



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT,
EDUCATION AND WORKPLACE RELATIONS

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

WEDNESDAY, 27 OCTOBER 1999

BRISBANE

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

Wednesday, 27 October 1999

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

Members in attendance: Mr Bartlett, Mr Emerson, Ms Gambaro, Ms Gillard and 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.

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Committee met at 8.36 a.m.

Secretary—As the inquiry's secretary I am authorised under standing order 336(b) where a chair and a deputy chair are not present at a meeting to ask the committee members present to elect another of their number to act as a chair for that meeting. I now call for a nomination.

Ms GAMBARO—I nominate Dr Emerson.

Secretary—Is that seconded?

Ms GILLARD—I second the nomination.

Secretary—Dr Emerson, are you happy to stand?

Mr EMERSON—Yes, until Brendan comes, obviously.

Secretary—Dr Emerson is elected acting chair.

[8.37 a.m.]

STEINBERG, Dr Margaret, Director, Healthy Ageing Unit, Department of Social and Preventive Medicine, University of Queensland

WALLEY, Ms Linda, Senior Research Officer, Healthy Ageing Unit, Department of Social and Preventive Medicine, University of Queensland

ACTING CHAIR (Mr Emerson)—I declare open this public hearing of the inquiry into mature aged workers and welcome the representatives of the Healthy Ageing Unit here today to give evidence. I remind you that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings of the House. The deliberate misleading of the committee may be regarded as contempt of parliament. The committee prefers that all evidence be given in public, but if at any stage you should wish to give evidence in private please ask to do so and the committee will consider your request. Would you like to make some opening remarks or presentation before we get into questions?

Dr Steinberg—Yes, thank you. We have put in a fairly general submission. What we would like to do today is put before you our research work, which really will supplement and augment the position that we have put forward, as well as our policy work, and maybe make some suggestions.

We have been involved in research in this area since 1994. We have undertaken a number of studies—probably about 10. They include older workers and discrimination; employers' attitudes and practices towards older workers; community members and technology, and that was a random sample of 3,000 Queenslanders; employers and technology, and that was a random sample of 500 Queensland employers; employers and technology; older people and technology; and health literacy in older people.

We had an international grant from the ARC to work with people in the UK and EC on policies and best practice regarding mature age employment. Linda was, in fact, seconded to work with people in the UK, and we can talk about that. We have done case studies in the UK in collaboration, and we are in the process of doing Queensland case studies and workshops. Also, we have some information on employment from our larger studies on rural ageing. That is the background of the research projects that we have been involved in in this area, and there is a lot of information that we would like to present that comes out of that.

We have actually brought three key pieces of information in to show you. We would have preferred, because it is visual, to have put it up on an overhead, but we just have it in black and white. That is some of our data on recruitment broken down by age and on computer literacy broken down by age. We have quite a lot of issues to talk to you about in terms of the drivers—like socioeconomic variables, morality, education and the complex relationship between work and computer literacy. Clearly, from our data, which we can show you, the workplace is the place in which to gain your computer skills. We have some data to show you on that. To supplement that we have brought the *Rural Report*, which has issues about employment in it, a report from our ARC funded work on computer and technology use—particularly pulling out the computer literacy issues—and some preliminary data from

the Queensland workshops that we are still in the process of doing in association with DETIR here.

In terms of the policy work, we have mentioned the UK-EC work and the ARC international grant. We collaborate with one of the leading workers on mature age unemployment and employment in the UK and EC, Phil Taylor, who works closely with Alan Walker. We have just produced in collaboration with him an Australia-UK comparative policy paper, which we have submitted to the *Australian Journal on Ageing*. We were the only people from the Southern Hemisphere invited to a recent ILO-WHO meeting in Geneva on the future of work, pensions and retirement. Within Queensland we advise the Premier's Jobs Policy Council and we work in close association with the work force unit and with VTAC. They will speak to you about their issues. I have already mentioned the Queensland workshops and case studies.

I have just come back from the United States and Canada. I saw a very interesting program in Quebec that you might be interested in exploring. Also, from our work in Geneva, we have a very interesting model developed by the Finns that you might like to have a look at. We suggest that those are two ways of approaching the issue. I am also Vice-President of QCOSS, so I am very aware of QCOSS's interest in this area. I think that involving the NGO sector is extremely important. I am also on the board of the Queensland Community Foundation, and through that I am very interested in philanthropy and in the community partnerships that are being developed.

We would like to suggest the usefulness of employer forums. Linda was particularly involved with those in the UK. We would like to focus on technology and literacy. Some of the issues that are coming out of the state workshops suggest issues about superannuation and taxation, unfair dismissal and the impact on casualisation. I am sure you have picked up those already, but you might want to explore them a little more. Would you like me to table this data now?

ACTING CHAIR—Yes.

Dr Steinberg—This is just a question to employers about the age they would prefer for all of the job categories when recruiting. It really says they are not interested in employing anybody over 45 for any category at all. It is taken from a random sample of Queensland employers.

This one is an analysis by age range of the question from the random sample of 3,000 Queenslanders in terms of self-reported computer literacy. I notice that the age range 40 to 64 is missing, so we will have to amend that. But, really, it shows that about 78 per cent of people over 65—and this is a random sample—were saying that they do not have any computer literacy skills at all. And quite a substantial group of the 40- to 64-year-olds are saying the same thing. I really think that we should be focusing quite a lot of attention on that age group as well, in contrast to the younger age groups, where you have a nice bell curve.

Then this one is the complex relationship between self-reported computer literacy and work. It is really saying that, if you are in work and you are using a computer as part of

your job, clearly you will have good computer skills and good technology skills. If you are in work but you do not have access to a computer as part of your job, you are almost as poorly placed as people who are not in work. We have good breakdowns of the people who really are affected—housewives, certain categories of workers and so on—so we can talk about that in more detail later. That is that analysis.

This is just the page extract from the *Rural Report* which discusses employment out of a study we have done on rural ageing in Queensland. I thought it was worth pulling out the issues related to employment. That is just that page, but I can table the report if you would like the whole report. I do not know which you would prefer.

ACTING CHAIR—That would be great. We would appreciate that.

Dr Steinberg—It has issues about transport and all sorts of other things that relate back to employment in other ways. This is just the synopsis—the executive summary, if you like—of computer literacy. That is the ARC study.

Then we get on to the suggestions later on, and that is just a hurried list of the issues that are coming out of the workshops. We regard this as confidential at the moment because, of course, it is preliminary and work in progress. Linda has classified it under recruitment, training, retirement/redundancy and policy. DETIR are quite happy that we table this, if you would be interested in it, but please regard it as very preliminary data.

ACTING CHAIR—Sure.

Ms Walley—It has to be regarded as confidential.

Dr Steinberg—Yes. Then this is the report that we did for a symposium for employers we held here in August in association with the Work Force Strategy Unit of DETIR. This is part of the resource materials that were presented at that symposium. So that is the data, and I have information to back up our suggestions.

ACTING CHAIR—I think the committee members would be interested in getting a summary. I know we have the submission, but would you be able to summarise for us why you think employers are not particularly attracted to prospective employees aged 45 and over? How would you summarise all the evidence that you have gathered? Is it just computer skills?

Dr Steinberg—No. In that earlier study we did in 1994, that was one of the major issues that came out—skills, literacy, but also flexibility and adaptability to technology. That is why we went further into exploring the issues. I am interested in the concept of the marginalisation of whole groups of the population with the change to e-commerce and so on—not necessarily just older people, but whole groups of people who do not have access to training or even to the use of the equipment. Our work shows that not a lot of people are using libraries, for example, to get access. So we are interested in the whole issue of access by the population across the board.

For older workers and employers, there is a whole range of issues ranging from occupational health and safety—and that is why we are so interested in the Finnish work because they come in through that sort of area and build on that—to skills, training and literacy. That is why we are interested in literacy. Linda would also want to speak of her experience in terms of the UK, the EC and Australia.

Ms Walley—Obviously the stereotypes abound about not being willing to change. There are the stereotypes about training, ability to change and ability to fit in. We have done a lot of work with the Department of Employment, Training and Industrial Relations for the workshops which came out of the symposium. At the workshops there were employment network providers, training organisations, unemployed people and area consultative committee representatives. We talk about the problems facing mature age people seeking employment. Casualisation is a big issue. Employers are particularly keen to take people on a casual basis before they take them on permanently. Older workers may not think automatically to try for casual jobs. We talk about the fact that some of them do not always register for benefits with the network providers, preferring to live off their savings, if they have savings. They do not get that help straightaway and perhaps have a conception that they will get back into the work force fairly quickly.

Some stereotypes still abound about older people being less healthy. From talking to employers in the workshops and also in case studies, that is not necessarily the case, but they are not quite sure how to make sure that their ageing work force is managed so that they can remain as physically and mentally healthy as possible. That is an unresolved issue for them. They perhaps favour more taking on a younger person. From talking to people, it seems they are a bit reluctant to take on someone who is older than them. The human resource professionals are perhaps in their early 30s to late 40s.

Dr Steinberg—That came out as one of the key issues in our earlier work. The human resource personnel—and even CEOs—said, ‘I have never thought of taking on anybody older than myself.’ When we raised it with CEOs, it was like a light beam. They had not thought of it before and not realised that it was one of their own characteristics. That was a very interesting finding.

Then we became much more interested in the role of young human resource managers because it was such a new profession that they were invariably quite considerably younger than many of the people they were facing due to downsizing and the emptying out of middle layers and even some of the senior layers. It was a lack realisation from the human resource people that they had those characteristics rather than that they would have made that judgment just on the basis of age. I think it was due to a lack of awareness that the covert characteristic was there.

Ms Walley—Employers value some of the characteristics associated with older workers, like their reliability and punctuality and the fact that they may be useful and able to contribute in a mentor role. But, when you get down to the crunch, they see that they do not necessarily have some skills which they consider necessary for productivity. IT was one of the major ones which we did a further study about. The other thing that is coming out loud and clear from the workshops is that, although some employers are saying they are aware of labour shortages in not being able to recruit quality applicants, they are still not looking

towards older workers. One employer has said this mature age work force thing is not going to be a problem because they are just going to import labour.

Mr BARTLETT—You mentioned that the major problem with computer literacy and technology was that they really needed on-the-job training and that post-job or out-of-job training is not as effective. Linking that in with the problem of increasing casualisation of the work force, can that be used to the advantage of older people where they are retrenched without the computer literacy and the technology skills they need but acquire them in off-the-job training and casual vacancies, given that a lot of younger people are more reluctant to take some of the casual or part time work? Can that be used to the advantage of older workers?

Ms Walley—Yes, I think it can. One of the issues there, though, is that taking somebody on for computer literacy means you expect a certain base knowledge. People we have spoken to at workshops say that, if you are retrenched and you have assets, you do not necessarily get the concessions to go to a TAFE course and do that basic six-week or short course on computer training. Therefore, you use your assets to get into that. We are finding that employers are demanding very up-to-date package skills. Word 95 is not acceptable. They want Word 97 or SPS Version 9. If you have SPS Version 7, do not bother applying. Although they may be similar, that is not what they want. Perhaps the younger people get their advantage there. They are more up to date with the packages.

I agree that in some ways casualisation can work to the advantage of older workers. One of the big issues is that mature age women, in particular, seem to be increasing in the labour market and doing very well out of it. But the jobs they are getting tend to be the lower paid and lower skill level.

Mr BARTLETT—Do you see any ways in which the social security system or the taxation system interface between that and part-time and contract work? Are there any barriers there that you think could be removed or diminished that would make it easier for older workers to move in and out of the work force?

Ms Walley—The waiting period before you access, some of the government superannuation schemes and gradual retirement.

Dr Steinberg—I think you need to sort out the two different needs and complicated barriers when you are thinking about this. I have interrupted Linda, which has probably wrecked her flow of thought, but you do need to think about the impact on partial retirement. Do not mix the two up because they are two different sets of barriers. You want to talk about one and then the other rather than put them both together. Partial retirement is a huge issue in Europe.

Ms Walley—There is the time for access to social security. Older people perhaps feel that they are being penalised. It seemed really hard to get a unit down the coast and now they wished they hadn't because they are not getting the concessions. They feel penalised. The other thing we are hearing all the time in the workshops is that the Job Network providers are not really educated about the mature age employment situation. They tell them not to bother and that it is not worth it or to come back in six months. They do not seem to

be as educated or aware of the issues. That would be the main things in terms of access, especially because once they become unemployed the mature aged tend to become long-term unemployed. To leave them six months means that their skills and confidence wane very quickly. That is counterproductive.

Dr Steinberg—I think that all of those issues about Job Network and fly in, fly out workers and so on are well worth exploring in a number of conceptual frameworks, including casualisation of work. But what that is doing to rural communities is another huge issue for employment in rural communities—as well as succession training and all of those issues they cut across. I am not an expert in superannuation, but I think that there are certainly major issues that need to be explored around the complexities of what some of those current provisions are doing to partial retirement. A lot of people are interested in partial retirement. Certainly, as I have said, it is a major issue in the EC and the UK.

Ms Walley—Linking in to partial retirement, we need to put a greater emphasis on preventing unemployment. I realise that there are people who are unemployed and that we have to help them get back into work, but perhaps gradual retirement, job sharing or something like that is a way of preventing the mature aged becoming unemployed in the first place.

Mr BARTLETT—Do you think that, if there were a lot more education for those considering optional or voluntary redundancy packages and they realised fully the financial implications, they would very likely not take that option?

Ms Walley—Yes, that would be my guess.

Mr BARTLETT—So there is an inadequacy in financial education about the costs of retirement and so on?

Ms Walley—Yes.

Dr Steinberg—Yes, and I think there is a lack of understanding of the health impacts and so on as well. I do not need to tell the chairman that. I am not sure how many people are raising the health issues, but that is one of the areas that, from the point of view of the Department of Social and Preventive Medicine, we first became interested in back in 1993. There are a lot of hidden issues that are really not on the table either, except in selected circles. Certainly the AMA did quite a lot of work earlier on to bring those issues forward, but that has sort of fallen off the table a bit again recently—Mathers' work and so on. There are issues there that certainly need to be explored and brought forth as well.

I am not sure whether you have other groups doing that or not. What I have given you is just the overview that I went through, listing the research projects that we actually have in hand. That is material and data that we hold that I thought was better to present to this group rather than talk in generalities or on issues which other people will be bringing forward—because that data is unique to our group. That is why I have taken this approach rather than raise issues such as health.

Ms Walley—Also, there is a bit of a disincentive to create employment for mature workers. Some employers have said to us that the issue of unfair dismissal is a problem for them. They do not find it particularly helpful. They would rather take someone on as a casual and then move them around with various casual contracts than make a commitment and then, if it does not work out, get involved in a minefield of basically how to say goodbye and sever the relationship. Another thing that is particularly coming out in the UK and is being investigated is tax incentives for those who take on a mature aged person, perhaps for the short term or something like that.

CHAIR—I am sorry I was late. It is only so quickly that you can get in from Sydney. On the health front, we have the Institute of Health and Welfare coming to speak to us specifically about their work.

Dr Steinberg—You could not do better than that.

Ms GAMBARO—I was very interested to hear you speak about superannuation, Dr Steinberg. Yesterday I spoke to a fellow, a mature age person, who had gone to the Centrelink office and was told by a young person, ‘We don’t know what to do with you. Only losers come here.’ One of the problems is that he had not sought assistance for a year and had then gone to his superannuation fund and had wanted to access some of the funds. Because of the restrictions, he found out that he had to have been unemployed for a certain number of weeks before he could access superannuation. So that put him on the backburner again. I think Mr Bartlett picked up on some of that as well. I think we need to do some more educating about the options that are available to people, particularly with superannuation.

I visited the ILO about five months ago. You mentioned the Finn model as being one that was worthy of further exploration by this committee. Could you go into it, because they do not have all the answers there. I met someone from the Four Pillars Institute, Genevieve Reday-Mulvay. They were very interested in the work we were doing here and what light we could shed from this inquiry. But, can you go into the part-time phasing out and going onto benefits? I have been pushing job sharing for ages. I have worked in the personnel industry and believe we can do a lot more with job sharing, and not just for women who opt out to have children and share a secretarial position. I feel that is something that we can explore further. Can you comment on the international research, the Finn model?

Dr Steinberg—I have got it here. I am sorry, but we did ask about an overhead projector. What we find most useful about this is that it works through a functional capacity. It has come out of a workplace, health and safety model and it is built on that. It breaks it down into individual enterprise and societal issues, and that is very important to start with. If you are talking to people, you can focus on this; if you are talking to enterprises, you can focus on this; and if I am talking from QCOSS I can come across this issue. It isolates the problems, actions and outcomes that are desired. We have highlighted areas where we are actually working in association with DETIR. So we have already started working on selected areas.

The best thing it does is say that it is a big, complicated problem but it can be broken down by sector and tells them how to start going about it. That is how I use them. Rather

than saying that this is the right model, I use it to say that there are models of going about this that do break it down and show people where they can start. People will respond. Employers or organisations will respond to issues across that. That is the best way I find of using it.

Ms GAMBARO—Can you table that for us?

Dr Steinberg—That was going to be one of my suggestions. We are in close contact with Ilmari in Finland and they are working it out for the EC at the moment. We find it a useful starting base on which to talk to people. It does not frighten them off because they can break it down into things that they can recognise and actually do something about.

Ms GAMBARO—One of the things that this committee has heard from a number of organisations and community groups is that we should—and it might be one of the recommendations of the committee—embark on a public awareness program. It exists in disability areas. It is giving a mature aged person a go and increase the awareness.

Dr Steinberg—Can I just show you something. I presented our work at the fourth global conference in the Montreal. I went on to Quebec where at the Museum of Civilisation they had mounted one of the best intergenerational exhibits I have ever seen about employment, particularly focusing on the other end, the issue of mature age unemployment or mature age employment. I have here some photographs of the exhibition and also the English text. It was curated and designed over a period of about a year and it is in French and English. They have had it in the Museum of Civilisation where people come from all over the world, but also they are now taking it around the whole of Quebec, into their provincial cities, schools and so on. It is all done in timber. I can show you the photographs, table the negatives or whatever you want me to do with it. It is built in timber to show strength and maturity and it is very symbolic. It is also very easy to dismantle and put back up.

I have some selective photographs, but it is very interactive and uses a whole lot of interactive material. It is a public awareness program, but it was full of schoolchildren and university students. There were short stories on the telephones and the best explanation of the demographics and what is happening. I would suggest that we look at developing something like that. In fact, I have already talked to ANTA about it and I am going to suggest it to DETIR. I do not know what you want me to do about it or whether you want me to talk about it any more. I will just say that I was extremely impressed with it. I think it is an excellent idea. I already talked to the curator and he would be very happy to cooperate and collaborate.

CHAIR—If you were able to give us the details of the exhibition and the name and contact address for the curator, then the inquiry secretary can contact them and ask them to provide us with a portfolio that reflects the exhibition and what it is about.

Ms Walley—With the awareness campaigns, I know in the UK that the British government did one when it was the Thatcher government. The report that has analysed that has made a couple of points: (1) awareness campaigns need to be ongoing—to just do it once is not effective, and that was one of the issues that Dr Taylor in the UK very strongly made—and (2) it needs to get to the people who are going to make the decisions. In our

work we found quite a lot of evidence that the human resource managers have the equal opportunity policy in practice but then the line managers do not necessarily know about it or put it into practice. So the fantastic brochure that tells them to look again at older workers does not actually get down to the line managers who are actually working with the older workers on the shopfloor or something like that and are actually practising age discrimination. I suppose on that note it may be even that a public awareness campaign, which is obviously necessary in some shape or form because of the stereotypes, would need to be broader than just employers. It would perhaps have to be targeted to different sections to let the employers associations know, and also I do not know whether it would need site visits or something like that to really increase the awareness at all levels of the organisation.

Dr Steinberg—I do not know whether anyone else is bringing through that role of the supervisor and the attitudes and practices of the supervisor, but that has come through very strongly in our work, and particularly in the work in the UK, and that they can make or break policies. So educating and getting in at that level is extremely important. This is where casualisation comes in. So all of these issues roll over each other. If nobody else is bringing that through, the role of the supervisor is a critical key issue.

Ms Walley—The other thing is success stories. While it is great to show examples of, let us say, a 60-year-old learning to use a computer, I think there is a danger of separating them out. One of the best success stories I have heard was in the UK of a 55-year-old job sharing with a 20-year-old, which combats the intergenerational conflict, if you like, and shows that older people have got value and younger people also have value. I am aware of another organisation where the younger people are actually mentoring the older people in IT. That has a lot of value I feel and is a success story which shows that younger people can also contribute to the development of older people and then maybe the older employee is a mentor for the younger person in personal development or something like that. Success stories are perhaps effective in showing different combinations of intergenerational work and also what can be achieved.

Ms GAMBARO—Can I ask one other question about the brain-drain of employing young undergraduates and the skills of older people being lost. We have had research submitted to us about older people being more task oriented and that they approach it in a different way to younger people. Are we in danger of losing that very valuable human capital? I quote McDonnell Douglas all the time. I spoke to the personnel manager a few months back. They have a mature age employment policy and the company is buzzing. They found that they had to get back the mature age engineers to train the young engineers, who may have had the educational skills but did not have the on-the-job experience and the life skills that were needed. Does that have the potential to cause great problems in the future? Has your research shown any of that drain?

Ms Walley—In IT, yes, there is a big skill shortage and brain drain in Queensland too. In the UK, we are well aware of examples where banks have brought back their more mature staff whom they have previously retrenched in a cost-cutting exercise.

Dr Steinberg—In the preliminary work, we do lots of key informant interviews. We talk to lots of banks, finance companies, a whole range of industries, public service CEOs and so on. We get the story all the time that a lot of the knowledge just walked out the door,

certainly a lot of knowledge of the dry gullies and where the skeletons are buried and so on—not things that are going to come up and bite you but ‘You’re going to waste your time going back redoing that because they tried it 20 years ago and it didn’t work,’ or whatever. There are lots of anecdotes about that in our work. We have not actually explored it in a quantitative way, but a lot of the literature shows that.

Ms Walley—Employers also tell us they have a quality shortage. Small businesses are taking on people from school at, say, year 10 and year 12, finding they do not have the basic skills and then feeling they have to invest in remedial literacy training for them. They are saying, ‘I would rather have had my older person who knew a bit about it.’ They are getting frustrated. Employers are telling us that the quality of applicants is a real issue in some areas. I think there needs to be a skills transfer at some point. When we have been talking to employers, and also to people in the workshops, there does not seem to be much conscious mentoring going on. It is informal, if it exists at all, and it does not seem to be valued.

Dr Steinberg—This whole issue of succession is very important. It is falling out in the casualisation, it is falling out in the downsizing, it is falling out in apprenticeships—it is falling out in lots of areas. That whole issue of succession is another area that you could really focus on and have a look at. The more instability that comes into organisations, the less likely you are going to have succession planning—and that is not just at the top; it is for metalworkers right through the whole system, whatever your system may be. It is a very important area that needs to be looked at.

Ms Walley—For example, one organisation in the UK, when they were having to downsize, actually did a skills audit on what skills they needed. They did interviews on skills necessary now and in the future and said they were not going to do it on age. It caused a bit of a ruckus with the unions, but they stuck to it and decided that basically they needed the best team on the pitch. With downsizing and redundancy, it is perhaps educating employers that age does not have to be the only criteria.

Mr EMERSON—In economic theory there is the problem that economists in the simple model assume perfect information, say in the job market, but then they relax that assumption and say that employers do not have perfect information about their job applicant, so they look for signals. To give one example, someone who applied for a managerial position who had tattoos gives a signal to the employer who says, ‘I think on the balance of probabilities this person is not going to be suited to this job.’ It could be that that person was ideally suited to the job, but the tattoo sends a bit of information to the employer.

I just want to extend that to 45-and-over job applicants. You were talking about stereotypes. To what extent is the problem a wrong signal, that is, that age is a wrong signal to an employer and that the over-45s are in fact very competitive in the job market? If that is the case, then the remedy is much more about public education than someone saying the signal is wrong. And to what extent is the signal right, which then means that the remedy is to change the nature of the job applicant to give them the right skills or whatever to ultimately get to the situation where there is a new signal that comes out which says that people over 45 are quite good competitors in the labour market?

