



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT,
EDUCATION AND WORKPLACE RELATIONS

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

THURSDAY, 28 OCTOBER 1999

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

Thursday, 28 October 1999

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

Members in attendance: Mr Bartlett, Dr 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 9.00 a.m.

FOSTER, Mrs Dorothy (Private Capacity)

CHAIR—I declare open this public hearing and welcome the representatives appearing before us today. I remind you that the proceedings here are legal proceedings of the parliament and warrant the same respect as proceedings in the House itself. The deliberate misleading of the committee may be regarded as contempt of the parliament. The committee prefers that all evidence be given in public, but if there is anything that you want to say of a confidential nature simply ask us and we will consider that. You could perhaps give us a summary of your submission and what you think are the key issues and solutions that might be offered and then we will have a discussion about it.

Mrs Foster—In my original submission I said that when mature age people go onto the unemployment benefit to search for work they lose all their concessions, particularly transport and rates, so they have greatly reduced income but greater expenses to survive. The process of job searching itself costs a lot of money for some of us who take public transport to get to interviews and to a Job Network organisation to search the Internet or whatever. That is almost impossible to do with the extra reduced income and our extra expenses. That is why I said those of us who really struggle and cannot find work could well do with the same concessions as pensioners get.

I have been searching since last November and have not come up with anything for me, so my process was to start a job. For some of us it is impossible to get start-up loans, so I suggested we need something like the old SEVS-NEIS scheme where there was a minimal start-up loan available and, failing that, an emergency relief fund. That was because I had got onto NEIS, started up my business to create a job for myself, and was struggling without finance. The emergency relief fund would be a way of making up for a start-up loan that was not available.

In my situation, because my business is growing slowly as per the way my organisation and type of industry grows, I am struggling without funding and will be back on the dole within a month. NEIS is going to pull me out because my business is not growing quickly enough to support me. I will be back on the dole looking for jobs that are not there. That was my original submission. Today I have put in a couple of extra things. Do you want me to say what they were?

CHAIR—Yes. Could you just emphasise the things that you have given us today under the heading ‘Emergency relief fund and other suggestions’?

Mrs Foster—The emergency relief fund could possibly come out as either a lump sum loan or fortnightly payments or whatever, like the Austudy loans do. It could be repayable as Austudy loans are repayable once you get to a certain income. The whole idea is that we are going to get out there and get our businesses up and running to become self-sufficient and not get back on government payments. We are aiming to be able to give back everything that we have already had from the government. But the emergency relief fund would not be necessary if there were start-up loans for some of us.

The additional thing I said was that employers themselves may need to be educated as to the benefits mature age people can give them. They are reliable and conscientious and have staying power. Their experience in business and in life would be of benefit to any firm. They are not necessarily out there to take over from younger managers because they do not necessarily want the stress of climbing up the ladder, but younger managers feel threatened by the older person.

Employers need to be educated that that is not the way we are all heading. Also, it is very difficult for a mature aged person to have casual, flexible work because most of us have commitments—family commitments. In my case I have a business I am trying to grow. Since November I have come up with three jobs that I got short-listed for. All three were given to 17-year-olds on a very casual, flexible basis—that is, ‘Sit by the phone and we will call you in whatever days are necessary.’ In my situation that would not work. I need set days, set times or even part time. If I could get 10 hours or 15 hours a week part time, I would be able to pay the rent on my premises and keep my clinic open, but I cannot do flexible hours. I need a set day so I can book my clients in on set days and not upset the process of my business.

Maybe employers need some incentive to employ older people. I do not know what they get for young people. They used to get some sort of wage relief to employ younger people or put them onto apprenticeships or whatever. Maybe there should be something there for employing an older person in the first 12 months or whatever time period. I do not know. The government does really good things in providing training for a lot of us in many areas, a whole lot of areas, but all the mature aged people I have spoken to suffer from low self-esteem because they have been retrenched or have been out of work for many years raising a family or whatever. No matter what skills they get trained to do, they go out there feeling, ‘I can’t do it; I am hopeless; I am useless.’ I believe that, if they had a compulsory component of self-esteem development in with whatever their training skills are, they would feel so much better about themselves and make a better impression when they go to interviews.

My final point here is that Job Network providers need some kind of incentive to help those of us that are maybe working like myself. I have set up a business, but I still need a part-time job to keep my business going in the early stages. But none of the Job Network providers will help me search for a job. They do not get paid for it because I am on the NEIS scheme. They have wiped their hands of me. I am going out searching for my jobs constantly on my own. Somehow they could be helping me, but they can’t. That is my submission.

CHAIR—Thank you very much. I gather from what you have said in your submission that you got assistance under the NEIS program to establish your naturopathy clinic.

Mrs Foster—Yes.

In the medical area, of which I have some experience, most people who, say, graduated in medicine would spend some years working for someone else before they go and start their own practice. It just seems like a big step. I am just wondering why you were not able to go and work with another naturopath for a couple of years and then build up experience and a base to go and then set up your own clinic.

Mrs Foster—That would be absolutely ideal, but it does not happen in our industry. I applied to all naturopaths close to me that I could get to on public transport. I got three interviews, which I thought was great, and I was actually applying for a job, but each of those three offered me a room to rent to start my own business, and that is the way they do it. I am in very close constant touch with two graduates that graduated with me. They are in multimodality clinics. Their businesses are growing faster than mine because of that, but it is a situation where they are still growing their own business and just appearing to be one major clinic with all the modalities. That is the way it goes with what we are doing. Most naturopaths or alternative therapists do start off from home. I see that really as giving the impression that we are sort of backyard, that it will always remain a hobby, that you will never really grow the business. To grow a business you need to get out there in shopping centres where doctors' surgeries are or wherever we need to be seen to be professional and in the public view.

CHAIR—Can you elaborate a bit on the self-esteem component in training courses? It sounds like a good idea.

Mrs Foster—Quite a few years ago, one of the part-time jobs I had was typing resumes and letters and stuff for people in job clubs, when those were still going, and one of the components in that was building up their self-esteem. I would go in on day one just to get to know the people, and then I would go back three or four days later and start typing their resumes or letters as they got ready. By the end of the first 10 days, which was their training, somebody had worked with them to build their self-esteem, and I would go in after 10 days and see a totally different group of people. They were so vibrant, they were full of life, they were positive and they were confident, but when I had gone in at the beginning of the course they were just hiding in their shells, they did not know where they were going. It seemed to make a huge difference to what they were doing.

CHAIR—Very important.

Dr EMERSON—At the outset you were talking about lack of incentive when you take everything into account to do a job search—the loss of any benefits, say, transport costs and so on. Do you have in your mind any sort of calculation, or do you know of other people who say, 'Look, it is actually against my interests to do it,' or, 'It is just so marginally in favour of me looking that it is just not worth doing.' I will just explain the reasoning. The actual effective marginal tax rate for someone on unemployment benefit who is considering a job of around \$10,000 to \$15,000 is 87 cents in the dollar—that is, you only get to keep 13c after loss of Newstart, after you pay tax, and that does not take account of transport costs or child care or anything like that. So I am just interested in how people do this sort of assessment.

Mrs Foster—My bus fare doubled when I lost the transport concession. When I was doing the NEIS course it was costing me \$20 or \$25 a week in bus fares just to get up there, and I could not afford to do that. It took me a week or more before I found someone that could give me a lift, and that was the only way I could maintain getting to the NEIS course and getting to jobs as well.

CHAIR—You have argued, as others have, that there should be some small sum of money for those extraneous costs in getting that kind of training or retraining.

Mrs Foster—Something like that.

CHAIR—I will speak to the Queensland government about that at 11.30.

Mrs Foster—Some of us—like I have—lost benefits on the rates of my house which I am buying through the Housing Commission. Our local council is about to sue me because I cannot get my rates paid in time, and there is nothing I can do. I am paying the maximum I can absolutely afford regularly every fortnight, but they are not happy with that. I cannot do any more than that. I have already requested that I not pay my rent for my house for six months, and that has been agreed to. I have six months leeway to not pay rent to help me cope with everything else, and that is because while I was paying my rent—which is the loan component; I am purchasing it through the government—I had managed to get ahead, and so I was ahead by enough to cut back for six months. They will just be drawing on that extra money that I had paid for the six months, and after that I will have to go back to paying for it. That is one of the ways I am coping at the moment.

Mr BARTLETT—Were you happy with the training you had in the NEIS course?

Mrs Foster—Yes and no. I got a lot out of the financial component because I did not know that. I did not get a lot out of the marketing. By the time the last fellow came—and I am not quite sure what he was trying to teach us—he figured that everybody knew everything and just breezed through everything. Basically, I was left on my own to produce my business plan. So, yes, it was good up to a point. I feel that the follow-up we have had since then is not adequate, but I can understand that they have other courses running. As much as they say that we have this mentor system afterwards, I requested the financial guy to come in and see me in September, and I still have not seen him. I have spoken to him on the phone a couple of times. I thought I had sorted out the problem, but when I go back and put it into my books there is still a problem that I cannot figure out. I need him to sit and look at it. He still has not come. The marketing guy came, but he barely spent half an hour there. He took one look at everything I had done and said, ‘This is a load of rubbish. You’ve wasted your time.’ He drew up one advert for me and said, ‘There you go. Off you go,’ and walked out. It is really not adequate.

Mr BARTLETT—Why do you think your business has not been as successful as you would have wanted?

Mrs Foster—My business is in an industry that relies a lot on word of mouth. The major advertising is the *Yellow Pages*, which I am not in because of the time period. The *Yellow Pages* are being done up now for our area, so I would be in it for next year but, as I said, I will be closing down within a month.

Mr BARTLETT—You made a suggestion about a start-up loan. How much difference would that have made to the success or otherwise of your business?

Mrs Foster—My original business plan was that I was going in with someone else who was already set up in business, but he was actually going to charge me \$500 a week rent and take it out as I earned it. That is what he was doing. When the NEIS program came through and I was able to go and sign the lease agreement with him, he backed away and did not produce the lease agreement because, by then, he had realised I understood more about the financial stuff and could see what he was doing. I was left being offered NEIS but nowhere to go. The people at NEIS who trained me said, 'Go out and find somewhere else.' I went out to find places and said, 'Can I go in with other naturopaths?' They said, 'No, definitely not, but you can go in with another therapist, like a chiropractor or whatever.' I searched for that but could not find anything. I was left with the only money I had to start, which was a Bankcard.

Mr BARTLETT—You argue for some sort of a government start-up loan for businesses such as yours. I suppose one of the problems for the government is that it is not in a position to adequately gauge whether a business is likely to be successful or not. It could be that there would be many small businesses where start-up loans would be provided, the businesses would not work and there would be no capacity to pay back the loan. Ultimately, for other taxpayers, that is a burden that would be quite difficult to justify.

Mrs Foster—But, ultimately too, the government has provided me with an \$18,000 Austudy loan. Unless I get a job, which is not out there, or get my business up and running, I am still not going to get that money paid back because I am not going to be able to.

CHAIR—Do you mean HECS?

Mrs Foster—No, mine was Austudy, but it works basically the same way as HECS in that you pay it back after a certain time to the Commonwealth Bank, which is where I got it from. After a certain period, each loan gets taken over by the tax office and comes off your tax automatically. But unless I start earning enough that money will not be paid back.

Mr BARTLETT—I suppose the rate of success of people having left tertiary study and getting into the work force is greater than the rate of success of new start-up businesses. I guess that is perhaps the difference.

Mrs Foster—Then maybe courses for industries like mine should not be given Austudy loans because it is so difficult. The jobs are not out there for us. It is definitely an industry where you start your own business.

CHAIR—Did someone actually talk to you about this before you decided to go into naturopathy, Dorothy? Did someone sit down with you and say, 'This is the nature of this industry,' as you describe it?

Mrs Foster—No, I was very naive. For the five years of my training, I honestly believed that jobs were there and that you got out of your training and went to find a job. I have used naturopaths myself for years as a method of health care. At all the clinics I went to there were always two or three practitioners. I just assumed that they were employed by this person and that, when it was my turn, I would go out looking and get a job.

Mr BARTLETT—So you are suggesting then that Austudy loans ought not to be available for courses where there is little chance of employment at the end?

Mrs Foster—Yes, I guess I am basically suggesting that.

CHAIR—Presumably, we would also have others who would disagree. Everybody has a right to study courses—

Mr BARTLETT—Ones that you are interested in.

Mrs Foster—Yes. If it had not been available to me at the time I would have been very upset.

CHAIR—What we should do is make sure that everybody who makes the leap is fully informed before they do.

Mrs Foster—Absolutely.

Mr BARTLETT—Of the job opportunities at the end of the course.

Mrs Foster—For five years, our college kept saying, ‘There is plenty of work out there. There are plenty of jobs.’ But we thought of jobs meaning, ‘You are going to be employed.’ It was only right at the end when we were graduating that they were saying, ‘No, it is for self-starters,’ which means, ‘Go and make your own job.’ Three hundred of us graduated at the beginning of this year. The majority of us thought we were going out to get jobs.

Mr BARTLETT—How many have got jobs?

Mrs Foster—A few. The majority have walked away and are not making use of their qualifications. The rest are trying to operate from home, where it will just be like a hobby thing.

Ms GAMBARO—I see you are from Rothwell in my electorate. Where are you working from at the moment?

Mrs Foster—Kallangur.

Ms GAMBARO—Can you tell us a little bit about where you are working?

Mrs Foster—You know the area. It is 1438 Anzac Avenue.

Ms GAMBARO—What sort of people come to you? What is your client base at this stage? Is it families or a broad range?

Mrs Foster—It is a broad range. The youngest is three months old, and the eldest would be 70-something. I am finding that maybe I am in the wrong area too. A lot of the elderly people say that prices are too high because they see that, in alternative medicine, they do not all get rebates from their health care funds, whereas if you go to a doctor you use your

Medicare card and you are not actually paying out money. Our prices are the same as doctors, but because they pay it out in cash they see that as being expensive. I get families, and I get men. I have had a few referrals from other practitioners. A massage therapist will send someone.

