



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**

TUESDAY, 16 NOVEMBER 1999

MELBOURNE

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

Tuesday, 16 November 1999

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

Members in attendance: Mr Barresi, Mr Bartlett, Dr Emerson, Ms Gillard, Dr Nelson, Mr Sawford and Mr Wilkie

Terms of reference for the inquiry:

Inquire into and report on the social, economic and industrial issues specific to workers over 45 years of age seeking employment, or establishing a business, following unemployment.

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Committee met at 9.30 a.m.

MEDDOWS-TAYLOR, Mr Christopher Bernard, National Manager, Drake Management Consulting

CHAIR—I declare open this public hearing of the inquiry into mature age workers and welcome the representative of Drake Management Consulting who has come to give evidence. I remind you that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings in the House itself. The deliberate misleading of the committee may be regarded as contempt of the parliament. The committee prefers that all evidence be given in public but if at any stage you wish to give any evidence in private then please indicate that you would like to do that and we will consider that. Would you like to make an opening statement, a precis of Drake's submission, and then we will discuss it and conclude at 10.15 a.m.

Mr Meddows-Taylor—Thank you for the opportunity to appear before the committee. I would like to make a very brief introduction to the survey and to introduce myself. My background has been in human resource management in various senior roles in the Victorian Public Service: the Department of Premier and Cabinet, the education department and in more recent years with BHP and AXA Australia before moving to Drake to lead its management consulting division.

The reason for the survey is that Drake find there is a range of key human resource issues that we need to understand better so that we can help our clients understand better and get the debate going. Consequently, the particular study this year on ageism follows earlier studies on employee commitments in the work force, retention of key groups, employee retention and talent.

The reason for the study is that anecdotally, in terms of my own experience and of those in human resource management working in recruitment services and elsewhere, this is a real issue. What we felt we needed to do was to understand the degree of that issue—the industries in which it occurred, the incidence of it generally—and that was the reason for the study.

The study was conducted in September this year. It was essentially a phone survey. A very detailed questionnaire was developed, with some research assistance to get at the right issues. We had professionally qualified people speaking to either CEOs or to heads of human resources in major organisations. In some cases those organisations asked for the questionnaire so they could present a written response, and we agreed to do that.

We approached just over 500 companies. We picked a representative sample, we believe, across states and industries. The focus was on management and executives—I need to make that clear—because we believed the issues of ageism were most prevalent in this particular group. That is not to say that they are not in other groups, but we found this was a particular group and we wanted to understand it first. With regard to the results of the survey, I have tabled the release of that material through the secretary.

We asked a number of other questions, some of which I am trying to look at further just to understand the implications. One of the areas of disappointment was in trying to find out the reasons for resignations in the older age group. I think that until we balance that with some information from those people themselves, we do not have a balanced picture. So I have not released that information.

But I think what is released is significant in terms of the implications for ageism. Our essential question was the preferred age group when recruiting and selecting employees—bearing in mind, again, that we are talking about managers and executives—and approximately 62 per cent, 61.7 per cent, favoured recruiting managers and executives in the 31- to 40-year-old group. That drops down to 22.5 per cent in the 41- to 50-year-old group and to zero per cent in the over 50-year-old group.

That is a particular problem in relation to our second key question: if you, as an organisation, have to retrench, to let employees go, what is your preferred age group for doing that? Almost 65 per cent favoured the over 50-year-old group, dropping right down to 11 per cent for the 31- to 40-year-old group. We believe that has very serious implications.

We have broken down the analysis into some industry data. I am happy to take questions from the committee on that. The reason for this is that we believe we have to get this information out and get the debate going about what this means and the implications of it. We think that legislation, in itself, is not the sole answer. People need to be informed and to understand what this is doing. That is what we are hoping will come from this work.

It is not a detailed public policy study, and I know that it leaves many questions unanswered. Certainly, in the release, I have speculated on some of these things. I have to state that some of those things are just speculation; others are fact. I need to make it clear to the committee what is fact and what is speculation. I think the research is respectable, but it is also limited in its scope. In essence, that is the study and those are the key conclusions.

CHAIR—Thank you very much, Chris. Obviously, both in the submission and in what you have said this morning, you have explained how the study was conducted. Do we have any idea of the ages of those who actually replied to it?

Mr Meddows-Taylor—No, we did not ask that question; that is one thing we do not know. We principally sought those who were in senior human resources positions or the CEOs, people who could give informed comment about what was happening. We particularly targeted those two groups.

CHAIR—What was the range of size of businesses that you surveyed?

Mr Meddows-Taylor—A representative sample, but primarily we focused on the larger employers, those with over 500 employees.

CHAIR—So businesses who employed more than 500 people?

Mr Meddows-Taylor—Yes. There were some exceptions with the smaller group, but we favoured those in the larger category simply because we wanted to get a feel for the breadth of coverage, particularly of the employees in the larger companies.

CHAIR—Did you—perhaps not so much in this survey but perhaps in others—actually look at how employers themselves feel about redundancy and dismissal processes? Some redundancy and dismissal is handled well and much of it, unfortunately, is not handled well. Have you done any work at all on employer attitudes towards that?

Mr Meddows-Taylor—Not on that particular issue, other than to say that anecdotally my own experience and the experience of our company would strongly bear out what you say. It is a very mixed bag. What we find is that communication is a key issue: the way things are communicated and how they are handled is an issue. But I do not have any formal studies on that issue to put before the committee.

CHAIR—Perhaps this would not be a Drake view of life, but with your considerable experience have you given any thought to some sort of code of behaviour or guidelines that might be developed for employers, particularly in larger organisations dealing with redundancy and dismissal processes that might require the early involvement of government and non-government agencies, amongst other things?

Mr Meddows-Taylor—Certainly some of the outplacement organisations—and we do some of that work too—working with organisations have developed guidelines, basically, which relate to providing far better information communication, the way that employees are treated and the valuing of employees. What often happens is that employees are treated very poorly—there is very little dialogue and they are literally thrown out the door. There is nothing more demoralising for the employee who has perhaps contributed very significantly to a workplace for a long period of time to be told, ‘Give your card and your pass back at the end of the day; you’re finished.’ It is the way that employees are handled. The dignity of exiting is a key issue and, working with a range of the outplacement organisations, that is the first thing they say—that is what they know from working with the people being caught in those situations.

Also, there is the issue of how employees’ families are brought into this. Certainly, again, a range of outplacement companies I have worked with have experienced the view that I have, that the telling of the family is often the key thing. A principal breadwinner now suddenly feels very disempowered. So what these organisations are doing is to bring the family unit, the partner, into that process of how they will handle the issue. That is certainly something I would strongly recommend, because quite often the implications of this are far beyond having a job or even the economic issues. They are about self-esteem, worth and a range of other issues which, if not properly managed, have real implications.