Dr Steinberg—Also, one of the new issues that is starting to emerge is the very cost of training and reselecting. Especially with some of the work that is coming out of AARP and so on in the states, they are actually now putting dollar figures on it and they are humungous. Added to the issues that you are talking about, because I think that there are yes and noes on both sides of the two that you have raised: yes, to some extent perceptions are the driver and yes, to some extent schools are the driver and it is a matter of putting it together.

I also think the over-45s are very poor at selection interviews. We do not know how to do it, at least not in modern terms. That is another issue that needs to be addressed. Really the new information about the cost of rehiring, training up and the loss of the knowledge that we were talking about earlier and so on, once you start quantifying that, that might start getting employers looking a bit more carefully at internal people and not actually shedding in the first place—holding people in there with retraining. I like the idea of the intergenerational mentoring. I am sure it happens everywhere. It certainly happens in my unit, but it is just not spelled out that this is what is actually happening. As Linda says, maybe if there is a public awareness campaign or raised a bit more publicly in employer forums and so on, people will say, ‘Yes, we do operate like that.’

Mr EMERSON—Related to that, the retraining, on-the-job training is expensive not just because of the dollar outlays but the time that is spent on it and so on.

Dr Steinberg—Particularly small businesses find that a problem.

Mr EMERSON—Yes, that is right. Do you think there is a component to all of this which says, ‘If someone is 50 and I am putting a lot of effort into retraining and they are going to leave at 55, I don’t get a decent return, whereas, if someone is 30 and I put a fair bit of effort into training on the assumption that they are going to stay on indefinitely, I get 25 years worth of return instead of five years work of return’?

Dr Steinberg—Because that is the perception, but the reality is the opposite, that in fact the older people stay on.

Mr EMERSON—Yes, because the 30-year-old is likely to be more mobile.

Dr Steinberg—Yes. Again, that is an issue that really is a matter of educating employers about. This is where perceptions get tangled up with reality.

Ms Walley—There is an interesting link to that. I was talking to a person in his 50s who was contemplating doing a degree and he was saying that you often think of employers not wanting to invest in the time and the training. He actually said that he was not going to do a degree. He wanted to but he had this feeling that it was not going to pay off by the time he did studied part-time and poured all his money into it. If he tried to get a new job, he thought his chances were remote, and so he decided it was not worth it. He would probably be encouraged to take early retirement at 55. He was very interested in the area. So there is the educational part not just to encourage employers to provide the training but also to encourage older workers themselves to make the most of opportunities and see that there is a return on it in certain situations.

Dr Steinberg—Our earlier work certainly showed that older workers do not seek training. Not only are they not offered, they actually do not seek it. Even when they are offered it, they do not necessarily take it up. Again, that is an issue of how they value their own worth and motivation and interest and other matters. Certainly that was a major issue that came out of our earlier work.

Ms Walley—One of the things that came out also was that small businesses are given financial incentives to create new jobs, but they are not actually given incentives to train or retrain their existing work force. A small business I was talking to recently has 12 employees. They are very keen; they really recognise the value of training and want to train. They spend a considerable amount of their turnover on training. Seventy-five per cent of their work force would be over 45, so it is expensive. They are saying, ‘I am doing the best I can. Where is the government behind me in this? I can’t create a new position.’

Dr Steinberg—Is anybody raising the issue of fly in, fly out gangs and so on in rural and mining areas and so on? Is that being raised? That is a major issue in Queensland. It has got a lot to do with infrastructure in rural areas and rural towns. That is one I would encourage you to explore.

CHAIR—Okay. I just wanted to ask you a couple of things. You made a comment about perceptions amongst employers, particularly small ones, about unfair dismissal provisions and it militating against the employment of older people. Have you got any evidence to support that?

Ms Walley—Only anecdotal.

Dr Steinberg—We have a lot of workshops and case studies.

CHAIR—If you have anything, can you send that to us?

Ms Walley—Sure.

CHAIR—Mission Australia, when we were in Victoria, made a similar comment that employers, rightly or wrongly—as you know, it is a political argument apart from anything else—were offering older employees casual work. The expectations, particularly of the males, was that they wanted a proper job, not a casual one, and would not take casual work when in fact the casual jobs on offer were cases of prospective employers just testing the water. If they took the casual job and everything was okay, they would probably end up with a permanent job. Again, it was an anecdotal kind of remark.

Dr Steinberg—I do not know whether you were here when we raised the issue about what is coming out of the workshops, that that is the theory behind it and that would be the nice solution but that people are actually—instead of being tried out and then offered the permanent job—put through a series of casual contracts so it never turns into—

CHAIR—And end up with nothing.

Dr Steinberg—Yes.

CHAIR—You may have covered it at the start, but there is a culture amongst employers that older employees, for whatever reason, are not particularly good. Numerous people have come to us and said, ‘Older employees are more stable. There is less absenteeism, less churning of the work force. You will get a longer period of employment out of them. There is some wisdom which they impart to younger members of the work force as well.’ Is there any evidence to support that?

Dr Steinberg—Yes. We have got plenty of data showing that in terms of attitudes, but in terms of the evidence that that is reality there is UK evidence from Tesco and places like that, and there is US evidence, particularly in the hospitality industries and some of those sorts of industries. There is evidence around about that.

Ms Walley—There are several UK examples of good practice regarding instability. There are American examples like Days, and there is Tesco in the UK. There are others.

Dr Steinberg—There is research around.

CHAIR—I gather there is a paucity of Australian research to support that, though; is that right?

Dr Steinberg—Actually working within the industry?

CHAIR—Yes.

Dr Steinberg—That is why we have been trying to get ARC funding to do case studies with industry to look at some of those in-depth issues within industries, because we see that as a major need.

Ms Walley—We also see it as a major area to identify any practices, such as older worker friendly, which could then be distributed. I mentioned the computer one before. If that were publicised more, other employees may think about it.

Dr Steinberg—We have got this third grant in at the moment with the Queensland Chamber of Commerce and Industry, DETIR and so on, looking for exactly those best practice examples.

CHAIR—Thank you very much. I am sorry that we have to finish at that point. We appreciate your going to all the effort, firstly, of doing research in this area, which is so important and, secondly, taking the time to come and speak to us about it. If you could send on to us any of the things that we have asked for, we would be grateful. If you have any comments to make about things that others say as we go through this process, please let us know.

[9.38 a.m.]

MIKAMI, Ms Sandy, Executive Officer, Employment Strategies Council (Brisbane North) Inc.

MILLARD, Mr Alan, Chair, Employment Strategies Council (Brisbane North) Inc.

CAZEY, Mr Joe, Representative, Career Employment Australia

RUTTIMAN, Ms Kate, Women's Industrial Officer, Queensland Council of Unions

SAWTELL, Mr Paul, Business Consultant, Integrated Skills Consulting Pty Ltd

CHAIR—Welcome. Would you like to add anything about the capacity in which you appear today?

Mr Millard—I also appear as a small businessman and an employer.

Mr Sawtell—My company has done some research for the Employment Strategies Council (Brisbane North) Inc. in the past.

Mr Cazey—Career Employment Australia is a Job Network member and is also involved with the Brisbane North Chamber of Commerce.

CHAIR—If you give us an overview of your submission and the issues as you see them, we will then have a talk about them.

Ms Mikami—I have an opening statement, which I will read, and then Joe and Paul will add to my opening statement. The Employment Strategies Council (Brisbane North) Inc. is the area consultative committee for the Brisbane North region. As an ACC, we regularly consult with business and the community in order to provide feedback to the government on various issues. As such, we were happy to provide submissions to the standing committee on issues specific to over-45s seeking employment or establishing a business following unemployment. It should be noted that ACC membership comprises representatives from business, government, community groups and unions. With such a diverse group, there is naturally a variety of opinions. There is no one ACC viewpoint on a topic. For this reason, we have provided three papers to the standing committee, encompassing a number of perspectives.

The first paper focuses mainly on issues facing over-45s starting a small business. The ACC has put a considerable amount of work into developing a small business mentoring scheme known as BOOST, including commissioning a research study, operational manual and business plan. The paper draws on much of the research that was undertaken for these studies and was prepared on our behalf by Integrated Skills Consulting which completed all the original BOOST studies for us. Paul Sawtell from Integrated Skills Consulting has the most in-depth knowledge of this paper.

The second paper was a result of direct consultation with the Job Network providers in the Brisbane North region. The ACC has a role in bringing together the Job Network providers on issues of common concern, so a discussion group on mature aged unemployment was held at our office and the opinions expressed were summarised. Mr Joe Cazey, a Job Network provider, was present at this discussion group and he will be happy to address issues pertaining to this paper.

The third paper was provided by the Queensland Council of Unions, which is represented on the ACC by Grace Grace, the QCU assistant secretary. Grace's colleague, Kate Ruttiman, from the QCU will be able to address this paper.

Finally, our ACC chair, Mr Alan Millard is a local businessman and he will be happy to speak generally from the perspective of the employer. I would now hand over to Joe, who would like to make a few opening comments.

Mr Cazey—While we are very conscious of the need to identify solutions, we found first that we needed to identify the problem. The problem is that not many people want to employ people over 45. The barriers to this, as we saw it, were attitudes on the part of the mature aged unemployed themselves and an ingrained attitude on the part of employers against that particular group of people. We concentrated mainly on trying to identify how we, the Job Network, could help the mature aged unemployed person. We were less able to do anything about changing the attitude of employers. We find that this is really something that is well and truly in the culture of looking at anyone and the actual age is almost irrelevant. People can be over age while quite young, we are finding, in different industries. It is not just a question of over-45s. We focused on mature age, not relevant to a particular number of calendar years but to particular industries. In some, such as information technology, you would hate to be 30 because you would probably be over the hill. We saw it as a case of identifying where we can help the mature age unemployed person to change his or her attitude to advantage and we believe that the Job Network is capable of working in that field. Some are doing very well. Changing the attitudes of employers is something which the Job Network is not able to do particularly well and it is therefore the area to change which we want to concentrate our efforts of identifying strategies.

Mr Sawtell—Our paper really looked at people who have been subject to the rush of downsizing over the last five or 10 years and this has usually impacted mostly on those people of 40 years or over. There are two facets to that process. Firstly, the community loses those skills, if those skills are not continued to be applied appropriately in commerce or in employment. Secondly, many people at that stage face the question of whether they seek work in a very competitive environment or seek to replace their income producing activity by entering into businesses of some sort.

Joe just touched on some of the issues of entering into employment and it is a very competitive field for people who are of my age or more. For those who do not succeed in that area, they look at the options of either self-employment or a business of some sort. The outcome of that is that they commit a substantial slab of their own resources to that, sometimes close to 100 per cent or even more. If they are not successful in the outcome, it can be very devastating for those individuals and ultimately devastating for the community. Our paper focused on those sorts of issues.

If you look at the number of people who go into business and the levels of success, there is not much argument that many small businesspeople starting off face very difficult situations. The figures are that 80 per cent or more fail to succeed. What do you do about those sorts of examples? On the one side of the equation, in the employment area we have a wide range of services and programs which exist to assist people to find employment, but on the other side when people choose or are forced to take the choice of seeking out self-sustenance through business activity there is a lot less support directly to help them accommodate those requirements.

When you think about how complex a business is to run—it is very difficult; running a small business is just about as difficult as running a big business, except there is only one of you to do it—then there is very little support in that way. What we have suggested is that some action needs to take place to assist people in that transitional phase so that there is skilling. You would not get somebody to fly a plane without training, by and large. The same applies to business. So that is what we have suggested. There is a need for some kind of support which offers technical support and so forth to help people through that transitional phase.

CHAIR—I might start with you, Joe. We have had people say to us that one of the problems with the older employed person is that they often delay the period until they register for assistance and, because the period of unemployment in this age group is generally longer, perhaps they ought to be eligible for FLEX 2 and 3 earlier than they currently are. Do you have a view on that?

Mr Cazey—The reason that many of them delay registration is often to do with matters of pride—coming to grips and recognising the fact that this has actually happened to them. This is the result of their whole attitude thing. Our society identifies people largely by what they do and how they earn, not by whether they are black, white, blue, green, old, young or whatever. Generally speaking, at a barbecue, someone is going to say to you, ‘G’day. My name is Joe. What do you do?’ That is how we tend to categorise people. When they suddenly find themselves unemployed, if that has happened suddenly, then they are most reluctant. We have actually had to encourage people to go along and register. They say, ‘I’m not up to that yet. I’ll get a job in due course.’ Once they do and realise that they have lost one, two, three, 10 weeks or whatever it might be in the cycle, a lot of their benefits or the services that they might access have been affected by that. That is an additional kick in the nose.

We have always been wrestling with this problem. If you offer some advantage to the mature age person, such as what you are suggesting, at what price does it come? Does that really mean that we are pushing some other group out? Are we just rearranging things to make it a bit easier for the mature age person? Are we going to be taking some service away? We all recognise that there are finite limits to the resources. If that means adding additional funding to FLEX 2 or FLEX 3 services, is it going to come out of some other basket?

However, I do feel that something that gives them access to training in order to become, in their mind, a useful activist in correcting their own problem is really the nub of what we are trying to encourage. In other words, instead of them just carrying on like a victim and

taking advantage of the services, we want them to take control in some way. Training is a way of helping people to overcome those difficulties. Again, I would not like to say, 'It's up to the government to do something about it,' but unless we do have access to training for these people they just go into a state of decline, and it is a downhill run.

Ms GILLARD—I am interested in the paper that deals with unemployment and people setting up businesses. In two places in that paper, you say that perhaps it would be useful if there were something like the head office of a franchisor for people to relate to. Later on, I think there is a reference to the network practice firm, which is apparently rolled out for younger unemployed people but not older unemployed people. Could you give us some more detail about what you are envisaging there?

Ms Mikami—I think the network practice firm was in the Job Network submission.

Ms GILLARD—Yes. It is in the second paper, and the franchisor head office is in the first paper.

Mr Sawtell—I would be pleased to comment on that.

Ms GILLARD—Could you also comment on the limitations of NEIS, as you see it, in meeting the needs of people who are trying to set up small businesses?

Mr Sawtell—Before I do comment on that, can I make a very brief comment on the points that Joe has made. I would like to agree with those things. From personal experience, I used to work in the department of DEET before it became DEETYA and then before it became DEWRSB. Before that, I was actually in the CES for a very long time. This is not exactly on behalf of the ACC, but I would like to make a very brief comment. One of the things that always amazed me working for a public employment service was the fact that you would get people coming through the door who had just lost a job, and those people would have to wait for a significant amount of time before anything was really done for them. In the period in which they were the most hot for the market, they would just sit there using their own resources or whatever. It is when they get to the point where they are very difficult to place that employment services starts to focus in on them. Then it is a very difficult task. It was always a source of amazement to me that in the CES we did not in fact direct our resources to place people as soon as they came through the door. This is not necessarily with training or additional training; it is just a full-on employment service. However, that is by the way.

What we are talking about with a head office is an attempt to replicate the capacity that all large businesses and large franchises tend to have, and that is they have a range of experts across the fields of marketing, accounting, management, record keeping and computer information gathering. Their branch managers or franchisors benefit from that. They always have somebody to come in who can look after their personnel or equipment if they need it. There is someone to come in who can help them with their information technology and there is somebody who can come in and advise them how to manage things and diagnose their businesses, see what is going wrong and so forth. If any of you are familiar with franchising operations like McDonald's, for example, or Kwik Copy, their head office in effect works on behalf of those branches.

What the paper suggests is that in some way we need to develop an outreach of that sort that small businesses can plug into so that you do in fact have a repository of expertise which a small business can be encouraged to use, pay fees for and access as they need it. One of the key things is that many small business people do not know that they do not know—that is, they do not know that they have problems. They do not know that they have issues until the tax man comes along and says, ‘You owe us three years of tax because you haven’t been keeping your records properly.’ They do not know that they have a tax problem. Until the antidiscrimination commission comes along and says, ‘This is not the way you are supposed to treat your workers,’ they do not know that they have a human resources problem.

The idea is to set up something that small business people can easily plug into. At the same time, where do you find the people to provide those? That is an issue, but we believe that from the ranks of corporate downsizing, as the paper says, there are enough people available with the kind of requisite expertise who can deliver those sorts of things to small business and, at the same time, create their own consultancy. What we are suggesting is that you create an entity whereby individual people can, say, build a consultancy in personnel management, marketing, information technology or something like that, working through a central point. That total entity acts to sell those services out to small business. The way to sell it is to offer small business a diagnostic process to see where they are at in terms of how good their marketing is, how good their management is, how good their information record keeping is and so on. Once you demonstrate to them—that is, you overcome the ‘don’t know’ part—then they will more readily plug into those services, particularly if you can pitch those at a less than usual business consultant level.

I am sure that you have all seen this report. I might just wave it around. You would be familiar with this document, no doubt. I will read it for the record. It is *A Portrait of Australian Business: Results of the 1996 Business Longitudinal Survey*. Page 105 of that gives a run-down of the kind of expertise that small business actually participates in. They see their tax accountants reasonably regularly, but they rely more on family and friends than they do on business consultants for advice about how to run their business. That is a useful document to refer to. Does that cover the point?

Ms GILLARD—Yes, thank you.

Mr BARTLETT—I am still pursuing the issue of small business. You mentioned in your submission that only 20 per cent of small businesses yield a reasonable return or better.

Mr Sawtell—They are our findings.

Mr BARTLETT—That is across the board. How do those figures compare with mature age people who have left the work force and then established small businesses? Would that still be fairly typical?

Mr Sawtell—We believe so, but we have not done that kind of cross-relational research. That is the sort of task where you would need an ABS to plug into. Within the resources that we were given we did not do that. However, just from an observational point of view as opposed to a statistical point of view, most of the people we were dealing with were in that

age group in small business. Queensland is especially affected by this, because a lot of people have migrated to Queensland with redundancy packages and so on and have seen the way to investing in a business in Queensland. I think Sandy was involved in some of those focus groups. Most people would have been of a mature age. I am not saying they were all over 50 or 45, but they were older people. There were not too many young ones amongst them.

Mr BARTLETT—How about small businesses which undertook the diagnostic process, were part of the BOOST program or accessed their services? Was there any noticeable shift in their level of success?

Ms Mikami—BOOST is actually not up and running. The research that we have done was almost like test marketing. With the actual operation at the moment, we have completed the business plan and it is currently being reviewed. There are a number of complexities, and the model at the moment is probably a rather expensive thing to set up. It is actually not in operation at the moment, and the figures in the paper refer to the research that was done as part of the feasibility study.

Mr BARTLETT—You would expect, though, that the support the program would offer would increase the success rate. Certainly the NEIS program has quite a high level of success of businesses, and a year or two years after startup they are still running successfully.

Mr Sawtell—One of my colleagues, Peter Weightman, who was CEO of the Queensland Small Business Corporation back in the mid- to late-1980s, has been researching this area for some time. He ran a trial program through TAFE about five or six years ago where people with the kinds of skills that I talked about before were brought into a TAFE course. It was a course run under one of the labour market programs offered by DEET—Jobtrain, I think. They took 20 people from the long-term unemployed group from the CES, people with the kind of business experience or whatever that lent them to the capacity to offer those sorts of services to small business—personnel and marketing and those sorts of things.

At the end of a six-week program, 18 of the 20 proved to have been very successful as consultants in their own right, and that is building their own group of clients. When you build a group of clients you are in effect building yourself a job with five or six employers. Most of those are either still in consultancy now or one of the employers for whom they worked said, 'We would like you to come and work for us.' It is a matter of demonstrating that. It is a bit of a long jump, but that would not happen unless what they were doing was valuable to the organisation. So I think that probably says that, yes, you can induce some success in the receiving businesses if you apply those kinds of techniques.

Mr BARTLETT—I suppose it depends on the range of skills that the businessman has and the sort of area they are in. There are a lot of mature age unemployed who go into businesses that are basically retail, cafes, gift shops and those sorts of things where they are not going to develop consultancies, obviously, and they are not going to make much money. In fact a lot of them see it as just a means of buying themselves a job.

Mr Sawtell—That is true; however, with the two groups it is kind of a binary situation. The people who do have those skills—how to make a cup of coffee or whatever—can help the ones who do not have those skills. There are always opportunities for those sorts of things. There are five main areas to running a business, which I mentioned before and which are mentioned in the paper. The person who decides to buy himself a coffee lounge can benefit from all of those skills: marketing, information technology—keeping track of the number of people who come through and what they order is information technology, in effect. So they benefit. It is one group helping another group to succeed. They both help each other to succeed.

Mr BARTLETT—One last question, if you do not mind: for those people who know that their business will not be successful but are just trying to find something to do, do you think that, rather than encouraging those people into some of those businesses, we would be better off finding volunteer programs and so on—other things for them to be actively contributing to the community and still receiving some degree of financial support?

Mr Sawtell—Absolutely. Can I quote my colleague Peter Weightman on this, because he lectures at TAFE in these sorts of areas, in the TAFE Small Business Startup Program. He says that one of the great benefits of that is that very few people, after they have been through the program, decide to go into small business. Once they find out how hard it is, they think, ‘I might be better off getting a job or doing something else.’

We mentioned that 20 per cent of people are in a critical phase; that is, their businesses are so bad and their capacity is so poor that they should not be in business. One of the aspects of BOOST, or whatever that might become in the future, is to help people move out of that. It is almost like a business outplacement service where they are told, ‘Look, this is not the sort of thing you should be doing. You really do not have this capacity. How can we help you move into something else?’ There is that aspect to it as well, so I agree with what you are saying.

Ms GAMBARO—I would like to talk to you about early intervention programs. We have had witnesses who have spoken to us about massive plant closures. Is there more work that can be done to get to people before they are actually unemployed?

Mr Sawtell—That goes without saying, I think, but is that perhaps an employment issue, Joe?

Mr Cazey—With large-scale things, like BHP—

Mr Sawtell—You know in advance.

Mr Cazey—where major things happen, there is a lot of warning and the sheer mass of the problem—the blip on the radar that is going to be inserted in the system—means that something is definitely done about that. There are still huge numbers of people who find out that they are not going to have a job in a couple of weeks time only when the company has finally hit that critical point and is going down the gurgler or has to downsize dramatically. They are the ones who do not get the time for it.

The idea that people need to do something about themselves needs to be inculcated in them—‘There but for the grace of God go I. I am 54. I need to start putting some insurance in the bank,’ and I am not talking about money insurance; I mean preparation for what happens if the organisation does not win enough contracts or has to restructure. It is a fact of life. People have to get the idea that there is no security, they have to be convinced of it, and they have to do something for themselves. You know as well as I do that a small percentage of the population will agree with that and do something about it, a small percentage will agree with it and do nothing about it, and the rest of the people will stick their heads in the sand and hope it all goes away.

We have to get people used to that idea of looking ahead to what might happen to them in two or three years time. We are very dependent on government contracts. In my business we would love to do a lot more non-government business, but that is the kind of business we are in. So we have just got to make sure we are putting lots of irons in the fire and have lots of different things going in case this one falls over. That idea has to be put out to other people. We need to make sure that people recognise that security is dead. Whether you are 14 or 54, you do not have any job security. With great respect, it is just the same in your industry. We all need to look ahead, but you cannot get that idea across to a lot of people. It is anathema. It is looking at something they do not want to recognise. I do not know how you can change that culture, but that is the message we are trying to get across to people. We deal with unemployed people—alas, that is too late. They have already fallen foul of that problem. Getting that idea across to people who are in work is an area that, with Job Network, we are not able to implement, and I do not know who can.

Mr Sawtell—Can I come back to that point again from a business perspective, because there is an interesting issue there. Having worked for the CES for a number of years, I did not think it was all a bad thing, frankly. We had an organisational structural capacity to respond to major closures, because CES used to do exactly what you are saying. When it knew of major closures it would send people out, and there was the Office of Labour Market Adjustment and so forth which would respond to people’s needs, talk to them about their opportunities, get them to register for unemployment benefits and all those sorts of things. Now, if there is a major downsizing, one of the major options for people leaving is to take up their own business. There is employment, there is going into a business or there is doing nothing—and some people do take that option, of course.