Ms GAMBARO—I will talk to you about your marketing and what happened there. I do not know where you are. It is in the next electorate of Dickson, so I am not 100 per cent familiar with the businesses that are around the area. One of the trends in naturopathy—and no offence to any doctors who are here—is that 25 per cent of the population, I believe, are using naturopaths. I know this sounds rather strange, but I know a doctor who has a premise next door to him. It is a naturopathic clinic right beside his medical practice. Many of his colleagues thought he was quite mad doing this, but what has happened is that—

CHAIR—He was not a friend of yours, was he?

Ms GAMBARO—Yes, because he was a friend of mine they thought he was quite mad! Actually, I thought he was quite mad when he told me that he had leased out the premises to a naturopath, but what has happened is that people still use both services. They use medical practitioners, but they will come to a naturopath for other things. There is a cross-business referral going on, and that is a healthy thing. Ten years ago, many of my friends who are still GPs would not have used acupuncture, but they have seen the light and now use acupuncture and complementary medicine. When you were talking about the overheads with other naturopaths, I would not have believed that a naturopath beside a GP would work, but it does. Maybe that is something that might—

Mrs Foster—I have approached every GP in the area and every alternative therapist from Rothwell through to Strathpine to try and find a room to rent with them, to work with them or to get them to join me if their business is not flourishing. I just have not got anywhere.

Ms GAMBARO—Maybe I can talk to you after the inquiry and give you a few feelers there. Can I ask you about the marketing plan. I am very interested in that particular area. You said to me that the fellow came out. You had never done a marketing plan in your life, and most of us around this table probably have not. When you were speaking earlier, you said that he just breezed over it. What information did he give you?

Mrs Foster—When I actually did the NEIS course, they took me on to the course at the end of the marketing section, so I did not actually do marketing with this person. He was there for just two days, so I missed that component, but the NEIS people said, ‘No, that’s fine. You’ll be right.’ I am not exactly sure what he did in that part of the course. When he came to see me, he took a look at everything I had done—advertisements in school newsletters, on notice boards, in newspapers, walking down the street for a letterbox drop or whatever. He just took one look and said, ‘That’s a waste of time.’

Ms GAMBARO—Can I get this clear. You did not have anyone walk you through a marketing plan as such?

Mrs Foster—No, because I missed that section.

Ms GAMBARO—That is the most important part of starting a business.

Mrs Foster—I know.

Ms GAMBARO—I have taught marketing at a university, and if you do not have a marketing plan with your objectives set out and how you are going to get there, you might as well close your door.

Mrs Foster—I had the business plan set out, and I have been going to different courses at the State Development Centre and picking up on marketing things there. I am focusing my own education at the moment on marketing to try and see what else I can do.

Ms GAMBARO—Okay. But did they provide good assistance there with your business plan?

Mrs Foster—According to the people in my NEIS course, my business plan was the best one they had ever seen. When we fronted up to the committee, they just shook their heads and said, ‘We can’t ask you any questions. It’s all here. It’s brilliant. It’s wonderful.’ But that does not make a business. It is only groundwork of where you hope to go and how you hope to get there.

Ms GAMBARO—You do need that. I had a gentleman come to see me the other day who had been through the NEIS scheme. He had a great concept, but not having any money—you talked about a small start-up loan—he could not even print business cards. I said to him, ‘Why don’t you go out and visit X?’ He said, ‘I don’t even have a business card. I can’t afford to get a business card.’ There is some merit in some sort of loan but, as Mr Bartlett has said, there is a risk factor in starting up a business.

Mrs Foster—I know. I understand that.

Ms GAMBARO—Banks will tell you the same thing as well. I am glad you answered the question about working for another naturopath because I was going to ask you that. We have all started businesses. I started one in the garage of my home, and I know how tough it is sometimes to get established. I had no idea that you had to share the overheads. I also thought that naturopaths go and work for a clinic and get paid. They are in a similar situation as a group of GPs who share all their overheads.

Mrs Foster—They are. They share all their overheads, and they build up their own client bases.

Ms GAMBARO—Thank you, Dorothy.

CHAIR—You mentioned how important the *Yellow Pages* is in terms of marketing a business. I suppose it is a double-edged sword. The government puts a lot of money into NEIS, which is a very good concept. We have had people who have said to us, ‘Look, it also ought to be accessible to people who are currently ineligible because of their assets. Perhaps it even ought to be used in some way to help people acquire established businesses.’ But maybe one of the things that the government could do is actually purchase a block in the

Yellow Pages into which would go the NEIS assisted businesses that have just been established that year. We could give them a kick-start in that regard.

Alternatively, the government could publish annually a directory of NEIS assisted businesses that have been established, so if I want to buy chocolates for my constituents I can go to the directory and help Joe Bloggs, who has just come off an unemployment queue through a NEIS program. Maybe there is some thought in that. The poor guy who could not afford to get his business cards printed could at least have his name in that thing, particularly if it is also marketed for older people or whoever you like. Whilst there would be some costs associated with that, maybe it would help, at least for the first year, to have either a block within the *Yellow Pages* or alternatively the NEIS directory. Like all businesses, some have gone belly up, but most of them will not. Maybe that might help.

Mrs Foster—It might. You might also want to wait until you see what happens to the businesses. I have just been ripped off by a NEIS business that I am now suing. It is not a good advertisement at all, and not all of us are like that.

CHAIR—So you are suing and you are being sued—you are having a bad time.

Mrs Foster—I am suing them. They are operating illegally, and Microsoft is investigating them. The government is supporting this business that is illegal. It slipped through.

CHAIR—It is a double-edged sword.

Mrs Foster—It is a double-edged sword.

CHAIR—Whether they are NEIS assisted or whether they are not NEIS assisted, some people in life are unworthy of help and others turn out to be great disappointments, if not worse. But at least, if the government were to help in that way, it might help a lot of people.

Mrs Foster—It might. One of my problems is that my best marketing tool is word of mouth, but that also needs to be my word of mouth, which means that I have to get out there and talk to people. I use public transport, so I am very limited. The only thing I have been able to do at the moment is to advertise free talks at my clinic or to just go up and down the local area and talk to businesses, leave brochures in businesses and ask them to put things in their windows and stuff. But I cannot go to groups that are already there—like nursing mothers or the business association or whatever—that meet at night, because I do not have transport. That is a problem.

CHAIR—I am sorry to cut you off, but we have to finish at this point. Thank you very much for making the effort to write and to come and speak to us. It takes an enormous effort to front up and talk to a group of MPs, so thank you for that. I wish you well. Good luck.

Mrs Foster—Thanks very much.

[9.34 a.m.]

DUNCAN, Mr John Bruce, Queensland State Vice President, Association of Independent Retirees Inc.

KINGSTON, Mrs Maureen Hyne, National President, Association of Independent Retirees Inc.

PADDISON, Mr Ronald Murray, Queensland Division President and National Councillor, Association of Independent Retirees Inc.

CHAIR—Welcome. Thank you so much for making the effort to provide a submission and come to speak to us about it. Could you give us an overview of the submission, the key points in terms of both problems and solutions, and we can then discuss it.

Mrs Kingston—I would like Mr Paddison to handle the highlights of the main submission because he was the chairman of the committee that handled that—and that does have the seal of approval of our council on it—and then I will deal with the supplementary submission that I hope you all have a copy of.

Mr Paddison—I thank the committee. The general question could be asked: why is an association of independent retirees interested in getting people as young as 45 back into the work force? Our main emphasis there comes from the fact that we are increasingly seeing numbers of people joining the retiree ranks who are very ill prepared to become retirees. One of the reasons they are ill prepared is probably that they see their redundancy packages as being something that they are not in real fact. They are attracted because their redundancy packages look good at face value.

We are interested in seeing what can be done to get those people to stay longer in the work force so that they are better equipped to become retirees, and we are seeing quite a bit of it first-hand. In dealing with the introduction of our submission, I would make the point that some coordination has gone on between our submission and Mr Duncan's individual submission, so you will see some common verbiage in there. Mr Duncan was good enough to take the front running on this and to produce some thoughts that we thought were, from a committee standpoint, well worth supporting.

Dealing with one of the problems, we as a committee assessed that the impact of economic globalisation seems to have had a big bearing on changes of attitude, particularly of employers. The fact that employers need to pursue employees with higher technological skills as the changing scene of technology advancement takes place in the industry—there is a very strong trend to give preference to younger employees; older employees see their main stock-in-trade as being their practical experience as compared with some young gun who is IT trained—has probably been a major contributing factor to what has gone on in workplace trends.

If you think that one through—and you might be familiar with what has happened with senior people, particularly retired seniors, now becoming involved with seniors on the Net; they are equipping themselves to become IT literate—there is a very strong case to suggest

that employers are a little short-sighted in that regard. I am not sure what governments can do about that, but it is an observation that we have made.

Another observation that we have made comes from one of our committee members who was involved in the local government area during his working life. He believed there was a trend, driven by the national competition policy, to deregulate professions, which in turn has meant that some older people in those professions were offered redundancy packages and retired perhaps earlier than they should have done.

This has attracted numbers of younger people into those professions. There is a strong belief from those of more senior years that this in itself will take away the quality of those professions because the long-term experience is being devalued. That, in turn, will have an effect on the quality of the Australian work force. We think this is a sad state. Again, we are not certain what governments can do to redress it, but it is something that perhaps should be noted.

Dealing with the size of the problem, as we tried to assess it, I will move quickly to the total figure and leave the calculations through which they were arrived at to my colleague Mr Duncan, because that is his work. We assessed that there are around 220,000 persons in the category from age 45 to pension age who are looking for re-employment. Perhaps others can quantify that more correctly, but we thought that, in an attempt to try to come to grips with the problem, there needed to be some sort of a costing basis for the remedies that might be able to be arrived at.

In thinking about what people can do to regain some income producing capacity after they become unemployed, we assessed this and arrived at three particular areas. One is the retraining of skills, and I will come to that later in terms of historical precedents. That is an exercise that will require a dependency on others for knowledge and resources. In general, the majority of individuals in this particular category would find it beyond their financial capacities. A second alternative would be to seek employment in some business activity. In terms of that being a remedial action, we assess it as being for limited numbers because it would be those persons who had the foresight, courage and resources to set up in business. We believe that would only result in converting a small number to self-employment. A third category for the greatest reduction in the number of those people unemployed or not producing income for themselves is in this age sector. It logically follows that government intervention is warranted and is of paramount importance.

In terms of historical precedents, as I see most of you here and particularly the members of the committee are junior to my years perhaps I will have to take you back to the Second World War when there was a labour shortage and there were a number of programs put in place to retrain people fairly expeditiously. Most of those were very successful in retraining bulk numbers of people. I will just refer to a couple of examples.

In the engineering industry, persons were invited to take up positions in active jobs on the floor of industry for a two-year period. After two years of practical experience, they were considered equivalent to a qualified tradesman and were able to qualify for qualified trademen's rates. So there are some expeditious things that you can do. I also recall another individual who had retired from a tram driving job in Sydney. He became a senior storeman

in the armaments division during wartime. So there are numbers of precedents where retraining can be done, particularly if it is done on a bulk basis.

Another classic example is the Snowy Mountains scheme. As you know, that was a great immigrant absorption process, but lots of those people came from completely different backgrounds and were retrained very aptly and worked for long periods of time to make that particular venture successful. If the government saw the numbers of people in this 45 to pension age bracket who are out of employment through no choice of their own as something akin to a national crisis, then maybe that could stimulate finding some remedial action to change that around. We would be thinking of things that would be, in broad terms, related to infrastructure projects. We think that perhaps those infrastructure projects could be stimulated by some form of government incentives, taxation reliefs, or what have you.

We are very conscious, of course, that governments are not too keen on trying to pick winners and that that does not necessarily help their overall philosophies. The same thing applies from the point of view of assisting in businesses, and I do not mean getting individuals back into businesses but in businesses where they would employ more than one employee. I am thinking of government assistance in the way of favourable loan arrangements.

In my own case, I can remember back in the early sixties when I was involved in trying to get a brickworks up and running in the city of Darwin, where the volume of sales was not sufficient to support the establishment of a particular industry if the normal rates of commercial interest had to be paid to service the capital. In those years, we were fortunate to get the support of the Australian Industry Development Commission, a source of finance of last resort at very favourable interest rates which did enable that particular industry to get going in a city where it was needed. It was a very useful approach. In that particular exercise, the government actually did take an involvement in the management to make sure that their funds were correctly controlled. They had members on the boards of wherever, through the Commonwealth Bank, they advanced moneys. That more or less concludes what I have to say.

CHAIR—Thank you. Is there any other statement?

Mrs Kingston—I have a supplementary. Perhaps we could deal with that now or, John, would you like to add to Ron's first? Since you will complement Ron's statement, it might be an idea if you put your thoughts now.

Mr Duncan—First of all, I would like to thank the committee for the opportunity to address you. I will give you my background. I am a retired marketing executive. For a number of years I ran my own consultancy, I have also been a national sales manager, and during my time in business I have employed several thousand people, so I speak with a little authority on that. I would like to cover the field generally, getting onto the issues which affect the unemployed.

I think the most important period in any adult's working life is when he or she is exposed to the vagaries of employment, or unemployment. Between the ages of 45 and 65 this exposure is central to their thoughts of what they have achieved so far and what their

life is going to be like in the next 20 years or so. At age 45, a further 20 years of earning capacity would normally be expected, for payment of mortgages on the family home, for sufficient savings to update value in essential assets such as a car, furniture and equipment in the house, for funds to pay for secondary or tertiary education for young dependants, and for investments to prepare for retirement—that is a most important one. All are mature responsibilities and these elements make up a whole lifestyle.

In regard to the facts about unemployment, I quote also from the Australian Bureau of Statistics 1996 A & B 3101/0, 6101.0, the 1997 labour statistics and some learned gentleman called Steinberg et al, which means Steinberg and somebody else—

CHAIR—It could be a lady!

Mr Duncan—And Solomon 1995—let us hope that he has the wisdom of Solomon—and Reid 1998 and Kerr 1990. I think we have established the size of the problem. It is about a one-quarter of a million people, 220,000, and set against our present employed our work force is about 9.3 million. So the unemployed 45-year-olds to 65-year-olds represent about 2.6 per cent. That is a small amount but a large amount when you consider the effects of it. These are the facts that these gentlemen and the bureau support. Workers 45 and over have fewer workplace accidents, create less absenteeism, are more punctual and have lower rates of job turnover. In terms of their employment in the work force, if they are 45 and just over, they occupy 30 per cent of the full-time work force and 29 per cent of the part-time work force, so virtually half are fully employed and half are part employed. When they reach the age of 55, they occupy only 8.9 per cent of the full-time work force and occupy 10.5 per cent of the part-time work force. So there is a serious loss of full-time and part-time employment—not so much in the part-time.