CHAIR—That is certainly one of the problems we have identified, and one of the issues we are looking is whether there is a way of improving that without perhaps putting compulsory requirements on employers, many of whom are in trouble themselves. This is why the people are being dismissed in the first place. But, certainly, we are, I suppose, attracted to trying to formalise in some constructive way the processes through which employers might go, including early involvement of family members and other key people.

Mr Meddows-Taylor—I think that would be excellent, Mr Chairman.

Mr SAWFORD—Who was responsible for initiating the survey?

Mr Meddows-Taylor—It was my decision to do that. As I mentioned before, I think it is about the fifth study we have done this year on key issues. Simply, I selected the issues that I think are critical in human resources, that our clients need to know about, that we have responsibility to help educate our clients on and also that we, as hopefully good corporate citizens, can contribute to in a wider debate.

Mr SAWFORD—I understood that from before, but what made you identify this as a key issue? Was there information coming back to you?

Mr Meddows-Taylor—Yes. As I mentioned before, all my experience suggests this is a real issue. I have seen it in action, I am very much aware this is an issue, and the people that I speak with in human resource management, and certainly within my own organisation, believe this is an issue. But what we needed to have is some data and, hence, the study. I had no doubt it was an issue. What I did need was to have some facts.

Mr SAWFORD—You were talking to human resource managers of these companies?

Mr Meddows-Taylor—Essentially, because in the large organisations it is difficult to get to CEOs. With some of the small organisations it was the CEOs, but basically it was those two groups, because we feel those two groups are the best able to talk about and understand what the company preferences are.

Mr SAWFORD—Although you acknowledge the limitations of your survey, nevertheless there is some important information there, and I think the committee is very grateful for your contribution. Can I just ask one question. Halfway down page 2 you made a point about investment analysis:

Being seen to get rid of dead wood and bring in the new brooms is often done to appease shareholder demands but do beware.

Would you like to expand on that statement?

Mr Meddows-Taylor—Yes, certainly. Again, the experience that I have had with this and certainly what we see—although we were not able to bring it out in the study—is that I believe a reason for the preference for hiring young managers and executives is to have a new look. CEOs are often under pressure from their shareholders to turn around organisations. This is seen as a visible way of doing that—having a ‘fresh’ young team. We know that is happening, because we know our search people are approached to find younger people with that sort of background.

The issue about the investment analyst is that increasingly they are asking of listed companies, ‘Where is your wisdom; where is your knowledge; what are your strategies for retaining and developing that?’ because they know that is the key to competitive advantage. So the issue there was that if you think you can have a quick fix—and I think it is a very

dangerous quick fix—be very careful, because you are likely to be asked: where has your wisdom gone; where are those sorts of things? So think carefully. You might think it is a short-term quick fix but, longer term, it will cost you in terms of your image and your credibility.

Mr SAWFORD—I have also heard anecdotally that same sort of information—that the bright new team has actually lost market share, lost an expectation with clients. The new broom does not necessarily sweep clean. Are you getting that sort of information as well?

Mr Meddows-Taylor—Absolutely. Interestingly, our data on financial services shows that this ageism problem is very strong there, and financial services is one of the areas which has been restructured. I think that is one of the areas that is particularly susceptible to what we are talking about. But, generally across the board, it is an issue. Increasingly, the other problem is that, the more we recruit and appoint younger people, the more they, in their own image, seek others and also rationalise it with a whole series of dangerous arguments about older managers not being to cope with demands and not being able to keep up with change. You have a younger group now perpetuating those views, and that is very dangerous because the whole culture then fits in with that sort of thinking.

Mr SAWFORD—When I was coming down in the lift in the hotel this morning I ran into a doctor from Adelaide and—

CHAIR—Not me.

Mr SAWFORD—No, not you. He made an interesting point when I told him what we were doing. He brought up the issue of sabbaticals. He felt that there are a lot of people in the 40- to 55-year-old age group who had been in management, had been executives and worked damn hard for a long particular period of time, yet we do not have an arrangement in our culture for people to take a break for a while and then perhaps come back to work. It is a case of going from one high-powered position to another, to another, to another. There perhaps is some sympathy for the early retirement sort of view, but where there is a lot of corporate knowledge, a lot of individual knowledge, skill or wisdom, that can actually not be valued.

Also, the individuals themselves do not push that because they want to rest. What is your view of people in high-powered positions in terms of the people you surveyed who need a rest—not to retire but to have a rest and then come back?

Mr Meddows-Taylor—I think the issue of sabbaticals is an excellent idea. What we know from research—particularly in the US because they have done more than we have—is that work-life balance issues +are key issues to employees in all organisations. The primary thing they are actually looking for is how to balance difficult work lives with family and personal commitments. Sabbaticals offer real opportunities to do that—to recharge the batteries not only in physical terms but also in terms of knowledge and the opportunity to look around and re-think. They are making slow progress. I think employers of choice in the future will pick up those sorts of concepts.

The other issue in relation to what you are saying about older people and the flexibility is that we see in our own company and within the industry a growth in the opportunities for executive contracting, or what is called interim management—that is, experienced older people coming in for three, six, 12 months or whatever to fix up problems in organisations. I think the whole issue of mobility and sabbaticals is there and that some older managers and executives may actually seek to move in to this sort of contract interim management work, which is itself an example of the wisdom and the value of these people.

Mr BARTLETT—Mr Meddows-Taylor, I found your comments about interim management interesting. You mentioned that it is a huge industry in the US and Europe. Is the growth there for the same reason that it is growing in Australia, that is, because of retrenchments of mature age managers?

Mr Meddows-Taylor—For that reason and also because of the pace of change. The ‘use-by date’—to put it that way—of senior people tends to be shorter. The new teams are coming in. People no longer are good fits, so they are moving out. Permanent recruitment and retention for someone who might be around, let us say, for 18 months—then they need to pay a package—is costly. Organisations are starting to say, ‘Is this an ongoing need or is this really a project, shorter term need? If so, we are probably better to fill this position on some sort of contract basis rather than the cost of both hiring and then having to retrench a senior player.’

Mr BARTLETT—So there is a possibility of a vicious circle there. The supply of interim managers on the market increases the likelihood that businesses will put off their mature age unemployed and then just rehire them from that available pool, thereby exacerbating the problem?

Mr Meddows-Taylor—I think it will. That is one of the downsides. Inevitably right across the work force we are seeing and will continue to see a growth of contracting, of organisations getting back to the core business, the core work force and hiring in seasonal contract people. That is the changing nature of work. That is certainly a downside. The positive side is that certainly for these people there is increasingly hope and recognition that they might be usefully engaged.

Mr BARTLETT—Do you have many on your books?

Mr Meddows-Taylor—We are starting to. The progress in Australia—I have talked with a few other organisations—is slower. The reason for that is that organisations know about this arrangement but old habits die hard. But I think it will grow. We are certainly seeing it growing.

Mr BARTLETT—Is there potential, for instance, for organisations such as Drake to be involved in training these managers in terms of versatility so that their opportunities for employment as interim managers are enhanced, and on the other side, promoting this resource in the business community?