What is missing is that there is no real interventionist process to talk about how you run a business. There may be stuff on how to register for unemployment, how to deal with your superannuation package and so on, but there is nothing, as far as I know, and I am happy to stand corrected, which says, ‘If you are talking about running a business or going into a franchise or whatever, you need to take these steps, talk to these sorts of people and find out what is involved.’ Everybody thinks they can run a business, frankly. It is not until four or five years down the track that they realise that they did not know as much about running a business as they thought.

Ms GAMBARO—I take your point there. A long-term unemployed gentleman told me he had gone to the Centrelink office and they said, ‘Mate, we do not know what to do with you. You are pretty good, but we only deal with the desperates, the drop kicks.’ Is there a place for some sort of mature age job centre? This gentleman had not sought assistance for

about a year and a half, had tried to access his superannuation and found out that he could not do that because he had to be out of work for a number of weeks. Is it more than pride that stops people from going in or is there a perception that you only go there if you are really desperate?

Mr Sawtell—It comes back to the psychology of having had a long-term job in a single career type of situation. Many of these people have lost their job through the corporate changes that have happened over the last 10 or 15 years. These are people who never expected to be in that position and who are not used to that kind of situation where they have to go along to a government agency for assistance. There is that aspect and that has always been around.

Ms Mikami—One of the things that came out of the Job Network discussion group was that mature age people, because of the various attitudinal problems that they bring with them—anger, fear or desperation because of the situation that they find themselves in—need more preparation through interview skills, reworking their resume, training, role playing and all of those sorts of things to prepare them for job seeking than younger people. So from that point of view it would be useful to have a mature age job agency which, from the beginning, recognises that mature age job seekers have different or greater needs than the job seeker who is younger and has only been out of work for a month.

Ms Ruttiman—Any organisation that is prepared to advocate for mature age placement in employment is very important. They would not just be helping mature age unemployed people to reskill themselves or persuading people to employ them, but they would be getting out there, breaking down the myths around mature age unemployed and advocating very strongly for them to be employed by organisations that traditionally would not employ them or who will look at their resume and say that they are too old and that they will not consider them for interview. If there is someone there advocating very strongly for them then that is going to be of benefit.

Ms GAMBARO—That has come through from public education and employer awareness. On reskilling and on-the-job training—I do not know if you have had this experience of if your research shows this—are women much more flexible when it comes to attending on-the-job training compared to their male counterparts?

Ms Ruttiman—Some of the research that has come from the age discrimination report was not necessarily that women were more flexible with respect to training but that women were more flexible with respect to re-employment and that women were more likely than men to take on casual employment at a lower skill rate than they are trained for or even at a lower level of pay. There are many reasons for that—some of it is due to child-care responsibilities, some of it is that they are re-entering the work force after a period of being unemployed, because they had taken leave or resigned from jobs to care of children or because of family responsibilities or things like that. The research that came out showed that women were more prepared than men to take up casual employment or what they would perceive as lesser roles than they were previously in and that they aimed at a lower level of employment than men who are seeking re-employment.

Ms GAMBARO—That has come through from other groups who have presented. Is that necessarily a solution to the problem, though, taking a lower skilled job?

Ms Ruttiman—I do not think it is. It creates a system of poverty for women who are in the older age groups. They cannot access superannuation when they are casually employed. Also, because they have not had continuous service, their superannuation would not have continued. When they get to the age group where they may be looking at retiring or not taking on any form of work, they have a lower level of income to support them. It is definitely not the solution. I think the training of male and female employees is very important. On-the-job training is important, but schemes such as those that exist for youth—such as the community youth support schemes that exist throughout Queensland and throughout Brisbane—would also be beneficial for mature age workers. They would be able to access training with respect to technology and other areas that they may not have previously looked at or that they may not be skilled in or qualified in.

Ms GAMBARO—We have had a number of people come to us who have sent out 500 to 700 resumes. Having worked in the personnel industry—and I know Joe has worked there—when mature age people become unemployed there is this desperation about getting a job. This is just a thought, but perhaps a lot of the jobs they are applying for are not within their area of expertise. In my professional capacity, I see a number of people who are experiencing a high level of depression. When after sending out 500 to 700 applications you get rejected, that negativity manifests itself. I take up what was said earlier about mature age jobs centres and focusing on resumes. Have you found that people will send out 700 applications?

Mr Cazey—Yes. People have this idea that as long as they are doing something—sending out resumes—they are helping themselves. But, if the resumes are not targeted to that job, the effort could be quite nugatory. They should not be putting information in the resume that they do not have to. Saying that they have had 16 years in marketing or 22 years in sales during which they achieved salesman of the year for five years running says that they have to be over a certain age. They are missing out on the first cut. You might get 74 applications for one position. Some person low down the scale is given the job of cutting the number down to 10 serious ones. They are told to rule out anyone who is X, Y and Z—whatever those categories might be. They will do a raw sort and come up with the first short list, if you like. The categories to be cut out will be anyone who is over a certain age or anyone who does not have a particular skill or whatever.

If you are sending in the perfect general purpose resume that says you can do a number of things and that that is why you would be able to work in the company is not targeting the job. So a lot of that work is nugatory. Even if the resume is reasonably relevant, they are missing out because they have put in too much information. We say things like, 'Don't put your birth date down, don't say you have had 16 years marketing. Say you have had a number of years in this field, a number of years in that field.' You are not playing with the truth; you are just not telling the whole truth and making it so blatantly obvious so that in the first cut you are out.

Ms GAMBARO—Covert.

Mr Cazey—Some of that has worked. The individual has to sell themselves so that at least there is a chance of them getting to interview. Quite often, if they get to the interview, they have skills that are attractive to the employer. If they are missing out in that raw sort, they are way behind the eight ball.

Mr Millard—Joe is quite right. As an employer of 41 years, that is exactly what we do in our business. The person doing that raw sort is probably the age of young Kate here. If we were all going for a job, and we were to be interviewed by Kate, she is going to look on us as pretty much over the hill. Unless we had the skills for that job, we would not get it. I know in my business that the general manager started in that position when he was 30. He is 37 now. It is human nature to employ somebody younger than you. I think this is a big impediment for people who are of mature age. I know it is not a solution, but it is just one of the problems. Industry today is employing younger and younger managers. Kate would be of that age group where she might be doing that initial sort or the actual interview. She is going to look on all of us around this table—human nature being as it is—and she is going to choose someone younger than herself.

Ms GAMBARO—Is she going to employ someone like herself?

Mr Millard—Yes.

Ms Ruttiman—To reinforce what Alan is saying, it actually came out in the age discrimination report that, definitely, the younger managers were looking at people who were only a couple of years older than them as being too old for jobs or even only a couple of years younger than them as being too old for jobs. It certainly is a barrier that needs to be broken down. Seven per cent of employers in Queensland view people between the ages of 36 to 40 as older workers, and I think that that in itself is phenomenal. It shows the changing attitudes of society. If we keep going younger and younger in our perceptions of 'older', the disadvantage to people in the older age brackets is going to be phenomenal.

Ms GILLARD—This discussion has been very interesting. A number of issues were raised and some of the stuff in the submissions is directed to older workers who have come out of administrative or managerial occupations—who have been cleaned out in the downsizing which has affected middle and even some senior management over the last five years. Part of the issue we have to address too is: how do you get back into the work force if you are a 48-year-old male blue-collar worker who may or may not have any history of occupation related injury or some other form of ill health? A lot of the material we hear does not address that end of the problem, which might be the most intractable end. To suggest computer literacy courses as the answer is really not to look at the person and where they are going to end up in the labour market. I would be interested in any of your comments about what can be done at that end, and in particular whether wage subsidies are required to get employers to think about putting on workers in that kind of demographic.

Ms Ruttiman—A 48-year-old blue-collar worker would be seen as ancient. One of the outcomes of the report was that, if you are 25 and you are in a blue-collar industry and you are unemployed, you are seen as being old more so than if you were 25 and you were in a white-collar industry and you were unemployed. How do you overcome that perception? Again, retraining of community as to what is old and what is viewed as old is needed, but

there also needs to be recognition of the skills that those people bring to employment. That is something that blue-collar workers bring that may be different. The trades and training that they went through when they initially went into trades or into the blue-collar area may have provided them with a lot of those skills that currently are not employed within those areas because things are easier, more modular, more capable of being put together. I do not know the solution. I cannot give you that.

Mr Cazey—Personally, I have always felt that wage subsidies are a waste of taxpayers' money simply because business by its very nature—without wishing to be fraudulent and without wishing to cook the books—will always look for ways in which it can take advantage of that. We saw countless examples of it in the previous regimes where wage subsidies were the key for employment. Folk were put on for the duration of the wage subsidy and then all of a sudden, 'Gosh, the business is not doing so well, I'm going to have to put you off,' and then a few weeks or months later the business puts someone else on to take advantage of it. So I would see probably the money would be less well spent doing that.

I do feel we have to work somehow on an education program to convince people within business—the Alan Millards, the Joe Cazeys and so on—that these people are very good workers in the main and that they are people who have a lot of work ethic because they were employed at a time when you did your X hours a week and stuff like that. We need to disabuse some of the myths associated with it—'If we employ them and we have to make them redundant, we are going to have pay more to pay them out.' I hear a lot of funny myths around the business about why employers do not want to employ older people. Most of them are clearly not true, but they are locked in because nobody has ever gone out of their way to make sure that that is shot down.

Ms Mikami—The issue of wage subsidies was brought up in the discussion group. It was pretty unanimous that they did not think it was a good idea, because if you subsidise mature age unemployment you disadvantage some other group.

Ms GILLARD—There are displacement effects, yes.

CHAIR—Still, they are doing it in three states and one territory.

Mr Sawtell—I will make one very quick point in relation to Teresa's point. We do finish up in the paper by mentioning a specialist employment service, so it responds to the sort of question you were raising. Perhaps if that is looked at in some detail, it might offer some answer.

CHAIR—Thanks so much for providing your submission and for your doing what you are doing in a collaborative way. I know it means a lot to the people you are helping. If you have any comments to make or a supplementary contribution to make, do not hesitate to send us a missive, and we will take that into account as well.

[10.23 a.m.]

FITZGERALD, Mrs June Isabella, President, DOME (Don't Overlook Mature Age Experience) Job Search Association Inc.

McCONNELL, Mr William John, Project Coordinator, DOME (Don't Overlook Mature Age Experience) Job Search Association Inc.

CHAIR—Welcome. I invite you to make an opening statement, to give us a precis of your submission, and then we will discuss it.

Mrs Fitzgerald—DOME Job Search Association Inc. was formed in response to a public meeting held at Nundah in February 1998. The association was incorporated in May of the same year and opened its office in Banyo in June 1998. The association is a non-profit self-help community group for people over 40 years of age who are seeking work. Our financial support comes from a \$10 membership fee and grants received from various sources. Currently we are operating under a grant from the Queensland Department of Employment, Training and Industrial Relations.

The main emphasis of the association is that it is a self-help group. We help each other to help ourselves find employment and provide moral support during the search. The support supplied covers the whole spectrum of assistance required by a job seeker other than financial support. The association offers some training in fields such as job seeking skills, introductory self-directed courses in computer training and office skills training through voluntary work in the association's office.

The support which we have found to be most in demand by our members is moral support. All people in the office are members of the association who are seeking employment. Even the two part-time coordinators currently employed for the grant project are members of the association. When anyone contacts our office, they are speaking with a mature age job seeker.

The association has 199 members, of which 124 are males and 75 are females. DOME is the only resource for job seeking assistance for 51 of the 119 members interviewed since June 1999, that is, they are ineligible to be registered as FLEX 2 or FLEX 3 job seekers through Centrelink. Since 28 June 1999 we have placed nine members in employment, 22 have found employment after assistance from DOME and 37 are currently receiving training from the association. The geographic area on which we focus our attention, because of finance and human resources, roughly covers the area of the federal electorate of Lilley. From figures given by DETYA, this area has the highest rate of mature age unemployment in south-east Queensland. These figures are higher than the youth unemployment rate.

CHAIR—With the people who are ineligible for Jobsearch assistance, is that because of their assets?

Mrs Fitzgerald—Spousal or partner income. People like me, whose husband works, are not eligible for any assistance whatsoever.

CHAIR—This is a major problem?

Mrs Fitzgerald—It is a major problem with those people who cannot receive assistance anywhere. Even though they may not be eligible for assistance under the FLEX 2 and FLEX 3 guidelines, they do require assistance in job seeking skills and training. People who cannot receive that FLEX 2 or FLEX 3 assistance do not have the finance to pay for training to the private providers. For example, you can get training under FLEX 2 and FLEX 3 for telephone service centres, but if I wanted to do that it would cost me \$2,300. Where do I get it?

CHAIR—What sorts of changes would you like to see in the system in terms of eligibility?

Mrs Fitzgerald—Because of the attitude of hirers—we do not call them employers because the employer is often not the hirer; there is a big difference there—to mature age job seekers, we think that all assistance should be available to all people over the age of 40, irrespective of their socioeconomic backgrounds.

CHAIR—You said in your submission that you thought unemployed people over the age of 55 should be able to register for Newstart and not have to touch their superannuation. Do you have any example of how this system is working against people? One of the budget measures in 1996 was to require people to draw down on superannuation over the age of 55.

Mrs Fitzgerald—People in our age group have set up their superannuation to be effective really from the time they are 60 or 65. They see those years from 55 to 60 as a time for getting things such as the car paid off, finishing off mortgage payments, finally paying off the kids' education and things like that. When they have to draw on the money that they thought they would not have to access until they were 60 or 65 but have to access at 55, that lowers the amount of money which they would have access to in their later years when they need it for health and things like that, and going into retirement homes.

Mr McConnell—I am in a different situation. I never had any superannuation through my working life. I virtually self-funded my superannuation. I had a certain amount of money that I was able to draw on while I was unemployed and I thought it was a little bit unfair that that did not come into account; I was cut off from any sort of assistance because of my assets. I considered that superannuation was part of assets and that I was being unfairly treated because I was not in the same position as the people with superannuation before the change came in.

CHAIR—I am not quite sure what you are saying. Do you support the superannuation change?

Mr McConnell—Yes.

CHAIR—Okay. Don't worry: within the government we always have different views too, I can assure you.

Mr McConnell—That is my personal point of view. I had to use my assets, and I did not think it was quite fair that I had to use them and that other people could still have theirs away for later on. I had to use mine up.

CHAIR—Others have suggested that, in requiring people to draw down on their superannuation to a significant extent, perhaps we are effectively forcing them onto pensions at a later time in their lives.

Mr McConnell—Certainly. It just gets used up.

Mrs Fitzgerald—Yes. That is the point. That is what is happening.

CHAIR—How can you make sure that public resources are targeted to people who really need them and not to those who have significant resources? You said that young people are influenced in their work ethic by having older workers who are members of the family being retrenched after loyal years of service; that this is affecting the attitudes of young people. Could you just expand on that a bit?

Mrs Fitzgerald—Some members in the association have spent 30 years with one employer and been retrenched. They have spent those years as dedicated workers and put their families second to their place of employment. The children, who are of employable age now, are saying, ‘Dad, you got thrown out with no consideration given to you. Why should I remain loyal to an employer? If I don’t like the job, I’m going to walk out, because 30 years down the track the employer is going to decide that I’m too old and is going to throw me out. So why should I be loyal now?’ So you have an instability in the mind-set to employment in a lot of the younger ones who are coming up now. I believe that in areas such as Ipswich now you have third generation unemployed.

CHAIR—Yes, and in other parts of Australia too.

Mr EMERSON—Just in terms of the profile of the people who are part of your network, is there any scope for some voluntarism? This is not necessarily a substitute for gaining employment; you can actually accrue points towards Newstart through volunteer work. I have raised this before. You would have some knowledge of the people from your network who, through the support a reader program which runs in Queensland, are assisting kids at school who have reading difficulties. Would there be people suitable to do that sort of work?

Mrs Fitzgerald—Yes, we do have people who are suitable to do that. But they lack the confidence to do it, because of their experience in the paid work force, in that they have been cast off and they see that society is asking them to do something for nothing. They are not prepared to pay them to do the job, but they are asking for something for nothing from them, again.

Mr EMERSON—But if they were already on an allowance, like the Newstart allowance—

Mrs Fitzgerald—Yes, if they were on an allowance—

Mr EMERSON—and they said, ‘Righto, look—

Mrs Fitzgerald—Do not make it compulsory for them.

Mr EMERSON—No, not at all; it is pure voluntarism. But, as we were saying earlier, instead of setting out to achieve this sort of eligibility to continue with Newstart, running around and sending out dozens of resumes that they know are not going to have much effect and going to job interviews—if they get that far—that they know are not going to have much effect, which is demeaning, it is saying, ‘There are some positive things that you can do as well. You are contributing to society. Your Newstart allowance is guaranteed under those sorts of arrangements because, instead of going through this soul-destroying exercise in futility in trying to get a job, you could be doing a public service.’

Mrs Fitzgerald—That is the idea behind DOME. We have applied to Centrelink to be recognised as a voluntary work centre, but we have not heard back from it. Part of your agreement when you join our association is that you give half a day of fortnight of your time to the association. We utilise people’s skills in areas which are best suited to them and in doing what they are most willing to do. A lot of people are trying to force voluntary work onto the mature aged person. We have had discussions over this. The mature aged job seeker really needs case management right from the very beginning of unemployment, not 18 months down the track.

Mr EMERSON—When so much damage has been done.

Mrs Fitzgerald—Yes. The damage is done; they are despondent. So, if you can get them right at the very beginning of becoming unemployed and get them involved in a voluntary capacity in some way, where they can see that the skills they have are useful and being passed on to a younger generation, and in some cases an older generation, and can also acquire new skills doing that voluntary work—do not make it three or four days a week; make it half a day or one day a week—you would get much more positive response than leaving it until later.

Ms GILLARD—We have had evidence before this inquiry as to when redundancies are taking place in a firm, and we have had the absolute horror stories where people are literally told to pack up their desks that morning and go. Then we have heard that when some of the larger firms have had large scale redundancies they have gone through an extensive process of consultation and out-placement. We have talked with witnesses about trying to set up a best practice model—if you do need to engage in redundancies—as to how redundancies should be done. I was just wondering whether you could make any comments in terms of the experiences of your members about what could ease the path through redundancy and into a new job; what an employer—or, indeed, a government agency—could do at that stage which would help smooth the way.

Mr McConnell—I really have not had that much experience with the people. I have only been employed there for four months. I never really went through a redundancy process. I was self-employed before I joined DOME. But I really think that the earlier you can get into retraining the people and adjusting their mind-sets as to not retiring in the mind, to keep that

active and make sure that they have to look after themselves, the better. That is what we are based on, encouraging people to basically look after themselves.

Ms GILLARD—So you avoid any dormant period between the end of employment and the commencement of some form of assistance.

Mrs Fitzgerald—Yes.

Mr McConnell—It is harder to catch up after there is damage done. It is harder to do counselling to catch up with that and get it changed in their minds.

Ms GILLARD—Are the people who have become members and are active in DOME across the full occupational range?

Mrs Fitzgerald—Yes, right from the unskilled blue-collar worker up to people who have been state managers for multinational companies. We have the educational spectrum as well.

CHAIR—From the state managers of multinational companies up to the blue-collar workers.

Mrs Fitzgerald—Whichever way you want to put it. I was thinking in terms of finance.

CHAIR—Yes, I know.

Ms GILLARD—Having been a typist, I always say: if you get on with the typists, you get your work done a lot more efficiently.

Mr McConnell—The majority of our members, though, are in the administration-clerical type area. I am thinking about the comment somebody made in the last submission that the blue-collar workers can be a bit of a problem. We do not really find that many blue-collar workers coming in for help from us, because they seem to be able to help themselves a bit more than those people who have been in a job for many years and doing a very limited type of position. A blue-collar worker seems to have a multitude of skills and to be able to spread those skills out a bit, but in the administration-clerical side it seems to be a much narrower band. The blue-collar worker seems to be able to spread themselves around to try other things if they become unemployed.

Mrs Fitzgerald—Seventy per cent of our members are white-collar workers, and the other 23 per cent are blue-collar.

Ms GAMBARO—I hope the question I am about to ask you was not already asked when I had to leave. One of the things that we have found is that people who have been employed in middle management want to go back to the jobs that they had in a previous occupation. Are you finding that? Are they inflexible?

Mrs Fitzgerald—No, we are finding that they are very flexible, because a lot of them are at the stage where they are quite happy to accept that lower status job just to have a job to see them through until they decide to retire. I have had said to me, 'You will be bored

with this job,' because I have been a teacher and I have been a supervisor and things like that. I am quite happy being an Indian. I just want a job that will take me through to retirement; I have had the job with responsibility and stress. Most of our people who have been management level are of that same mind-set. We have one who was state manager for a company and served in their overseas branches, and he is now working as a handyman at a retirement home. He said that it is the best job he has had in his life. He is 52 years old and he is quite happy to stay there until he cannot bend down and pick the weeds out of the garden or does not have the strength to turn the water cock off so that he can change the washer in the tap. They are flexible in coming down to lower status jobs.

Ms GAMBARO—On forward planning of organisations, on an economics committee that I am on we heard that the Commonwealth Bank went through a period, as did most banks, of resizing and restructuring. One of the things that I was quite impressed with is that they had previous managers, who had retired or whatever and wanted to come back to work, conducting seminars for older Australians on the new uptake of flexi machines and so on, and forums for older Australians. I suppose this is a subjective thing, but is there more planning required by companies, particularly with their future needs and the changing socioeconomic demographics of getting older, to look at bringing back people? Is there a human capital drain from organisations that will get worse in time?

Mrs Fitzgerald—Yes, I think so. I have recently done some work where the position had been held by young people straight from school and university. They were whizzes with the computer, but they had not been told that there was a paper trail to follow because they had never had an older person who knew those responsibilities to mentor them. Anybody in our age group will remember that when you started work you were placed with someone for a day or a week or a month, depending on what the type of work was. That does not happen now. You are shown your desk and you are told, 'That is the work to do.' So the younger people coming into the workplace are missing out on the experience that the others have, that there is a reason for everything happening. That is why I think a lot of smaller businesses are having problems, that there is no-one older there to dot the i's and cross the t's.

CHAIR—Coming back to the earlier issue of dismissals, you said that earlier intervention is better and that there is no question it is easier for people, particularly in this age group, to find a job if they have already got one. Do you think there is a place for formalising redundancy and dismissal processes that perhaps involves Social Security and support agencies, financial planning, family members and others so that, when a business is going through the process, for whatever reason, of having someone having to leave, they actually involve people at that stage, including financial advice?

Mr McConnell—Financial advice is definitely important. They come up with a substantial package and it is more or less time to say, 'I can enjoy myself.' They can go away for a trip or do whatever they like to do, and all of a sudden comes crunch time and they have run out of money or something like that. So there should be earlier intervention definitely for financial planning.

CHAIR—The whole business is basically a grief and bereavement one. It is like losing a leg or a breast, or a wife or husband, or something like that, in many ways. One of the

problems we have encountered is that a lot of these people had jobs for 10, 15 or 20 years, frequently with the same employer—

Mrs Fitzgerald—Thirty-five.

CHAIR—Yes. They have never heard of Centrelink; they do not know what you are talking about. They are often out there going through this enormous personal grief and economic disaster and not telling anyone about it. How do you think we could better educate people generally about what is available for them? Do you think there is a place for DOME in that?

Mr McConnell—There is certainly a place for DOME in that. Today there is a bit of a rush to get an outcome with a group of people. We find that we are counselling on a one-to-one basis very frequently, talking to people about their problems and spending an amount of time to talk to them. I think that a lot of the job agencies around are fairly rushed and are only looking at the dollar at the end of the tunnel. We take a little bit more time with the people.

CHAIR—With young people, for example, we spend a lot of time—one wonders at times why—trying to educate them about drugs and what to do and where to go to get help for various problems they have. Do you think there is a place for educating the work force generally about what is available for them if they find themselves in this situation? What is the Job Network? What is Centrelink and what does it do? Could that be something that employers and possibly even unions could be involved with?

Mr McConnell—I think that unions should become involved with that a bit more.