If we look at retrenchment, of those who have ceased to work but could work aged 45 and over, 49.7 per cent of them are subjects of retrenchment. When you become aged 55, it is a more serious matter: 57.8 per cent are the subject of retrenchment. FitzGerald has made a good point in his report that today many aged people take retrenchment because it means two things. It means sure income—not much, but sure income. It comes in every week which is most important to retired people, I can tell you. Being 73, I can say that with some conviction.

Secondly, it means that, for them, they can cease to have the worry of trying to get work. In other words, retrenchment is an easy way out or a way which many seek rather than being forced to. The force of the marketplace says that you should not be in work at your age and many people acknowledge or accept that. So you have retrenchment not as ‘a have to be’ but as ‘a can be’. Maybe it is an option that some people are taking. There is also discrimination because employers tend to consider workers aged 45—I can tell you aged 35 as a matter of fact—and over as being too old to employ. And further at aged 55 and over, it is reported that 65 per cent of workers available for work are considered unemployable. Those facts are based up there.

How has this come about? I think there is an image: an image bias and an incorrect perception of the older worker by society generally and by employers specifically. The image bias is of the supposed need for young looking, vibrant, trendy, upwardly mobile workers.

This is the image of the business itself. I think you would all agree that is something that we strike a lot. The business has to look as though it is young and going somewhere, otherwise the employers feel that the business is not being presented in the right way to the public. There is also a perception by them that the end user of the product or service expect this image and have this perception.

I say—and I base this on my knowledge of the marketplace—that a good market survey would show that the consumer market responds to experience, skill, maturity and helpful assistance in all service areas, irrespective of age. Test it out: go to Myers and ask someone in the crockery department what they know about dinner services. You will find their lack of knowledge remarkable. Yet there are older people who can go through all of the famous brand makers: they can tell you the composition of the porcelain or the fine bone china. All of this information is being lost. The labour market parameters are most certainly productive capacity—skill, reliability, experience and training ability within its work force, irrespective of age. Many of the skills are being lost because the older people who have it are not being engaged, and so it is lost. So I would say there is a need of education for employers and society generally in regard to the employment of people in the 45- to 65-year age.

In regard to loss of skill, for people in the age group who would have had at least a quarter of a century of work experience, there is a spectre, firstly, of loss of skill right through the whole range of business, professional, commercial, manufacturing and agricultural undertakings. Further, skills in particular areas could be lost completely if there is a run-down of a particular business or industry. We had quite a large industry in plane making during the war. Where are all of those people who had skills? A place like New Zealand took over one of our forerunning production models. It was produced in New Zealand and we have lost the skill here. In the production of ships, there are several areas.

A particular business or industry might have further skills but retrenchment can occur through business circumstances, through a takeover, and there can be subsequent re-establishment overseas. Quite often in a takeover the business goes overseas and the skilful people in that industry are lost. So it means that the country itself loses the ability to mount or remount that particular industry. That is a serious loss to our country.

Loss of experience happens right across the broad spread of business in professions, commerce, manufacturing and agriculture. Loss of experience is already showing up in the placement of younger persons in the work force in preference to older applicants because these are considered too old after the age of 40-plus. The experience drain is not being addressed in any known scheme of re-employment of the 45 to 65 age group.

In regard to education, young employers have lapsed in the practical area. Although work experience schemes are used from time to time, there is no substitute for the passing on of actual practical experience and skills, by a person who has 25 years experience. The drop in training is serious, particularly in the trades and services as school levels are not being addressed to this problem. Asset depletion has been suffered severely by many unemployed persons when they are at their most vulnerable, with uncompleted mortgage commitments, home and family obligations. Whilst the mortgage payments may now be extremely difficult or even impossible to contemplate, the assets themselves may not realise anything like their

value to the owner, the net result being a depletion or a loss of assets which cannot be replaced.

Finally, in production capacity, we have a skilled, experienced, willing-to-work work force aged 45 to 65. They are well trained. They represent a highly potential high level of productive capacity. They also represent an important source of purchasing power in the internal economy of our country. We cannot afford to lose this valuable asset.

I have tabled some 'Suggestions for Action'. Perhaps I am playing the devil's advocate in this particular case with some of the ideas there. I draw attention to item 3, which I have called the 'silver service scheme'. It is only a way of drawing your attention to it.

In Japan, you may be aware that they have addressed this problem by having a work force which is named as a volunteer work force to assist in business, to fill in in odd areas where business still needs their skill, but they are paid for it. They are paid a proportion of the wage that a fully paid employee would be paid. I am suggesting that since we are seeing the social security net being filled by more and more people in the 45 to 65 peer age group, if we are going to pay them to be unemployed, isn't it better to put some of that money back into the industries, professions and undertakings and encourage part-time employment to take place? It would mean that the people in that age category would still have the ability to earn some money to pay for those things which, otherwise, unemployment may put outside their reach, and most certainly it would encourage the work force.

I think of a bank. When I go into a bank I can never, ever do my business and walk out straightaway. I have to get in a long, long queue and I wonder, 'Where have all the assistants gone?' There must be thousands of bank tellers with years of experience, bank managers who would love to have just that little extra per week to be able to let them meet those things they have to meet every week to help them to keep a decent lifestyle because I can tell you, ladies and gentlemen, that there are many, many people that are unemployed, 45 to 65, who are suffering a depletion of the standard of living to which they are entitled, and we cannot let that go unattended to.

I have dealt very briefly with business only on one point, because that is a whole field in itself. I take the point that it is hard for government to turn around and support business if it does not know whether the business is capable of being successful, what the market holds for it. As a market survey consultant, I can tell you that these days it is mighty hard to tell. You need plenty of information and you need it right up to date because it is changing all the time. That is all I have to say, and I thank you very much indeed for your attention this morning. I do appreciate that.

CHAIR—Thank you.

Mrs Kingston—Mine is a wrap-up plus a few extra points, if I may. Have I got time? How are we going?

CHAIR—We have to finish at 10.15, so we are entirely in your hands.

Mrs Kingston—I know I will have to be very quick now. Since I put the first submission in, of course, Dr Vince FitzGerald has issued his report with the backing of the National Bank, and the association does endorse Dr FitzGerald's approach to retirement. The trend to retire early has gone far too far. Those retiring at the age of 65 can expect to spend nearly 20 years in retirement, and those being made redundant at 55 can probably look at up to 30 years in retirement.

Not only is the community losing valuable skills and experience but those made redundant at age 55 are very often not prepared for retirement either financially or emotionally. Many of these people have difficulty finding other employment and for those who may have dependent children or for those who have not paid off their mortgage the resultant loss of income is quite devastating.

Part-time retirement would help those people to wind down, would increase their ultimate retirement income by probably several years during that semi-retirement period and pass on their skills to younger employees. There are also benefits for the economy, government and employers. The current trend of having smaller families indicates that there will be fewer young people joining the work force in years to come and older employees will be needed. By working longer in semi-retirement people will be better able to provide for their own retirement instead of calling on the government for support.

Then we have put forward a few proposals that the government and employers could probably look at. The government should be encouraging workers to plan for their retirement by tax incentives and rebates. For instance, reform of the aged pension system, particularly to accommodate partial retirement; taxation of superannuation on an 'expenditure' basis, that is, primarily at the benefit stage, thereby favouring income streams over lump sums; review of the overall 'mesh' between superannuation and age pension rules to reduce incentives to double dip; review of rules and restrictions relating to age or classifying people as either retired or non-retired.

From an employers' point of view, we believe that industry and major businesses should help their employees to plan for their retirement by providing educational material and financial planning information when they are still young; recognise that older people may not cost more, nor may compromise productivity; and develop more flexible employment solutions for older people.

The association believes that people should be able to have a choice as to whether they retire early or continue on a part-time basis, but should not be pushed into retirement.

CHAIR—Thank you very much. We have only got about eight minutes for questions, but could I just ask you firstly: the partial retirement or phased retirement is a concept that has been put to us by a number of people as we have gone through this. How would that actually work? What is the mechanism?

Mrs Kingston—I would not see it being very much different to what happens now, only I believe that by a person continuing on in their own job, for instance, on a part-time basis, and perhaps having a younger person, they are the mentor to that person. What I find now is that quite big firms are making people redundant at 55 and then employing somebody else

who has been made redundant from an insurance company or whatever, bringing them in on a contractual basis. That to me is not very economically wise but, if you allowed them to continue in their work stream, surely that would be a better way to go.

CHAIR—So there is some kind of government tax concession given to these people, or their employer, or they reach a certain age and there is a part of what would otherwise be the pension paid to subsidise their salary. What are we talking about?

Mrs Kingston—I do not see it as that.

Mr Duncan—I see it as the normal single worker benefit, unemployment benefits, because I think that that is the source of money which could be used. Unemployment benefit for a single worker is \$166.35 a week. If government were prepared to pay an employer to allow the semi retirement of a person to work only 20 hours a week, for instance, then say they were getting \$10 an hour, they would still earn \$200 a week. There would be a scheme subsidy of \$81.67, so the worker would receive \$281.67 for semi-retirement of 20 hours a week. They would still be available in their trade, profession or undertaking.

As far as the employer was concerned, he would have an experienced part-time worker for 20 hours a week for \$200, less the \$81.67—again, the other half of the employment benefit. So it would cost him \$118.33. So there would be a benefit for the employer because he would be paying a much lower rate for the same amount of work. As far as the semi-retirement was concerned, the person would still be able to work for 20 hours a week at their skilled occupation and receive more than the unemployment benefit they would receive—\$281 instead of \$163.35. So there would be a benefit each way. It is virtually utilising something which would already be paid out, an unemployment payment, but utilising it to keep a person in employment, to keep skill there and also to assist industry, commerce, whatever undertaking it is to have an extra pair of hands which were skilful and able to produce.

CHAIR—Thank you.

Mr BARTLETT—Thank you for a very valuable submission. There are some very worthwhile suggestions in there. I think you have particularly highlighted the problem of double dipping with superannuation, and that is one that needs to be explored in much more depth. There are some problems there.

Just looking at the issue, though, of part-time retirement, I agree that that has got to be the way to go. How do we effectively create incentives for employers to keep those workers on part time? Your silver service scheme, for instance, I think has some merit, but it seems to me there is a potential there for abuse by employers. For instance, how do you decide how many of those over 55s would have stayed on in work? Do you provide this sort of subsidy to everyone who is over 55, and what is the cost of that considering maybe 80 per cent of those would not have been made redundant? Do you pay that sort of incentive for everyone who is still in work? Do you consider other means of providing incentives for employers? For instance, one of the submissions we had yesterday suggested maybe lower wage rates for people over 55 to make it more economical for employers to keep them on. How do you respond to those sorts of ideas?

Mrs Kingston—Actually, the thoughts Mr Duncan has put forward were not the council's thoughts.

Mr BARTLETT—Right.

Mrs Kingston—We particularly aimed at concessions and tax rebates—concessional ones, perhaps, for the employer and the employee to help them—because we see the problem of people being made redundant and then being forced to live on their super and run that down to a very low level and then go on the age pension. The reverse should be the way to go: give them tax breaks and incentives to give them more in their hand to enable them to provide for more years in retirement without coming on the government—

Mr BARTLETT—Certainly if they can work part time for another five years that delays their need to access superannuation.

Mrs Kingston—And they should have the choice of which way they go.

Mr BARTLETT—How would you respond to the suggestion that employers could be subsidised by no longer having to contribute the superannuation guarantee levy past, say, age 55 or 60, thereby giving them a discount on wages of seven per cent? Okay, that is less than is going into superannuation of the mature age worker, but if it delays by five or 10 years the need for them to access their superannuation there is a long-term benefit.

Mrs Kingston—As a council, we have not had time to look at that because we were down in Launceston all last week at our national conference and had Monday to do the submission, so it was not given full depth. But I really would like to take that on board.

Mr Paddison—I think, if you look at the arithmetic of that, it does not need many more years in part-time employment to make a big difference to the build-up of the superannuation. So there is some modelling that needs to be done there. I think attacking the superannuation rules to make things more equitable, to make opportunities for employers to retain people longer, is probably the positive way to go.

Mr BARTLETT—Do you see the proposed changes that will come in next year to reduce the 50c loss of the pension for each extra dollar earned, changing that to a 40c loss, as a positive incentive to encourage part-time work for more years? Is that sort of move one that will be beneficial?

Mrs Kingston—I do not think so.

Mr Paddison—I do not see it as being really positive. I see it as maybe acceptable in pensioners' eyes where they are given an opportunity to earn a little more before it affects them. But I think the principal thing that governments really need to study is to do whatever they can do to maintain the capital base of the retiree because the rapid run-down of the capital base must seriously affect public funding.

CHAIR—You are probably the only group in the country that is not concerned to hear that interest rates might increase. I know Teresa and Julia wanted to ask you questions, too, but we have run out of time, so I am sorry for that.

Mrs Kingston—That is all right. We took a little longer than we anticipated in our presentation.

CHAIR—No. It was very interesting. But thank you very much. Thanks for everything you do for your constituency, and I appreciate the effort and expense you have gone to to actually come and speak to us all today. We really appreciate it. If you have any supplementary ideas or comments to make on anything else that is said in the course of the inquiry, then please let us know.

[10.18 a.m.]

DYKE, Mr Bryson Leonard (Private capacity)

CHAIR—Welcome to our inquiry. Could you give us an overview of the issues as you see them, and solutions if you have some to offer, which I know you do, and then we will have a talk about it.

Mr Dyke—Thank you, Mr Chairman, and standing committee members for the privilege of coming to speak with you today. My submission, which I assume you have, is written by someone speaking as an unemployed person in the over 45 category and not necessarily speaking for all unemployed people. If I may, I would like to read a short opening statement that I have prepared so I do not run off the track. In this short opening statement I would like to draw your attention to four issues which, from my point of view, need to be addressed seriously by the committee.