Mr Meddows-Taylor—Absolutely. That is something we try and encourage. The issue at all ages—I would strongly put that to the committee—is one of developing the concept of

what is called employability, that is, how the employee positions their own marketability. We find there is a lot of work to be done. Traditionally the employer took care of all these things. Now it is up to each employee to think of how they position their experience, their resume, their marketability, their level of skills and competencies and to think more broadly where they might need to use it. So I accept absolutely organisations like ours have a training responsibility. Equally, we need to educate our prospective clients. Everyone should be educated to think that employment in the end is their responsibility. No-one is going to look after them any longer cradle to grave. The more they think of that and address their own versatility, their own marketability, within the workplace, the better outcome they will have for themselves.

Mr BARRESI—On interim management, I am interested from the aspect of organisation development. Organisations have over the last 10 to 15 years made a song and dance about organisational culture and getting people to fit within that culture, whether it be expressed through self-directed teams or quality management, whatever it may be. If all of a sudden you have this interim management movement taking place, doesn't that go against all that cultural development and heading towards the same mission and goal that organisations are after? Or are the interim management groups going into very technical, isolated type positions where 'teamness' is not an issue? For example, they are not going into sales jobs. Maybe they are going into accounting or backroom technical positions.

Mr Meddows-Taylor—I absolutely endorse your comments. The issue of culture has been a major issue. It is one of the reasons we see high numbers of managers and executives being retrenched. They are considered not to be a fit. The issue of what is a fit, a culture fit, also is changing as CEOs change because each CEO tends to want to put in their own stamp, the executive team. So culture is shifting all the time. It is not moving from A to B; it is changing. So consequently who fits one day and who does not tomorrow is an issue. That is causing the rise of interim management, and organisations to consider what is perhaps project work.

These people are tending to go into project work. They are tending to go into fix-it solutions. There is a problem in an organisation, so they work for three, six or 12 months, bring their technical expertise and then go. So the demands for them to fit in are not that high. They have project work. Even if they do fit in at the time they are hired, by the time they finish, the culture is changing and there will be other work for them to go to. Culture is a real issue; there is no doubt about it.

Mr BARRESI—Your survey indicates that companies are beginning to recognise that knowledge and learning are crucial to their competitive success. Yet instead of retaining mature age workers, they often retrench them to appease shareholders. At the same time you have indicated that they are unwilling to spend the money on retraining and on training programs. So we are finding that skilled workers are being retrenched, who tend to be in the older age group. The younger people are not being given the skills and the training to replace them, so we have a work force that is totally unskilled and inexperienced.

Mr Meddows-Taylor—There is the issue of education, training and knowledge. We have also raised the issue of wisdom. The ability to take all this knowledge and apply it to situations, the wise judgments that experience brings, is a particular issue. So in retrenching

older employees we are losing a lot of wisdom as well as knowledge, education and training. I draw attention to page 4, to one of the middle paragraphs about smashing the stereotypes:

Our findings show that as many as 86 per cent of senior workers . . . take up the training opportunities offered to them. . .

So the view that they are not ready to learn is not so, according to our study. They do take up training. So they bring with them the knowledge, the experience and the wisdom. Also, increasingly we are competing in a global environment. Talent, knowledge, is a real issue in global competitiveness. As a relatively small country globally we need to have our best, most experienced, able and wise people if we are going to be successful. That is the key challenge. That is the key education in organisations—to say, ‘You are throwing out the baby with the bath water in this, and this is going to cost you.’

Mr BARRESI—So on the one hand we have 86 per cent of senior workers willing to be retrained and taking on training opportunities; on the other hand we have senior management saying, ‘We are categorising this work force as being inflexible, not willing to be trained and not part of the culture that we are going to move into.’ So there is a difference.

Mr Meddows-Taylor—There is a very real difference.

Mr BARRESI—What do we do?

Mr Meddows-Taylor—Educate. We have to get the debate. I would say that in the strongest possible terms to the committee. How have we changed around things like smoking, HIV, whatever? It is about getting factual information out there. At the moment not enough factual information or debate about the implications—the very implications your question is addressing—is getting into organisations so that there is a debate, so that the sort of discrimination, the sort of misinformation about the views that people are inflexible, not adaptable and so on, are hammered. Also we must recognise the valuing of this knowledge and wisdom in terms of our competitive success.

Until we get the debate out there and challenge some of those assumptions of culture, we will continue to have the problem. Some of the media people said we have legislation. Companies will always rationalise, usually under the culture fit or team fit, whatever, the decisions they want to make. Until we get the information into the debate about what this is costing the companies and the wrongness of it, we will continue with the problem. I am hopeful that, if we do get that debate out there, we will be able to change it.

Mr BARRESI—That might be the key, to indicate how much this is costing by not doing it.

Mr Meddows-Taylor—Absolutely.

Mr BARRESI—Talk in terms of information which the senior executives can understand.

Mr Meddows-Taylor—Yes.

Mr BARRESI—Your survey highlights that there is a need for analysis of data to show the pattern of employment among different age groupings over several time frames. Are you able to provide that information for us and substantiate it?

Mr Meddows-Taylor—Yes, the inquiry section and I have had discussions on that. On behalf of Drake I have undertaken to do that. What we need to do now is agree with the secretary what a reasonable distribution is that meets the needs of the committee. We will do that. Drake includes a range of categories, from Jobseek to Office Workers through to Executive Search. We can cover a fairly broad area. We will certainly undertake to do that. All we need to do is agree on a parameter that is acceptable to the committee and that we think we can resource.

CHAIR—I agree with you. If you have not been reading the *Hansard* then you and I are on the same wave length about this change in cultural attitudes. As you say, we have changed the way we think about smoking, HIV, drink driving and all sorts of other things, so there is no reason why we cannot start to change the way we think about work and older workers. If your organisation is always trying to place prospective employees with employers, could your organisation, for example, participate in some sort of education campaign of employers?

Mr Meddows-Taylor—Absolutely. This is simply the start of it. We are certainly talking with our clients and people we work with on this. We are trying to explore ourselves what are the best ways that we can take this issue further. We would be happy to be guided by the committee's thinking on this and the other submissions you have in terms of the best way of doing that. We will be developing our own thinking on that and, as the previous question has addressed, get more information that shows the incidence of this problem.

CHAIR—Mr Sawford asked earlier why Drake did this research. Drake has a very good name throughout Australia for the work it does. It has cost you money to do this research. Presumably it was not just done with the milk of human kindness. If you do research which establishes that your clients basically are targeting workers in a particular age group then, as a service organisation, would you not be more likely to respond to that by saying, 'They all want people between the ages of 30 and 40, so therefore we should focus on that'? Alternatively are you now going back to your clients and saying, 'Hang on; you realise you are missing out on a whole lot of things'? I am deliberately trying to be provocative.