CHAIR—Not trying to put the frighteners up anybody—

Mrs Fitzgerald—Unions need to reinvent themselves and look at the fact that their membership is declining because the number of mature age workers in the work force is declining. They have to reinvent themselves and start, firstly, getting the younger ones involved and, secondly, getting the older people back into the work force. To get older people back into the work force, which is what we want to do and what this inquiry is all about, there is a need to educate the hirers and get them to see the benefits of having mature age people in their workplace. A lot of the hirers today are under 30. They have come out of university with their diploma in human resource management—a human resource is a broom and you put a stock number on it—whereas the older person is used to being treated as a valued member of the staff.

CHAIR—How do you think we should go about educating employers and hirers; I understand the distinction. In one sense it is a bit easier with the bigger companies, I suppose, but we have got all these small businesses out there which employ two, three, four or five people. How do we get to them?

Mr McConnell—It is very difficult for the smaller employer who only has four or five people to be able to allocate some sort of resource to train their people and to be able to get

an outcome with them when they are downsizing. I would think that advertising and a public awareness program could target those small employers.

CHAIR—Could we do something through the Institute of Chartered Accountants or CPAs when people have their tax return sent to them? Often with Medicare cheques we put messages on them about health things. We could be getting to employers with simple messages about the benefits of older employees, for example.

Mrs Fitzgerald—Yes, anything. We ourselves at the moment are trying to organise a seminar session with employers in small businesses. One of our members walked around the local Geebung area and took down the name of every business in the area. We are going to invite them to a seminar and find out what they want from mature age employees so that we can see whether there is anything we are lacking from their perspective and then sell to them the benefits of employing mature age people. With advertising, it is always subtle advertising that works more than the in your face advertising.

CHAIR—I think most people in business, if their accountant said, ‘Do you realise that you would have a more stable work force if you had a couple of older people in it,’ would be inclined to take that sort of advice.

Ms GAMBARO—I have just one other question. We have spoken to your organisation throughout Australia. You have great success in placing mature age people.

Mrs Fitzgerald—We have nothing to do with—

Ms GAMBARO—Sorry. My apologies.

Mrs Fitzgerald—We are stand-alone. Our initial impetus was from someone here in Brisbane who had belonged to DOME over in Adelaide. But when we started and tried to contact Adelaide, we were told they had closed. We could not contact them.

Ms GAMBARO—All right. Well, you are doing a good job, anyway.

Mrs Fitzgerald—It was not until we read the *Hansard* reports of this committee that we knew that DOME was operating in Perth and in Adelaide. We had tried the phone book and everything.

Ms GAMBARO—The register of company names will have an interesting time. Would mature job seekers prefer to deal with mature consultants?

Mrs Fitzgerald—Yes.

Ms GAMBARO—Do you find that?

Mrs Fitzgerald—Yes, they do. A large percentage of the hiring is done now through the private employment agencies. They see the 25-year-old glossy brochure image person who is hiring them who has no idea of the types of work that the mature age worker has done in the

past. So they have had negative responses there. When you are going to counsel them, they need counselling by people their own age who can relate to their own life experiences.

Ms GAMBARO—Could more work be done with recognition of prior learning? You have just hit on the fact the human resources managers are young but also the people that are in the job network have no recognition of prior—

Mrs Fitzgerald—Yes. There is no recognition. We did on-the-job training. There were no university courses or things for a lot of the job skills that we have. You now require to have the magic piece of paper. So there needs to be an official recognition somewhere that these experiences are as recognised as the magic piece of paper.

CHAIR—There was just one other thing. You made the comment in your submission that some employers exploit mature age job seekers by offering them low wages. Can you expand on that a bit? Is that happening?

Mrs Fitzgerald—Yes. We have people who want to employ what used to be ‘private secretaries’ and are now ‘personal assistants’, and they are offering salaries of about \$21,000 or \$22,000 a year.

CHAIR—Knowing that these people are desperate enough to take that and they would actually be very good at the job?

Mrs Fitzgerald—Yes. For example, the position of CAD operator—that is, specific software design that draftsmen and architects and estimators use—is worth on the real market \$35,000 to \$40,000 a year. We have had employers ring us offering \$19,000 a year.

Mr McConnell—We have an experience very recently with someone we had found a job for and the employer was really only using them as a temporary fill-in. We were not advised that it was a temporary job to start with. There are some mind games and some funny things going on out there, where they use our people just to fill in gaps because they think they are reasonably desperate to get a job, and then get rid of them very quickly in a not very nice way.

Mrs Fitzgerald—This person had gone to them thinking they had a permanent position, and was told at 5.30 Friday afternoon, ‘Goodbye.’

CHAIR—Thanks for coming along. If you have any other comments to pass on, we will be happy to receive them.

Mrs Fitzgerald—Thank you for listening.

[11.02 a.m.]

SPARKS, Mr Alan John, Chief Executive Officer, East Coast Training and Employment

CHAIR—Welcome. Would you like to give us an overview of the problem and your suggestions, and then we will have a talk about them.

Mr Sparks—I have prepared a statement, which I would like to present; I think it will cover the points. The reality of our population growing older is recorded in the estimate that, by the year 2021, 43 per cent will be over 45 years of age. The implications are well known to this committee and include the burgeoning social security costs; reduction in national productivity; increases in crime, suicide, family breakdown, drug abuse and poor health, all linked to long-term unemployment; the reduction in social cohesion, a widening gap between the haves and the have-nots; and the further degradation of the family unit. While these predictions 21 years into the future must raise concerns, the social impact of mature aged unemployed today is a more pressing challenge.

If we address these circumstances today we can change the future impact. Traditionally, government policies have focused on youth unemployment. I quote from a letter from the Queensland Department of Employment, Training and Industrial Relations, dated 1 October 1999. It says:

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

It is encouraging that this committee is contributing to a shift in that focus, to what must be a more balanced approach to unemployment—one that does not discriminate on age. In preparation for this appointment today, I conducted a sample survey across our community employment activities helping mature aged unemployed. To the question, ‘What are the three most stressful things about being unemployed?’ the highest response recorded was a loss of financial security. This was followed closely by the loss of self-esteem. When asked, ‘Why is it important to get a job?’ the highest response reflected the desire to regain self-esteem. Today, thousands of mature aged unemployed have lost their self-esteem and ask nothing more than to regain it. If we neglect today’s cries for help, Australia faces the prospect of losing its national self-esteem in the future.

I believe our aim must be to reduce the growing number of mature aged unemployed. It is suggested that the following factors are important in formulating a strategy to achieve that aim. For government, it has already been stated that there persists an historical perspective that unemployment is a matter of youth. This view is embedded into government policies and the public perception as a consequence of past lifelong careers. It influences the attitudes of employers, industry and business and contributes to the psychological barriers evident in the mature aged unemployed. It is discriminatory and not supported by fact.

A respected elder of the Sandy Desert people in Western Australia once said, ‘Governments should fund projects, not people. Self-esteem is found in projects and lost in welfare.’ Greater opportunities can be presented through focus programs and projects such as

those currently identified under Breaking the Unemployment Cycle's Community Employment Assistance and Community Jobs Plan programs.

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

Communities can offer considerable support to the mature aged unemployed and their families by providing ready access to information and services. An example is the community web site at Redcliffe where a wide range of community agency services is posted. A second example is the specific programs which East Coast Training and Employment conducts specifically for mature aged unemployed. These programs—mature aged job clubs and our mentor program—are to be funded under the Queensland government's Breaking the Unemployment Cycle program.

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

For the mature aged unemployed, those who find themselves displaced from the work force after a long time of regular employment, the psychological impact can be severe. Compounding this period of upheaval is the economic uncertainties of middle age when we are often committed to a mortgage and consciously or subconsciously looking forward to greater financial stability with children less dependent and lifestyle demands diminishing. The opportunities for re-employment can appear limited and the competition of younger applicants often unsettling. In many cases, people in this predicament may lower their ambitions attempting to quickly re-establish security in their lives. This short-term solution may simply generate more dissatisfaction and yet another round of job displacement.

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

For employers, the reality of business enterprise is that they must focus on productivity and profitability. The human contribution to productivity is not generally age dependent but relies on knowledge, skills and attitude. These attributes are often great strengths of the mature aged unemployed. In particular, the attitude of mature aged unemployed is generally

one of commitment, stability, robustness, flexibility and loyalty. The one major obstacle to gainfully employing these talents in a business tends to be wage cost. This is not supported logically, if viewed as a matter of value for money. However, in most cash flow dependent small businesses the reality of adult wages has an immediate impact on daily survival rather than long-term outcomes and profitability.

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

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

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

It is therefore recommended that the committee consider that at government level they remove the emphasis on age discrimination from all employment initiatives and replace policies with an affirmation of the values of human endeavour; look at increasing funding priorities for mature age unemployed programs in line with population ageing trends; consider incentives for employing mature age unemployed as for apprenticeships and traineeships; reinstate funding to encourage employees to gain recognised qualifications through an RPL process; recognise the contribution and value of community based organisations; fund an advertising campaign to promote the values of mature age unemployed to business and industry; identify successful programs and expand them nationally, recognising that demographic circumstances for success may prevent the export of some programs; and focus programs on small business placement outcomes.

Community organisations should be encouraged to identify local requirements for sustainable mature age unemployment programs, develop submissions for government funding and upon approval conduct those programs. They should promote a personalised service within the community. The mature age unemployed should be encouraged to seek out the support of community based organisations and relevant programs. Employers should be encouraged to recognise the long-term values offered by mature age unemployed.

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

CHAIR—Thank you very much, Alan. That was extremely good. Can I ask you one thing about the local organisations. Can you expand on why you think the local organisations are much better perhaps than ones that are not?

Mr Sparks—What we are finding and have found since we have been involved in that is that—

CHAIR—I am sorry to interrupt you. What can they or do they provide that network providers perhaps do not?

Mr Sparks—They have the potential to provide localised support. It appears evident that the further someone has to travel for support the further that psychological gap is between the help that they desire and the ability to access it. The local communities can do that. The local communities can also identify the opportunities that exist and the peculiar circumstances of that community. We operate branches at Caboolture, Redcliffe, Maroochydore and Nambour under the Job Network program. There is a specific characteristic to each of those areas that we have to cater for and accommodate in the personalised service we provide for people that come into those. And it varies in different places. I think it is a danger to try and template the level of support over a wide area without taking into consideration those local conditions and standards.

Mr BARTLETT—Mr Sparks, was your redundancy a voluntary one?

Mr Sparks—Yes, it was.

Mr BARTLETT—Have many of the mature age unemployed with whom you have had contact been voluntary or have they all been involuntary?

Mr Sparks—Since leaving the service, the majority of redundancy people I have encountered have been non-voluntary. I agree with a comment that was made by the previous speakers, that there is a tendency for people to look back into the narrow field that actually placed them into that redundancy, particularly in the financial area. I have had some dealings with those ex-bank managers and whatever. One of the things an organisation can do, and I believe we are doing quite successfully, is move people who are in those circumstances beyond that psychological barrier and also make them appreciate the skills that they have which are transferable and broaden their horizons. Instead of looking back into the narrow field of finance, for example, they can recognise that they have the ability over a long period of time to look at areas of human resources, of training and development, of project management—a wide range of activities. But to a large extent I think they are of a mind-set that they have come out of an industry where they have lived for many years and they have got to go back into that somewhere. You can move them past that to recognise that they have got greater opportunities out there, but that is one of the principal barriers.

Mr BARTLETT—You point in your submission to the benefits that mature age people have for prospective employers. What success have you had in convincing employers of those benefits, particularly considering the wage costs problem that you identified earlier? What strategies have you used and how successful have they been?

Mr Sparks—We have conducted now three JobClub programs for mature age people and we have had in excess of 90 per cent placement out of those. In the first two it was 100 per cent, and I think in the third one we have got a couple of people coming back, but our endeavour is to place people 100 per cent. To a large extent, they sell themselves once you move them past that psychological barrier. Once they recognise that the feelings they have are normal and once they move away from the alienation because all their friends are still working and they are not and they tend to close themselves down, once you can break them out of that mind-set, out of that psychological approach, they generally can sell themselves on things. They do need help perhaps in putting together a job search strategy, because they have never had to do that before, they may need help in putting together a resume that captures those talents and skills that they have always had, but they just do not recognise those.

Mr BARTLETT—So you have found that the reluctance, prejudice perhaps, of employers towards older unemployed can relatively easily be overcome if the training and the motivation of the unemployed are right. Is that what you are suggesting?

Mr Sparks—I would probably look at it more from the point of view that within the marketplace there is enough scope to place mature age people. There will always be some prejudices in some areas, but I think that if you can tackle the full marketplace you can match up the jobs to the talents of individuals. I think that is again a mind shift, to recognise that, ‘Somewhere out there is the job for me, I have just got to find it.’

Mr EMERSON—I want to raise a question about small business. We heard earlier evidence that a good way of going is to encourage unemployed mature age workers to set out their own small businesses. I agree that there is some scope for that, but I would be interested in your views as to whether that can be a fairly risky thing as a generalised strategy. Given that we have not had an economic recession for a fair while but when we do have them the first casualties are a huge range and number of small businesses, is it cruel in a sense to suggest to people, ‘Look, all you have got to do is set yourself up as some sort of business consultant or whatever,’ and then they get wiped out five years later because of some market development or recession? Do you have a view on that?

Mr Sparks—I base my remarks on my own experience, because I had the intention when I got out of the service to buy a little minibus and set myself up in small business. There were obviously inherent risks in that. With my redundancy package, I could well have done it financially but, looking back in hindsight, I now recognise more than ever the major risks of doing that.

My advice—and I feel I am living evidence—for somebody who is separating after a very long period of time in the one area is that perhaps the best thing is to experience life in the fast lane so that you are better placed to make formative judgments on how to go about setting up your small business. My view is that those opportunities do not exist for the

majority of people. I think most people recognise that any redundancy package they receive is probably the largest money they have seen in their lifetime, but it is money for their lifetime. I think there is probably a fair amount of sensibility towards committing that in one project that could go down. With the jobs approach—getting back into an appropriate employment field where you feel that you are contributing and where you are achieving some degree of financial security—I think it is better to get yourself into that environment first and then you are better placed to make sound judgments.

Ms GILLARD—I took down your list of suggestions about things government could do to address this problem. On my count there are eight, and I was interested in asking you about two of them. One you talked about was funding a process for recognition of prior learning. Could you talk to us about that? You also raised the question of incentives for employing mature age unemployed people. Could you give us a view about what form you think those incentives should take?

Mr Sparks—One of the things which is already in place is a skills enhancement process. That can be through traineeships or through apprenticeships, but again I think the focus is on youth entering those fields. My own belief, and what I am seeing with people we are employing within our own organisation and people we are placing in other areas, is that the skills enhancement approach is a very sound strategy, because at the end of the day it does give people self-esteem back and it gives them confidence, but it also gives some formality to the talents and skills which they have had for many, many years.

I believe that there is scope, particularly in the traineeship area and the way that can be a pathway on to higher levels of study, for encouraging people in the mature age bracket to use those as a form of skills enhancement. That is a bit of a mind shift for some people and perhaps some of the sentiments behind some of the government's policies to widen that and move away again from the age discrimination issue.

I also think that there are other areas where we could provide incentives for mature age people to enter training. For small businesses, a lot of that, as I mentioned, is tied to the adult wage issue. There are quite a few people who have come through our organisation who have said, 'I would be quite prepared to pay myself to do an apprenticeship,' and yet there are restrictions on that at the moment.

In answer to the second part about looking at encouraging employees to gain formal recognition for training and experiences they have had, I think it is appropriate that current employers are encouraged to do that, because it is an investment in those staff members in the first place. It may also be an extension of that. Either when you have worked with a company for a set period of time—perhaps 10 years or something—or when you are approaching the age of 40, there may well be some scope to formalise a resettlement training program that could start at that point. But, again, the reality of business is that it would need to be a funded program, and that would address another comment that I heard earlier about the issue of financial management. Part of that resettlement program could be to identify that, within the next 10 years, you may be facing retirement or you may be facing a change in where you are. Advice could be provided fairly early in the piece about how people should prepare themselves and maybe manage those issues.

We try to present, through some of our clubs, using our own accountant, some personal budgeting and financial guidelines to try to assist people. Even in my own case, I sat back for 26 years knowing that my superannuation was growing and that at the end of the day I would have some source of income. But I really did not take much notice of it until I got out and realised that, while I had a super fund there, I would have to tighten my belt pretty tightly to live on that alone. I had also not taken steps to invest in some other form of income along the way—property or whatever—and I think there are a lot of people in that same boat. You live more day-to-day than most if you are paying your bills day-to-day and you do not worry about that. But I think we have to encourage people to start thinking about that.

Ms GAMBARO—Alan, it is good to see you, and it is good to see the success you are having with JobClub. Do you have any idea, through your research, of the percentage of mature age people on the Redcliffe Peninsula? We have a city of about 50,000 people there. We have heard evidence that suggests that a lot of people do not seek assistance and that there is a hidden unemployment factor as well.

Mr Sparks—The last figures that I looked at, from our branch at Kippa Ring, showed that we had just over 3,000 registered on our database. Of those, only about 10 per cent were in the 15- to 19-year-old age bracket. We do find that the 15- to 19-year-olds do not necessarily have the commitment to want to work, and there may be reasons for it—they have got a roof over their heads, mum and dad pay the bills and they are running free on the streets somewhere. But we are finding that, around about the age of 19, quite a lot of those people wake up to themselves and the recognition that there is more to life than not being employed. It is at that stage—the 19- to perhaps 21-year-olds—when they do come back to us and are more committed to finding work; recognising, I think, that there is more to life than not being employed.

To answer your question, I believe that there is, certainly on the Redcliffe Peninsula, a large proportion of the unemployed in that higher age bracket. Coming back to my own experience, when I left the service I did isolate myself, I did become alienated, and I do think that that is a fairly common feeling that a lot of people would have. They are prepared to sit at home because they do not have the confidence or they may feel embarrassed to actually knock on a door somewhere and say, 'Hey, I am unemployed and I need help.' I think that there are probably a lot of people out there who are struggling, both financially and in terms of the psychology of the whole issue, but they are doing it quietly. And that is the real tragedy of it at the moment.

Ms GAMBARO—And the longer that help is not sought the worse it becomes. We have also had submissions that refer to portfolio jobs, the increasing contract work from downsizing, and what is happening in the workplace. Are you finding, in your experience, that there are people who will have a portfolio of different part-time jobs to see them through by necessity, or do you think that is quite alien to mature age job seekers?

Mr Sparks—I have no evidence of a significant trend in that area, but I do know of specific examples where that is the case. One example I could mention is that of an ex-builder who is disabled and whom we put on as an information technology trainee to open up a new pathway for him. He is more than happy with that, but he is also driving taxis to

get more income to sustain his lifestyle. I think there would perhaps be other people who are in that position as well. The first step and the major step is to have something. If you have something, you can look at extending that into other opportunities.

Ms GAMBARO—On that ‘have something’, I have seen people in my office who do want to go back to what they were doing—for example, middle management. How do you get past, when someone was a bank manager with X company, that is what they have trained for and that is what they have done, that step?

Mr Sparks—My own experience with some of the people I have dealt with—and I have extended that to ex-service people who have come out and who are looking for help—is that in many cases they are already passed that point themselves. In many cases they are simply looking for something where they feel they are contributing and where they can get some personal reward out of what they are doing. In cases where they have a redundancy package or some super sitting behind them, it may not be driven by the dollar—they are chasing something to do. There was a previous example of that. People can make a significant contribution.

If there is a trend I am seeing at all, it is a trend towards those types of people wanting to become involved in helping others and in returning something to the industry or the business area that they have been involved in. There is great scope for a mentoring approach where we can exploit the talents, the intellect and the experience that these people have by creating opportunities where they can mentor young people. I mentioned briefly that we have a mentoring program where we are looking at doing just that. We will have 10 mature aged people, and we will provide skills to them. They will then recruit six junior proteges and assist those six people into employment. There are a lot of intangible values there to do with breaking down generations and the like.

I would emphasise the point I made about the family unit. I do believe quite strongly that we are seeing within the family unit both cause and effect, and that is exaggerating the issues. We now have second and in some cases third generation families who have never worked. That is an indictment that, as a nation, we should not put up with.

CHAIR—Thank you. I am sorry we have to finish at this stage. Thank you for the work that you do and thank you for your submission. If you have any comments or further ideas, please feel free to send them on to us.

Mr Sparks—I have a copy of what I have said, plus the graphs of the surveys that I did. I will leave them with the secretary. If people are really interested, they can read the actual raw returns from people which have some really heart rending statements amongst them.

CHAIR—One of our ministerial colleagues used the term ‘job snob’ to describe some of these people. Did that bite amongst your constituency?

Mr Sparks—Job snob?

CHAIR—Yes, people who will not take jobs because they feel the job on offer might be beneath them.

Mr Sparks—We see that far more in the youth, and, unfortunately, it quite often works against us. For example, we will refer three or four young people to a job and they will not turn up or they will say, ‘I do not want to do that.’ I do not see it so much in the more mature aged; they are far more sensible in their approach. If we are doing our job properly, we match them up with an environment that does not present that as a conflict.

CHAIR—I understand. Thank you.

[11.35 a.m.]

DAWSON, Mr Bruce (Private capacity)

CHAIR—Welcome. Would you like to talk to us about the problem as you see it and what solutions you might offer to us? Then we will have a talk about it.

Mr Dawson—I will probably just highlight issues I have already raised—issues I consider to be the real issues. Firstly, I am concerned with the advertising of jobs by large organisations when it appears that they are doing it to go through a process. They have probably decided that there is somebody internal that they would like but, for various reasons, have to advertise it—ostensibly to get the widest field of applicants. A lot of energy can be spent applying for these jobs: you can be interviewed for them and you can get the right body language indicating that you are saying the right sorts of things and that they agree with you—you get smiles. When you walk in you might see a person with a magazine in their folder so you know they are not really interested in what you are saying.

Sometimes you get a letter saying, ‘Thanks very much, but there were a number of very highly qualified applicants and on this occasion you were not successful.’ If you phone up, you find that an internal person was appointed. If a number of positions had been advertised, say, four, you find that four internal people have been appointed. I have absolutely no problems with that; management should be able to appoint whom they like. I just wish they would not advertise the job so people get their hopes up. I think that is an issue. I am not sure whether it is a legislative issue or what the requirement is for jobs to be advertised widely, but when on so many occasions jobs are filled by people internally, please just fill them.

That practice might also distort the number of vacancies which appear in the press. It is only a gut feeling. I cannot pin it down, but from a few people I have spoken to I do not think I am the only person who shares that view about jobs. That is one issue which might discourage people, who might say, ‘It’s another job in that organisation—same story—I won’t apply,’ when you may well have got that job if you had bothered. It can kill incentive and initiative. There is something there—I do not know whether you can prove it one way or another.

The second issue, related to people over 45 being unemployed, is that the country is missing out on a lot of experience and capability. People in that age group have a lot to contribute, and unless they are sick or something there is no reason why they cannot go on contributing for quite a while. Not only does the individual organisation miss out but the country as a whole dips out when there are people unemployed.

Possibly the most important point related to people over 45 being unemployed is this: what message is it sending to our youth? If they see somebody who has had a career and has done well, but cannot get a job, they are going to say, ‘Why should I study? What is there for me?’ Whilst that is probably outside the scope of this inquiry, that is one of the outcomes of people being unemployed. It would be a tragedy if all of a sudden we got all people over 45 into employment and we did not worry about the younger people. They are just as important. The message that it sends them is of real concern to me.

I suppose one of the reasons this inquiry has been established is that it has been perceived that the existing policy options are not working. We have large numbers of people in this category out of work. Government—by that I mean all members of the House—really have to look at new options for encouraging employment. You could do it through the carrot and stick. If you want to do it with the stick, you could penalise organisations for downsizing and putting people off through the taxation system, which is an instrument of government. If an organisation employs a chief executive officer at \$3 million, that equates to 100 jobs at \$30,000 a year. You could say to an organisation, ‘If you want to put people off, that is your right, but you will pay for it through the taxation system. There will be a penalty.’ I do not know whether that is viable, but has anybody ever looked at it?