The first issue is the issue of discrimination against the older unemployed. May I recommend to the committee the paper entitled *Age Matters? discussion paper on age discrimination* by the Human Rights and Equal Opportunity Commission. You have probably run across that. Another one, *Experience Pays: Queensland Mature Age Workforce Symposium*, is by the Department of Employment, Training and Industrial Relations here. They both address the issues that are facing the older unemployed.

When I wrote my submission to the standing committee I was suspicious of age discrimination affecting my applications for positions. Now I am absolutely convinced that a number of my applications for positions have gone straight into the bin because I made the silly mistake of including my birth date, the dates when I graduated from college, the dates I did a training course and my whole professional work experience.

It distresses me to find that 63 per cent of my mature age colleagues have been totally discouraged from applying for any positions and are not even registered as looking for work, and I think it is largely due to that discrimination factor. I believe that this committee is in a position to reverse this discrimination process by recommending enabling legislation to outlaw the discrimination and having it backed by affirmative action. I think government at all levels should lead the way in this in that they be doers as well as sayers and begin employing and retraining mature age workers. So discrimination is the first issue.

The second issue is the necessity of involvement of the unemployed in future decision making processes affecting the unemployed. In my short life of 49 years I have lived through some changes in Australia, but I think we should learn by experience. For centuries, as males, we have tried to say what is best for women. We now know that that is not the case and, thank God, women are free to speak for themselves.

I look at the Aboriginal problem where we, as white men in government, thought we could speak for our Aboriginal brothers and sisters. So the white government made policy, threw money at it and hoped that the problem would go away. That is exactly what is happening to the unemployed now. My question is: when are you as a government going to ask us as unemployed people for answers and get us involved in working on the problem

jointly? All unemployed people are not 15- or 16-year-olds who cannot think for themselves. Some of us have held responsible positions and can point to the weaknesses in the structure from having been there.

To not involve the unemployed in decisions that affect their future will continue to leave them without commitment to your goals regardless of how much money you throw at the cause. We have examples in the world, particularly in Ireland, of the unemployed successfully working with the government and with industry in the national economic and social forums. I have some information on that if you are not aware of it, but you probably have access to that sort of stuff. Here in Brisbane is a national body called the Unemployed Persons Advocacy, UNEMPA, which was recently formed in order to begin addressing the needs of the unemployed from the unemployed perspective. I myself have recently joined that organisation.

The third issue is the issue of the value of working for the dole and volunteering for the older unemployed. Just let me sum up very briefly and perhaps, if you like, you can ask me more details later. I feel that volunteering is an expensive waste of time for the older employed, except that it gives you this good feeling inside of partially fulfilling the work ethic. Otherwise, it is a waste of time for unemployed older people. With regard to working for the dole, I have never struck a work for the dole scheme yet that would not be a waste of time for me to go to.

The fourth issue is a delicate one, and you will excuse me for raising it but I think that it needs to be addressed on behalf of all the unemployed. I am referring to derogatory remarks made by your parliamentary colleague the Minister for Employment Services, Mr Tony Abbott—not that he is alone in this as Messrs Reith, Kemp and Latham and Senator Newman have all made derogatory comments regarding the unemployed. That is if you believe what the papers say. I have never heard them say it first-hand, but comments such as ‘dole bludger’, ‘job shy’, ‘job snob’, ‘sit down money’, et cetera should not be used to typecast a group of people who, for the most part, are in a situation that has been thrust upon them. They desperately want to get out of the situation, but for numerous reasons they cannot get out, and no matter how hard they try they cannot get out. I ask myself: why would politicians want to kick people in the guts when they are already down? Why smear them with unjust titles when they have already been humiliated through job loss and their self-esteem is probably at an all-time low? Why, I ask, do politicians use the unemployed as the brunt of jokes and give ammunition and legitimacy to talk-show hosts, et cetera to attack those least able to defend themselves? Perhaps, as a committee, you could reflect on that. I am not sure what you would do with it, but even a quiet word in your colleagues’ ears to suggest some sensitivity in this sort of matter would very much be appreciated. Thank you for listening to me this morning and I am happy to answer any questions to the best of my ability.

CHAIR—Thank you very much, Mr Dyke. I am a member of the government and I think we all are aware of some people within the unemployed who choose to spend their life surfing on the east coast, but I agree with you that the vast majority of people who are unemployed are there not through choice at all and I have the greatest sympathy for what you have just said, I can assure you. I will not pretend to speak for my government colleagues here.

Can I just ask you about grief counselling. By the way, the reason we are doing this inquiry is because this is something all of us—Labor, Liberal, National, whatever brand—want to do, so you are talking to a group of people here who are committed to this. Grief and bereavement are a big part of this whole process—like losing a family member, a limb or something else. You said that you thought grief and career counselling should be available. Can you expand on both grief and career counselling?

Mr Dyke—I speak just from my personal situation. When you are thrown out of work—and I was 48½ at the time and going quite nicely in a stream which I thought would last for quite a few years—it is a totally life changing situation. It is very much like the grieving process where you go through stages of non-acceptance, anger and then at last you sort of start to come to grips with it. It strikes me that what happens to unemployed people is that they are going through this process and yet they have to make major decisions about what they are going to do with the rest of their life.

They say that a person who has just lost a loved one acts like a 15-year-old for the first three weeks or so, depending on how close they have been to that loved one. I know people who have been put out of work, and they begin to act like 15-year-olds. It is just not a good time to start addressing some of the life changing problems. For example, a lot of my colleagues have fallen into the trap of stepping out and saying, ‘Okay, I am going to show them that I am a good worker and that I can do it. I am going to start my own business.’ It is a sort of knee-jerk reaction to what is basically a grieving process, and it is no wonder that a number of those businesses go broke.

The other thing I found when I was put out of work was that I really wanted someone to talk to so that I could say, ‘Look, these are my skills, this is where I would like to go. How do I get there?’ None of that advice was available. I asked for it. Centrelink did not have any advice at that stage. I know there are tests that you can do to sort of self-test. Career counsellors run these tests on people and they can say, ‘These are your skills and your attributes. This is where you want to go. Perhaps you should be looking at doing this.’ But when none of that sort of stuff is available you really do not know where to turn. There is no help. I think the general public perceive that Centrelink is a helpful organisation. Centrelink is not a helpful organisation. It is like the taxation department.

Dr EMERSON—That bad!

Mr Dyke—Yes. They tell you what you cannot do, but they do not tell you what you can do. They are the policeman to make sure you are being paid the right amount. They are all very nice people—I am not having a go at people—and courteous people in Toowoomba, but they are not much help. Everything is in square boxes, and if you do not quite fit in a box you are in trouble. You always run up against the—

CHAIR—By the way, other people who have spoken to us would dispute the fact that nothing is available. Do you feel you had that experience because you live in a regional centre or do you feel it is right across the board and that it would be exactly the same if you lived in Brisbane?

Mr Dyke—Because I live in a regional centre, I can only reflect on that. I recently picked up a leaflet in Centrelink about counselling. On the form it said that there were no personal, one-to-one counselling opportunities and also that you had to go to the Gold Coast to get counselling.

Ms GILLARD—My question follows on from the comments you made about Centrelink and Job Network members. I was interested in your comment about being ordered to do a three-week training course on resume writing. Can you tell us a bit about that experience with Centrelink?

Mr Dyke—I was sent a letter to say that I was to come in for an interview. When I got to the interview—they call them seminars or something or other—I was told by the person who was running it that the government had decreed that all people in the category I was in had to do this resume writing school for three weeks. I protested and said, ‘I don’t think I really need to do a resume writing school.’ The guy was very insistent. He was so insistent in fact that when I got home I wrote to the manager of the local Centrelink office who subsequently apologised by letter for what had occurred.

It was just a waste of time. Why would I need to go and spend three weeks at a resume writing school when my resumes were up to scratch and it really would not teach me anything? I assumed it was one of the government’s ways of getting the job numbers down, because apparently when you are on a training scheme the other figures do not look so bad.

CHAIR—The problem is that some people think their resume is terrific when in actual fact the resume is stopping them from getting a job. We have heard that in the course of the inquiry. Understandably, we are all a bit cynical about what governments do, but I think there is a method in the madness.

Mr Dyke—I appreciate that. When it came around again I approached it differently. I actually went to one of the recommended training providers. We actually struck up a friendship as a result of that. He took me through, and I probably spent three or four hours with the guy, one to one. He had samples of my resume, my job applications and how I would address the job specifications, and he made the comment that he was amazed I had not been successful in getting a couple of those jobs. He suggested that it was just age discrimination that had prevented me from getting a couple of those jobs.

Ms GILLARD—In the course of the inquiry we have heard a number of stories about redundancies and downsizing and the ways in which that process has been handled. A number of people have also put it to us that earlier intervention after a job loss would be more successful in helping people in the unemployment cycle, if you like, rather than leaving it until people have been unemployed for six or 12 months when the problems are substantial. If employers know, having explored other options, that they are going to have to make a section of their work force redundant, what can they do at that point to ease the way for people? What could governments do at that point that might better meet people’s needs?

Mr Dyke—I believe there are a number of things that employers can do. While employees are still in their present job, it would be good if someone could come along and say, ‘What are your plans for the future? Do you know what happens when you are

unemployed? Do you know what your rights are? Do you know how to approach Centrelink? Do you know when you can approach Centrelink?

I was speaking to a person not long ago who had actually resigned from his position. He had not been aware of the implications of long service leave, holiday pay, superannuation payouts and all that sort of thing. He thought that it would be a couple of weeks before he got a job but that he could apply to Centrelink for information on those sorts of things.

I think a lot of older workers who have been in a job for a while do not think about those sorts of things; they do not think about the implications. I did not think about the implications of being an older unemployed person. Just talking about the sorts of things that happen when you are unemployed could help—for example, you start to get aches and pains where you did not before, you start to feel sick, you start to kick the cat and bash up the wife, and you get angry with politicians.

Dr EMERSON—That's normal!

CHAIR—For the purpose of the record, we should make it clear that Mr Dyke loves his cat and has a very good relationship with his wife.

Ms GAMBARO—And loves politicians!

Mr Dyke—Yes, I do—maybe not politicians. My wife has been a great help to me. She says, 'It is not you; it is what you are going through.' I keep having to be reminded of that, even though I should be smart enough and intelligent enough to know all those things. You do need to be reminded of those things. I think there is a lot that people can do.

Ms GILLARD—Finally, I am interested in your comment about Job Network members having too narrow a specification on people's occupation focus when they are looking for jobs. Could you tell us a bit about that experience?

Mr Dyke—Basically, my experience is that I originally enrolled with two and then a bit later on I went to another one. Of the two that I originally enrolled with, one was quite helpful and took down all my details—this was Employment National. They went through a list of all possible occupations, according to their classifications, and the lady said, 'I don't quite know where to put you.' So she turned the TV screen to me and said, 'Where should we put you?' which is fair enough. I realised after leaving there that I was probably in the too-hard category.

The other agency that I went to could not get rid of me quick enough. I got an interview with the girl on the front desk and that was it. Then the third one I went to was very helpful. They seemed to understand my situation. None of them ever called me. None of them ever gave any indication that I was enrolled with them or anything like that. The Job Network members—I have nothing to prove this—seem to be very good at placing rural workers, hospitality industry workers and those sorts of jobs in which there is a fairly high turnover.

Ms GAMBARO—Thank you very much for your presentation. A number of people who have come to see us have suggested setting up mature age job centres or specific sections of

employment agencies that deal just with mature age people. You have highlighted some things here about their not knowing what to do with you; you were too hard to deal with. Yesterday I had a similar person come to see me. Centrelink said, 'We don't deal with people like you. We only deal with people who are desperate.' Did you ever get those sorts of feelings?

Mr Dyke—Yes, I did. But how desperate? The way I understand it, it is probably to do with the payments that these Job Network providers get.

Ms GAMBARO—And it is too hard. Were most of the Job Network providers young people? Did you ever speak to any mature age people in your age group when you were trying to tell them about your capabilities?

Mr Dyke—No.

Ms GAMBARO—Most of them were young?

Mr Dyke—Yes.

Ms GAMBARO—Did you feel that you would have benefited from dealing with an older person?

Mr Dyke—I think so. I also think, for example, in Centrelink, when you go in there, it is very difficult. They are very professional, but if you are talking to a female—and I am not being sexist in this—who may be 35 years old—I have no idea how old they are—it is very hard to get across the types of things that you need to get across. That seems to be the way it is at the moment.

Ms GAMBARO—The point that you raised about there being no careers counselling was a very good one. That has come up. You spoke about psychological testing and perhaps looking at other career options and having no-one to talk to. That has been raised. In the personnel industry, we did a number of things in the past with careers counselling and testing. How do you see that being extended to helping people like yourself? Do you see personnel companies subcontracting these services? How could we help people in your situation with this counselling area?

Mr Dyke—I do not know how you would do it, but it is a service that should be provided for those people who feel the need for it, and not everyone would feel the need. It is picking the time for intervention as well. It may not even be appropriate for you to do; it might be something the employer needs to do. I understand that some bigger companies provide this service for high paid executives and that sort of thing. I am not even sure that that is the best time to do it. There is a lot of emotion running through you at the time, particularly if you have been told that your services are no longer required. It takes a little while to get that out of your system, for you to settle down and determine what you want to pursue and which way you want to go.

Ms GAMBARO—So you are saying that if you do it too early it can have a detrimental effect so perhaps leave it for, say, a month? We have had people come to see us who have not sought help for a year and that has had a detrimental effect as well.

Mr Dyke—Yes.

Ms GAMBARO—Thank you. I appreciate that.

Mr Dyke—So I think anywhere between a month or three months, depending upon the person.

CHAIR—I am sorry to say that we need to finish at that point, Bryson, but I would like to thank you not just for producing an excellent submission and taking the effort to come down here with your wife to speak to it but also for reminding us of what the inquiry is all about.

Mr Dyke—Thank you.

CHAIR—For what it is worth, in my office I have a big poster which shows a man looking through the employment pages and over the top it says, ‘Some call me unemployed, others call me a dole bludger, but my name is Michael.’

[10.48 a.m.]

CHARLESWORTH, Mr Brandon, Founder/Managing Director, Grey Army

CHAIR—Welcome. Could you give us an overview of what you want to say to us today, including the problems and solutions, and then we will discuss it.

