. In fact, I wondered whether you had been grabbing some of my ideas.

Ms Walsh—Good. It is nice to know people have similar ideas.

CHAIR—It is a good job your friend did not meet Abraham Lincoln. He hit his straps only when he was in his early 60s.

Ms Walsh—I would add just very quickly that the conference this week is a recognition of the International Year of Older Persons, and it is interesting that all this is happening at

the same time. The conference was targeted at 'retirees'—that was the term used—which I did not agree with. I felt, rather, that it was for people who were not in the work force for whatever reason. But there were people there from younger than I am up to I do not know how old, and they were getting into the new technology, which was really exciting.

CHAIR—You mentioned life skills education. Were you referring to people in this age group who are unemployed and who could be considered for providing life skills education to young people in the latter part of their secondary education, or were you talking about the need to actually train young people in a different way, if you can, to teach them about life?

Ms Walsh—I think both concepts really. There are a lot of people in the older age group who have great skills; they have great communication skills with younger people. What I would like to see is more appreciation of elders, and I use the term 'elders' in the same context as indigenous people do.

CHAIR—Yes, I understand.

Ms Walsh—I take offence at 'old'. 'Older' is okay, but 'old' and 'the elderly' are the sorts of terms that should be scrubbed off anybody's papers, really. So I would like to see an appreciation of elders and perhaps the incorporation of their experience into schools—into areas where younger people are.

Some years ago I read of a village in Italy, I believe, where the older people had a great impact on what was going on in that village, and they were looking after the young people from the cradle onwards. There was an interaction going on all the time. There was not the very different stratosphere, I suppose, of society as we have it in Australia, where, as I see it, young people are doing this and older people are doing that, certainly in our schools.

CHAIR—The department has three projects that it is running—or at least has funded—one of which is looking at this concept of whether people in this age group can be used in some way for life skills education for younger people. That is certainly something that we would encourage. On the 'I'm just a housewife' thing you were talking about, going back to the Salvation Army and other submissions we have had, unfortunately we live in a country where we define ourselves through our work. If someone is not doing something for which they are paid, whether it is parenting, looking after a home, voluntary work or whatever, we tend as Australians to in some way look down on those people. I think it is likely that we will be looking at making recommendations about changing our whole focus—that human beings have inherent value no matter what they are doing. Perhaps they should be doing something, but, whatever they are doing, they should be valued.

Ms Walsh—That is a very nice thing to hear. I like that idea very much.

CHAIR—Within a minute of meeting somebody, you are usually asked what sort of work you are doing. If you say that you are unemployed, it is a good way to kill a conversation because we feel so uncomfortable about it.

Ms Walsh—I would add that in the period 1994 to last year I did a number of different jobs. My involvement with community education is at a voluntary level and has been since

1989. I do not see it as voluntary as such; it is part of me, it is part of my being and it is part of my career. It certainly is now as a paid worker in the area. But, during the time that I did not have ongoing work, yes, I felt that I was very much in that area of thinking, 'Well, what are you doing, Tricia?' 'Oh, well, I am doing this and I am doing that.' 'But when are you getting a real job?' At times I was in a situation where people knew I did not have ongoing work, and I felt a bit disenfranchised. I was not included in some of the conversations, and I would think, 'Why aren't they talking to me about that because I can tell them this, this and this?' I mean, you are still learning, and you are still gaining skills, even though you might not be in a paid work force.

Ms GAMBARO—I was smiling when you were talking about being 'just a housewife'. For a couple of years I did not work, and a typical scenario would be when I was at a cocktail party or a function and people would ask—as Brendan has said—'What do you do?' I had young infant children, so I would say that I was engaged in home duties. They would go, 'Very nice,' and move on to the next person as though I had nothing to contribute and that somehow I was not intelligent enough to engage in a conversation. I found it quite amusing because I had worked in management positions just before I had had children. I chuckled when you were telling the committee, but there is this perception.

I was also interested when you were speaking about the village in Italy, as I come from Italian ancestry. Do you think that a lot of the attitudes we have to older people are because of our cultural stereotypes? In cultures like the Chinese culture and the Italian culture, the older person is respected and held in high regard. It is just a cultural thing. What are your views on that? Does culture play a huge part in this as well? We have spoken to some speakers today who have told us that we need to have affirmative action; we need to encourage people to look at older people. But do we need to go deeper into the psyche of how we view older people generally, not just related to job employment prospects?

Ms Walsh—Yes.

Ms GAMBARO—That is a fair answer.