CHAIR—I am sure there are some people who would advocate that. The problem is that often companies are reducing the size of their work force because they already have financial problems. If you compound that by taxing them for doing it, it could actually make it worse. But certainly there are other instances where employers are displacing employees because they simply want to increase the share price in anticipation of some other corporate move. There are other devices that we have been looking at, that is for sure.

Mr Dawson—Without identifying organisations, there are chief executive officers with salaries of over \$3 million who are still putting people off. Their salary comes from somewhere. As a government, do you want a large pool of unemployed? Lots of other people have commented on those issues. Possibly a stick could be used with large organisations when they are downsizing.

You could also use a carrot to encourage employment. You would not want that to turn into a rort, so you would do it using something along the lines of a threshold. Say an organisation has employed 14 people in 1998 and it goes up to 16 in 1999. You might pay the equivalent of the social security benefits—or a percentage—for those two people to the company. The government was going to pay it out anyway except that, fortuitously, those two people have been taken up. With the right checks and balances, a system like that might be enough for companies to say, ‘Do we pay our existing workers overtime or do we put somebody else on?’ It is worth taking a look at. I do not know whether it has been looked into before, but if the existing policy options are not working we need to look outside the square.

Ultimately it is the government and the general populace who will pay for unemployment—whether it is through social security benefits or through family break-up, crime or whatever. The community as a whole suffers, so we should look at using the taxation system, which should be for the betterment of the whole community. Those are basically the issues I would like to cover.

Mr EMERSON—At the beginning of your presentation you talked about a range of organisations that you felt did not really have a genuine job outside the organisation when they advertised. Were they more likely to be government organisations and statutory authorities than other organisations?

Mr Dawson—Yes.

Mr EMERSON—I was the head of the environment department here for some years, and it is an issue because you are obliged to advertise. What could be happening is simply an internal restructuring with some people going up half a level, and in those days you could not appoint them up that half level or one level so you had to advertise more broadly. It put an outsider at an extreme disadvantage because often you were simply seeking to reward people for good performance internally, yet the whole position had to be advertised. I empathise with the difficulties you face there. You asked in your presentation whether this was the result of some requirement.

Mr Dawson—Is it a legislative requirement?

Mr EMERSON—It is the result of a legislative requirement which effectively absorbs an enormous amount of time on the part of the interviewers. You talked about the people on the interview panel seeming to be bored; they probably were, and it would not have been your fault. There would have been a general expectation that the whole reason for the thing was not to look for someone outside but to carry out some internal restructuring which meant that someone inside was going to get a bit of a promotion.

Mr Dawson—All I can suggest is that the legislation needs to be looked at. I have absolutely no problem with an organisation filling the position internally. If a person has been doing the job and they are satisfactory, why would you look elsewhere?

Mr EMERSON—That is right. The reason that departments do it is that they end up getting into strife with all sorts of people—the parliament, the CJC and everyone else—on the basis of, ‘Was this appointment made on merit? This is the fundamental question.’ The best way to answer that is to say, ‘Yes, because it was fully advertised as per the requirement. A whole lot of people were brought into the interview process, some internal and some external.’ I think there is a real issue that some of the external applicants, or many of them, are being used literally as fodder for the process, which the public servants do not have a lot of control over because of the legislation that you alluded to.

Mr Dawson—There is a cost, and I am not just talking about the postage stamp. If you wish to sit down and construct a useful application, it takes time, even if you are unemployed. If you are applying for 10 positions, it takes an awful amount of time.

Ms GILLARD—We have had people talk to us at this inquiry about the process of redundancy. We have had examples of good practice and very bad practice. Could you tell us from your own experience whether you think there are things that employers or government agencies could do which would assist someone who was being made redundant to make the transition from that workplace into another workplace? Also, from your own experience, do you think you had sufficient information at the point of redundancy about financial planning and what was out there to assist you as someone who was looking for work?

Mr Dawson—From my perspective, I think the process was quite satisfactory. In retrospect, I probably needed more information than was available to me, but certainly at the time I thought I had more than enough. I suspect in my own case there were other things

going on in my life which helped me to make that decision. As a general statement, I had no problems with the process.

Ms GILLARD—Did you get adequate information about those sorts of things from Centrelink, or CES as it was, and government agencies?

Mr Dawson—I am not in the situation where I can use those agencies financially.

Mr BARTLETT—Mr Dawson, you made a comment earlier on that we would all agree with that society is missing out on the valuable skills and experience of mature age unemployed. The problem comes down to a micro level, though, of convincing the individual firm of the value to them of those skills. Have you any suggestions about how we go about convincing employers of what they are missing out on?

Mr Dawson—Probably get back to the basics. People in this age group will have had a lot of experience. They will have come across a lot of the problems which an organisation might be presented with and that it is not really the problem it appears to be. There are ways of tackling the problems and looking at the issues. I think a person who has been unemployed will probably treat a new position a lot differently from what they might have done, say, in their first 15 years into their career. They will look at things from a different perspective. Things which might have been an annoyance within the organisation will not be any more.

Mr BARTLETT—How successful were you in trying to convince employers of those benefits?

Mr Dawson—I have been working for the past six months, and I had two offers at the same time. It seems there is either a drought or a flood.

Mr BARTLETT—You pointed to your experience in acquiring short-term contract work. With the increasing casualisation of the work force, for a number of reasons, and particularly for mature age people, it seems that really is the way ahead.

Mr Dawson—It could well be, yes.

Mr BARTLETT—Do you see that as a means of providing the transition—acquiring new skills on a temporary casual short-term basis in new areas such as, say, computer technology, et cetera that will enhance the transition later to full-time work—or do you see it as a permanent succession of casual work placements?

Mr Dawson—I would like to see it in the former category. I believe in my case it will probably work that way—that it will lead to bigger and better things. I think once you get a foot in the door people can make an objective assessment. Maybe they have some concerns when somebody has been made redundant—for whatever reasons—that there might be a problem with that person, but once somebody has got their foot in the door I think that is a very good opportunity to sell themselves.

Mr BARTLETT—Do you have any suggestions as to how we might enhance that process or perhaps more formally develop that process of using casual and contract work as a bridge to more permanent positions?

Mr Dawson—I am not too sure. That is not an issue which I have too many feelings on either way. I recognise that it can work, but I think organisations quite often feel that they are very different to other organisations and they need a particular set of skills. I am thinking of one of the short-term contract jobs that I received. The comment, after I had done the job, was, ‘Oh, we were lucky to get you. We didn’t think anybody could do this.’ Once the employers try some of the agencies, maybe they will get a surprise and maybe will use them a bit more. From people having short-term contract work, if a full-time position comes up I think then they will pick up the phone and say, ‘Look, there’s a permanent position coming up. Are you interested?’ I think that will flow on. That is my experience.

Ms GAMBARO—I am not sure if you are an independent contractor or if you are working for an agency in contract work.

Mr Dawson—I am on a six-month contract.

Ms GAMBARO—If you were going out as an independent contractor—and I do not know the industry you worked in—how might you establish yourself if you found yourself at the end of a redundancy faced with going out on your own as a contractor? What difficulties are there?

Mr Dawson—I would do what it took me quite some time to do. I would just get on the phone and talk with the employment agencies. Some of them are interested in you; some of them are not. For the ones which said, ‘Put a CV in,’ I would do that and follow that up with a phone call a couple of weeks later and say, ‘Look, have you received by CV? Do you have anything? I will come in for a talk.’ That is what I did and that worked. I did not do that in the first place.

Ms GAMBARO—So you registered with agencies to do contract work?

Mr Dawson—Yes.

Ms GAMBARO—Whereas some people go out cold and just establish themselves as contractors and approach companies that they have worked for previously. But in your case you—

Mr Dawson—In my case, yes, but I think different people—different ways. I do not think there is any one satisfactory method. There is a range of solutions. I think people have to try and see what works.

Ms GAMBARO—With the company you are in at the moment—you do not have to name it—has your prior learning and your prior experience been the reason that they have employed you or has there been a shortfall or a redundancy from someone else?

Mr Dawson—I have been known to them, so it is prior learning and prior experience.

Ms GAMBARO—Are you in the position that you are in now because the company made someone redundant or someone is on leave or a special project? Give me an idea.

Mr Dawson—A backlog of work.

Ms GAMBARO—With mature age employment, is there some way that we can enhance the use of contract work and encourage people to get back into contract work, as you just said, as the first step—getting that first step in the door?

Mr Dawson—If I were giving advice to people finding themselves in this situation of looking for a job, I would suggest to talk to your good contacts and also talk to a few agencies. Don't just go sending off CVs—

Ms GAMBARO—Not the scatter gun approach that we hear of of 700 applications.

Mr Dawson—I would not do that. I would talk on the phone. I talked to five or six and only two were interested, and I followed up with those two. Everybody is different, so I think the scatter gun approach is wasting your time and everybody else's. I think you have to target yourself but you can sort of scatter-gun your phone calls; that is not wasting your time too much.

Ms GAMBARO—You have done the more targeted thing. Just one last thing: there is an employer attitude that we have to get over here about employing older people. Do you see encouraging companies to take on people in a casual position or on a contract as a way of then getting companies to take on people on a more full-time basis?

Mr Dawson—I would endorse that. If you are in a casual contract position, it is totally up to you to sell yourself to the organisation. They have got you there for whatever period of time, they can observe you and the things that cannot be assessed in an interview can be assessed. I think that is a good situation.

Ms GAMBARO—A good way to go and an education process. Thank you very much.

CHAIR—Thank you very much, Mr Dawson. We appreciate your being able to give us the benefit of your wisdom, experience and ideas on this. It is rather daunting to put in a submission on these things and then come to speak to it. It is something we appreciate.

Mr Dawson—Thank you for your time and for the opportunity.

[12.01 p.m.]

CAMERON, Mr John Francis (Private capacity)

CHAIR—Welcome, Mr Cameron. Would you please state the capacity in which you appear before the committee today.

Mr Cameron—My name is John Cameron, and I appear as private citizen.

CHAIR—Thank you. Would you give us an overview of what you are thinking about in this area and any ideas that you have, and then we will talk about them.

Mr Cameron—After speaking with the inquiry secretary, I prepared a statement which brings some issues together, has some suggestions and then a conclusion, if that is okay. First of all, thanks for receiving my written submission and thank you for your time today. My motivation to be involved is the desire to make a contribution to this critically important national issue and to assure the committee how strongly my own experiences reinforce the relevance of the terms of reference of this inquiry. My submission is based on actual and current personal experience. My appearing here today is to state personally to you how relevant to absolute living reality the terms of reference are and to personally encourage you to be proactive in your findings and eventual recommendations.

Through Ms Gambaro's office, I have accessed transcripts of the presentations made to these hearings by private citizens, and all of them are further testimony to the relevance of the terms of reference; they are a credit to their presenters. I have also accessed from the Internet a report to the National Bank of Australia by Dr Vince FitzGerald and Catherine Rooney. This report was released on 12 October.

My own recent and current experience is that the longer one spends in one role or organisation the more likely prospective employers will see the skills base as being too narrow. It is totally difficult—all but impossible—to suddenly reinvent one's self and the temptation, as we heard previously, to quickly become an entrepreneur or franchisee very likely means small business disaster. My own experience totally supports comments made to the committee on 16 September in Adelaide.

The issue is growing publicly, both in the parliament and in the media—it appears in this morning's Brisbane press. One of the presenters here this morning, Dr Margaret Steinberg, when addressing a symposium on the mature age work force, evidenced the ageing population and also quoted that seven per cent of Queensland employers labelled workers as being past their prime at the age of 36. Dr Steinberg is also quoted as claiming that 'covert discrimination' in the freezing out of mature age job seekers is occurring. Outplacement provider Morgan and Banks is quoted as finding that in the last five years 25 per cent of Australian firms recorded a decline in the proportion of workers over the age of 45. I have included those statistics for the record.

If the trend behind the statistics continues, people will not be working well enough to self-fund retirement. Page 18 of the FitzGerald report that I mentioned details some suggested economic effects of the reduction in the participation in the work force by older

persons. My experience, as evidenced in my written submission, strongly supports these suggestions. There is overall jobs growth in Queensland at least; unfortunately, this growth is not impacting on the mature age employment situation. Dr Steinberg's comments regarding covert discrimination appear to be well supported by the statistics.

Going back to the issue of being public, Paul Clitheroe of the *Money* program referred to this issue. He echoed other findings about the average of age of retirees falling very quickly. FitzGerald commented that many reasons for this fall are 'masked'. Mr Clitheroe stated that corporate performance appeared to be measured by the numbers of jobs shed. One might ask: what percentage of the shed jobs involves older persons? He stated:

. . . as we grow older . . . who dominates the vote—us baby boomers.

My written submission in July made the same point.

Whilst the employment paradigm has changed, countless older workers are still inside the old paradigm. The irony is that today's disaffected, as Mr Clitheroe states, dominate tomorrow's elections. If nothing is done now, quite conceivably we baby boomers will demand and get at the ballot box an age pension whether we are self-funded or not. This is the International Year of the Older Person and it is also the year we celebrate the 50th anniversary of the great initiative known as the Snowy Mountains scheme. Every effort must be made to maintain employment currency. Now is the time for employment initiatives of Snowy proportion.

My comments and suggestions are restricted only to the area of the issue which is inside my personal experience, that is, restructure, redundancy and reinvention. I will put forward some suggestions and then make some conclusions. I suggest that this committee take the initiative in the implementation of the Ralph report. Alice McCleary, a Ralph report architect, is quoted as saying that the Ralph report reforms mean 'a revival of takeover activity in corporate Australia'. I suggest that the committee have strong input into any effect that implementation has on employment, especially mature age employment.

In my view, government initiatives regarding mature age employment would be welcomed by the community. The executive summary of FitzGerald's report to the National Bank states that 'an issue of public policy exists'. I believe that government initiatives now would be viewed as positively as the Snowy Mountains scheme has been. Any initiative now, rather than having a negative impact upon organisations, will be of long-term benefit to the market if social stability is achieved by the facilitation of continuing employment—to put it more bluntly, ensuring that customers have got money to spend.

I have formulated a series of steps that could be used as the basis for government initiatives in optimising the redeployment of older workers: firstly, develop a government discussion paper that looks at various options and is underpinned by socioeconomic modelling and a cost-benefit analysis for each option. One of these options should be a legislative obligation on employers that, before redundancies occur, organisations must demonstrate a robust, exhaustive and total exploration of redeployment where there is a continuation of activity in the same area of commerce. This would apply both to internal restructure and to outsourced functions. Secondly, the discussion paper should then be

released by the government and socialised with the community in a series of public forums, and used to formulate a draft policy and supporting legislation to be taken forward by the government. The legislation should allow for an independent compulsory assessment of the redeployment exploration undertaken by the employer. Ms Gambaro, in conversations and on the radio, has stated that programs targeting redeployment rather than redundancy are already happening in Germany. Senator Newman makes a similar comment regarding China. In its global restructure, the Nissan Corporation is reported as doing likewise.

In conclusion—again my comments are restricted only to the areas of my experience: restructure, redundancy and reinvention—legislated initiatives resulting in redeployment may mean a shift by older workers to other than full-time hours and to immediate reduced income expectations. Again, FitzGerald refers to this. Tax credits which would maintain superannuation, the ability to self-fund, would be appropriate. With an ageing population, this could be an investment in the present psychological and future wellbeing of our society. Legislated redeployment will ease pressure on these statistics and avoid much of the undeniable hurt. The analogy regarding this hurt drawn by Mr Sawford in Adelaide on 16 September is very apt. Such hurt is probably contributing to the rise in the damaging and expensive incidence of depressive illnesses. One study suggests that by 2020 the only disease more prevalent in the Western world than depression will be ischaemic heart disease.

This inquiry is in a historically unique position. The opportunity to be proactive on this issue must be seized. The reaction to the revelation of a premium pricing policy by SOCOG underscores the Australian community's expectation of fairness and a fair go. Unless a correction to the mature age employment situation is made now, older Australians, who Dr Steinberg believes are suffering from covert discrimination, will very soon become aware of a real lack of perceived fairness and will not tolerate it. As Mr Clitheroe says, as we get older, who dominates the vote? We baby boomers. Unless a legislated public policy initiative, by necessity as courageous as the Snowy scheme, is adopted now, the mature age employment situation will precipitate a cataclysmic socially and economically damaging baby boomer electoral backlash. I have attached the sources of all quotes I have used.

CHAIR—Thank you very much, John. That was a well researched and well thought through presentation. Can you explain, perhaps in more practical terms, what you mean by redeployment and how you would envisage it would work?

Mr Cameron—We heard the previous presenter comment about people who are somewhat reluctant to go into other areas of activity. My own experience is that the longer spent in one role or organisation the likelier it is that any prospective employer sees the skills base as too narrow and probably the individual sees the same thing. Again I speak from experience. In the case of Newcastle and the steel, there is not a continuation of steel making activity. But in cases where there is a continuation of the activity and where there is restructure occurring, because of these statistics on the shrinking lack of participation of mature age people, the early retirements and all the reasons for early retirement—on page 29 of the FitzGerald report, he suggests they were 'masked'; they are not the real reasons—given that an organisation wants to change its structure for various reasons, there would still be opportunities for negotiated and investigated redeployment into areas of that organisation where the experience can be used. There may be 20, 30 or sometimes more years of experience in that particular activity. If it is not in the same role, well and good.

If it is part time, do not reduce the income immediately prior to retirement per se but allow for adjustments by way of tax credits or whatever other mechanisms can be developed to allow their retirement level to be there with the view to self-funding. The FitzGerald report is quite blunt in the fact that there are so many people who will not self-fund. The money is not there. And, as Clitheroe said publicly on national television, 'Who is going to dominate the vote?' If there is going to be an electoral backlash by people who may have lost an appropriate level of income at a time relevant to the terms of reference, in his words and in my submission, they will dominate the vote. So they should be redeployed if at all possible. I believe it is very possible and would be very acceptable.

Mr EMERSON—Picking up that point, it seems conceptually a good idea and there may be lots of cases where it is possible. But one of the biggest employers of people is small business and I would think the opportunities for redeployment there might not be very large at all. Often when a small business is laying off people, it is because it is in desperate trouble itself and may well be on the way out. That is what happens with small businesses. As quickly as small businesses are created, another lot go broke. So it may be a real difficulty there.

Mr Cameron—I understand that. Again, I am only making my comments. I cannot solve the problem. All I have done is restrict it to my area of medium to large organisations where there is restructure occurring and where positions are changing their nature and their structure. Before you put further pressure on these statistics, find out whether or not it is possible. Because, from what you have heard this morning, the probability is that they are going to suffer enormous problems getting back into employment. Therefore, if the opportunities are there, they should be assessed. It should be made to be done, legislatively. I believe it is an initiative that is possible.

CHAIR—The other option is for government, perhaps, to provide some incentives to businesses to retrain within their organisation for redeployment rather than have people dismissed or made redundant.

Mr Cameron—Yes, remembering that they are still inside the broad activity, which might be something with which they personally strongly identify and to which they probably had an extremely emotional attachment. It is not going to solve the big problem. I believe it is able to address part of the problem. As was mentioned in the inquiry's hearings in Adelaide, there is a lot of hurt out there. That may help to alleviate some of that.

Ms GILLARD—In your submission you say that when you left employment you negotiated a severance package, and the implication from your comment is that you really did not have enough information at that point about what was going to happen to you next and how difficult it could be to adjust to your new status. Are you able to give us an idea about what an employer or a government agency could do which might assist with people who have to make that transition? I know you have spoken about redeployment, but if we assume we are in the circumstances where a redundancy does need to take place what could be done to make that a bit better.

Mr Cameron—You are quite right. I walked out saying, 'Okay, fine.' As it says in my submission, I took a confidential negotiated severance package, which I accepted on financial

planning advice. All things being equal, without a total collapse of the market, we will be in a position to self-fund. What I did not know was quite amazing. After a while, with a few applications—again as the previous presenter but one suggested, into the same general area of activity—as I said in my statement, all prospective employers suddenly see the skills base as too narrow. I became aware of that, but I was totally unaware really of what the terms of reference are to summarise it.

Over 45 there is a problem and the potential for damage or disaster from setting up a small business is huge. I found all of that out a little bit to my concern a while after, nearly to my amusement, because it was also totally consistent. I would not have been game to use the word, so I will quote Dr Steinberg, whom you heard this morning, who said that covert discrimination is occurring—strong words. I was totally unaware of anything at all that was going on because, as was mentioned in the very significant hearing on 16 September, people focused on roles and really what was going on out there was not important.

CHAIR—So you are saying that you took your severance package in the end because financial advice was, ‘You’ll probably survive with this,’ but you also took it on the basis that you thought that you would have a reasonable prospect of getting another job?

Mr Cameron—Not necessarily.

CHAIR—So you were aware that it was going to be bloody hard for someone in that age bracket to get a job?

Mr Cameron—Exactly. I had a broad awareness. Specifically, I did not have any real idea and that broad awareness was that I would get something or other. For me, it does not matter. We have made our own arrangements. There is nothing to be achieved personally from me being here today or writing a submission, as I have discussed with the honourable member for Petrie.

Ms GAMBARO—Thank you for making me honourable!

Mr Cameron—Invariably I listen to question time in the parliament.

Ms GAMBARO—We are honourable in the House, but we are not honourable outside. It is a bit of a worry!

Mr Cameron—My motivation for being here, especially after reading the transcripts of the inquiry, is to know what is going on out there. If the trends behind the statistics continue, sooner or later there is going to be a backlash somewhere and that is going to be socially and economically damaging. I do not have to tell you that, and I meant what I said: that my own experience totally supports the relevance of the terms of reference of this inquiry. They could not be better worded and they are a credit to whoever wrote them.

Ms GILLARD—You make reference in your submission to the performance of the Job Network. What difficulties did you experience with the Job Network?

Mr Cameron—I will not retract what I said in my submission.

Ms GILLARD—No. I am just asking for more detail.

Mr Cameron—It was very polite. I think Teresa made a comment about outplacement people one morning on ABC radio. I am now registered with five people because technically I have fulfilled the criteria of what is required, but they comment, ‘We’ll get back to you.’ One of the persons I am registered with was presenting this morning—East Coast Training and Employment.

Ms GILLARD—It is a service difficulty.

Mr Cameron—Yes. I also wrote a letter to the Grey Army. Neither of them responded at all to me, so I just took that as, ‘Okay, fine.’ For the record, neither of those presenters made any return. For me it is a matter of interest more than anything else; for others it might be critical to their economic wellbeing.

Mr BARTLETT—Mr Cameron, you made some interesting comments about the potential impact of baby boomers at the ballot box. Certainly I understand the anger that unemployed baby boomers would feel. Do you think that that same feeling is shared by those who are still employed? If the option were there to have the sorts of employment programs that would be needed—you talked about Snowy Mountains type schemes—and that would involve higher taxes on the employed baby boomers, do you think those who are mature age employed would be willing to pay that higher cost to assist those of their same generation who are unemployed?

Mr Cameron—I have not researched that.

Mr BARTLETT—I am just asking for your impression.

Mr Cameron—Mr Clitheroe said on his program, and he may have researched it:

... as we get older ... who dominates the vote—us baby-boomers.

I have not completely finished reading the FitzGerald report to the National Bank by Allen Consulting Group, but it seems very consistent that one of FitzGerald’s points—and I hope not to misquote it as I have not had a strong look at it—is that there is a huge and growing number of people who will be unable to self-fund. The report is about retirement and work patterns in Australia. As I said in my comments before, if the trend behind these statistics continues, we may reach a point where there will not be enough people working long enough to self-fund. That is essentially one of FitzGerald’s findings, as I understand it. Were they to all vote on a single issue—forget party allegiances and things like that—there could be a simple demand that may even force policy makers to go to elections to give the pensions that may be needed but would not be needed if people worked long enough to self-fund. That is what I am trying to say. There is a need for initiative—now. The longer it goes, the worse it is going to be.

Mr BARTLETT—Do you see the possibility of job sharing past a certain age, via part-time work, as a way of extending people’s employment age and therefore delaying their dependence on social security?

Mr Cameron—Job sharing, which is another way of saying part time, could be an initiative. Remember that, for example, with tax credits—and I am saying tax credits because I am not aware of how the actuaries work on these things—any investment made now by the government will be refunded many times over later on. It is money better spent now than doing what you just said—higher taxes at another time. If it is the fact that this incidence of depressive illness is going to be second in the Western world only to heart disease and if the growing lack of participation by the mature age work force is contributing to that, then that is another cost to the national health budget. Prevention is better than cure.