Mr Charlesworth—I have a brief note here which is a summary of my written submission. We are all very aware of the problems of the over-45s, their difficulty in finding work, their feelings of uselessness, low self-esteem, loss of direction and the reason for life. The social cost for our youth and family is even greater than that of the individual. If the head of the family loses his self-esteem and direction, his personality changes, as it did with me, and the family can fall apart. His children do not listen to him—they see him as a lost soul, and he does not have the answers.

Usually he has a poor self-image. He feels useless, he feels like he has been swept under the carpet and that he is just waiting around to drop off the twig. Another problem for him is that society and employers see over-45s as being elderly, inflexible and unable to learn new ways. We should continue to try to change the attitudes of society and employers and show them that over-45s are reliable, honest, loyal and willing to work.

There is an urgent need to address the problem of the growing number of over-45s. To address these problems I have looked, firstly, at areas of work where society already accepts the over-45s as being very capable and able. One of these is the trades area—carpentry, tiling, bricklaying, painting and handymen. This is proven by the number of people, some 30,000 a year currently, who ring us to have work performed in their homes by over-45s, and it is illustrated in references such as those I have here from big Mercedes dealers in New South Wales. They say how professional we are and how courteous and nice. So people do certainly accept the over-45s in those areas.

We could provide work in these areas for 500 more people if they were qualified. Some current requirements for licences in these areas make it impossible for someone aged 45 to commence a new career as a tradesperson. There are a lot of people out there who have renovated a few houses and who would like to change careers. For instance, can a person over the age of 45 spend four years as a low-paid apprentice in New South Wales to become a tiler? He will not do that. There are various state issues such as this to be addressed. However, I am sure that with support I can succeed in getting state governments to agree.

I propose a national licence specifically for over-45s so that, when someone over the age of 45 meets a national competency standard approved by the Builders Licensing Board or the BSA in each state, they can gain a licence and in gaining this licence be funded by the federal government. The yearly fees would be paid by the licensee to the state in which the tradesperson operates. The training would be 90 per cent on the job. The scheme would be called the Grey Army Trades Training scheme. The ‘Grey Army’ name connotes an image of over 45.

The licence would be a special licence allowing for home maintenance and repairs of a non-structural nature, up to \$10,000, and would be available to both men and women. There

would be no restriction on people entering this course, other than an adequacy test and being over the age of 45. In America during the war they had to train people, from making spaghetti tins to making tanks, without sacrificing the quality. To achieve this, they had to have fast-track training. We should adopt these methods to ensure that we have trained people out there as soon as possible because there is a big need by the public.

Not having enough tradespeople means that there are a lot of unqualified people doing work at the moment, which is not very good. Also, in some cases, because there is a shortage, the qualified people can charge exorbitant rates, not turn up or just pick the jobs that they want to do. Older people especially suffer like that: they cannot afford the qualified people and they do not want to do the smaller jobs for them.

We cannot find work for everyone over the age of 45, so it is important that we also assist them in finding direction and not letting them think they are alone with their problems. I am compiling a book called *I'm 45—What's Next*. This book will have 15 stories from people telling what has happened to them and what they have done with their lives after turning 45. My story will head the book. Readers will be able to identify with some of the various experiences of others and it will assist them to find direction. The stories will be varied, but readers will see that it is possible to start a new life or to be content with the life they currently have.

There will be stories from people who, after the age of 45, have changed careers. Some may have made a lot of money, become artists, gone into politics or just gone fishing. I think this book will be of great social value because, as I heard before, people over the age of 45 do not like any sort of counselling. The only way they will accept counselling is if it comes from someone who has been there, done that and it is someone they respect. I also feel there is an urgency for an agency specialising in the counselling, training and employment of over-45s. Our Grey Army—we have 30 officers—would be in a suitable position to do something along that line. That is a summary of my submission.

CHAIR—Thank you very much, Mr Charlesworth. I gather from what you are saying that the Grey Army is both a proposal for a national training program for the over-45s to bring them up to competencies in certain trades and also something that you currently run.

Mr Charlesworth—Yes. We have got 2,000 people now working. Each of those people is an independent operator under the Grey Army umbrella. We advertise on their behalf, and we create a perception in the public's mind that over-45s have got a lot to offer: they are courteous; they all have an ID badge, because a lot of people feel nervous having people in their homes as far as security is concerned today; and they are all uniformed. So, when someone calls the Grey Army, they know they are going to get an experienced person, someone who is courteous and friendly, whom they can feel safe in the house with, maybe have a cup of tea with and who will always turn up on time.

Everyone in Grey Army has a right to earn a decent living. We do not do cut price work because we are over 45; we do not have to do cheap work. What we promise to do is a good job for a reasonable price. Everyone in Grey Army deserves to make a decent living and to be able to do that without ripping anybody off.

CHAIR—I understand what you are saying if someone over the age of 50 wants to be a plumber, but I gather you are not presuming there would be a different qualification applied, for example with plumbing, for someone who is 25 as there would be for someone who is 50.

Mr Charlesworth—I was not looking at plumbing and electrical, which are life threatening trades; I was looking more at the tiler, the bricklayer, the handyman and the carpenter. What I am proposing is that, on the issue of the time factor, a person of 45 cannot spend four years to do an apprenticeship to become a tiler. It does not make him a better tiler. He just won't do that. I propose that at some stage there is a competency test and, if he can do the job to a standard that is approved by the Building Services Authority and a standard that is satisfactory to the householder, once he reaches that level of competency he should be able to get his certificate.

For training to that level my proposal is that we have master tradesmen who supervise four or five people being trained on the job until they get to a level of efficiency that they can sit for the test and show that they are competent in that area. The ticket itself would be something a little bit different. It would not allow them to do structural work but only domestic work. Their standard of workmanship would not be any less, but the range of jobs as far as doing structural work and things like that are concerned would be less.

CHAIR—I understand. There is a lot of emphasis put on something which I consider to be a growing part of our economy, that is, biotechnology and the IT sector for obvious reasons. Another growing area is domestic services which are never going to be replaced by machines—personal care and that sort of stuff.

Mr Charlesworth—Yes, we are into that too.

CHAIR—One of the things that could be looked at is some sort of tax incentive for people who employ domestic assistance. You can always gate it through aged care assistance teams or some sort of means testing system. You would not be thinking of establishing a butler culture in Australia—not my constituents.

Mr Charlesworth—I do not think that people need any incentive to use services of people over 45. We cannot handle the amount of work that we get. The public is out there and the work is there but the qualified people to do it are not there. The work is certainly there. As I say, we get 30,000 jobs a year at the moment and we have only been going two years—the phone doesn't stop. With our painters, we cannot do painting jobs for about three months because of a lack of qualified painters. Because of our profile we cannot use anyone who is unqualified. All of our people have to be qualified, but we cannot find them. Yet, on the other pile, we might have 2,000 or 3,000 people who want to work for us, all good guys but with no qualifications. We have all this work coming in and a big pile of guys who want to work, but they can't do it. We can't say, 'Go and do a four-year apprenticeship and you can get a job.'

CHAIR—Basically, if you want a few tiles replaced in your kitchen floor you do not need to get XYZ tiling company that is otherwise doing whole houses or factories, but you have your Grey Army person who is quite capable of doing that.

Mr Charlesworth—Yes. A lot of our people are qualified. In New South Wales a handyman can do tiling jobs up to \$200. Different states have different amounts. Some of them do not have anything. The Grey Army does everything: carpentry, plumbing, electrical and all those things including fixing washing machines, home tutoring and garden care. We have garden care like Jim's Mowing, but we do not sell them to people. We help them set up their own business. They have a Grey Army trailer and we have helped them establish 80 regular customers and they have their own business which they can sell later on. They are actually set up in their own business. All our people are independent people underneath our umbrella.

CHAIR—I understand. I am not wishing to embarrass you in any way, but is it a business from your point of view? Is it an income generating activity for you?

Mr Charlesworth—It was not set up as a profit making thing. It has turned into being successful. Money is a consequence of what we do rather than the purpose. Everyone in Grey Army should be able to make a decent living, but what I am building is a pie, and a Grey Army pie, that everyone gets a fair share of.

CHAIR—I have no problems at all if you are making some money .

Mr Charlesworth—The first year I was very embarrassed and ashamed of it. Now we are proud to say, yes, we are all making a decent living and we are all doing something that we can be proud of.

CHAIR—I have a background in medicine. I made money from treating people's misery and injury.

Dr EMERSON—To pick up on Brendan's point, the attractiveness of getting someone from the Grey Army compared with a professional tiler who might be doing whole houses is the call-out rate. To get someone in the trade who is a professional to make the journey to the house will have a very high fee just to turn up.

Mr Charlesworth—There is such a shortage of tilers that they can pick the jobs they want to do.

Dr EMERSON—They can say it is going to cost you 100 bucks just for them to come out and have a look at it whereas someone from the Grey Army can come out and do the job and be done with it.

Mr Charlesworth—And no call-out fees.

Dr EMERSON—Yes. That seems to provide you with a real advantage there. Is there also an advantage in the sense that older people who want handy work or trades work done think that if someone is from the Grey Army they are going to be less of a security risk in the house; they are less likely to try to rob them or anything like that. Is that evident?

Mr Charlesworth—Yes, definitely. That is why all our people have photo IDs. We check them out fairly thoroughly. They feel safer because they are over 45. They do have

IDs and they have a neatly pressed uniform. They look respectable, are polite and courteous and we always follow up and ask if everything went all right. If anyone does not do the right thing we find that out.

Dr EMERSON—You provide some sort of quality assurance by that follow-up?

Mr Charlesworth—We follow up every job and ask certain questions about the person and the courtesy and if the people were happy with the job. If they are not, we attend to it immediately.

Dr EMERSON—Do you ring them or do that in writing.

Mr Charlesworth—We ring them. We ring everybody within a week after the job is done.

Mr BARTLETT—How does the structure work? Does each of your team have their own business, their own indemnity insurance, public liability insurance and all of that?

Mr Charlesworth—Yes, they are responsible.

Mr BARTLETT—So they are actually not employed by you as such?

Mr Charlesworth—No, they are independent contractors. The legal definition is that we are really a referral agency. In fact, it is a closer association than that. On the legal side, they go and give a quote and that is it. On the actual side, they give a quote, that quote comes to us and we check with the customer to make sure the quote is right and the customer is happy with it. A lot of people who come to us cannot run their own business because they might be bad at quoting, they might have bad people skills or whatever. So, even though they work for themselves, we cover them for where their inefficiencies are.

Mr BARTLETT—The prices they are quoting are pretty much market prices, equivalent to what other trades would quote?

Mr Charlesworth—It is a fair price and varies a lot from state to state. We have got to come to a price that is enough to satisfy the service providers so they have a decent living. It cannot be too high or we will not get any customers who ring us up.

Mr BARTLETT—Have you had any feedback from trades organisations and so on about the concept of the Grey Army training scheme? Do they feel threatened in any way that you might be taking some of their business?

Mr Charlesworth—When we first started, every time we started in a new state or new area, we would get all sorts of complaints from people. It upset some plumbers that they could not charge \$70 an hour any more because we charge \$35 an hour. If a plumber works 40 hours at \$35 an hour, we think that is a pretty good return. So \$35 an hour is our plumbing rate. Someone charging \$70 gets upset. Building Services get these complaints, but we have a good relationship with them. They are not involved in the price of it. The only

people really hurt are the people who overcharge. They have got to bring their prices down a bit.

A lot of those people who do complain about us when we first start in an area end up coming over and working with us because we do all their advertising for them, make their appointments for them and do everything for them. The public today seem more and more to be wanting to go to someone under an umbrella so they have some quality assurance. There are so many horror stories out there about what tradespeople have done to people. If Joe Blow comes and does a job and they ring him up and say, 'I didn't like the job,' or, 'Something is wrong,' he says, 'Get lost, I'm busy,' or whatever. But under an umbrella like Grey Army they ring up and, if there is something wrong, they know they will get the job fixed up and they know they will not get overcharged.

Mr BARTLETT—As you know, the whole building trades area is very cyclical. Clearly it would be quite easy getting work for these people if their prices are very competitive at a time when the other trades are flat out with new building construction, et cetera. Have you had this operating at a time when the whole building industry has been very slow and the competition from other trades is much stronger? How well does it work in that sort of time period?

Mr Charlesworth—The Grey Army overall will work well in all the economic climates. There is such a lack of tradespeople it will be a long while before we get to a point where the people that we train will actually take work from other people. There are a lot of people out there doing work who are not qualified—many, many people. Out of 60 phone calls to painters we made, there were only three with qualifications. We answered advertisements in the newspapers from people advertising to do painting and there were only three qualified people amongst those 60 people. So that is what happens because it is so hard to become a painter. That is bad for the public. It will be a long while before we get enough tradespeople to cause that problem because there is such a lack of them now.

Mr BARTLETT—How far have you gone down the path of the training scheme in getting accreditation and so on?

Mr Charlesworth—I have put the application in to you and I have made some phone calls. I have had varied responses from different government departments and Building Services, some absolutely loving it and thinking it is fantastic and some feeling a little bit threatened, but I do not think I am going to have any trouble with them. The word I get as far as the unions are concerned about the apprenticeship thing is that they would only be concerned if we wanted to change the apprenticeship scheme. They would be of the opinion that, if you change the apprenticeship scheme and cut out the time limit for people over 45, it would not affect them. They would not mind that. Also, because all of our people are self-employed, it does not worry them in that area either.

Ms GILLARD—I was just looking at the directory. Obviously, you have accredited some established businesses. Just looking through here there are gymnasiums, laser centres and places like that which would have been established businesses. Can you explain how that works within the Grey Army scheme?

Mr Charlesworth—The Grey Army was established out of necessity. As I said, it was my thing. I had a successful career in the clothing trade. I was an executive and I worked for Katies and things like that. I employed about 1,000 people and set up the big Katies in Curry and I worked overseas. All of a sudden, approaching 50, my job with the clothing trade disappeared. I was very bitter. For seven years I was a sole parent pensioner. I brought up four kids by myself in a duplex living amongst miles and miles of pensioners in Girrawheen in Perth. I got out of that and set up Grey Army. I have now forgotten your question.

Ms GILLARD—The accreditation of established businesses.