Mr Meddows-Taylor—Indeed. From some of the interest in the media, some people have phoned up and said they thought they had been discriminated against by our organisation. In some cases our clients have said to us, 'We are looking for someone in this age group' and of course we have to respond. Our view is that this is costing our clients; this attitude is dangerous. Plus we feel some responsibilities as corporate citizens on these issues in that we should be getting this information out. We have a vested interest in our clients' effectiveness and bottom line. We know that this increasingly dangerous view that has crept in is affecting them. The best way is to try and influence them, to get the information to them and to get the debate, so hopefully in the future they are not coming to us with those sorts of requests.

CHAIR—One of the things we have certainly identified is a lack of research that can provide us with evidence to refute some of the stereotypes that are held by employers. Is there a place for more research in the workplace as to the positive or negative impacts of older workers amongst the labour force?

Mr Meddows-Taylor—Absolutely, within the cost constraints of having to balance this with looking at a budget and what it is costing. There are further questions to be asked. One of the issues is—and we asked it of the employer side—if the older group are resigning, why are they leaving? Or why were they retrenched? We are getting arguments that it was cost reduction or downsizing or, if they resign, they were resigning to pursue other things. My view is that is not necessarily the full story. That is the official party line we are being given. That is why I did not even release that information. We are now going to try to balance that, and match the older employees coming in seeking jobs from us with what they are saying are the reasons they left their previous organisations. So at least we will have an employee perspective.

In regard to the issue we touched on today about culture, it is difficult to get at some of those issues because you get official party lines on things. People rarely come out and say, ‘Yes, we thought they weren’t a culture fit.’ The issue is: how do we find out and get to those nubby, hard core issues? So there are opportunities for more research, most definitely. We want to do some more. I commend it to the committee. I also flag, as I am sure the committee is well aware, that it is hard to get at some of those real issues where discrimination lies.

Mr SAWFORD—Bill Baressi talked earlier on the issue of interim management and organisational culture and you talked about fit, which is the comfort of an organisation. I want to go to the other end. How much evidence is there, not of fit, but of fiefdom—power, sameness? In that sort of line if you are going to have fit and comfort at one end maybe we need to look at the other part. Do you see examples of fiefdoms developing?

Mr Meddows-Taylor—Most certainly. Organisational history is about those fiefdoms. They are alive and well, as are power struggles in organisations. That other issue, though, is a real one—the issue of sameness. That does worry me. We wrote down the figures on the industry breakdown on page 3. The areas where ageism is most prevalent are banking, finance and businesses, but also government utilities. Take banking, finance and government utilities. Those are areas where we have had major restructuring in the last 10 years. A lot of those people in higher age groups have gone. So you have younger executive teams. This sameness issue is a real issue.

Clearly, what we are seeing—and in my view what those industry statistics show—is that we are recruiting in our own image. So if we are young then we rationalise the fact that you have to be young to be with it in this world and if you are old you are past it, you do not keep up with the training, you cannot cop the heavy work load. That is the sort of nonsense that comes out. But the sameness is a real issue. We need to challenge that sameness and challenge the implications and change the culture, the mind-set, by education and by debate. The sameness is clearly a factor, in my view, in this ageism issue.

Mr SAWFORD—Could you identify any attributes other than power or sameness in that same sort of category that are dangerous that we ought to be aware of?

Mr Meddows-Taylor—The other one is this very real problem of having CEOs under pressure for visible signs of a turnaround. Often a turnaround is about more nebulous things like culture and business performance, which take a while to come in. So if on day 2 a new CEO can say, ‘Look at my fresh new young team here, capturing windows of opportunity’ it is a very tempting strategy. I think a number of CEOs fall into it because it is this new young broom image. That is a real danger too.

Again, it is about getting the value of wisdom so that you have a certain number of grey haired people in the team and the CEO is saying, ‘Look at this team which is full of wisdom and knowledge; I’m proud to bring this to the shareholders to show my visible turnaround.’ It is that sort of education we need to have.

Mr SAWFORD—So the concepts of balance and diversity are not there.

Mr Meddows-Taylor—No, not at all. Again, on the issue of diversity, we are becoming more global. Diversity is going to be a key—managing diversity to gain competitive success. It gets back to this problem. So diversity is an issue and is something we need to manage.

Mr BARRESI—The rapidity of change that is taking place out there in the competitive world—technological change and keeping pace with product and service change—is a criterion for having a younger team, as senior executives would try to rationalise the retrenchment process. Are there any examples that you can point to from your survey or from anecdotal evidence of companies which are operating in highly competitive, fast changing types of environments, yet have a very balanced work force? Are there specific companies?

In answer to the comment you made before about one of the solutions being education, part of the education could very well be to put up on a pedestal those companies which have been able to succeed in such a changing environment and yet have a balanced work force, rather than one which is geared towards one particular age range versus another. You mentioned the IT sector. If we can have the names of specific companies that we can use as evidence, maybe we can even talk to them.

Mr Meddows-Taylor—I will certainly take that question on notice. I have to say that we try to avoid nominating certain clients as pluses because then the question is about minuses. Commercially, this is not a great way for consultants to act and it causes us some problems. I understand what you are saying. In principle, I absolutely endorse the setting of these good models to do that. Can I take that on notice.

Can I also draw attention to the bottom of page 3, to the IT industry. You mentioned high technology. Indeed, we know that in high tech—it is going to be perhaps one of the harder nuts to challenge—youth brings with it adaptability and creativity. In fact, when we looked at the IT industry, there was a more balanced approach to having managers. Twenty per cent said they would hire a 40- to 50-year-old. That compared with the overall figures such that it was pretty well on target. But if you compared that with the banking and finance

sector, where it was 14.8 per cent, or just over 11 per cent for government utilities, the IT industry is actually showing a bit more of a balanced approach on that. Perhaps there is some recognition that, as well as having some younger people working on technology development, they actually need, in a rapidly changing business, people with a bit of wisdom and experience. I will take the other issue on notice.

Mr BARRESI—I just think it adds more to an argument rather than simply saying, ‘We must educate them, we must employ mature age employees.’ Why must we? The banking industry, for example, was a classic 10 years ago. I think they were one of the leaders in retrenching all their senior executives because they did not believe that they were able to make the right decisions for the changing marketplace. They got rid of thousands of bank managers in their 50s and late 40s.

Mr Meddows-Taylor—I absolutely agree. I think that is why, as I mentioned before, we are seeing the preference for 31- to 40-year-olds—almost 82 per cent in the banking and finance sector. It is one of the highest sectors, because that is what happens: the sameness issue comes in. I do agree; I just mention that it sometimes causes us some problems to nominate because others then say, ‘Why did you pick them and not us?’ Equally, people feel insecure about dealing with us and say, ‘When are we going to be nominated and to who and into what category?’ So we have some confidence issues.

Mr BARRESI—Slip a note under the door to Maureen!

Mr Meddows-Taylor—I will certainly see what I can do.

CHAIR—Chris, is phased retirement a concept to which you have turned your attention? Is it something you think could work?