Mr BARTLETT—Pursuing the issue of depressive illness and so on, do you see the possibility of active community voluntary work as at least overcoming that feeling of being unwanted and not contributing something? Secondly, do you see that as providing a potential for a foothold in to some, at least, part-time or casual work?

Mr Cameron—Possibly. I am not qualified to comment on that. I am a bit doubtful about that. Most of the time the best way to express gratitude for people's work and to say that their skills and time are valued is to pay them some money for it. Later on when people retire, they can become voluntary workers. This is just my view—I stand to be corrected—but I believe that most of the time people want remuneration.

Ms GAMBARO—John, thank you for coming along today. Without naming the company that you worked for, I understand that you and a number of others accepted redundancy packages. Have any of those former employees gone back to the company either on a part-time basis or been re-employed on contract? Or was that it?

Mr Cameron—I am not aware of any. I would be surprised if the ones in my peer group have. I am trying to restrict my remarks to the time that follows my being other than fully employed. I discussed this slightly with Maureen on the telephone. If you want to pursue some of those aspects it would have to be in camera.

Ms GAMBARO—I realise that, and I respect what you are saying. One other thing: have there been problems with the internal organisation of the company because of the human capital drain out it that you are aware of? Again, you can put it in camera if you want to.

Mr Cameron—I spent a long time in the organisation. You do not lose immediate contact with everybody. I would have to discuss that in camera. I am not saying no; I am saying I would have to discuss it in camera.

Ms GAMBARO—Okay.

CHAIR—Mr Bartlett asked a couple of questions and you emphasised the point about the baby boomers being a big voting block. My electorate has quite a few of those people and there is no question that they are already changing the political, economic and cultural priorities of the country. My feeling and experience is that, when they are asked about whether they are concerned about unemployment in whatever age group, they rate it very highly. They say, 'Yes, we're worried about this,' but when it comes time to vote, though, most say to themselves, 'I've got a job; if I lose it I will get another.' It does not translate

into significant concern. There is no question that there are many people who do try to prod politicians on these sorts of issues, but sadly it is my experience that there are not enough.

Mr Cameron—*Rethinking work and retirement*, a report to the National Bank of Australia by Dr Vince FitzGerald and Catherine Rooney of the Allen Consulting Group, looked at those patterns of work and the fact of this dropping age of retirement that Mr Clitheroe referred to on national television. I go back to saying that, if the trend behind these statistics continues, and if I understand Dr FitzGerald's report correctly, there will be a growing number of people unable to self-fund. Eventually someone will stand up and say, 'We will guarantee you a level of income,' and then we might test party-line loyalties. It would be socially and economically damaging. It would be the worst thing that could happen.

CHAIR—Are you suggesting a universal pension or something like that?

Mr Cameron—My age group has been brought up being told, 'There are so many of you; don't expect a pension—self-fund.' Now suddenly being laid over the top of that is this statistically proven lowering of the participation rate of mature age people. When will the crossover come? That is the point.

CHAIR—Yes. Thank you, John. We appreciate your coming along. There is nothing in it for you personally; it is a cause of enormous importance to which you are committed. Thank you.

Mr Cameron—Thank you. I wish you well.

Proceedings suspended from 12.30 p.m. to 1.33 p.m.

HEMPEL, Mr David, Principal Advisor, Employee Relations, Queensland Rail

CHAIR—Welcome. I remind you that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The deliberate misleading of the committee may be regarded as contempt of the parliament. We prefer that all evidence be given in public, but if there is any evidence you wish to give in camera please indicate that that is the case. Could you please give us an overview of your submission: what you see as the problems, where Queensland Rail fits into it and any ideas you have got.

Mr Hempel—Would you be able to bear with me. I have got probably a three or four minute statement here.

CHAIR—Yes, we live in a world where people give 60-minute speeches.

Mr Hempel—As you probably appreciate, Queensland Rail is one of the largest employers in the state. I suppose like all railways throughout Australia and the rest of the world, the goals and the environment within which it operates have changed. Gone are the days when we enjoyed a monopoly supported by huge government subsidies. Its viability was actually threatened by an increasingly dynamic and deregulated transport industry, micro-economic reform initiatives and public demand for more cost-effective services. While all other railways were privatised, sold off or split up, Queensland Rail took the unique decision to remain what we call ‘vertically integrated’, which means that we kept our operations and our infrastructure together.

In response to the challenges that were levelled at us, we launched a massive restructuring program in the late 1980s to early 1990s. Because we are government owned and we are a large regional employer, Queensland Rail is forced to balance a number of commercial imperatives against significant social imperatives. From a peak of 30,000 employees in the late 1950s, QR has seen significant change in the profile of both its work force and its business direction. It has managed to make the transition from being an overstuffed, bureaucratised public service department to being the world’s leading narrow-gauge railway—but not without some pain. Do you understand what I mean by ‘narrow-gauge railway’? We are three foot six. We are different from the rest of Australia.

CHAIR—We are familiar with that concept in Queensland.

Mr Hempel—QR appears 15th on the list of largest corporate job losses in Australia, but we have managed to avoid the negative public and industrial reaction that has accompanied many of the recent downsizing exercises. State government and QR recognise that ensuring a commercially sustainable railway at maximum employment security for the long term relies upon a large capital investment and reform program. In 1993, the restructuring process began to focus on a major workshop rebuilding program. The modernisation program undertaken in Redbank, which is in Brisbane, and Rockhampton was to reduce work in Townsville workshops, with a plan to cut staff numbers from 300 to about 50.

Despite assurances about ongoing employment security, Queensland Rail has a policy of no forced redundancies and no forced relocation. In spite of that, the reaction of workers was

overwhelming, and an alternative employment strategy was developed. Originally the decision was taken to provide a phased closure for Townsville workshop, with project work guaranteed during the transition. One of those projects involved the refurbishment of a number of vintage carriages for our historic fleet. During the design phase of the project, the potential for capitalising on both the inherent skills of workers and Queensland's tourist market became evident, and the concept of a luxury train was hatched.

While QR had no specific objective to provide work opportunities for older workers, it was predictable that the skills for the project would reside in older workers. The age profile of QR's work force reflects that of the community; however, workers over 45 years of age make up 51 per cent of the total staff of the Townsville workshop. By contrast, probably 32 per cent of workers in the community are between 45 and 65 years of age.

During the past 30 years, many of the skills that were necessary for the building of the heritage train had been pushed in to the background in favour of more cost-effective and modern construction techniques. In other words, we did not build wooden coaches anymore; they were all steel frame, steel fabrication and so on. While some Townsville workers had been employed for the maintenance of the Kuranda rail fleet, the majority had not applied the full extent of their trade for some time. Woodworkers who had learned their trade on fine coachwork found themselves repairing flaws in freight wagons. We had employees in Townsville workshops who had been there for nearly 50 years.

Specialist contractors were hired to rekindle those craft skills. For example, an artist was hired who trained existing spray painters in the precise work of air spray. Other consultants were brought in to refine skills in furniture, timber work and polishing. At QR, employees produced all the fine timberwork from rough-sawn wood within the shops. In fact, only the beading was imported, from Canada. Much of the equipment used had been in mothballs and was recommissioned for the project. Not all the skills could be found in Townsville workshops. We had been downsizing our workshops for some time and managed to redeploy a number of the people who had previously worked in the workshops to other jobs. Many of them came from infrastructure, maintenance and other related work.

The project involved a total of 283 workers over a period of six years, with up to 160 workers engaged in the project at any one time. Some had to be brought in from other centres. A number of workers who had previously contemplated retirement had skills dating back to the 1940s, and they remained on for the building of the train. They were given an assurance that they could leave when ready and temporary employees would be brought in to replace them for the remainder of the project.

The logistics of the project required extensive planning and project support. QR had recently commissioned a new integrated computer system. Specialist international programs were hired to fast-track the implementation of the system within the Townsville workshops, and as such these employees within the workshops were amongst the first in QR to use the new SAP technology. The book *Turning a Dream into Reality*, which QR submitted earlier, and I have got other copies if you would like them, highlights the results of a committed team. It is highly unlikely that another project of its type will be repeated in Australia, but it will continue as a reflection of a proud tradition for some time. While all other rail

authorities have shut their workshop facilities, QR believes the decision to rebuild theirs will pay long-term dividends.

The project will have a lasting impact on Townsville shops. Not only did it help boost morale and provide a much needed injection for the local economy, the new fabrication skills and specialist knowledge developed in integrating the old skills with new technology have given the workshops a future. For example, we have just commissioned the building of further vintage coaches for use on historic excursion trains. All work on the long distance airconditioned passenger car services within Queensland are now transferred to Townsville, which will free up the Redbank shops to maintain the growing suburban fleet. Further, the Townsville shops have also won a contract to manufacture all special cattle containers for Queensland Rail. To help preserve many of the skills, 12 apprentices will be placed on the project to work under the older tradespeople. That is specifically about the heritage train project itself.

I suppose where Queensland Rail fits into this arena is that we are continuing our restructuring program, which will inevitably result in further reduced staff numbers. It does not have any specific strategy for managing job security for older workers, but we recognise that it has a broader and substantial social operation to the whole community to manage job losses in a responsible way. Like two-thirds of organisations around Australia, we rely on voluntary attrition as our primary downsizing mechanism. While workers over 45 make up only 32.9 per cent of the work force against 32.6 per cent in the community, they actually make up 60 per cent of all applicants who apply for early retirement. This can be partly explained by long service leave making VERs more attractive, but over time it will serve to skew the work force in favour of younger workers. While we have managed to maintain our profile to date, that is really because we had a massive injection of staff in the 1970s when we had an electrification program. This phenomenon is being repeated in many organisations and I am sure will be a matter of attention for this committee.

CHAIR—Thank you very much. I would like to ask you about the workers in the Townsville shops. I think over half of them are over 45 years of age.

Mr Hempel—That is right.

CHAIR—What is the retiring age for them? Has that been extended in some way?

Mr Hempel—Queensland Rail actually has an exemption under the Anti-Discrimination Act. I think we are only one of a few organisations in Queensland that have a mandatory retirement age of 65. We did that simply because of the extent of our downsizing program. We were seeking voluntary attrition as our mechanism, and therefore we needed to inject new skills and so on. As I said, we have an exemption under that act.

CHAIR—When you first broached with the workers the idea of this tourist facility, was it a fairly enthusiastic response?

Mr Hempel—I guess Queensland Rail workers are a cynical bunch. I think they were pleased that there was a reprieve. To be honest, there is a certain cynicism about the sort of work that they are currently performing. They have gone from that fine craft work which

you have probably seen in the book there to building cattle wagons. One of the features of the heritage train was that old passenger coaches used to be constructed entirely out of wood. For safety reasons we had to construct the frames out of steel, and so we were able to use that technology and a lot of the jigs that were established to build the heritage train to build things like the cattle containers. The heritage train was airconditioned, so all the airconditioning work for all our Queensland trains is now going to Townsville. So we have been able to preserve the work and maintain at least some morale that was built up through working on the heritage train.

CHAIR—Did the Queensland government actually give you financial help with apprentices and training, and did any of that money go to older workers?

Mr Hempel—I do not actually know whether there was any specific allocation for older workers or for apprentices, or in fact for work on the heritage train itself. Queensland Rail receive what we call community service obligation funding. Community service obligation funding is for everything, for instance, unfinancial services—that is, the metropolitan services. We also receive a minor amount of funding for retaining surplus workers, although it probably does not really equate to what we sustain as part of some non-commercial decisions we make. I suppose I cannot answer the question in the sense of whether there was any direct allocation for older workers. I am not aware of it.

CHAIR—Do you have older workers of, say, 45 or 50 years of age doing apprenticeships?

Mr Hempel—Not doing apprenticeships. We have what we call adult apprenticeships, but I am not aware of anyone over 45 years of age who has actually got an adult apprenticeship.

CHAIR—Is that something you would think about? We have heard of and all of us, as MPs and human beings, have come across people who are 45 or 50 years of age who have spent their working life in one particular field and who would like to retrain as an electrician or in some other trade. Wouldn't Queensland Rail be the sort of organisation that would lend itself to that?

Mr Hempel—Certainly. I am not aware of any specific funding that is given towards turning them into tradespeople, although Queensland Rail have committed substantial funds to retrain people who are displaced. For example, we had a program where we specifically focused on the workshops. We granted money to people who undertook short training courses of up to 12 months, either to refocus their skills or to upskill in certain areas.

Mr BARTLETT—Do you have any older employees on part-time work?

Mr Hempel—Yes, we do, although, part-time work is not a major feature of QR's employment. Most of the part-time work tends to be on our Traveltrain and in some of our depots.

Mr BARTLETT—We have talked with a number of witnesses about the use of part-time work as a means of delaying redundancy. Do you see that as a possibility for

Queensland Rail? In order to avoid, as you say, forced redundancy, do you see that some of your more mature workers—say, over the ages of 50 or 55—might go on to part-time work? Have any of them actually requested that option?

Mr Hempel—Not that I am specifically aware of. We have a fairly dispersed approach to managing human resources. I guess one of the difficulties is that converting to part time has implications for superannuation payments. Certainly we have people who perform part-time work but, as I said, it is not something that we make a major feature of. I am certainly not aware that it is something we have used to address alternatives to displacing older workers.

Mr BARTLETT—Could you see that option as having some benefits for an organisation of your scale and type?

Mr Hempel—Certainly. Queensland Rail will continue to rationalise jobs. The notion of permanent work is disappearing, particularly in some of our western areas where the train schedules are infrequent. It is something that we have tried to encourage in a number of centres that I am aware of. The problem for many people is that they are the primary breadwinner. Average salaries within Queensland Rail are about \$29,000—as a base salary—so converting that to part-time work would probably make it non-economic.

Mr BARTLETT—Within the executive branch of your organisation do you have any people on contract work who had previously been Queensland Rail employees and who have come back in on a contract basis?

Mr Hempel—The major form of attrition in Queensland Rail is voluntary retirement. We have a policy that says we will not re-employ anyone within two years, and in fact we have even made that more stringent so that we will not re-employ anyone at all. I understand that can be seen as regressive in the sense that a number of organisations have sought to provide redundancy payments and to then re-employ people on more flexible employment arrangements. In terms of that opportunity, then, possibly, yes. But, as I said, most people actually take an early retirement package when they leave Queensland Rail.

As I said, 60 per cent of all people who took voluntary early retirement packages from Queensland Rail were aged 45 years or over, and yet only nine per cent of them resigned. So it does not give you a huge pool in fact to re-employ people.

Ms GAMBARO—On page 3 of your submission you spoke about going from the railway business into the tourism business. What was the reaction of employees when they were approached with that original idea? I give full credit to you. They are magnificent carriages.

Mr Hempel—I was involved with the closure of the workshops when it first started. There was a lot of negative reaction to Queensland Rail. There had been mixed messages, from both a political level and an executive level. I do not know how widely known it is, but you are probably aware of the Mundingburra by-election and the issues relating to it.

Ms GAMBARO—Yes.

Mr Hempel—Well, Queensland Rail employees had a major part in at least staging some of the activities involved at that time. There was certain reticence about taking on a project. They thought it was just more project work. In fact, as it has turned out, Queensland Rail has managed to retain the workshops up there and probably will continue for some time. The reaction was negative to start with. It was not positive. People did not think that it was going to be a long-term exercise. But certainly the video which I sent to the committee was not contrived. People were pleased with the outcome. If you go up there now, morale is certainly much better than it was four or five years ago.

Ms GILLARD—Given your experience of having to shed labour and doing that through voluntary redundancies, was the package skewed so that it was more advantageous for people who were over 45?

Mr Hempel—In fact, the first package was not. We provided six months payment up-front, which was really designed to compensate or to provide breathing space for anyone to find alternative work. Then there was a one week per year of service. One of the problems was that we had people with three or four years service walking out with substantial amounts of money compared with someone who had served quite a long time in Queensland Rail walking out with not proportionally more. We have changed our redundancy policy so that the early retirement scheme now is a flat linear system where it is two weeks per year of service. Certainly that skews it towards older workers. It is not a deliberate strategy to exit older workers other than to fix the problem that we had whereby we had a number of people walking out with huge windfalls earlier in the piece.

CHAIR—Is Queensland Rail playing any role or does it see itself as having any role in perhaps trying to educate other businesses or industries of the benefits of having an older work force?

Mr Hempel—Not specifically. I am not sure whether there are indirect messages that might be sent by the age and profile of our workers who are involved in customer service. If you travel on the Traveltrains, you will notice that we have people of all ages serving on the Traveltrains. But, in answer to your question, there is not any direct strategy or program to do that specifically.

CHAIR—One of the problems that we have come up against continually is the culture amongst employers which prefers a younger work force—in some cases exclusively so—and yet there is anecdotal evidence supported by some research, particularly overseas, that older workers in the work force have a positive impact on productivity, apart from anything else, and there are other benefits. Perhaps if an organisation of your stature was able to start to send some messages out to other employers, it might have a positive effect on their thinking. In fact, you could even be a part of a public campaign to promote that.

Mr Hempel—Certainly I am prepared to take that back and take it on board. You are quite right. Queensland Rail, like any large employer, presents a public face. Our clients, our customers, are people of all ages, so I think it probably sends the wrong message to be seen to have a work force that is skewed towards younger workers. We are reflective of the community and people regard us as a public employer, so in that sense we have got a role to play.

CHAIR—I am just thinking that, seeing Slim Dusty got the Senior Australian of the Year Award, you could get him to write a song about your train instead of the *Indian Pacific* and you would have it all wrapped up, with a big promotion for employing older workers.

Mr Hempel—We went for a female singer who is also of a mature age.

CHAIR—Thank you for that, and congratulations for coming up with an innovative and positive way of dealing with an inevitable problem.

Mr Hempel—Do you want me to leave you copies of this book, *Turning a Dream into Reality*? You have got one there, I know, but I brought this down if you are interested.

Ms GAMBARO—What is the other one?

Mr Hempel—That is our heritage train project for the state Public Works Committee. You probably do not want to see that.

CHAIR—We would love to have a copy of the book you offered, and it will be put to very good use. Thank you very much.

[2.03 p.m.]

DEANS, Mr David Randall, Chief Executive, National Seniors Association Ltd

CHAIR—Could you please give us an overview of your submission, the problems as you see them and possible solutions, and then we will have a discussion.

Mr Deans—I will hand out an updated chart of the statistics that are in the submission. It brings the unemployment figures up to date to September. It shows an increase from the figure that was provided to you in the submission, which was to March.

In our submission we have concentrated on the age group of 50 years and over, because that is our age group and we believe that we are in a position to give quite clear information about that age group. The thoughts that we have put in our submission and our policy suggestions have come from our membership. Our membership is 180,000 and it is growing at the rate of 1,200 people a week. The interesting part of that is that 66 per cent of them are under 65 years of age. So we have a sample approaching 120,000 people in the age group we are talking about.

In simple terms, we are suggesting that employers are the area we should be concentrating on. We believe that they should be looking at the mix of age groups they have in their work force and that they should concentrate on keeping more mature people—if for no other reason than for mentoring reasons. I am sure all of us have had a mentor or two in our lifetime, and that mentor is always older than we are. By sending people away from the work force as early as their 40s, or even their 30s in some areas, you are losing that maturity and training on the job where people in fact do not know they are being trained. By following a mentor and seeing what they do, they are having unofficial training.

It is interesting that here in Brisbane this morning there was an article in the *Courier-Mail* on this very issue. A report has been brought down by Drake Personnel, and it is amazing. The figure that really comes out at me, coming from an organisation that represents people 50 and over, is that in fact only 22½ per cent of people who are recruited in the professions from that age group are between 41 and 50 years of age. The two areas where more mature people are hired are—and I guess if you think about it it is obvious—education and health. In banking and finance it is as low as 3.7 per cent. I think there is a message there that people go into the bank very young, they go through the banking system and then retire—at an early age, usually at about 55. But banks tend not to take people in, from my understanding, at a more mature age. It is interesting that just today we have an article in the *Courier-Mail* talking about the very issue. We have sent a letter off to editor about that, supporting the findings that are in the Drake report.

An interesting statistic came out at our recent convention. We had Louise Rolland, and I am sure you met with Louise in Melbourne. Her organisation and the National Seniors Association work closely together. At the convention she highlighted that peak performance for practical intelligence is reached only by age 60. I am very proud of that, because that is about my age. So until you get to 60 you have not reached your peak intelligence, and a steep decline is only noted—and this was research done in Canada—by the age of 81. So the people who say that mature people are past it—and that is a throwaway line that people like

to use—should be told that, in fact, until people are 60 their intelligence level has not peaked.

It is interesting also that when you think of self-employed people in particular, like lawyers, doctors, farmers—and forget the self-employed people for a moment—and even politicians, they work sometimes well beyond 70. For some reason, you do not generally see employees these days working beyond 60. It is interesting to note that this magic 65 years of age is not, as we know, the retirement age any more, but it is the pensionable age. It was set in I think 1904 or 1909 as the pensionable age, when life expectancy was about 58. You were not meant to get the age pension. Life expectancy is now 80, on average, and the pseudo-retirement age is still 65. It does not make sense. In fact, the government introduced the pension bonus scheme. That was one of our policies that was accepted.

We believe people should have a choice in when they retire. We would argue that people after, say, 60 years of age—and we are just pulling that out of the air—should, if they are eligible for an age pension, be able to choose to retire on a lesser pension of, say, 50 per cent, building up to 100 per cent when they reach age 65. So there is a choice, if you like, in that 10 years between 60 and 70. We strongly recommend that to any policymaker.

The other thing is the ageing consumers in the community. For instance, people over 50 now total 25 per cent of the population. There are five million people that we could have as members. In 32 years, it is projected to be 10 million people, or 40 per cent of the population. So you can see that the consumers in the community are ageing; therefore, we are going to need older workers to deal with those consumers. It is well known that, particularly in technology, you would rather talk to someone of your age, whatever age that is, about what you are buying because they tend to talk your language rather than someone who is younger—if you are thinking of a mature person. They talk a different language, particularly in technology, because they are used to dealing with it.

We believe that in retirement there is also a need for phased retirement so that people can cut back. Think of someone getting into their 60s. I am a great believer in working until you are 70 if you are healthy enough and if you are happy in your job and you are lucky enough to have a job. Some time in that period—maybe in the last five years—people should be able to say, ‘Okay, I will let part of my duties go to someone else.’ Someone else can be brought into that position who can be doing part of it over a period of, say, five years and then take over the responsibility of the position at the end of that five years, particularly in senior positions. In other words, it is a phased retirement time rather than just one day you are working and the next day you are gone. That is not good for you and it is not good for the employer. We have seen that.

I was delighted to hear part of your previous witness’s comments. I thought it was a great idea to get Queensland Rail in a campaign to talk about mature workers, because they are the sorts of companies that we need. We should be getting them around the table and talking about a program to do that.

You often hear—and I am sure you have been told this before—that investment in training lasts approximately six years. If someone is trained for something, in general it lasts for about six years. There is quite clear evidence that it is a better investment with a mature

worker. If you are training someone at age 55 and there is six years, that person is going to be wanting to stay in employment without changing jobs. This is one of the reasons that you read that they are more loyal: because they are planning towards a retirement at some time, whether that be 65 or beyond or earlier.

I interviewed a research and media officer this morning at 27 years of age—just like your staff. I know that when I employ that person that person is probably not going to be there in a couple of years time because he will move on to another role to get experience, whereas when you get into the maturer years you do not have that problem. With that and the change in employee and the cost of replacing the person, you in fact have a less expense for the more mature worker.

The issue of unemployment in the 50-plus age group—it can be in the 40-plus age group but it is particularly in the 50-plus age group—is really a social problem. If you read about suicides that happen, particularly in the country, look at the age of the people and have a look and see what has happened to their family life, their own life and whether they have been unemployed. They take a direct line towards a tree. I am sorry to be so blunt, but this is happening, and it is happening with people who just do not see where they are going to get their next job. They have mortgages to pay off. They have a family to educate. In many circumstances, and it is unfortunately very high, there are second marriages, then second families and other mortgages and the person might be supporting the first family—and usually is. So in half the cases nowadays someone in the 50-plus age group is not someone that has paid off their mortgage and educated their children and is free and can retire early. It is not the norm any more like it used to be.