Mr Charlesworth—Grey Army is about old-fashioned values, honesty, integrity and ethics before money. I want to become a household name and bring back some of those values that did not seem to make the transition with the computer age. I want to become a household name and help the householder and the over-45s. The compilation of that book employs people over 45. A donation goes to the Red Cross so charities get advantage from it. Also, the householder looks in the *Yellow pages* and they do not know who to get. They might go by the biggest ad which they might think would be expensive. They might go to the smallest ad and think they cannot do the job, so they do not know who to pick.

It also helps small business. A small businessman who is also employing people has to battle against the supermarkets and the big people. They have got honesty and integrity and they have courteous service to offer to the public, but they have not got a way of getting that over. So we have got in there only small businesses. There is no advertising. It is purely a listing of all businesses that we check out that have the right premises. They undertake to us in writing that if they have a problem with a customer they will abide by our decision in resolving that problem. So if someone is not happy with a person they get out of there, and we look at it—and we know there is such a thing as an unreasonable customer—and we say, ‘Okay, Joe, you did not do it right. This is what you should do. You should do labour for nothing and she can pay the parts,’ or whatever.

Ms GILLARD—So they would be businesses operated by people around 45?

Mr Charlesworth—No. The only qualification is that they are small businesses and that they will do the right thing by the public.

Ms GILLARD—Thank you.

Ms GAMBARO—This directory is very good; I will pass it around to the rest of my colleagues. How big is the issue in the security business of ‘Protection against perceived vulnerability of over 45’s in their home’? How big is that issue out there with people barricading themselves in their homes?

Mr Charlesworth—It is very real and very bad. Every time they read a newspaper article they are very worried. If someone comes to their door for the next two or three days they are worried that this person is going to come back. If someone comes for a legitimate purpose they worry they are coming back to rob them. We had one instance—this is how scared people are—when a lady rang up and said, ‘My sister used the Grey Army and she is never going to use them again. It is a horrible organisation.’ I said, ‘Tell me what the

problem is.' She said, 'No, I won't tell you about it; I've been really upset about it.' Eventually I found out from her what it was. One of our people went there to do some work for her and he had an earring. She said that any man over 40 who wears an earring—

Ms GAMBARO—You can't trust them!

Mr Charlesworth—She sat there for three hours while he was doing the work, petrified.

Ms GAMBARO—Especially if their diamonds are bigger than yours! It is an in-house joke. In the parliament I used to sit next to Brendan Nelson, who used to sit where Julia Gillard is sitting.

Ms GILLARD—We will be back there one day.

Ms GAMBARO—When Brendan came to the parliament he was very trendy with this earring in the left ear, I think it was.

CHAIR—I have now removed it.

Ms GAMBARO—For about three weeks I just looked at him in awe. I was quite jealous of the size of his diamond. He has stopped wearing it now.

CHAIR—I have removed it after 23 years. I am going through a grieving process myself.

Ms GAMBARO—Yes, I can understand. Do you have some sort of mentoring program for older people who are at home, who have no relatives and are fearful of security? Do you think that that is something that can be looked at by local state and federal governments, because it is something that I am quite passionate about.

Mr Charlesworth—In my experience—and I meet thousands of people—I have not found a huge need there. The things we addressed before there is a huge need for. We have not had a lot of people asking for those services. We do provide them. We provide services for poor people for nothing and things like that as well.

Ms GAMBARO—That is great.

Mr Charlesworth—We do not make a big thing about it or else everyone will ring up and want it done.

Ms GAMBARO—Do you do counselling for victims of crime as well?

Mr Charlesworth—Yes. We do a lot of counselling. We are not qualified to do it, but what we do works. We have lots of people who have problems and whatever, guys over 45 and that, and after half an hour or one hour, but usually half an hour, we can usually set them on the right track and they go out and they get jobs. A lot of them are unemployable because of their mental attitude. They become a big mess. They do not know where they are going; they do not know what they are doing. I just tell them a few stories. I have a few

homilies. That is why I want to write this book, so they can all read it and find direction and so they can say, 'That is what I am going to do. That is what that bloke did. I am going to do that.' It does not have to be based on money. There can be some stories there where I can go and make a million dollars but you have to look at the cost, your family, the whole thing. All this bloke did with his life was end up fishing.

My solicitor was a solicitor for 30 years. All his life he had hated being a solicitor. When he turned 45 he decided, 'I am going to do something else. I have got a chance to do something else.' He went off to Hong Kong and everything he did failed. Ten years later he went back to being a solicitor. He found that there is nothing else he can do.

CHAIR—Some people have said similar things about politics. How can the Grey Army provide a free job brokerage for employers and employees? How do you fund that? It is basically a job placement service.

Mr Charlesworth—I do not know whether anybody watched the video, but we create in the public's mind an image of what the over-45s are like to employ. We get lots of employers ringing us now asking us to supply people. It might be someone to manage a motel or things that you do not think of. They are ringing up all the time. We have not had time—because we are moving frustratingly slow within our company, but from outside we are moving fairly quickly—to get on to it. We just place these people with people and we do not do any charge or fee. In New South Wales you cannot charge an employee, and it is not fair to charge them anyway, and we do not know what to charge the employer. We thought that if the person stays there for a month we might charge them \$250 or whatever, and we will eventually look at doing something on a financial basis. But we are satisfied—any time an employer rings we do it anyway.

CHAIR—Thank you very much. Any other questions from my colleagues?

Ms GAMBARO—Are you in the *Yellow Pages*?

Mr Charlesworth—Yes. We have a national number, 13 11 98, and you ring that and it always through to the local office and then they send someone out to see you.

Ms GAMBARO—And anyone can employ your services?

Mr Charlesworth—Yes—busy people, lazy people. There are a lot of young guys today—young husbands—who do not even know how to use a screwdriver. They do not even know what a screwdriver is and they do not want to know.

Dr EMERSON—It is a vodka and orange, isn't it!

Mr Charlesworth—But I do need some assistance to do this national thing I do need some assistance to do it.

Ms GAMBARO—Do you do cooking courses for single men?

Mr Charlesworth—No.

Ms GAMBARO—There is a huge demand out there.

Mr Charlesworth—They have got to do what they really want to do. I do not know if they want to be cooks and things like that. I say things to them like, ‘There are three time zones—the past, the present and the future. For some reason, we all sit down and think the past, the present and the future are all of equal length, but they are not. In fact, the present is only a millisecond of time between the past and the future. I say, ‘What are you doing now?’ ‘Oh, at present I am doing this.’ Well, it is not the present. You are doing that in your future; you are using your future up now. If I ask you what time it is now in the present you cannot tell me because it is already in the past. Our lives are made up of memories of the past and dreams of the future. And as you get older—and this is where they go wrong—once you get to 45 or 50 you have got all your memories of the past and your dreams of your future are becoming less. They have no dreams of their future so they start living in the past and don’t get on with their future, unless you can change them around to say, ‘Well, I am using up my future. What am I going to do? I am building memories now. I don’t want to build memories of two years sitting on the dole, but what am I going to do today to make those memories of my past better?’

CHAIR—Thank you very much, Mr Charlesworth, for that little bit of wisdom at the end. It reminds me of one of my friends when we were sitting together recently and he was lamenting the fact that young people today seem to take a lot of drugs, and in referring to his 20-year-old daughter he said, ‘I don’t know why they just can’t sit around, have a few beers, listen to Slim Dusty and think about old times.’ So the answer is self-evident. Thank you for that. It is an idea that has considerable merit and you are obviously helping a lot of people.

Mr Charlesworth—We are results orientated. We can employ 500 people. How are we going to get them from there to there?

CHAIR—Thank you. It has been very educational and even entertaining.

Dr EMERSON—I would like to put something on the record here. My earlier comment of ‘That’s normal’ related exclusively to people disliking politicians.

[11.26 a.m.]

BERTRAM, Ms Judith Carolyn, General Manager—Policy and Research, Division of Training, Department of Employment, Training and Industrial Relations

CARLON, Mr Bernard Edward, General Manager, Employment Taskforce, Department of Employment, Training and Industrial Relations

HAGAN, Mr Peter Julian, Team Leader, Employment Secretariat, Office of Economic and Statistical Research, Queensland Treasury

HARTLEY, Mr Justin, Research Officer, Department of Employment, Training and Industrial Relations

WHITTON, Mrs Georgie, Senior Research and Policy Officer—Workforce Strategy Unit, Employment Taskforce, Department of Employment, Training and Industrial Relations

WILLS, Mr Michael, Director, Office of Ageing, Queensland Department of Families, Youth and Community Care

CHAIR—Welcome to the inquiry. Thank you to you and your colleagues in the Queensland government for providing us with a submission and for putting so much effort into this area. Perhaps you could give us an overview of the submission, the nature of the problem, the things that obviously you are doing in Queensland and any recommendations you have for the Commonwealth.

Mr Carlon—The first thing we want to say is that the Queensland government sees unemployment as devastating for any age group. It has put in place policies and \$283 million worth of programs under Breaking the Unemployment Cycle to actually address unemployment right across the work force. Not only do we need to do that on equity grounds but also, if the government's target of five per cent is to be reached, we need to attack it at all levels.

We have a special interest, though, and have had for some time and have been working with others on the problem of the mature age unemployment—the 45-pluses. It is one of the least recognised areas of unemployment. There are a few reasons. Firstly, they are the smallest group in numerical terms. There has been good employment growth. Here in Queensland there has been double the employment growth of this group's labour market share. There is a low unemployment rate. The average unemployment rate over the last 12 months to August 1999 was 5.3 per cent compared to 8.2 per cent for all other Queenslanders. I think that often hides—and some people dismiss it—the problem because of the smallness of it. But I suppose the Queensland government's view is that everybody out there needs to be assisted. They are a group and they have special problems. One of the big problems that they seem to have is the duration of unemployment.

In Queensland 44.7 per cent of unemployed persons aged 45 to 64 are unemployed for more than 12 months. It is the only group in Queensland where long-term unemployment has

actually been growing. In the younger age brackets it is actually decreasing. There seems to be a real problem in getting back into work if you get into this age group and you become unemployed. We see this as a major issue. The problem with looking at bland statistics is that the statistics are pretty inconclusive—I can say all those positive things a minute ago, and then there is this—and because the statistics do not go down to a detailed enough level we do not really understand what they really mean. Is ‘jobs growth’ just the ageing of the population as they move through and, therefore, there is employment growth?

One of the recommendations is that—we have started to do some research, particularly with the University of Queensland, who I think spoke to you yesterday—the Commonwealth should be doing more research into this area. The Queensland government would be happy to do that collaboratively with the Commonwealth, because we do need to understand this problem, particularly given that we do have an ageing population and it may be a problem that will grow with time as a result.

We would like to raise some questions related to the ageing population and the fact that people are living longer. Will unemployment grow as a consequence? Will it develop into labour shortages for us in the future, as fewer young people come into the labour market? And what will be the effect on the capacity of some of the people who are unemployed in this category to support themselves for what might be a long period of retirement at the level that they would wish if they are forced out of the labour market too early—or, for that matter, cannot participate for as long as they would like to in the labour market?

The next point we would like to make is that the labour market has become extremely complex over the last decade or so. You can no longer generalise, like you used to be able to, with a lot of what is going on in the labour market. You need to look at the different segments within the labour market, because there are different issues and they have different problems. With that in mind, the issue we would like to put before you is that a number of surveys—surveys done by the University of Queensland, for instance—are showing that there is enormous stereotyping and often discrimination towards the mature aged. In the last couple of days the Morgan and Banks surveys and the Drake surveys have been coming out with this information, where senior workers are being stereotyped as not having particular skills, not being able to be trained, being too inflexible. We believe it is much more complex than that. Unfortunately, because these stereotypes are going on, often those people are starting to stereotype themselves and believing it, which is a problem.

So one of the big issues that we think needs to be addressed—and the Queensland government has commenced this, and I can go into more detail about it later—is community education and awareness. We call on the Commonwealth government to increase community education and awareness about the problems that the mature aged are having—but, more importantly, about what the mature aged can contribute—and to knock down some of the stereotypes such as, ‘The mature aged are not capable of training.’ The mature aged learn in a different way. They need different types of access and have different training arrangements, but all the decent research shows that they are not incapable of learning—in the main; there may be some.

That brings me to my next point: the access to training. Anecdotal evidence coming back is that they feel alienated from the training system. We in this state are looking at what we

can do about that. But the Commonwealth has a large role to play in training, and I think together we should be looking at how we can more appropriately give access to skills, particularly technology skills, to the mature aged. One of the problems is that they sometimes—quite rightly—do not have the technology skills that new jobs require. What, unfortunately, the community does is focus on what they do not have and forget that they have all these other skills. If you invested some money in this area, you may well give them the technology skills where they can move into new jobs.

The Queensland government thinks we ought to look at the issue of social cohesion. If we abandon a group of people—albeit it might be a smaller group of people—in this way, what are we telling these people and their sons and daughters about what we as a society think? One of the things that concerns the Queensland government is that there is a group out there who are not going to be able to cope all that well in the new knowledge economy. Their basic levels of education and their skills are such that we may never, even with the best intentions and the best delivered training programs, bring them up to an appropriate level.

The view that some people put is that it is a temporary problem—they will all disappear in time, so leave them. The Queensland government's view is that that is not good enough. There is a community service obligation. As governments, we need to look after every member of our community. It is important for our social cohesion and it is important for the message we give to the rest of the community. Therefore, I think we have to look at that particular group. In Queensland we have a number of people in that group, particularly as industries change.

At the moment we are trying to deal with the meatworkers industry. Some people in that industry have worked extremely hard all their lives. They have very good motor skills and so on but often are virtually illiterate and have no technology skills. As the changing economy puts them out of work, some of these people do not have the basic skills to be able to build up. They are not well paid workers either, and they are facing pretty bleak retirements. Can we just dismiss them? I do not think we can. I think if the state worked cooperatively with the Commonwealth we could come up with ways to create lower skilled jobs in councils and other areas to actually pick up this group.

The major point that we want to make is that there is a problem, despite some people wanting to ignore it. There is potentially a growing problem, and we need to understand it and research it better. We need to educate the community and make them more aware of it. We need to look at a number of different approaches, particularly how to give them access to skilling so that they can get back into work.

CHAIR—I think we are all aware that, as one part of Australia plunges into share ownership and benefits from the revolution in information technology and the financial services sector, there is another section of society that questions what place there is for them in the modern world—and they are not confined to young people. I can assure you that we are aware of that. Firstly, where are the older unemployed people distributed in Queensland? Is there a preponderance of them in regional western Queensland? Where are they?