Ms Walsh—Yes, I think culture has a great deal to do with it, but also it does go further than simply finding work. It is the appreciation of how people get to be older. We all do it in different ways. I am not suggesting that we should have older people preaching to younger people saying, 'This is the way I did it'—just to be around younger people and to allow them to find out a bit about older people and how they have done things. Interaction, rather than preaching to them, I suppose, is what I am thinking of. The other thing I would like to state is that, if the principles of adult learning were applied a little more generally, younger people would perhaps pick up on some of the skills more quickly. I do not know, I am not an expert.

Ms GAMBARO—I also want to comment on your positiveness, your outgoing attitude and your demeanour.

Ms Walsh—Has it always been the same?

Ms GAMBARO—That is what I was going to ask you. What has kept you going? You were talking earlier about how you volunteered, and then you got into the position that you are in now. What personal attributes do you think are more successful in people like yourself gaining employment, and what is a barrier to people? You are very outgoing and optimistic; is that a prerequisite? What has kept you going?

Ms Walsh—I have not always been this positive and I have had to work at it very hard. Learning keeps me going. That is not to say that I am studying all the time, because I am not. I enjoy people and learn from people, and I appreciate that. What is keeping me going? Challenge, I think, from an early age. Growing up in the 1950s there were often times where people would say, ‘What do you want to do that for?’ I used to take that on board and think perhaps they meant that I should not be doing it. But I turned it around and I did those things anyway. Challenge, I suppose, and learning. Wanting to achieve and taking responsibility for myself. I do believe that we should all be taking responsibility for ourselves. But not everybody can do that and are not in a position to do that.

Ms GILLARD—In the most frequent issues list that you have put forward, the first one is, ‘My age is against me.’ Did you have direct experience or have you been in contact with people who have had direct experience of an employer saying frankly, ‘It is your age that is against you.’ Has it been as direct as that?

Ms Walsh—I do not know that I have experienced it. I would not acknowledge it, probably. But, no, I do not know that I have ever experienced it. I have not had a lot of jobs in my life. I was 25 years with the school and I chose to leave that position, given the huge philosophical changes happening within the school at the time. It was 1993, which you mentioned was when things were happening with Telstra and a lot of government departments. But I chose to leave. I am losing the thread. Prompt me again—‘My age is against me.’

Ms GILLARD—Have employers actually directly said that to you or other people you have been in contact with?

Ms Walsh—Not to me, but to people I have been in contact with and am still in contact with. Within the population at Maryborough, which I see more constantly now, there is a very high percentage of people on intensive assistance who are over 50. Of those—I could not tell you how many—a number sufficient to be obvious have said that to me. I have a quote here that I had noted down from one person. They had been told by employers, ‘We were expecting to employ someone to train up and have on staff for longer than you would be.’ That was said to one person most recently since I have done this and I thought, ‘Oh, how hurtful.’

Ms GILLARD—Yes.

Ms Walsh—But it is not just employers who are saying it; it is the media. They do great things but some of it in there is really sneaky and it is subtle brainwashing of people. A lot of people read it and think, ‘Oh, well, I just won’t try because I am too old.’ It is such a shame because there is a terrific amount of energy out there and we are not using it. I do not know how we can use it. There are not enough jobs for people anyway and we know that

there are not enough jobs. I do not know if it is a matter of trying to create more jobs—I do not know what it could be—but, getting back to my appreciation of elders, I suppose, it could be in the voluntary work force or whatever.

CHAIR—That is one of the things. Whoever is in government and whatever economic, workplace relations and other policies are pursued and implemented, there will continue to be a significant proportion of the Australian work force who will not have a job. A number of young people—at the moment one in four—will be unemployed for a period of time. The question is whether we are doing enough to equip them for the ups and downs that life is going to present to them and also whether we are doing enough to support, in this case, people over the age of 45. That is the thing that I see.

Ms Walsh—That is the concern.

CHAIR—Just on the education and retraining thing, you went back to TAFE in your early 50s?

Ms Walsh—Yes.

CHAIR—People say, ‘Well, people are unemployed in this situation. They have got to retrain, reskill and that sort of thing.’ How user-friendly did you find the TAFE system at your age? What barriers did you come up against which could and should be perhaps broken down where governments have some control?

Ms Walsh—In the first instance, the course I did with TAFE was 80 hours on adult literacy. There were no barriers whatsoever. It was held in my home town—how lucky could you be? Previously it had been held in Bendigo so I was expecting to travel to Bendigo and it would have been an evening car ride. It was held locally and there were no barriers.

CHAIR—Were you studying with 25-year-olds or 20-year-olds?