There are just a couple of other points. The discrimination legislation today says we cannot mention age grouping when we advertise in the paper for someone. We cannot say how old we want them to be. That is really reverse discrimination, because by not being able to say how old a person you want to employ you are going to go through a process. If you have a consultant, the consultant will not put the people whom you do not want through because of age because you have talked about it with the consultant. You should not have but you did. But by it not being put in the paper, if I apply for a job I am just going to get rejection, rejection, rejection.

I am not suggesting we go backwards and put the age in advertisements. It is the fact that people are applying for all the jobs they can, but really the model of the person the organisation wants has the intelligence of a 60-year-old in a 35-year-old body, and it does not work that way. The age of HR people is young. The consultants who work for you—and there are a few in this building—are young. They are around about 30—the people who are recruiting and screening people on your behalf. You find when they interview someone who is 55 that they are old enough to be their father or mother—so they are old. There is that reverse discrimination.

It is disappointing to see a slow reduction in unemployment—slow, but it is happening. You will see from the latest figures that the number of unemployed people over 50 is increasing rather than declining and this group of people is not experiencing the benefit of reducing unemployment. It is a sad case when that does not happen. How do we get over it?

In our recommendations we strongly recommend that there be a national education campaign put in place. I co-chair the current government's self-service banking and older Australians project. You may have heard of that. That is where community organisations have come together with the Australian Bankers Association. We have gone out into the community and talked about providing information, particularly to people who are retired. I think that that is not a bad model to consider, where community organisations and businesses can come together and work on the same model and where they communicate to the employers the benefits of having mature people in their work force. We are not saying that everyone should be older; we are saying there should be a good mix.

What we are getting is that everyone tends to be younger. That sounds like we are slamming the young, but we are not. It is necessary to have a campaign where we educate employers. It is interesting that the top chief executives in Australia are mostly in their late 50s, into their 60s and even into their 70s. If you look at the employees who are controlled probably by other people within the organisation, they are much younger, and that is why it is happening in the companies, and it is happening in government. For some years we have been encouraging government, particularly Centrelink, to introduce more older people into the work force to deal with the older people's issues, and that is being done slowly.

We believe that financial support from the federal government for training programs should be looked at and if necessary increased, and that there should be an incentive for Job Network agencies to assist mature age clients. That is not there now; they have told us that and have probably told you. In fact, there has to be an incentive for all of this, for people to get involved in a program like this and to employ older people.

We are suggesting that the Commonwealth government subsidise state governments, in fact reimburse them, for the payroll tax incentive and that, if they employ mature people, they get a break on payroll tax which would then be refunded to the state governments by the federal government instead of paying it in unemployment benefits. I guess that is it in a nutshell.

CHAIR—To clarify the age discrimination act: a friend of mine recently sacked his ironing lady and said, 'What I want is a woman in her late 50s who has adult kids and knows how to iron a shirt properly,' but of course you could not put an ad like that in the paper. Are you suggesting that, if employers are looking for someone of a particular age, they ought to be able to do that?

Mr Deans—No. I would not suggest that we go backwards. I just highlight the fact that clear evidence comes to us that people apply for a job they read about in the paper and it does not mention an age because it cannot. They know they can do the job, but really that employer wants someone who is 30 years of age. What is the answer? I do not know. It is the education of the employer to see the benefits of having an open mind on age. I guess we are all guilty of discrimination in our minds, but I would not suggest that we go back and start using age.

CHAIR—I misunderstood you. In terms of the Job Network agencies not doing their job, or at least not fulfilling the expectations of older workers, can you elaborate a bit on that?

Mr Deans—I am not an expert in that area. I have been informed that it is not beneficial for them financially. They are not given a financial benefit by concentrating in the mature age group area. I think there is a need for that. We have some 100,000 people out of the total unemployed in this age group, yet there is no special program for them. If you think of other groups, like youth, there are specific programs to assist those young people, and rightly so. We believe we should be reviewing the programs that are in place and ensuring that there is an incentive there for the agencies to in fact have the time, because it may take longer, it depends on the retraining that is necessary for the individual older person. But it would be important for them not to be at a financial disadvantage because they are concentrating on that. It is believed that that is the case.

CHAIR—Obviously the payroll tax subsidy is just going to target companies that are big enough to pay payroll tax. But it would also be fairly expensive, I would think. You would possibly come up against the issue of discriminating in favour of one group of employees against another and, further to that, substitution. If you were an employer and you had 100 employees and 10 were over the age of 45 and there was a payroll deduction for each one, you would suddenly displace half the work force and look for older people.

Mr Deans—I am sure that the model would not allow them to do that, and you have a good protection in there to make sure that does not happen and that no-one rorts the system. But, in fact, there should be an incentive to recruit a person aged 50 or over and, if they do and they stay for a time, they should be exempt for that person from payroll tax. With all of these things, of course, you need to put a system in place where employers cannot rort the system and get rid of their younger people just to start recruiting older people.

I want to say that it is almost time that we did discriminate in favour of older people, if that is what we have to do. And I say that not lightly, of course, and not thinking of it as direct discrimination, but it can be seen as discrimination. But we have 100,000 or 90,000-odd people here and about half of those people, and more than half of the men, are unlikely to get a job unless we do something. All the reports that have been prepared over the years say that if you have been unemployed for longer than 12 months—in other words, long-term unemployed—you in fact have very little chance of getting back into the work force if you are over 50 years of age. That goes back, of course, to the research done by the previous government. I was looking at it again today, and things have not changed since back in the early 1990s. I think the report was released in 1994, and here we are in 1999 with more people in that age group in long-term unemployment—the highest level of long-term unemployment in any age group.

Mr BARTLETT—Mr Deans, you mentioned earlier the changing relativity between average life expectancy and retirement age, and clearly there are some very significant budgetary implications of that. You talked about a possibility of bringing in a reduced pension and building in flexibility—bringing in a part-time work ethic by part-time phased retirement by some sort of a partial pension. Obviously that has the possibility to add to the budgetary costs in an ageing population. What would NSA's approach be to balancing that with a deferment of the full-time pension age from 65 so if you had the flexibility at below 65 you actually increased the qualification age for a full-time pension?

Mr Deans—To, say, 67—

Mr BARTLETT—Something like that.

Mr Deans—which is a good way to introduce an increased pensionable age. Our model was greater than what the government did. What I am talking about is the other half of our model. What we originally suggested, and we still suggest, was that instead of a bonus we had an increasing age pension as you went the other way. You had a decreased age pension on this side and you were increasing the other side of 65 up to 70, so it was going to average out if an equal number of people took up the opportunity, but it was giving choice. Now we are saying that if you reach 70 we will give you \$21,000 because you have been contributing to the tax system and you have not drawn on the age pension. On the other side, we are going to say that you are taking less, but if we are talking about the high unemployment benefits we would be saving in the unemployment benefit area. If you think back, the mature age allowance was really early retirement. The then minister said that to me. It was a good option for people to take. It is a budget cost, if you just think of the pension budget. But, if you think of the unemployment budget, you would probably be under the level of unemployment benefits when you start at the age of 60 with, say, 50 per cent of the age pension which would be just over \$4,500.

Mr BARTLETT—How would you relate the lower pension rate then to a mature age rate? Presumably you would want to lower the mature age allowance as well, say, from 60 to 65.

Mr Deans—You would have to look at the mix and see whether it would be necessary then to have a mature age allowance, whether you would do away with that and give people the option of being on unemployment and the stresses that go with that or take on early retirement at half the age pension.

Mr BARTLETT—Would NSA support raising the qualification age for the full-time pension?

Mr Deans—We do not have a policy on that.

Mr BARTLETT—What is your instinct?

Mr Deans—Personally I believe we would. It is happening around the world. There is no doubt about it. Our pensionable age will increase because our life expectancy has increased and, as I suggested before, you were not meant to get it. You do not have to go that far, but it is happening around the world that people are healthier and they are wealthier. I think in general most people, 51 per cent, are happy to work on. The problem today is that they do not have a job to work on in. But the ones who are working would be happy to work on.

Mr BARTLETT—So part of the problem for the whole employment market, but particularly concentrating on the mature age end, is that there are just not enough jobs to go around. So the job sharing idea, and therefore linking that with phased retirement through part-time work, obviously has a lot of appeal to the employees themselves. Has your association given any thought to a means by which we could provide adequate incentives for employers to go down that path?

Mr Deans—No, we have not got a policy on that. Again, we come back to this issue of the people at this age group being under the stress of employment issues. We believe we should be putting a policy like this in place to think about the future rather than today. Of course what we are talking about today is not going to help those people who are here today unemployed; it might help the ones in a couple of years time, hopefully, if we are quick enough. I might say that there is no better year than now, the International Year of the Older Person, to put some program in place. But that is a policy that we believe should be introduced to give choice and provide the opportunity for that mentoring, if you like, to be done on a formal basis. In the last five years of my working life I might bring on someone to work with me and reduce my working hours, and that would be at a senior level. I think it is likely to happen more at a senior level in an organisation than at a junior level.

Mr BARTLETT—How would NSA respond to the idea of allowing employers to pay a lesser amount in terms of superannuation contributions for employees over 60, for instance, in part-time work, in order to provide adequate incentive for employers to keep them on in a part-time capacity? Would you be supportive of any of those sorts of incentives?

Mr Deans—If I can speak as an employer, I do not know whether I would want to have an incentive other than I am going to have a much smoother changeover of a person or a position in my company by two people working together. It might be someone coming from within the company to work with a senior person. I would see that as an enormous benefit if I thought about it myself as another employer. I wonder whether they think about these things.

Mr BARTLETT—Suddenly a lot of employers are more driven by the financial incentive rather than perhaps the sorts of incentives to which you refer.

Mr Deans—I guess if someone works lesser hours it is a lesser overhead anyway—their salaries are less and therefore their superannuation is less. At that age they are probably going to make a sacrifice and put a huge amount of their salary into superannuation. Maybe we could introduce something where they could tip almost 100 per cent of their salary into superannuation. It might provide financial benefits like that but, as you can tell, we have not thought through the issue of incentives for the employer. I take that on board though.

Ms GAMBARO—Following on with superannuation, are the current rules of superannuation too stringent, particularly when you are looking at phased out employment that you have just spoken about? Can anything be done there? Does it need to be more flexible?

Mr Deans—I was surprised when the current government talked about people not having to contribute to superannuation. Again, as an employer, I look at a total package; employees tend not to look at it that way. In other words, if it is a \$40,000 salary, you decide what the superannuation is—it is seven per cent currently. That is a package—that is the cost to the company. I do not see it as a problem. I see compulsory superannuation—and this is a personal view, and we support it very strongly in our policy document as well—as a very good move, and I think it does have to be increased gradually over the years so that we get to the stage where more people in retirement are providing for themselves.

We believe in incentives, whatever incentives are necessary, for people to provide for themselves. For instance, if you think of all the incentives for people to get into the Centrelink or DSS system to get a part pension to get the benefits, we believe there should be incentives to keep them out. We believe there should always be incentives for people to provide for themselves and stay independent rather than relying on the age pension. We agree that the age pension should be there as a safety net. We have these debates in our conferences all the time when we have resolutions coming forward on issues. You have to determine whether you are going to be greedy or whether it is for the needy. We always come out on the side, after discussion, that the age pension is for the people who need it as a safety net. Superannuation is there to give a person an opportunity to provide for themselves in retirement, and I think it is a very positive policy.

Ms GAMBARO—We had a submission earlier from the Healthy Ageing Unit at the University of Queensland which spoke about job sharing and a mentoring role that could be provided for more mature age people and younger people sharing the same job and the transfers of skill and knowledge that that would entail. In the phasing-out stage, could you use job sharing? You spoke about executives and succession. It happens with CEOs—and you made a good point there. When CEOs leave or are about to leave they groom the next person to take over, yet it does not seem to happen in other positions down the line. What are your thoughts on that?

Mr Deans—It is what we call phased retirement, if you are thinking of it as the people who are approaching retirement. We support that. I keep saying this—we don't have a policy on it. It is my personal view, that is what I am trying to say. But I am not clear in my mind when you say to someone, 'You are a mentor and we want you to work with this younger person and we want you to share your experience.' I would rather see that happen naturally. There are people who could do it quite well and without any holding back but, unfortunately, in our experience—and we are in this area—our age group have a strange feeling about young people and it is not a nice one. It is a social problem that the seniors in the community—not all of them, but a lot of them—think of young people as being long-haired people who are unemployed.

Ms GAMBARO—And wear baseball caps.

Mr Deans—Back to front. But we overcame that only a couple of weeks ago at a convention, and I guess you could say this was not the right way of doing it. I decided we were going to bring youth. This is based on the mentoring issue. We brought three of the debating team from Canberra Grammar into our convention with three of our seniors and they debated that television was ruining families. They debated it on the opposite side. That was a great hit. But at previous meetings and conferences when we asked people, 'What if we introduce some youth into some of our conferences?' they did not want to know about it.

What I am coming to is that it is great when the mature person has the ability to pour out their experiences to someone. Personally I think it is best in a situation where it happens naturally in the workplace. I don't think our mentors—and we can all think of two or three in our lifetimes, or I certainly can—knew they were our mentors. They did not try and hold back. It is something in our psyche.

Ms GAMBARO—It is just a natural process.

Mr Deans—It is. I think it is important to be natural. I do not want to say a program would not work. I hope it would. I am not sure what we would achieve out of it, except in a training sense.

Ms GILLARD—I am interested in the suggestion about an education campaign for employers on the benefits of employing people of an older age group. It has been a theme of the inquiry. A lot of submitters to the inquiry have suggested that. I would be interested in your thoughts about the content of that. Advertising can change perceptions, otherwise people would not do it. In the public education area, clearly advertising has changed perceptions about tobacco and drink driving—a whole series of things. But it has only done that because it has been a very sustained message in many media over a long period of time. I am concerned that unless we think carefully about what we mean by an advertising campaign we could do something one-off and very token which really does not have the capacity to change attitudes. Could you talk to us about how you would envisage something like that working?

Mr Deans—I would certainly rather call it an education campaign. Advertising may play a part in it. I have never thought about an advertising campaign. Maybe a soft approach like the International Year of Older Persons ads at the moment, where it is there but you do not know it is there—it is happening in front of you. That is why I used the self-service banking and older Australian model, where around this table you would get employers who have some influence. You would have their industry associations there and get a commitment from them. You would get a commitment from Queensland Rail that they will be part of it and they will do something about their current work force—and when it comes to retrench people, do not just head straight to the people who are over 50 but try and do it a different way.

I believe that you would be looking at having a roundtable, which is how the banking project started. You would have industry come together with community. You would then have government involved trying to influence industry. The first step of this is really the conference that is taking place in November in Melbourne, where JobsEast has formed a convention. They are going to have three-yearly conferences. The conference is really not for people like me, although I am going to be there. It is for employers and their HR practitioners to understand the benefits.

We need to get the message over and have them agree that we are losing something by sending away our mature workers. How often do you hear—you have probably heard it over your inquiry—that one big organisation lays off someone and then employs them in a few months? They bring them back at some unusually high hourly rate. It happens, and we all hear about it. It does not seem to make sense, because it is about a lack of planning. By getting that person out of the work force, they are saving on the bottom line. I agree that that is one of the problems.

We have gone too far down the track. Technology was introduced too quickly in this country. It is all okay to talk about that now. People need to stop and say, 'We need to do something here.' The banks have said that they have left older Australians behind in

introducing electronic banking technology. We need to work with the community as they want us to and to inform. We want to introduce that model or a similar model to inform employers through their industry groups. I imagine that that would be the best way to do it.

CHAIR—If you are trying to effect a cultural change, which is really what this is about, it needs to be done in the same way that you would change the attitudes of Australians towards AIDS or smoking. You cannot just run an advertising campaign. It has to be part of a comprehensive strategy which targets a whole lot of things, including economic incentives for employment and getting employers together. Publicity is one thing. The education of younger people is another.

Mr Deans—You could get someone like Ron Clarke. He is talking as an employer—it could be someone else—and is getting the message across and addressing meetings. It is a matter of getting out there. I imagine that it is a little harder to get to the small businesses in Australia than the large businesses. That is a real challenge. There is a huge challenge. Unless we stop and start something like this, we will be sitting here in five years talking about a greater number of unemployed people over 50.

CHAIR—Thanks very much, David. We appreciate your coming along, your organisation and your journal and ideas. Some of us might see you in Melbourne at the conference.

Mr Deans—I look forward to it.

[2.52 p.m.]

BLADE, Ms Margaret, Executive Officer, Brisbane South Area Consultative Committee

KETTER, Ms Lyn, Branch Manager, Leonie Green and Associates (Brisbane South Area Consultative Committee)

RICHARDS, Ms June, Project Officer, Brisbane South Area Consultative Committee

CHAIR—Welcome. Thanks for coming in to talk to us. Perhaps you could give us an overview of your submission and the issues as you see them, including both the problems and any solutions. We will then have some discussion about it.

Ms Blade—I have a few notes for an opening statement here. I will give a snapshot of our ACC area. It covers the southern suburbs of Brisbane, Logan City and the Redlands shire. It covers a population of 704,000, which is 21 per cent of the state's population and 24 per cent of the state's labour force. According to 1997 ABS statistics, there were nearly 7,000 people unemployed in the 45-plus age group, which represents an unemployment rate of 6.1 per cent for that age group. This groups makes up 28 per cent of the labour force in our area but only 20 per cent of the unemployed. It is not an overriding problem, but it is still a significant situation nonetheless.

There are high percentages of the unemployed without post-school qualifications in this group. The age groups have been impacted upon disproportionately by restructuring and the downsizing of companies. Redundancy payments are often used to start small businesses or, in effect, buy a job. Unfortunately, many of these fail due to a lack of expertise, experience or access to capital to survive. Once employed, the trend is that the age group drifts into long-term unemployment more so than other groups.

June Richards was an executive officer with me. She sourced a lot of the views in the submission. It is an overview of the responses that were received. June is also a former personnel officer and human resources manager. She can draw on her experiences to further inform the committee about these issues today. Unfortunately, both the chair and deputy chair of the ACC are interstate and overseas this week and cannot appear. They would like to have. They both run businesses. They consider that they have good human resource practices for employment and even retention beyond the retirement age. They are interested in fostering any initiatives to help this age group.

We are also actively supporting the JobsEast Australia employers convention by informing employers in our area and trying to get people on board for that. Also, our 1999-2000 business plan for the Greater Brisbane area—because we are about to merge with the Brisbane North Area Consultative Committee—includes identifying initiatives to develop employment opportunities for disadvantaged groups, and we include the mature age group as a disadvantaged group in the region. I did not actually have anything to do with preparing the submission, but because I am the only one who is now with the ACC I thought it better than to send a representative along. Certainly June and Lyn will probably have the most to say.

CHAIR—June or Lyn, do you have anything to add in terms of an introductory remark?

Ms Richards—After you sent out the brief, I wrote to—as we say in the executive summary—24 Job Network providers in our area asking them to submit some information. We approached the two local chambers of commerce in our area and we also approached the members of the Area Consultative Committee. Unfortunately, we did not receive a huge response—and you have already spoken to one of the people who responded to us.

Ms Blade—Or a representative from that consultancy.

Ms Richards—Lyn certainly had plenty to say, and I have that all here. She is able to speak from personal experience from her family point of view and also because she deals with unemployed people all the time. I have had experience, having been a personnel and training manager in hotels for 13 years. I have also had experience with that unfortunate situation where people in the older age bracket who are applying for positions were not always considered because of their age. Unfortunately, that does happen.

CHAIR—Lyn, do have anything else to add?

Ms Ketter—I am the big mouth who responded. I am from the one Job Network provider that responded, and I felt a responsibility to do so because it is a particular passion of mine. I will provide a bit of my background. Prior to leaving the government, I managed a youth access centre for five years where we dealt with disadvantaged young people. I then went from there to work for Leonie Green and Associates as a private provider. So I have a fairly broad background in employment and unemployment issues, particularly coming from the youth side, and have seen how older workers are affected.

CHAIR—Lyn, a number of people—including the National Seniors Association to whom we just spoke—have suggested to us that Job Network does not serve the specific needs of mature workers all that well. From the point of view of a Job Network provider who is committed to older workers, is there anything that you would like to do for them that you are not able to do at the moment?

Ms Ketter—I would like to see a wage subsidy introduced for older workers. I think that would be an incentive. Employers are still looking to the old wage subsidy situation. There has been a lot of publicity over the years in terms of youth unemployment, but the older person has been ignored. Also, in leading by example, when people are tendering for government contracts, maybe the over-45s could be a target group in terms of the work force. Similar to NESBs and women, maybe the over-45s could be within that range.

Certainly Leonie Green and Associates do not have any hesitation in employing older workers. Out of our 260 clients, 21 per cent of them are 45 or older just in the local area, and we have a similar strategy for our company—that is, that at least 20 per cent should be over 45.

CHAIR—Some people have suggested to us that older workers should be able to access intensive assistance earlier than they currently do because the longer they are unemployed the more difficult it is to actually find them a job.

Ms Ketter—I think in actual fact they do now because anyone over 40 gains enough points to come immediately to intensive assistance. Since they lowered the job seeker screening instrument, people in that category have been able to come earlier because fairly high points are awarded for over-40s.

CHAIR—The other thing I wanted to ask you about was mentoring. You quite rightly promote the virtues of mentoring, but how would it work and who would be mentored?

Ms Richards—People who use their life savings, their superannuation or their redundancy payment to go into business could be mentored by someone who could understand their business and help them. That could be supported by the government. As Lyn said, a lot of people who have retired at 60 or 65 have not lost their arms, their legs and their brains. Just because you are over 60 does not mean that you do not have the mental capacity. You have all of that life experience and business experience to enable you to give people a hand in their business.

CHAIR—So we are talking about business mentoring by older persons?

Ms Richards—Yes. More and more people are going into small business. My husband, for instance, was made redundant and we bought a business. We are struggling through and learning how to run a business. He was a Queensland manager and I have been in hotels, but that does not mean to say that we are ready to run a business on a day-to-day basis. The Department of State Development is there but not everybody knows about them. We need to be out there letting people know that there are people who can help them. If you give someone a mentoring job, they have some reason to keep on going. There are a lot of people out there who do not necessarily need the money but they would like their petrol money and that sort of thing.

CHAIR—The out-of-pocket expenses.

Ms Richards—Yes. But then there are other people who still need to have money coming in. People are getting married later now and they are having children later. Some people are not having children until they are around 40, so they still have young people going to university when they are around 60 and they still need to have money coming in and still need to be working. I want to keep on working. I enjoy working. And there are a lot of people like me out there.

Ms Blade—Mentoring can probably go both ways. People who start their businesses from their redundancy packages and do not have any business expertise could probably do with mentoring as well.

Ms Richards—That is whom I meant it for. It is for the people who do not have that business expertise.

Ms Blade—But the older people can be mentorees as well if they have the business expertise.

Ms Ketter—Maybe the NEIS scheme could be expanded so that people who are not on a benefit have access to it when they reach a certain age.

CHAIR—That is certainly something that has been recommended to us, amongst other things, for NEIS.

Ms GILLARD—In terms of the early intervention stuff, one of the issues that has been put before this inquiry is that there is a category of people who are not eligible for any assistance at all because they have working spouses. Do you have a comment about how we could best get in early to assist those people?

Ms Ketter—Again, Job Network or intensive assistance should be available as soon as they become unemployed if they ask for it, regardless of their acquisition of a benefit .

Ms GILLARD—An issue that has come up time and time again with respect to the mature age unemployed is that you get people who have possibly gone through a redundancy process confident that they are going to get another job and then the months go by and the confidence fades and you then have people who are in a slump, and it is very difficult at that stage to assist people. Obviously, the longer you are—

Ms Ketter—It is definitely a grieving process.