Mr Meddows-Taylor—It is not something we have particularly addressed. Certainly, on the issue of phased retirement, the greater issue of flexibility and how we achieve things and respond to where people are at, some people are prepared to move from full-time work to contracting and take early retirement. I think that a phased retirement program is the way to go and it is happening, but it is not something we have addressed.

CHAIR—Finally, the announcement by the government to deal with this hoary chestnut of contractors, essentially to compel those who might not be considered to be legitimate contractors back to employer-employee relations: have you given any thought as to how that might impact, either positively or adversely, on workers in this age group?

Mr Meddows-Taylor—Anecdotally, we can see the absolute proliferation of the growth of individual companies. Quite clearly, in some circumstances where people are using this vehicle as a way of minimising their tax situation, that is something that will also correct some real issues. For others, there may be some problems. It is early days and we ourselves are trying to wrestle with that. It is something that was probably not unexpected, from our point of view, given the proliferation we saw of these sorts of vehicles. But it is early days in terms of really assessing its impact.

CHAIR—I am not familiar with it but my impression would be that there would be a disproportionately large number of these people who are contracting in this age group. I am not talking about what the Treasurer would describe as legitimate contractors; we are talking about more or less artificially created arrangements.

Mr Meddows-Taylor—Yes, I think there are high numbers in this category. No doubt some are very legitimate. I have certainly seen people who have been very keen to take a package and then to contract back to the employer as an individual contractor and as a company. Some people have done that and some companies would argue that that is still in their interests because it is not core business; they will buy the service back as required. In all those things there is the opportunity to avoid tax by some.

CHAIR—Thank you very much for coming and for providing us with some excellent research.

Mr Meddows-Taylor—Thank you, Mr Chairman.

CHAIR—If you have got any supplementary thoughts or ideas, please send them on.

Mr Meddows-Taylor—We look forward to giving the committee further information on age groups and employers. We will work with Maureen on that and see what we can slip under the door on those other issues!

[10.19 a.m.]

GILES, Mrs Stella Patricia, Projects Coordinator, WOW Employment Services Inc.

MILTHORPE, Ms Jill, Former Manager, WOW Employment Services Inc.

CHAIR—I welcome representatives of the Western Older Workers Employment Services Inc. In what capacity do you appear before the committee today?

Ms Milthorpe—I am the former manager of WOW Employment Services Inc., which I managed from 1994 until 12 September 1999. I wrote the submission that you have before you, but I am now retired.

Mrs Giles—I am the projects coordinator. I have worked with Jill for approximately three years, and I am trying to fill her shoes.

CHAIR—Thank you. Could you give the committee an overview of the submission and highlight what you think are the most important issues.

Ms Milthorpe—After listening to Chris today—I have heard him on the subject before—he has covered a lot of the areas that I have covered in my submission. I am sure every member of the panel is well aware that, over the next 25 years, many more millions of people worldwide will be retiring than will be joining the work force. The economists say something like 70 million will retire and five million will join the work force over the next 25 years. That is going to make it absolutely economically necessary for employers to change the way they hire people and keep people on for longer periods of time.

On our side of the river, we are already seeing significant shortages of skills. Those skills are available in the older ages, but employers are simply not wanting to know about older people with skills. They think their skills are not up to date and that older people are impossible to train. They think that older people cannot learn and that they are technologically not as competent. There is a whole range of misconceptions about older workers, yet evidence from a number of countries across the world indicates that there are very real benefits in having a balanced work force. I could not agree more with Chris: we should be aiming for a balanced work force, where we have older workers who can act as mentors for younger workers coming in and who provide a stable work force and who provide an example of good work habits for young people coming into the work force.

There was a trial run by Tesco's, I believe, in England a few years ago where they actually staffed a whole store with people over 45. The profit went up by 15 per cent because there were fewer sick days taken, there was less theft in the workplace and there was better customer service. More customers were in the same age bracket as the people who were serving them. I am sure there are not many people here on the panel who, at some time, have not been dealt with rather abruptly by somebody who was barely out of their teens. People are starting to want service from people who are on the same wavelength as they are.

I could not agree more: there is an urgent need for a re-education program for employers, as Chris was talking about. We saw it all the time in WOW. Employers are not even covert any more. They openly ask for people no older than 40. We do say, 'We will send you people who meet your skills criteria,' but we know jolly well that, if we send them a 50-year-old when they have asked for nobody older than 40, we are just setting our clients up for failure. That is not a sensible thing to do to our people. So we try to change attitudes.

Certainly we would like to see a major push for a re-education along the lines of smoking and youth employment. People think that youth is such a big issue, that we really have got to get these young people into work. In fact, the biggest single group that is growing fastest is older workers. They are the long-term unemployed. Many of them are in their second marriages. They have got young children to educate. They have got mortgages to pay. They are the ratepayers. They are the furniture buyers. They are the people who keep the economy going. If they are not working in their mid-40s, then they are causing a substantial loss in the economic life of this community. It really is not a question of just looking after the people. It is looking after the economy as well, by trying to get these people back into the work force.

I have said a lot of this in my submission, and I also mentioned that in the western suburbs we deal with an awful lot of people who have an ethnic background. Many people there do not come from a well-educated background. Some of them, in fact, had never been to school. It is all very well to talk about pouring money into retraining people, but it is much harder to train somebody who is illiterate in their own language or to re-educate somebody who is illiterate in their own language and does not have the learning skills already established, because they have not attended school, than it is to re-educate somebody who has a relatively high level of education. We found this with our older workers who were factory process workers or road workers because relatively unskilled jobs no longer exist. They are a significant proportion of the people that we deal with in the western suburbs.

I was also very interested in Chris's comments about managers, because we have seen that, too. We have handled an awful lot of the bank managers who were downsized during the 1980s. Managers have been the single most difficult group of people for us to place. There are two reasons for that: first, by and large, employers do not see us as being a manager bureau and, second, we have always had a feeling that younger managers see older managers as a real threat. There is a fear that they will know more than the manager who is doing the hiring. I can sympathise with the view that it is very hard to have somebody working under you who knows more than you do. They have a tendency to try to steer away from them. I think it would be better if you just asked us some questions now, because most of it has been covered.

Ms GILLARD—In the course of this inquiry, on most occasions like this we are talking about two groups. There is a group of displaced managers—who need to get back into the work force, and there are obviously skills that they can contribute in mentoring and that sort of thing—and then there is another group of workers. In your agency, you have a lot of expertise in addressing those people—blue-collar workers, older workers or workers who may have sustained injuries. You also refer in your submission to people who have always had a very marginal attachment to the labour force. They might have worked for three months and then not worked for a year and then picked up another short-term job.

Looking at that area—the blue-collar workers or the people who have only ever had a marginal attachment to the labour force—I would be interested in getting further comments from you about the pattern of government assistance. You have made some comments in your submission about the way in which the current FLEX 3 system is working and how earlier forms of funding worked. If you had your choice, how do you think the government could best structure assistance to people who are in that category of the labour force who are very difficult to re-place once they become unemployed in the older age range?