Ms Walsh—No, not at that point. I was later but at that point with the TAFE course held at the Maryborough campus most people were 30-odd. I was probably the oldest. In adult learning at the community level most educators are older so there was no age barrier there. I subsequently went on and did a diploma of teaching adults with the Hawthorn Institute, now a campus of Melbourne University. There were younger people there but not teenagers. They were in their 20s and a 26-year-old was the youngest there. I did not have any barriers and, again, I was the oldest person. There were no barriers whatsoever. In fact, the relationships that we had in that learning process were great. I found in any classes that I have had that when you have a mix of people it breaks down the barriers. I had a seven-year-old in a calligraphy class that I ran once when everybody else was an adult. Technically the kid was not an adult but she was there.

Within my diploma course, some of the experiences that I was able to take to the study sessions the younger people would never have experienced. They were not aware of the difficulties that people have with literacy.

CHAIR—I am probably—as I frequently do, which is why I expect a long career on the back bench—stepping outside the political boundaries than I am supposed to work within, but is the mutual obligation concept which has taken root, not only here in Australia but obviously in Britain and other places, having any sort of impact, positive or otherwise, amongst older unemployed people?

Ms Walsh—The mutual obligation relates to the intensive assistance program? Is that what it is?

CHAIR—The fact that you do not know is a good response.

Ms Walsh—I hear mutual obligation and I think I am not sure.

CHAIR—The basic idea is that governments provide a social security safety net, in return for which people are required to do something.

Ms Walsh—To comply.

CHAIR—To work for the dole is probably at the forefront of this concept.

Ms Walsh—Yes. Intensive assistance is one of those sorts of things.

CHAIR—It is obviously not an issue because otherwise you would know about it. Do people who are, for example, unemployed in this age group, feel more demeaned than they might otherwise do because this is a society that is demanding they do something in return for their social security payments?

Ms Walsh—They do. They feel almost injured and hurt that they should be doing this kind of thing. Not all, of course. There are people who say, ‘This is great. I can do this.’ They have that opportunity and the permission to go and do some extra training. They have the reason to be doing it because if they do not do it their allowance will be cut or be cut back.

CHAIR—You answered my question by not understanding what I was talking about. That is good.

Ms Walsh—Yes. For a lot of people it is very difficult. There are people who simply do not want to work because they feel that there aren’t any jobs and they are being told there are no jobs and that they are too old—those kinds of things. It becomes part of them that they do not want to work. It is their self-esteem that has been injured by a lot of those things.

CHAIR—I have no trouble with mutual obligation; I think it is an extremely good concept. What I have trouble with is the term. I think it should be ‘mutual commitment’, which implies both responsibility and care in a two-way process.

Ms Walsh—Both ways, yes. A lot of people feel—just briefly, with the intensive assistance—that it is an imposition, that ‘I have been doing this work for so many years,

why should I go and have to try and train for something else?' Unless they have some sort of vision for themselves as to where they might find another job, that can be fairly difficult for them. I am advised that I am not a counsellor, and I am not either. I admit that. But there are times when you just can't say to people, 'You've just got to do this, so get out and do it.' You have to give them some sort of encouragement.

CHAIR—Thank you very much, Tricia. We really appreciate this. I think you would be very good material for the producers of *Australian Story*. You can take that as a compliment. If you think of any other things that we should be looking at or other ideas or problems that perhaps we have not covered today, if you send that through to us we will be very happy to take that on board as well.

Ms Walsh—There was one little thing I will pick up on now, if I may.

CHAIR—Yes.

Ms Walsh—I am just looking at one of the assignments I pulled out last night to read on the train coming down. We do a component on educational psychology. I was reading through, and it is both low self-esteem and people being put back in the learning scheme, which I would relate to the intensive assistance component. The adult learner may feel threatened by the learning scene, which they do very often. 'By being put in what may appear to be the subordinate position of a learner' is a quote from a person called Jenny Rogers. That sums up the way some older people feel, that they are subordinate. Health and age relate to both learning and to the person seeking work 45 years and over, and getting into a business.

I suppose I am linking the health and age thing to the learning processes as well because it can be a really steep learning curve when people are out of work, whether it is for redundancy or for whatever reason, and they are coming back into the workplace. Some more learning does have to take place. I suppose it is the respect for elders and it is respect for the education and training that are needed. As people are ageing, they very often do not believe that they need to keep learning. I do not how we can look at that, but that is just one further comment.

CHAIR—Thank you very much.

Ms Walsh—Best wishes for the remainder of your sessions.

CHAIR—Thank you.

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

That the committee form the following subcommittees to take evidence in Perth and Adelaide on 15 and 16 September 1999 in the event of a quorum of the committee not being present for scheduled public hearings: (a) Dr Nelson and Mr Sawford and (b) Dr Nelson and Ms Gambaro.

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

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

I declare that the public hearing be suspended, to be resumed at 2.15 p.m. at the Council Chambers, City of Maroondah, Braeside Avenue, Ringwood, Victoria, Australia.

Committee adjourned at 11.49 a.m.