Ms GILLARD—Yes. And the longer your unemployment is, the more sceptical employers are going to be about putting you on. We have had some discussion about whether, when businesses are shedding labour—having redundancy processes—there is a right way to do it and a wrong way to do it in terms of assisting people to get into the work force again or start their job search in the right way. I was just wondering whether you could comment about redundancy and whether there is anything the government could do through its agencies or employers ought to be doing which would assist people when they are made redundant to come out the other end of that redundancy ready to look for work.

Ms Ketter—I think it is probably a two-way street. When employers are shedding people they could certainly take more responsibility in preparing those older workers to go on in the work force. A lot of people who have been made redundant could more readily gain employment if, one, their self-esteem remains high and, two, their skills are updated to enable them to go into the work force. Bookkeepers is one category that comes to mind. They might have done their bookkeeping on a manual system for years but their skills need to be updated in terms of the computer side of things. The computer side of things keeps coming back no matter what job you are speaking about, so maybe there could be some training available to update computer skills.

Ms GILLARD—In your opinion, what is access like now to that kind of basic computer or literacy training?

Ms Ketter—It is available if they pay for it themselves.

Ms GILLARD—So it is the cost that is the problem?

Ms Ketter—It is the whole process. They are going through a process. They go out there all fired up at the start and then they go through a process where it is almost like a death in the family. So they have all these emotional things happening. They know that they can do things, but it is a matter of dealing with these emotional things and going out and doing it plus, in some cases, being able to afford to do it. There are all sorts of things happening for the older worker when they have had a go and they have been knocked back.

Ms Blade—Once they are registered with a Job Network provider and they are FLEX 3, the onus is also on the provider to pay for any training to make the job seeker work-ready.

Ms Ketter—That is true; it has all been cashed out. But, in a commercial sense, how freely it is available depends on the cost of the training and the amount of money that the Job Network provider is going to get.

CHAIR—Just on that point, you suggested in your submission that the focus of most job placement staff is not on the needs of the job seekers but on those of the employers as the key market player. Do you have any evidence to support that view?

Ms Ketter—I do not support that view. In the submission it says that the key to the whole thing is that the Job Network providers are more focused on the employer than they are on the job seeker.

Ms Blade—Or any placement agency caters to the employers. You do, I suppose—even back in the CES we did that.

Ms Richards—If you don't have an employer, you don't have a job, and the major thing here is that we can get as much government assistance as is made available but unless the employers will employ these people there is nothing you can do. You can train them up until you are purple in the face.

CHAIR—There is no point making a product for a market on something else, I suppose.

Ms Blade—And the employer will not come back for repeat business if they are not given a job seeker who meets their needs.

Ms Ketter—Why I do not agree with that is that we actually put our people through a two-day workshop which looks at their vocational skills, looks at their needs and looks at the level of their self-esteem before we actually put them out into the marketplace.

CHAIR—To meet the needs of employers, you also have to meet the needs of prospective employees.

Mr EMERSON—In this issue we seem to think in stereotypes. One stereotype is when you talk about a mature age unemployed person. We tend to think of males a bit more than females, which is a bit unfortunate, but let us just talk about males for the moment. The stereotype is that the male who has lost a job was some sort of middle level manager who could perhaps go into a small business, get encouraged into it and so on, who has had a job for 30 years. There have been examples of that in people we have spoken to. It seems to me

that there are some policy prescriptions that could come out of that. Another one is someone who has been employed in the manufacturing sector, again for, say, 30 years, with lower skills. Manufacturing employment in Australia is declining and that person, often a male but it can obviously be a female, loses a job.

In Woodridge, Kingston and Logan City, it is likely that the unemployed mature age workers do not fall into either of those categories, that they are males predominantly who always faced a lifetime of precarious employment, who had a job but have been unemployed for long periods, picked up a bit of casual work from a mate at the pub and so on. I think it is important that we do not, because of our propensity to stereotype people, say, 'We can't do anything for those people because they are only marginally in the work force anyway.' I wonder what you would think about an approach which is effectively a public sector job creation scheme for people like that. It would be community based, not run out of the RED scheme or something out of Canberra necessarily but something that is maybe local council oriented, funded federally or through a state government, where people are given roles that are valuable, most importantly to them but also to the community in terms of maintenance works and things like that. It is not something I would normally prescribe as a solution to unemployment because I do not believe that is a solution in general to unemployment, but I would for that category of people, who have got to be just as important as the middle level manager who has lost his or her job after 30 years.

Ms Blade—I believe there is that category of person. They just drift in and out of casual jobs. They might move around. I think Logan consists of a lot of people who move into the area because of—

Mr EMERSON—The low cost housing.

Ms Blade—That is right. You do not mean a work for the dole type of thing necessarily; it would be an actual job or an actual scheme—

Mr EMERSON—Maybe council work, not just road building type work, which again is a stereotype we tend to associate local council work with—fixing up potholes and so on—but maybe doing some maintenance of parks and lawnmowing services or whatever. Maybe it does make sense.

Ms Ketter—Are you talking about an ongoing thing or are you talking about a three-month or six-month stint?

Mr EMERSON—I would think realistically it would need to be ongoing for those people.

Ms Blade—That would be government funded, and then some contribution from the host council?

Mr EMERSON—That is right.

Ms Ketter—Or the state government.

Mr EMERSON—The social benefits of avoiding the social costs could be very high and they would be doing work and there would be some self-esteem associated with that.

Ms Ketter—I think that is an excellent idea.

Mr EMERSON—But I would be the last person to say, ‘We have got 700,000 people unemployed and therefore we need to create public sector jobs for them.’ That is not the right solution. It seems to me that to avoid the stereotypes we have got to ask what are the characteristics of the different groups of mature age workers who are unemployed, and one size and one policy prescription cannot fit all.

Ms Blade—We could probably do a targeted work for the dole scheme or something in that respect.

Mr EMERSON—Yes. I am not saying 40 hours a week or 38.5 hours a week, but 15 hours a week or something like that combined with their unemployment benefit or whatever other benefit it is—I do not care what you call it—which provides a reasonable income and some dignity and sense of engagement in the community.

Ms Ketter—That sounds great.

Mr BARTLETT—Some of the responses you received contained some potentially quite controversial strategies for addressing the problem. One was lowering wages for older workers. Could you expand on that? What sort of detail was given?

Ms Richards—Basically the detail is what you have received here, talking about low wages. It is like having the youth wage, I suppose. To me it is wrong. Because you are over 45 does not mean your expenses drop; you still need the same amount of money. I think that should be addressed in the fact that maybe we get the government subsidy for older people like we do for younger people.

Mr BARTLETT—That was listed as a separate point in the attachment. Did any of the submissions actually suggest that the pay rate ought to be lower? Was there any figure given as to the percentage discount?

Ms Richards—No.

Mr BARTLETT—Your response to that would be negative, presumably, like a lot of other organisations.

Ms Richards—Yes. I was just collecting it from people. I think we should all be paid a reasonable sum of money, and maybe get some assistance from the government for that. You are talking about Kingston and that area there, but with the hospitality industry we are building people’s lives. They are only expecting to work casual, part-time and things like that. In that industry, the hospitality industry, nobody expects to go full-time except if you get into a management position or supervising position or something like that. In the hospitality and tourism industry that is the sort of mentality we are breeding, that people do

not expect a full-time position. Yet they are still trying to buy houses and build a reasonable living standard.

Mr BARTLETT—On that option of subsidies, do you see the potential for that to be abused, that once the employment subsidy runs out that employee is recycled?

Ms Richards—Could be, like traineeships. It happens with traineeships.

Mr BARTLETT—Have you given any thought to how that abuse might be avoided?

Ms Blade—With Jobstart, a similar wage subsidy scheme that used to be around, there used to be checks on the employer. If an employer was a previous user of that scheme and did not retain the worker beyond three months or something like that, then questions would be asked if that employer came back to access the scheme again.

Mr BARTLETT—The problem is still there, isn't it, that when the subsidy runs out the temptation is to look for another employee who does attract a subsidy?

Ms Blade—Unless the employee is valuable to them and they have been trained up to be a valuable asset to the business.

Ms Ketter—I think there will definitely be abuse of it, but the good it will do for the older age worker is immeasurable in terms of at least giving them a go. It gives them back their self-esteem. It gives them life again to go out and do this, to actually look for work.

Ms Richards—If they have got a job once, they can get another one.

Mr BARTLETT—What about the other suggestion there of putting up barriers to stop the turfing in the first place, to use the terms of your submission. Could you expand on what barriers you had in mind? It is on page 2, the seventh strategy.

Ms Richards—Making it not so easy for people to make older people redundant.

Mr BARTLETT—Do you have some suggestions as to the mechanisms that might be used?

Ms Richards—No, I do not, I am sorry.

Mr BARTLETT—Was that expanded on in the submission that included that suggestion?

Ms Ketter—This is Peter Weightman's, is it?

Ms Richards—Yes.

Ms Ketter—There are some of my ideas in there, but not all of them are mine.

Mr BARTLETT—So that one is not yours then?

CHAIR—Perhaps you could take it on notice and, if someone could give us an answer to it, send it on, if that is all right.

Mr BARTLETT—One of the other suggestions was providing incentives to employers to retain or to employ mature age job seekers. Apart from the work subsidy, did you have any other incentives in mind?

Ms Richards—No.

Mr BARTLETT—Perhaps again you could take that on notice, if you do not mind.

Ms Ketter—I could probably put my two cents worth in. I know you cannot go out and browbeat everyone and say, ‘Take on the older aged worker,’ but there has been so much said about youth unemployment in the past that it is ingrained in people: ‘The poor young person, they can’t get a job.’ If there could be a similar publicity campaign about the older age worker, then maybe some of it would rub off—the values in employing an older age worker. There have been some ads on the TV that I have seen, but we need some more that show that they do not lose their legs and their brains when they turn 45 and that show the genuine skills that they bring to the job.

Ms Richards—Lyn said:

The Government should use the media to encourage the employment of the older person to use their

- . prior experience
- . reliability
- . need to service their financial commitments
- . awareness of the need for customer service.

That is very important.

Mr BARTLETT—That is education rather than providing incentives as such.

Ms Ketter—I suppose, but to me it is an incentive to have a better business—especially in the area of customer service—that, in most cases, the older age worker can provide that style.

CHAIR—We thank you very much for all the work that you do with those who are unemployed, the older unemployed in particular. Apart from the questions on notice, if you have any supplementary ideas or comments to make, please do not hesitate to forward those to us.

[3.28 p.m.]

HOLLAND, Ms Julia (Private capacity)

CHAIR—Welcome to the hearing today. Perhaps you could give us an overview of your submission and what you see as the issues and any recommendations you have got, which we can then discuss.

Ms Holland—I believe the problems for those over 45 seeking employment cannot be viewed in isolation from the rest of the employment situation. Although there may be some bandaid solutions that would be helpful to a few, no effective change will be achieved all the while we are operating in a job market where 30, 40 or 50 people apply for every attractive position and employers can choose an overqualified person under 45 or, more likely, under 35 to fill it. By all means apply the short-term alleviating strategies, but do not forget it is only a partial solution.

In this area of short-term help for over 45s, I would like to see such initiatives as employer education on ageism issues; development of mentoring opportunities for older people; more creative research grants and projects specifically for over 45s; perhaps shorter retraining courses which could take into account life and work experience, but which would then be recognised as having degree status. Although these will provide relief for a few, it is still going to be almost impossible for someone over 45, perhaps without the degree or college background of his or her 30-year-old competitors, to get to the top of the massive pile of applications facing an employer who may well herself or himself be under 40 and threatened by an older authority figure as a subordinate. This basic reality is doubly disappointing to those who have been back to uni to retrain for a few years, only to find that they are no closer to getting an interview or a job. As I see it, the whole job market is sick and needs some major surgery.

The government should be defining the sort of society we want and taking bold imaginative initiatives to achieve it. Allowing market forces to run out of control and applying bandaid solutions to those devastated by them is to me a sad avoidance of responsibility and one of the reasons people are becoming disillusioned with government. Of course, there are certain unavoidable realities in our changing world, but we have to constantly redefine our structures to ensure we are not merely victims of world forces and of corporate greed running unchecked by any responsibility to society.

Really, the best option I can suggest is a total restructuring of tax and other incentives to encourage employers to take on more people, to move both government and private sector towards a larger number of employees all working a three- or four-day week, rather than having half the country stressed by overwork and unpaid overtime while the other half is stressed by underwork and no spare money to enjoy their enforced leisure, or even to meet the normal costs of everyday life.

Surely one of the advantages of the technological advances and the richer society we have achieved at the end of the 20th century should have been that we all have a shorter working week, the challenge and satisfaction of making a contribution to society and the security of a reasonable wage. I call on you to recommend major incentives for employers to

provide a shorter working week for everyone, more job sharing and opportunities for all ages as well as for both sexes and all races. Please consider this big picture as well as the minor areas of adjustment. I appreciate the opportunity to put these points on behalf of the over 45s, whom a friend of mine succinctly defined today as being 'the most underutilised and undervalued asset this country has'.

CHAIR—You mentioned a number of things, but what do you think is the major barrier towards employment in this age group?

Ms Holland—As I said here, I feel that, because there are so many people going for every attractive full-time job, people can choose someone who is younger, and a lot of the people doing the choosing are younger themselves and do not necessarily want an older person coming in and looking over their shoulder. Basically, I think that, until there are more opportunities in total, it is going to be very hard to get the employers to choose the older people as against the younger people, because of all of the built-in prejudices and everything else.

CHAIR—So you think it is basically a trickle down effect—if there is a lot of employment, then eventually it has to help the situation of older job seekers.

Ms Holland—Yes. In the current situation the only way that I could suggest that might be achieved is for everybody to work shorter hours and more people can have a job.

CHAIR—Have you given any thought to how in a practical sense that could be undertaken?

Ms Holland—I do not know all of the overheads and tax and things that are on employers, but somehow for the government to give incentives or tax breaks for people offering job sharing positions—maybe some specifically for the over 45s—something to actually encourage employers to move towards, say, shorter working hours, because it does seem that those people who have a job are getting more and more pressured to do unpaid overtime and working longer and longer hours.

CHAIR—You said in your submission to us that women were particularly disadvantaged. We have been told throughout the course of the inquiry that in fact women find it easier to get work in this age group than do men, partly because they are prepared to take lower paid, part-time or casual work, whereas the expectations of men are higher. Do you have different experiences or evidence you could present to us?

Ms Holland—I have not got any figures. My feeling is that generally in society men can be viewed as they get older as wise and powerful whereas women are very often seen as just ageing.

CHAIR—For a moment I thought that Dr Emerson was getting up to agree with you. But we had better not buy into that. On that point, I will ask the wise and ageing Mr Bartlett to ask you a question.

Mr BARTLETT—I have often been described as ageing, but rarely as wise.

Ms GILLARD—He is going to describe me as just ageing when he asks me.

Mr BARTLETT—I was just wondering about the option of volunteer work. Clearly, what you are saying is quite correct, that unemployed people over 45 are a grossly underutilised asset. With so many areas of need in the community, surely we ought to be using those who cannot get paid employment in a voluntary capacity. Have you had any experience in volunteer work? Have you been involved in any way?

Ms Holland—Yes, I have done some locally—and I know a number of women over 45 that do—particularly with environmental groups. Which, yes, is satisfying, and very often you can learn new things, but it does not give the stability of income.

Mr BARTLETT—Have you given any thought to ways in which volunteer work might be linked a little bit more to some financial reward?

Ms Holland—No. That could certainly be a help for a lot of people who are out there doing a lot of work on an unpaid basis, very often people who are either on a pension of some sort or—

Mr BARTLETT—It is certainly worth trying to help by relaxing the activities test and so on for people involved in volunteer work.

Ms Holland—Yes. That could be an option, for sure, to help one particular area.

Ms GILLARD—In your submission you rightly point to the fact that there is a tendency for employers to prefer younger workers. We have heard a lot of evidence about that. In your experience, have you felt that directly? Have you had it said to you or has it been indicated as an attitude?

Ms Holland—It has not been said to me, but it is the only conclusion I can draw from applications I have sent off for jobs. My last full-time job finished in, I think, 1995. At that point I immediately applied for other jobs which I felt I was well qualified to do, and I could not even get an interview for any. I applied for a number. I know I am addressing the selection criteria fairly well. I am not going for things that are way outside my capabilities and experience. There were just a couple that I applied for in government departments where I used the feedback mechanism. Basically, I do not have a degree, and a lot of people with degrees are applying for the sorts of jobs that I like to do.

Also, I can only assume the age thing. I was given breakdowns of the number of people who had applied that had a degree, the different ages and so on, and the only reason I can see is that I did not have a degree—and, possibly, the age issue as well. As I say, when I left school it was not so essential to have a degree. I feel I have the same capabilities, but I hear from a number of people who have gone back to university and spent three years getting their degree that it does not make it much easier. They are that much older by then. If I do that now, I will be 48 or so and getting even less attractive as an employment prospect. I feel I am one of the luckier ones, because I have creative skills that I am slowly building on and finding a way forward, but not everybody has that.

Ms GILLARD—Do you have experience with the Job Network? Have you found that of assistance?

Ms Holland—I did use not the most recent Job Network but the one before. That did find me the job I had for a year until I was retrenched. They decided to sell the newsletter I was working on. So, yes, I did a job through that. As far as I could make out, it seemed to be a bit easier than actually applying for jobs in the newspapers, which draw an even bigger selection of people.

CHAIR—Do you mix with a group of people who are in similar circumstances to yours?

Ms Holland—Yes. I do know a number of women, from my age up to 60, who seem to me to be intelligent women with a lot to offer. These women would like employment and are struggling to get by on whatever little bits and pieces they can get here and there, or they are sole parents or on social security, maybe supplemented by little earnings here and there. They obviously have a lot to offer, but they cannot find the jobs, or their particular skills are not fitting the job market. Something is going wrong.

CHAIR—What sort of advice about training would you give to other unemployed older people? It sounds as though you would not advise them to go to university and get a degree.

Ms Holland—My experience is only a small sample, but I certainly get the impression that you are not necessarily guaranteed a job even when you have done that. I guess if it is something that you are really interested in you can justify it from the point of view of enlarging your experience and expertise, but if you are doing it purely with an eye to getting a job, I think you would probably find you had wasted your time.

CHAIR—Is the cost or the potential cost of training or retraining an issue amongst the people you know?

Ms Holland—Yes, it can be, although I know you can sometimes get that retraining subsidised through some of the sole parent schemes and things. As well, some people I know are going for jobs where perhaps they are up against people with degrees who are younger. It would be good to have some sort of assessment of a person's skills and experience and then put it together with a bit of training that would say, 'This is equal to a degree' rather than having to go back to university for three years and take the chance that it did help. That would be a way I could see of bringing someone up to date while taking their current experience into account.

Mr EMERSON—One of the things we have been grappling with today and at other hearings is that we have heard proposals to, say, give a tax break to anyone who is employing people aged 45 and over. It sounds like a good idea, but I think a useful way of conceptualising these sorts of things is to say that taxpayers—the community—seem to be prepared to put X million dollars into defence, X million dollars into education, and X million dollars into age pensions. They have to have some idea of a fixed amount of money, and one of the jobs we have to do in this hearing is to work out, whatever that X is, what the best bang is for those bucks. Schemes which subsidise everyone who employs someone

over 45 are basically saying that, of the \$10 that you spend, \$9 is going to people who were going to do it anyway, and only \$1 is making any impact.

That is not so much a question as just to let you know that if we can find things that make good sense and are well targeted at those people who have actually lost their jobs or who are very much at risk, then that seems to be the best way of going about it because we can get the biggest return from the finite amount of dollars that taxpayers are prepared to devote to these things. So if you have got any thoughts about that—

Ms Holland—I can see that with something like tax breaks for anyone who employs people over 45, you are going to have a problem with a lot of people who are already over 45 and employed, or whatever. Just the scale of that is a massive cost.

Mr EMERSON—We find that too with wage subsidy programs. Again, people say that if you take on someone who is over 45, in many cases a lot of people over 45 people lose jobs and then get them. This was going to happen anyway, so you are just giving money to an employer to do what that employer was going to do anyway. It does not mean you do not do it; I am just saying that looking for the biggest return from those fixed dollars that taxpayers are prepared to pay seems to be the challenge for us to get the best result.

Ms Holland—On the other hand, I do not see how you are going to make a big impression by those small programs when it is part of a much bigger problem, as I see it. Every little helps, but it seems to me a bigger problem.

CHAIR—I know it is of no comfort to you, but I would give you a job, and I mean that.

Ms Holland—Thank you.

CHAIR—If you think of anything else, Julia, that is prompted by the questions we have asked or what you hear or read of what others have said, please send it to us. I wish you every success in what you are doing and in what you want to do.

Ms Holland—As I say, I am sort of finding my own way now with writing books for young people and doing some workshops and things for schools and communities. It is a bit precarious financially but it is working in a good direction for me.

CHAIR—The other thought is that doing some training or getting a degree is a lot more than getting a job. Education and personal development is attached to it as well but, in the end, you have to eat.

Ms Holland—And my daughter has to eat, and she is eating a hell of a lot.

CHAIR—Thank you and the very best of luck to you.

Ms Holland—You are welcome.

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

That the Committee receive as evidence and authorise the publication of the supplementary submission received from Mr Alan Sparks, East Coast Training and Employment, for the Inquiry into issues specific to workers over 45 entitled *Review of the situation* and, secondly, information notes from Nambour branch of East Coast Training and Employment.

Resolved (on motion by Ms Gillard):

That the Committee receive as evidence and authorise the publication of the supplementary submission received from Mr John Cameron for the Inquiry into issues specific to workers over 45.

Resolved (on motion by Mr Bartlett):

That the Committee receive as evidence and authorise the publication of the confidential supplementary submission received from Dr Margaret Steinberg (Queensland University) for the Inquiry into issues specific to workers over 45 entitled *Preliminary issues identified in Queensland Regional Workshops—Experience Pays! The Queensland Mature Aged Workforce (August-October 1999)*.

Resolved (on motion by Ms Gillard):

That the Committee receive as evidence and include in its records as an exhibit for the Inquiry into issues specific to workers over 45 the documents received from Dr Margaret Steinberg titled:

- (a) In Recruiting—What Age Group Would You Prefer?
- (b) Computer Literacy (1999)—graph
- (c) Self-reported Computer Literacy—graph
- (d) Healthy Ageing in Rural Communities in Queensland by Margaret Steinberg and Anna Nichols (April 1999)
- (e) Computer Literacy in Queensland by Healthy Ageing Unit (March 1999)
- (f) The Mature Age Labour Force by Workforce Strategy Unit, Employment Taskforce, Queensland Government (February 1999)
- (g) Modified Finish Model—table.

Resolved (on motion by Ms Gillard):

That the Committee receive as evidence and include in its records as an exhibit for the Inquiry into issues specific to workers over 45 the documents received from Mr Alan Sparks, East Coast Training and Employment, titled:

- (a) Graphs showing responses to an Employment Survey
- (b) Actual completed surveys conducted by East Coast Training and Employment.

Resolved (on motion by Mr Emerson):

That the Committee receive as evidence and include in its records as an exhibit for the Inquiry into issues specific to workers over 45 the documents received from Mr John Cameron titled:

- (a) Question without notice to the Minister for Family and Community Services, Senator the Hon. J. Newman (14 October 1999) and Senator Newman's response

- (b) "Work no place for over 35s" by Shelly Thomas, *Courier-Mail*, 1999
- (c) "Reforms make firms ripe for picking" by James McCullough, *Courier-Mail*, (11 October 1999)
- (d) Executive summary from *Rethinking Work and Retirement* by Dr Vince FitzGerald for the National Australia Bank, October 1999
- (e) Interview with Cheryl Kernot MP, Shadow Minister for Employment and Workplace Relations—taken from the Internet in October 1999.

Resolved (on motion by Mr Bartlett):

That the Committee receive as evidence and include in its records an exhibit for the Inquiry into issues specific to workers over 45 the document received from Mr David Deans, CEO, National Seniors Association, titled 'Unemployment statistics for Australians aged over 50' and the attached tables.

Resolved (on motion by Mr Emerson):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

CHAIR—If there is no other business, I would like to thank everybody for their attendance and participation today; also for the spirit of our deputy chair who, whilst not here today, is certainly missed. I declare the hearing closed until tomorrow morning.

Committee adjourned at 3.53 p.m.