Ms Milthorpe—I do think, as I said in my submission, that the earlier programs—where there was an incentive for employers to employ people who had relatively low skills and to train them on the job—were very valuable. We found a great deal of use for Jobstart. Jobstart was particularly useful for women returning to the work force after raising a family. There is no program that enables a woman to upgrade her skills now in her, say, 40s. After 10 or more years out of the work force to raise her family, there is no program that will do that.

We have not seen any evidence of the big money that has been going to the Job Network program being used to provide employer incentives. I simply have not spoken to a client whose employer has been offered an incentive to employ them by a Job Network agency, and that is a bit worrying because the money was dismantled and distributed to the Job Network agencies. To the best of my knowledge, we have seen no evidence of it being used to provide incentives to employers. Do you have any comment on that?

Mrs Giles—That is quite true.

Ms Milthorpe—We would very much like to see them. In this round, we would like to see a percentage set aside for agencies, so they should have to spend so much of the money they get for each client on incentives or training or whatever.

As I said in our submission, we did not receive an offer in the last tender round—we were one of the small groups. We were particularly disappointed because there are now no specialist older worker programs that are funded. Most of them have now gone out of business. JOFA—the Jobs Over Forty Association—was one of the biggest in Melbourne, one with the highest profile, and it simply could not continue when it lost its funding. We were lucky we had the state funding as well, and we have managed to keep going with that. We had skills for putting these people back to work that have dispersed, they have gone. There is only such a small group now—seven all told—and we had 20-odd staff who knew what they were doing. I think that is an awful loss of expertise.

Ms GILLARD—Yes. In terms of the qualifications for assistance, we have had evidence before the inquiry that it would be helpful if it could be geared so that we could get to people earlier in the unemployment cycle, even pre-redundancy or immediately after, or they could have structured assistance. I accept that the model is you do not have to be long-term unemployed to get the most intensive assistance, but obviously the length of the unemployment is one of the factors that goes in to the calculation as to who is going to get intensive assistance. I would be interested in your comments on that, particularly how we can get to people pre-redundancy or immediately post-redundancy, and when the best time is for intensive assistance to cut in for people who have got labour market disadvantages.

Ms Milthorpe—As far as we are concerned, the earlier you can get them, the more chance you have got of getting older workers back to work. When the Community Business Employment Project, the state funded one, first began, you could take people before they were actually out of work. You could register them. If they received notice that they were going to be made redundant in a month's time, then we could sign them up then and we could start looking for work for them so that they went straight from work to work.

As I say in the submission, if somebody has taken a year off, or they have been looking for work for a year, they are long-term unemployed, and employers want to know what is wrong with them. It is not that there is anything wrong with them; it is simply that they have not been able to get work. You can get work from work—if you are in work, or if you are just immediately out of work, it is so much easier to get a job; but the longer it goes on the harder it becomes to get work. We would like to see the whole thing turned around so that we could attack it right from day one. As soon as people are out work, or even as soon as they are notified that they are going to be out of work, they can sign up with an employment service or with Centrelink, not necessarily to receive funds but to receive the services to get back into the work force. You do not need to be getting a Jobsearch allowance to need the services of help to get a job. So we would say: as soon as they know, let them go onto the lists to be provided with assistance to get work.

Mr BARRESI—I would like you to talk about the corporate memory concept. I think I understand what you are talking about there, but could you explain that concept to me?

Ms Milthorpe—What has happened to a lot of firms is that the people who know the history of the organisation, of the corporation, have been pushed out, and the organisation itself then proceeds to make the mistakes all over again that were made once before, because nobody has the corporate memory that would have prevented those mistakes from happening again. This is only hearsay from employers that we have talked to who said that they had let go all the people from the older aged down, until they had the number they needed to get rid it, and nobody knew how to work half the equipment that was left on the floor that was only used occasionally. There might be a printing machine that needed handfeeding, and the only person who could handfeed it was the 55-year-old bloke that they had just let go. They have come to us and asked us for specific attributes of older workers because they had got rid of all the people who knew.

We had one wire firm that urgently needed to make some particular springs that could only be made on an old machine that was in the back of the workshop and that they had not used for about five years. They had let go all the people who could work that machine and there was nobody to teach the younger members of the staff how to work it. They had not thought about any of these things before they let everybody go. So there is good reason for hanging on to some of your experience, your knowledge, your wisdom and the things that you have learnt over the years and not making the same mistakes again.

Mr BARRESI—In relation to the non-English-speaking, mature age work force, you seem to have a good success rate. You said 50 per cent of the 3,000 you placed were from non-English-speaking backgrounds. What types of jobs were you able to put them into, and what was the process that led you to have such success?

Ms Milthorpe—There are a number of things here. Not all of our ethnic background clients have been low skilled. A lot of them have had very good skills and they were readily placeable in the employment market. Others had very poor skills and very little English, and that meant that we were looking for employers who had a particular need or who had a work force that was largely in that linguistic group. Over the years, we have also employed, amongst our own employment officers, people from as broad range of ethnic backgrounds as it has been possible to have. We have sometimes had as many as 12 or 14 languages spoken within the organisation. That means we have been able to talk more freely with our clients and we have been able to use their skills and their knowledge of their own ethnic communities to find employers who were looking for a particular worker in a particular language group, so to speak.

If you are just an English speaker, if you do not have contacts in the ethnic communities and you have clients who only have one language, then it can be very difficult. As an organisation, you really do need to be as diverse as you possibly can.

Mr BARRESI—A 50-year-old woman of non-English-speaking background, retrenched after, say, 10 or 15 years working as a machinist in the western suburbs—what chance do you give her of finding a job?

Ms Milthorpe—I would have to say 30 per cent, not much more—30 to 40 per cent maximum. It is hard yakka to place people with low skills who have little English. Sometimes there is a certain amount of serendipity in finding the right employer for the right client.

Mr BARRESI—Even if it is only 30 per cent or 20 per cent, I am interested in what type of employer or industry is actually recruiting the low skilled, older worker?

Ms Milthorpe—The only one that we could say we place consistently with are car detailing firms that are detailing off the wharves. They do not have to be highly skilled workers. They do have to have an understanding of spoken English so that they can follow direction. Most of our clients, after 20 years in the Australian work force, have that level of understanding. For people who have no English, the chances of finding any employment at all are getting harder and harder. As I said in my submission, with certain ethnic groups we know perfectly well that employers will say, ‘Don’t send me these, don’t send me those,’ and we say we cannot—

Mr BARRESI—Such as?

Ms Milthorpe—People with Muslim names are not called in for interview—and they might be Australians of two generations. We know that they will call in the Smiths and the O’Gradys or whatever, but if the name is Achemyeleh or—

Mr BARRESI—So the Middle East, Turkey, Lebanon, Iraqi?