Mr Carlon—One of the problems—and I might call Peter to add to this—that we have is that when you get down to local labour markets there is a paucity of information. We believe there has been a withdrawal of the Commonwealth from getting some of that information. The information used to be better, and it has got worse. It is extremely hard to get a handle on this beyond the census or from Centrelink data which does not show a complete picture. I think what we are showing is that it is right across the work force. There is mature age unemployment everywhere in Queensland. The biggest pockets are in areas with the largest number of unemployed. Hervey Bay and places like that have very high unemployment generally and they have high mature age unemployment. Generally there is a reasonable correlation there. Peter, would you like to add to that?

Mr Hagan—The only thing I would add is that the regional labour market statistics are very volatile because of the declining sample sizes. Most of the work that we have done has not been looking in depth at regional dispersion; it has been more at the aggregate trends when we start to drill down into certain variables. Certainly there is some variability in the broader labour force regions that we do get data on—they are fairly volatile—but, as Bernie said, there are pockets concentrated around the state and within Brisbane in the south-east corner that do have a general mix of unemployment across different age cohorts.

CHAIR—We have certainly been told that the highest concentration is within the federal electorate of Lilley—I do not know the names of the suburbs—and that general area. One of the possible solutions you looked at in dealing with this problem was a federal code of conduct. Can you just elaborate on that? By the way, we fully concur with your views about the need for national research both in terms of the nature of the problem and in terms of the impact of older workers in the workplace and other things.

Mrs Whitton—The idea of a federal code of conduct I guess is really part of a general awareness and education campaign. A code of conduct would set a benchmark. It is based on originally the British idea. If you have had a look at our information kit that we provided yesterday, which we are using as part of our education campaign, that information kit is partly modelled on the British Advantage program. We provided in our kit a human resource management for aged diversity best practice model. The idea is to focus on some benchmark behaviour which will advantage all ages and therefore advantage the mature age as well and, incidentally, of course, result in the most effective use of human resources.

CHAIR—There are many dimensions to the problem and what we can do about it. One of the things that we come across all the time is that early intervention is critically important—in fact, even prevention. We have identified that the way in which many employers handle redundancy processes contributes in no small way to the problem. Some of them handle it very well, many unfortunately do not, and there is a question of whether there ought to be some sort of code of conduct which places requirements on employers to involve perhaps family members, financial advice, counselling of both a personal and financial nature and Centrelink and other government agencies to help people in that critical period. Is that something you have given thought to?

Mr Carlon—We have actually. I suppose this is an area where we are a little critical of the Commonwealth too, I might say. One of the things we identified was, particularly in regional and rural communities where there are major retrenchments by employers, getting

them to move back into employment fast, not allowing them to fall into the long-term unemployed. While the government already has programs that deal with the long-term unemployed, we also put in place two things. First up, we put in place 'Immediate Response Teams' within the department so that once we heard of a major retrenchment in any area—and we had a recent good example up at Tolga on the Atherton Tablelands where a major furniture manufacturer went out of business; I would not want to be held to these figures but something like 60 or 70 workers were all of a sudden retrenched—we could send in a team. We sent in this team from our department. We have had, I might say, very good cooperation from Centrelink, which come in with us on this. We basically interview the workers to identify what it might be that they need from the point of view of their industrial entitlements with our industrial inspectors through to whether there is training that could be done, whether we could be putting them in touch with the Job Network or whatever it might be. It has been highly successful in moving people in.

The government has now given us a program called the Worker Assistance Program which allows us to spend up to \$5,000 per individual on training, relocation, fares or wage subsidies to immediately try to put them into work. We have had a fair bit of success with all of those, to the point where—and I might say you would not always get the results you got in Tolga because a lot of them were highly skilled workers, cabinet-makers, french polishers and people like that, but they still needed assistance with being able to identify where the vacancies were, how to relocate and things like that—at the last count over half of the workers at that factory were actually in alternative employment and quite a number of others were doing training.

What I was going to say, being critical of the Commonwealth, was that the new Job Network has not really taken it. Actually, what the state has done is substituted what the old CES used to do. The CES actually was a very good tool because of its community service obligation and so on. It would normally do what we now do. In a sense, there has been a cost transference on to the state there.

CHAIR—I appreciate that. Are there other areas where you think the Job Network could do a better job for job seekers in this age group?

Mr Carlon—Our view is that the way that the Job Network is set up—a lot of this is anecdotal—these people are now in business, there is a contractual arrangement with the Commonwealth and they have to make a profit. That is understandable. As a result, people are telling us that they are concentrating on where they can place people the fastest. There is a predominance of long-term unemployed among the mature aged. They would be quite a big investment, particularly some of the people I mentioned before, who lack literacy and technology skills and so on. They are falling through the gaps as a result. Once again, we are picking them up on our programs because of that.

Another problem is that, under the current arrangements, to get assistance from the Commonwealth you need to be on some form of payment from Centrelink. There are people who are on that payment and they are left off. They might include, for instance, the meat worker who has been retrenched and whose wife is working for 20 hours at the local bakery. They are not wealthy people. The Community Employment Assistance Program and so on are picking these people up. We do not say that you have to be on any form of benefit.

CHAIR—This is DOME and places like that?

Mr Carlon—We finance DOME, for instance. We give them a grant. They are allowed to work with the long-term unemployed and those at risk of long-term unemployment, be they on benefits or not. Under a lot of the Commonwealth programs you will only get the assistance if you want a Centrelink payment.

Ms GILLARD—Is the \$5,000 per worker with the immediate response team untied to any benefit eligibility?

Mr Carlon—Yes, it is untied.

Ms GILLARD—That can be used for what sort of range of expenses?

Mr Carlon—I wish I could remember the exact amounts off the top of my head.

CHAIR—Take it on notice and send us the details.

Mr Carlon—I can remember the categories. There are limits on each category. It can be used for relocation assistance, but I think it is only \$3,000. I think it is around \$2,000 for training. Up to \$2,000 can be used for wage subsidy. Outpayment type service can be involved. I think that is generally the range. It is relocation, wage subsidy, outpayment services or training.

Ms GILLARD—What is your experience with wage subsidies? How successful do you think wage subsidies are?

Mr Carlon—The state government has generally in the past left wage subsidy to the Commonwealth. They have tried to complement it. The Worker Assistance Program I mentioned only came down in the last budget. We have very limited experience with our program. All I can say, for instance, is that, as a result of the wage subsidy, people have offered people jobs. I suppose there is the question about whether they may have been offered any anyway. Our belief, in the cases where we have paid it, is that they would not have been offered the jobs. Our people have the discretion not to offer the wage subsidy. We have not offered a wage subsidy for skilled cabinet makers and people like that. The wage subsidy has been offered to the lower skilled people and the office workers.

I am talking from my experience of 25 years in this area, including with the Commonwealth as well as with the state. I believe that you have to be careful with wage subsidy programs. However, I think there is a place for them. I think they give people an opportunity, particularly the more disadvantaged, which they would not have otherwise got. It gives them an opportunity in real work situations to grab a foothold with a firm. Often people are kept on.

One of my worries about all these programs is that people judge them by outcome measures. They say that only 30, 40 or 50 per cent have jobs. Often they have been directed. The people in there are people who have been unemployed for 12 months or two years who for a long time have not been able to get a job. A benchmark is even 30 per cent of those

people getting a job at the end of something. Generally the wage subsidy is much greater than 30 per cent. That is not a bad outcome.

Ms GILLARD—In what way do you provide assistance to people who become unemployed not as a result of some large-scale incident involving 30, 40 or 50 people but on an individual basis? What about the person who loses their long-term job at the furniture shop down the road? Obviously, some of the things you are rolling out for the larger scale incidents are fantastic, but how would you approach that individual problem?

Mr Carlon—We cannot offer assistance to a person who has just lost their job down the road. Our program is for major retrenchments. We treat major retrenchments involving smaller numbers in regional communities because the impact on those communities at one time is greater and we think the extra assistance is needed. A major retrenchment in a rural town can be 15 workers. It is 50 in Brisbane before we will go in. I do not know whether we would ever want to go in in the way we do in every instance with every individual. The state really does not have the funds to do that type of thing.

CHAIR—It is focused on critical situations.

Mr Carlon—It is focused on critical situations, yes.

Ms GILLARD—What is the usual notification mechanism of that emerging problem? How does that information get to you?

Mr Carlon—It can come through a number of areas. It will often be through our local field staff. They will see it in the paper. The local Department of State Development can see it and notify. That is one way. Sometimes people become aware that this is what we do. They will then ring in and request assistance. A major source is local members. They are aware that we do it. They get wind of something happening in their electorate and then get on to us. They are local members on both sides of politics.

Dr EMERSON—I have a question about where these long-term unemployed people might be located. If it is correlated with the unemployment levels generally, which I think it probably is, you will find the top area is Mount Morgan followed by Wacol. In my own electorate there is then Woodridge, Kingston, Marsden and Crestmead. In Forde, Beenleigh, Eagleby, Loganlea, Bethania and Waterford West have very high unemployment. In the southern Sunshine Coast, there is Deception Bay and Bribie Island. There are quite a lot of retirees on Bribie Island and Caboolture. There is then Richlands, Inala and Acacia Ridge. In the city, Woolloongabba has a very high level of unemployment. The pattern seems to be the outer areas of Brisbane in south-east Queensland.

There seems to be a reasonable correlation with low-cost housing. People can lose their jobs anywhere. Once you have lost your job and you cannot cover housing costs, you tend to move to those areas. Whatever we do as a prescription for unemployment needs to recognise that the unemployment is not necessarily created in those places and that it can be created anywhere. People have to move to those places. We were talking earlier about the meat worker. I think I heard you say that in view of low skills, and even low literacy and numeracy, there are particular challenges there. I thought I heard you say that there may be a

role for creating jobs for people with lower skills through local councils. Can you tell us whether that is the direction the state is heading in? If it is, what do you hope to get out of that?

Mr Carlon—The state government at the moment is examining it as an option. There is not a decision. It could be quite expensive. What we have at the moment is six-month jobs which we put people on under our community jobs plan. That costs us an average of about \$11,500 per person.

For some of these workers—and we back this up with training arrangements—it is working fine. It has broken the cycle of unemployment, it has restored their confidence, they have a few skills and they are applying for positions of employment. The early indications are that they were getting about a 50 per cent success rate when they completed. We have not had many complete—I think it is about 57 per cent actually. But what we were identifying amongst these people is that some people's levels of skills are so low that they really cannot be skilled up and it is more than just their confidence and recent employment. There is a thought that some of them will not have the capacity to ever get into some of the more highly technological and skilled jobs that have replaced their old jobs. Therefore, one of the possibilities is that there is a lot of environmental work out there that needs to be done and that often is low skilled—it is very important, but it does not require high levels of skill to be done. Grants to council, for instance, to continue that work on a more long-term basis and to move into the green jobs type of environment is something that we are looking at.

We have commissioned a bit of research at the moment into green jobs generally, and we are going to hold a symposium early next year to have a look into this and see what Queensland can do to develop it. Of course that means highly sophisticated jobs, too, but there is that lower level base level environmental work that sometimes needs to be done in the community and perhaps the community could make decisions eventually that we do need to look after people and give grants to people on the basis that certain types of people will be picked up and employed. We have made no decisions on that.

Dr EMERSON—I agree with that approach. It has been said that we have X per cent unemployment, so we have to have a massive public sector job creation program. But there are, it seems to me, categories of people where the options just do not exist. As a society, we face a choice: do nothing or do something which can have a real social benefit for that person, for his or her family and their children, which I think is really important and a good investment in social cohesion and all that flows from that.

What I have been grappling with is: let's say for the sake of argument that those jobs were pretty readily available through a state or federal funded scheme through councils and someone did lose his or her job who did have the prospect of being retrained and getting into the private sector work force but then said, 'Oh, why would I bother because I can get a job with the local council?' That actually creates more unemployment than otherwise might exist because that person says, 'Who wants to go around doing TAFE courses at 45 or 50 years of age when I can go down the road and get a job with the local council doing the revegetation work?'

Mr Carlon—That is exactly why we are looking very cautiously at this. I think it would have to be a program that was highly targeted. The grants given to councils or other bodies would have to be on the basis that they employ particular types of people who have been identified and you would do it after you tried a whole range of other things. They would have to go through a process where it was becoming obvious that offering training and other things was not going to have the desired result. If the federal and/or state governments were to look at this, they would need to be quite cautious because you could have some quite negative effects if you just rushed in.

Mr BARTLETT—In your submission you mentioned the development of strategies for the Queensland Public Service to lead by example. Could you elaborate on that? Does that involve directives to public service departments, incentives, what sort of retraining programs, et cetera?

Mr Carlon—Georgie knows more about that than I do.

Mrs Whitton—Part of the motivation for the Public Service looking at its mature age component is the fact that we have recognised that 8.3 per cent of the Queensland public sector are over 55 and that there is a real risk of loss of corporate knowledge, intellectual capital, et cetera. That is a powerful motivator. But also the desire to allow public servants to phase out their retirement is receiving some attention. We are looking at infrastructure and things such as the possibility of telecommuting—the idea of ergonomics comes to mind, but that is not a major factor—job redesign, job succession and succession planning and the possibility of instituting mentoring as a more formal process. I know you heard yesterday about the possibility of what we see as reverse mentoring. That is certainly something which is happening informally and which would be encouraged.

There are particular problems in the Queensland public sector—I am not sure whether they apply elsewhere—with phased-out retirement because of our particular superannuation structure. The defined benefit is apparently based on an average of the last three years of salary. So the suggestion of taking a lower salary in the last few years is not an attractive one at the moment. That is an aspect which we are going to address. We are working with the Office of the Public Service and I think there are eight other departments which have actually started some initiatives on confronting the problem of the growing mature age work force. What we are hoping to do is to develop methods such as those that I have listed and evaluate them and perhaps use some sort of an action research process to design policy. Based on the findings of those evaluations, we can then disseminate our findings to the rest of the community.

We are working with business in our education campaign to develop with them models of best practice and in proposing intervention when it is necessary to tackle certain problems. For example, some small businesses have large numbers of mature age employees that they do not wish to retrench, so we are looking at particular training methodologies which will be mature age friendly. We are working with the local Chamber of Commerce on that. These are things which will be pursued in the Public Service as well.