Ms Milthorpe—That is right, and Indians. We have found Indians as a group extremely hard to place. I do not think I know any organisation that is having a noted success with placing Africans. There are two reasons for that. Many of the Africans we have seen have

not had a high level of skill, although we actually did have one man who was the former Attorney-General of a Horn of Africa country. His problem was that his skills simply did not translate into the Australian law system, he thought they should have and he kept applying for jobs that he was not going to get anyway. He was not interested at all in retraining in Australian law.

Mr BARRESI—This must be a concern for us because those nations or regions you have mentioned are the greatest source of refugees these days.

Ms Milthorpe—That is right.

Mr BARRESI—I had an Iraqi and his wife come into my office last week. He was a brigadier surgeon in the Iraqi army, his wife was a major in computer sciences in the Iraqi air force, and they could not find jobs. They had very good English. It is a bit of a worry that we have got obviously skilled and educated individuals like those refugees who also cannot find jobs.

Ms Milthorpe—Is there anything at all we can do about the medical profession? I am aware that you are a doctor, Mr Chairman. Over the years, we have had lots of doctors coming in who have to start from scratch—they have to do the whole six, eight or 10 years again to get back to where they were. We have often wondered whether there is anything that the medical profession is prepared to do, rather than can do. Are we allowed to ask you questions?

Mr BARRESI—In this case it was actually a bit hopeful for the individual. He was able to get his qualifications recognised; that was the first step. But in order to get into the mainstream Australian medical field, he is taking on a radiology training position. He is in his early to mid-50s, so he will be training as a radiologist, which means a willingness to go out into country Victoria. He is quite happy about that.

CHAIR—The Australian government has created 100 positions in Australian university medical schools in the last three years to help to bring these graduates up to Australian standards. The problem is—without naming any of the countries—I have worked with doctors who are within a year of acquiring a specialist qualification in another country who do not understand even the most rudimentary things in medicine in Australia. We have got two problems: we have got people who will never be able to qualify to practise medicine in Australia because the basic standard of their medical education has been in a country that has a GDP one-tenth or one-twentieth of ours. Then we have another group who have been caught up in a quota system who could provide very good services to Australian communities and now, through Commonwealth-state labour market agreements, we have got them going into country areas, which is long overdue. We are bypassing some of the steps. It is not as simple as you like. Sir William Keys once said that the way to sort it out is to let the market sort it out, so if you were a neurosurgeon in some very poor country, you should be able to come straight in, put a sign up out the front and let the market sort it out.

Ms Milthorpe—I am not sure about that.

CHAIR—Not quite that. But there is certainly more progress that can be made.

Mr BARTLETT—Can you elaborate on your comments about the UK employers forum. How does it work? How effective is it in terms of changing employer attitudes and so on?

Ms Milthorpe—I have not heard anything about it recently so I am not sure whether it still exists. It certainly existed three years ago and it was really a forum for influence brokers—very influential employers who had been brought together by the government to form a sort of think tank and to lead their colleagues to a change of attitude. I believe it worked very well for a while and I do not know why I have not heard anything more. There has not been anything in the newspapers about the employer forum recently.

Mr BARRESI—I think the employer forum might have been a catalyst for the convention that is on at the moment in Melbourne by JobsEast. JobsEast attended or participated in one of those forums and has come back and now there is a convention on, I think today and tomorrow.

Ms Milthorpe—I notice JobsEast is not on your list of people—

Mr BARRESI—We have seen them already.

Ms Milthorpe—You have? They are certainly a very knowledgeable group about this issue.

Mr SAWFORD—I have a few questions about education programs. In your own experience over the last couple of years, what has worked in changing attitudes?

Ms Milthorpe—What worked with employers?

Mr SAWFORD—Yes.

Ms Milthorpe—I suppose the biggest single thing would have been economic necessity. If they could not get one in the age group they wanted they would take an older worker.

Mrs Giles—Certainly, the monetary incentives did work because most employers had cut things to the bone, and to be able to get an employee for three months, six months or whatever and have the wages subsidised was an absolute bonus to them. It was used unscrupulously. Some of them kept the employee for the required length of time and then let them go again, but it did get people moving within the work force and they did have a work history to move on.

Whilst it had its drawbacks, it certainly had its advantages. So, certainly, there was the money side of it. With respect to training, it should be within or complementary to the skills they already have. Somebody who has been a labourer or a worker on the shop floor should not suddenly be expected to try to retrain to be an engineer or whatever else, in a completely unrelated industry.

Mr SAWFORD—You focused on the two main issues that have come forward to this inquiry in terms of wage incentives, but then you have got the problems of substitution and also training. I want to go back to some real information. One frightening bit of information

was the bit you referred to, Jill, about the future—not that all future predictions are necessarily accurate—and the figures of 70 million people and five million jobs. There is an enormous amount of evidence to support that contention. That is a very fearful future. But even the status quo in Australia, with basically only 70,000 job vacancies, 700,000 unemployed, 700,000 underemployed and 700,000 who have given up, is not a great scenario in terms of where we go with employment full stop, whether it be mature, young or whatever.

Ms Milthorpe—I do not know what you think, Mr Sawford, but it seems to me that in many ways our major employers have swapped employing and service to the public for shareholder dividends. I refer to banks, for instance, Telstra and various other big employers, including the railways. The railways used to be a major employer and they are going to be employing fewer and fewer young people all the time. The people who are coming out of the railways even since the recent sell-off here in Victoria are very hard to place. What do you do with an ex-railway fettler? There are not a lot of places for them in the western suburbs of Melbourne, I will tell you.

The thing is that we really need to convince employers. I suppose it is hard to suggest that they should be sacrificing some dividends for the benefit of the community. We should be talking about employing more people and putting something back into the communities instead of just taking the financial dividend. There is something obscene about laying off 4,000 people and taking a \$4 billion profit for the year.

Mr BARRESI—And it is not enough.

Ms Milthorpe—And it is not enough.

Mr SAWFORD—Basically, on these inquiries, we can all suffer from a little bit of delusion in the sense that we can deal with this problem of mature age employment. Obviously, your group has had some success with individuals.

Ms Milthorpe—We cannot place anything like—

Mr SAWFORD—But you are saying even in terms of a 30 per cent success rate over a period of time it is very depressing for any group which is operational. Maybe the Realpolitik of what you are dealing with in terms of helping individuals deal with their relationships with their families means that other issues start to dominate the importance of how you operate. Certainly, other than wage subsidies and training, I cannot think of one substantive suggestion that has been made to this inquiry. Yet we all know that wage subsidies just lead to substitution. We also know that you do need training for prospective employment.

Ms Milthorpe—That is right.

Mr SAWFORD—When the prospective employment is greatly limited in the future, and those predictions are being reinforced even more greatly than they were even 12 months ago, optimism is very hard to develop.