Mr Carlon—We have concentrated a little bit in our conversation about the unemployed and how to get them back to work and re-engage them and so on. One of the things here

with the public sector is managing the work force you have got now and retaining them, because there is this fear of labour shortages. A message that we have to get out to the private sector in a big way is that they do need to manage these people.

Mr BARTLETT—That is a critical area that needs to be addressed. If you could overcome the problem of superannuation, from your interaction with your employees, do you think there would be a willingness to phase out retirement? Employees could go down to part-time for the last few years of their working life and perhaps even extend that beyond 65. Would the Queensland Public Service be willing to continue employing them beyond 65 on a part-time basis?

Mrs Whitton—I understand that we currently have 400 who are over age 65.

Mr BARTLETT—Full time or part time?

Mrs Whitton—A mixture. I understand that the Office of the Public Service is surveying employer attitudes to phased-out retirement, et cetera. It is fairly early days in that process, but it is certainly under way.

Mr Carlon—The anecdotal evidence—whether it be in the public sector or outside the public sector—is that many would welcome phased-out arrangements. Generally it is no longer the case that people in the work force get to 65, go on a big trip if they can afford it, garden for five years and then die. People are healthier, they are living longer, they want to do things, they want to contribute.

Mr BARTLETT—By what they are contributing, plus by delaying the need to access superannuation, their savings go further. It delays or removes the need to access the pension and therefore, from a budgetary point of view, there are benefits as well. And there is the contribution they continue to make to the community.

Mrs Whitton—Retirement planning is one of the things we would be looking to encourage, because of the extended length of time that one will be needing that support.

CHAIR—We have had varying opinions put to us by job seekers in this age group about voluntary work. Is that a feature in any way of the programs that you are running?

Mr Carlon—It is not in the area that we in the department of employment have actually looked at. I do not know whether Mike has any information.

Mr Wills—No, not particularly. There is a community services strategy being developed by the Queensland government which is in part about the use of volunteers and the important role older people do play as volunteers and how they could be supported. But I am not aware of any studies done of the employment impact of volunteers. As I recall, the total addition to gross national product by volunteers is said to be some \$18 billion in Australia, and the majority of those are older people. But, in terms of their work relatedness, I am not aware of any studies.

CHAIR—You mentioned that you are working with employers. Thematic, in fact central, to the whole problem we have encountered is the attitude of employers, the culture amongst employers that favours younger workers, for all sorts of reasons. What have you encountered in employer attitudes and what reaction have you had from employers? I will not say it has been difficult to get employer organisations to come and talk to us, but they were not amongst the first to respond to our inquiry.

Mr Carlon—I think we have faced the same problem that you have probably faced. The employers that we really need to get to are not the people who come to us or volunteer. We have had a series of regional workshops that Georgie was running around the countryside on this issue, and in the main, unfortunately, we tend to get the converted or the people who are interested. But you have had some, haven't you?

Mrs Whitton—Yes, the Chamber of Commerce has been particularly interested and very active. We are working with them locally and also with training providers to develop mature age friendly IT training, for example. That is the first step. We have had a number of employers come to the regional workshops with a very wide range of attitudes to what they see as their responsibility.

Mr Carlon—We have had the full range suggested to us, with 'I would not employ them' put quite forcefully by some.

CHAIR—We have had people make assertions to us about a lower level of churning in the work force, less absenteeism, less industrial disputation and a longer period of service. The younger people want to change career paths reasonably frequently whereas someone in their early 50s might be very happy to put 10 years in with the one employer. But we have had less research based evidence to support those views. In fact, the physiotherapists association, of all people, came along and presented us with evidence to argue that occupational disease and injury rates are higher in this age group, particularly in the over-55s. If you were an employer looking at your bottom line, that is going to act to work against the job prospects of people in that age group. Have you got research that supports the view that these are better employees to have in your work force, that they enhance your work force in some way?

Mrs Whitton—I understand, but I would like to provide details later, that there is UK research and European research which supports that they have fewer accidents at work.

CHAIR—Yes, we were told that yesterday.

Mrs Whitton—At the local level, while we are not at this stage doing a major survey, we are working with both large and small employers to develop case studies which will certainly explore the value of having mature age employees in the workplace.

CHAIR—In terms of workers compensation premiums, for example, do insurance companies alter the premium depending on the age profile of the work force involved?

Mr Carlon—I do not know about general insurance companies in terms of work cover. In Queensland it is an experience based rating system now, but it does not distinguish by

age. I cannot tell you off the top of my head whether we have statistics; I could look into that and, if they were available, get them to you. The bottom line is that there is a paucity of research that has been done overseas—in the UK and Europe. That is one of the areas which I think we really need to look at, because you do get conflicting views. There is a lot of anecdotal stuff, and commonsense sometimes tells you that some of these things sound right, but in trying to convince hardnosed employers, who have got different attitudes, it would be handy if you had more concrete case studies or research.

Mrs Whitton—You talk about employers making plans in that they are aware they have a mature age component in their work force. I think it is very early days on that issue. In the first stage interviews for our case studies, we have interviewed a number of small and large business. The large ones will frequently tell us in that first interview that they do have a large mature age component. Very rarely—in fact, I do not think ever—have they had an actual age profile to give us. So we proceed with the interview and we get from them a clear perception that they are mature age friendly and that they have a large component of mature age workers. Some weeks later, we get the mature age profile and they will have very few mature age workers, if any, over 35. And that is a surprise to them.

CHAIR—In their defence, I did a bit of work with Peter Reith on the indigenous employment issue. A lot of employer organisations that we spoke to had no idea how many indigenous people they employed when we asked them. The law, in one sense, says that you should not be taking that into account. Perhaps in the age area it is the same.

Queensland Rail appeared before the committee yesterday. They have taken a very constructive and innovative approach to a major downsizing in their work force. We were discussing in that context this whole concept of changing societal attitudes and general culture amongst not only employers but everybody generally towards ageing in the work force. A part of that is some sort of national campaign, a feature of which is advertising, but I think we said that, as in relation to smoking and AIDS and other things, it has to be part of a much broader strategy. Is the Queensland government contemplating running some sort of advertising strategy or campaign by itself or would it consider being part of a national effort?

Mr Carlon—At this point in time, one aimed at this work force alone. There was consideration given, but budgetary constraints meant that we are not going with a media type of campaign. What we have gone with is this campaign of workshops, the kits which you have, taking every opportunity to raise the issue as an issue. Further, one of the government's regional community ministerial forums, where they meet with community groups across eight regions of the state, had as one of the major items on the last agenda mature age employment and unemployment. So it is more a case of working out there by word of mouth, getting the message around, inviting local communities and local employers to participate in case studies so that we can increase our research, rather than a media campaign. We will be entering a media campaign aimed at more apprentices and trainees in the next month, which we ran last year, but the budget did not stretch long enough for this as well—unless there is anything in Mike's area.

Mr Wills—I thought I might say something about general community attitudes other than those directed particularly at employers. When we spoke to older people, for example,

during the phone-in on anti-discrimination, the same issues kept coming up: if we can change community attitudes to ageing and older people, there is a flow-on effect in relation to employers.

In relation to that sort of thing, we have tried to work with the media and marketing and advertising industries to try and get them less stereotypical and to put out more realistic and positive messages. We think we are getting some results there. That is one particular issue. We are running intergenerational campaigns based on mutual respect and things of that kind.

We are following up on the telephone phone-in on discrimination. Again, one of two things that came out of that is that greater knowledge of age discrimination will benefit older people seeking work and also changes in community attitudes. All those sorts of things about changing the general community attitudes towards ageing, not just in the International Year of Older Persons but beyond, seemed to us to have a flow-down effect towards employment. That is what older people said to us and that is what came out of the phone-in. So those are the sorts of measures we will be looking at, or are currently doing.

CHAIR—Mr Brandon Charlesworth, of the Grey Army, was here this morning. Is that something with which you are familiar, and does it interact with the government programs in any way?

Mr Carlon—There has not been a great deal of interaction. We are familiar with them. But no, they have not actually come to us. Apart from conversations and things we have had with them, there has not been involvement in our programs as yet.

CHAIR—We can only take what we are told and what we read about Grey Army. But in terms of your cabinet-makers and your French-polishers and various people from around the place, it could potentially be a resource to help in what you are doing.

Mr Carlon—Yes.

Ms GILLARD—Looking at the NEIS scheme and the things that you do to support small business, obviously we have had evidence before this inquiry that one strategy for mature age unemployed is to move from being in an employee status to being a small business operator. Obviously that is fraught with dangers, given small business failure rates, but it is going to be attractive to a component of the mature age unemployed.

Mr Carlon—Yes.

Ms GILLARD—I notice you have listed what you do, which is not age specific. But what you do assists those setting up small businesses. I wondered whether you would have any comments about possible extensions or changes to the NEIS scheme which might make it more useful in this area.

Mr Carlon—I would not. I do not know if anybody else here would. I must admit we have not thought about it all that much. The programs that are mentioned in the submission are run out of the Department of State Development and, as you said, they are not age specific—they are of general application. But it is an area that we could look at. A number

of years ago we had a scheme called a self-employment venture loan which operated with NEIS. In Queensland, therefore, up to about 1995 it was a joint scheme. We actually ran it together—Commonwealth and state. There was one committee that examined it. The state bought in the loans and the NEIS assistance came in from the Commonwealth. The Commonwealth contracted our department to do the administration. We would be willing to explore things like that again.

I might say that the research we eventually did into our loan system did not actually indicate that we were doing all that well by adding the loan to the NEIS assistance. The outcomes for people who went into NEIS in this state were no better than they were anywhere else in Australia, despite the fact that we were putting a loan on top. One of the reasons for the abolition was that. It was re-examined by the Labor government when they came back in here recently. On the basis of that, it was decided not to reinstitute the loans amongst the employment programs.

It was also extremely difficult to administer, I might say. They were fairly small loans against a fairly risky group and there was a high administrative cost in them.

Ms GILLARD—With a high default experience?

Mr Carlon—High default experience, yes. But, I might say, during that period we were, and I think we still are, advocates of the NEIS scheme. We think it does help people into business and has been a successful Commonwealth program in doing that.

Ms GILLARD—Thank you for that.

CHAIR—There is something that you may have an interest in, and this was suggested to us by one person. You are well aware that there are people who get a redundancy and who have often not been well advised when they choose to take the redundancy and even less well advised on how to invest it. Then they go off and buy a business where they have to make 2,800 cups of coffee before they make a dollar, and that sort of thing. One person suggested that, before a business is registered, there ought to be some process whereby somebody looks at the business plan. In other words, they should be required to submit some sort of business plan and be given some advice. Some things sound like good ideas when you are having a shave—for men that is!—but do you think that would work? Do you think there is any merit in that sort of idea?

Mr Carlon—One of the successes when we were involved in the SEV-NEIS loan arrangements was that these people did have to develop a business case, and there was mentoring and people who helped them. On top of that we did have a joint committee of people with expertise in running businesses—accountants, et cetera—who used to examine every application. Often applications would go back a number of times and applicants were asked to look at things. That was a very good learning experience for the people going through. There is a degree to which you can do that when you are going to offer business people some form of Commonwealth or state assistance. You would come up with all types of issues if you started to ask other people to do that more generally. Bringing it in more generally would be fraught with all types of political and social issues. As a condition for some form of government assistance, yes, it is worth while.

CHAIR—If you want to bring your car from New South Wales to Queensland you have to get it checked before you can register it. If you want to take your redundancy package from the bank or wherever it is to put into a business, perhaps there is a similar case.

Mr Carlon—There is a freedom of choice issue there, and an issue about the degree to which you can interfere with people's decisions.

CHAIR—Yes, you cannot stop them, but at least you could say, 'We've run the financial mechanics over it; do you realise there are a couple of problems with it? If you want to go ahead, that's your business.'

Mr Carlon—The Department of State Development has that type of assistance available. You can go in and get advice or pick up kits—things like that. It is there and it is publicised. The state development department makes sure banks and other lending institutions know about it. I know many of them do advise people who are thinking of doing this to get that assistance.

Mr Hagan—The issue of redundancy and retirement planning is an area where we do want to do some more research, especially regarding the impact of taking a redundancy, whether forced or not, on job search behaviour. Are people taking a package thinking that they are leaving the work force with a period of time to go before they can qualify for a pension? In a related sense, do they blow the lot because they do not really know how to manage their funds? To what extent are those people, after being out of the work force for a period of time and therefore at a higher risk of becoming long-term unemployed, finding that they have blown their money and have no opportunities to enter the work force, but are forced to re-enter? The extent to which there is a correlation between redundancy payments and job search behaviour, particularly among the very long-term unemployed, is something we have written to the ABS about to see if they can incorporate data collection on that issue into one of the supplementary surveys they run with the labour force survey. We have not had a response to date, but it is something we would like to follow up.

CHAIR—Thank you for everything you are doing and for putting in such a big effort to come to speak to us. We appreciate it.

Resolved (on motion by Dr Emerson):

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

Resolved (on motion by Mr Bartlett):

That this committee receives as evidence and authorises publication of the supplementary submission received from Mrs Dorothy Foster for the inquiry into issues specific to workers over 45.

Resolved (on motion by Ms Gillard):

That this committee receives as evidence and authorises publication of the two supplementary submissions received from the Association of Independent Retirees for the inquiry into issues specific to workers over 45, firstly, from Mrs Kingston and, secondly, from Mr Duncan.

Resolved (on motion by Mr Bartlett):

That this committee receives as evidence and authorises publication of the supplementary submission received from the Queensland government for the inquiry into issues specific to workers over 45, entitled 'Mature age unemployment in Queensland'.

Resolved (on motion by Dr Emerson):

That this committee receives as evidence and includes in its records as an exhibit for the inquiry into issues specific to workers over 45 the document received from the Grey Army entitled 'Letter from Morrisons Motors Pty Ltd, North Sydney'.

Resolved (on motion by Ms Gillard):

That this committee receive as evidence and include in its records as an exhibit for the inquiry into issues specific to workers over 45 the document received from the Queensland government, being a number of information leaflets on relevant employment issues, as distributed.

Committee adjourned at 12.27 p.m.