Ms Milthorpe—We do have one suggestion: don't try to put the people who do not want to go back to work back to work. Concentrate on the people who actually do want to work. So much of what we are doing at the moment is concentrating on forcing people who don't want to be in the work force back into the work force. They have very few skills, they will not be able to earn very much money, anyway, and they may not in fact be able to make as much money as they are getting on Jobsearch allowance. Instead, concentrate our efforts on the people who really do want to work.

Mr SAWFORD—I am glad you raised that because 20-odd years ago people were actually predicting that we needed to allow people to choose that option.

Ms Milthorpe—That is right.

Mr SAWFORD—Everyone sort of took that with a semi-bit of seriousness at the time, but maybe we do need to come back and look at that concept a little more seriously than we have done in the past.

Ms Milthorpe—I think you will find that every organisation dealing with older workers is frustrated by having to deal with a number of people who do not really want to work. If we could deal only with the people who do want to work, our employers would be much less frustrated. We arrange an interview and somebody who looks as though he or she has got all the skills on paper does not really want to work, does not turn up for the interview, or turns up half an hour late, or gets there and says, 'Oh, no, I don't think I really fancy that job.' We would be better off all round if our employers were getting people who really wanted to work and we were able to place people who really wanted to work. Stop me if you think I am speaking out of turn.

Mrs Giles—I will make one more point, Mr Sawford. Perhaps more resources could be put into upgrading skills rather than training new skills. Certainly the mature worker is the fastest growing group and partially I put that down to the baby boom after the war when there was a large percentage of new babies born who are all now in their 50s.

Mr SAWFORD—Our age.

Mrs Giles—And they could look to, perhaps, upgrading skills and still make a valuable contribution. Those people are often on second or even third marriages and families and so, perhaps, a little less into training as a new concept. There are fewer young people because people are not able to afford such large families so they are having smaller families. Perhaps there could be a little more put into upgrading rather than training from scratch.

Ms Milthorpe—We have never placed people who have undertaken to train into a new career choice, a new career path in their 40s or 50s. We have never placed them because they are competing with people who have already got 20 years in that area.

Mr SAWFORD—There is another question that I wrote down. You mentioned the point about skill shortages. Anecdotally, you try and get a tiler in the next 12 months to do your bathroom or whatever, even to retila a lounge room, and you will have great difficulty in getting someone who has got the expertise and skills. That is a particular job that you could

skill a person of any age over a reasonably short period of time to do excellent work. There is a whole range of those sorts of similar skills that have gone missing in our community, yet there are opportunities for all those people. Like the Chinese proverb, their word for crisis is the same as the symbol for opportunity. It is the way you look at things.

Have you identified a whole range of skill shortages? What sorts of areas were they in and have you been able to do anything constructive about them?

Ms Milthorpe—The sorts of skill shortages that we have been seeing most often are for skilled trades in industry in the western suburbs—for instance, toolmakers and horizontal borers. We had one classic where we had an employer—

Mr SAWFORD—What is a horizontal borer?

Ms Milthorpe—It is a tool job. Boring vertically is a different skill from being able to bore horizontally. We had a vertical borer, but this employer would not retrain that vertical borer as a horizontal borer and it would have taken a matter of three or four weeks at the most. That job was vacant for a year and he would not take somebody for three weeks and train that person. We really could not understand that. That is the sort of thing that comes up—but you know more about current job vacancies.

Mrs Giles—I get more involved with the employer than Jill does and that was my role in the organisation. I have to say I am getting an increasing number of employers who are saying they want a certain skill and they do not want somebody just out of a training course. That has been specified more over the last 18 months than ever before. It was rare to get that comment; now it is becoming a regular comment.

Mr BARRESI—Is there a difficulty in training, in spending money on training?

Mrs Giles—They are saying that people out of a training course that has lasted six months do not have the skills to do the job. It is not like an apprenticed person who has then gone on and worked in the work force.

Ms Milthorpe—This just underlines what we were saying: employers have not been willing to provide that experiencing time for job seekers.

Mrs Giles—And that is the crucial thing.

Ms Milthorpe—We are very lucky. We have a big bank of employers that have been very loyal to us. We have 10, 15, 20 people in some work force—

Mr BARRESI—That shortage you are talking about in the metal trades seems to be very prominent throughout Melbourne at the moment. In the eastern suburbs we just cannot fill metal trades positions. They are vacant for long periods of time and a lot of it is because people do not want to go into those occupations any longer.

Ms Milthorpe—And you cannot get mature age apprenticeships. We have tried to get apprenticeships for 35-year-olds. They have still got 30 years of work ahead of them and a

four-year apprenticeship is very reasonable. If we could get a living wage for mature age people to do an apprenticeship and come through as tradesmen, some of our people who left school early and who have got good work skills but do not have a formal bit of paper, could actually get a trade, but they cannot—

Mr SAWFORD—It certainly would not take four years.

Ms Milthorpe—A person like that will not take \$200 a week when he has a wife and four kids to support.

Mr BARTLETT—When you say that they cannot get them, is that also because the employers will not take them on or is it simply because—

Ms Milthorpe—Our clients have not wanted to take on apprenticeships when they know they are going to be getting only \$280 a week. They cannot live on it. They cannot raise their families.

Mr BARTLETT—If they could be given a wage subsidy of some sort, do you think that employers would take them on as apprentices?

Ms Milthorpe—I think that they would, I really do. There has not been a big push and when you look at any of the apprenticeship material, it shows only young faces. We need to change some of the pamphlets and publicity about those sorts of programs, too, so that older workers are seen in these positions and it is not something out of left field, so to speak.

Mr BARRESI—Would you open those 35-plus apprenticeships to a broad range of apprenticeships or only to those hard to find ones?

Ms Milthorpe—Off the top of my head I say: why don't we concentrate firstly on the jobs we cannot fill now, the skills that are short in the work force? The young people are not getting apprenticeships either. There are not enough apprenticeships being provided anyway.

CHAIR—Someone who does an apprenticeship in a particular skill in his or her forties is more likely to spend the next 20 to 30 years working in that field than someone doing it when he or she is 17.

Ms Milthorpe—That is right.

Mr BARRESI—There has been a record number of kids going into apprenticeships and traineeships. I guess it depends on how we define that.

Mr SAWFORD—Exactly right.

CHAIR—We have to finish. Thank you so much for all the work that you do and for your submission and for coming along to talk to us today about it.

[11.04 a.m.]

ABRAMOFF, Father Alexander, Coordinator, Russian Ethnic Representative Council of Victoria Inc.

BAILEY, Mr Ian James, Employment Placement Officer, Russian Ethnic Representative Council of Victoria Inc.

CHAIR—Welcome to the inquiry. Perhaps you could give us a precis of the submission and what you see as the major issues and recommendations which we can then discuss.

Mr Bailey—I would like to start with the precis of the proposal. I have just one point of clarification first. The organisation that is putting forward the proposal is actually the Russian Ethnic Representative Council rather than the Russian Employment Services. Russian Employment Services operate as part of the Russian Ethnic Council. There was some slight confusion over that issue when we were invited here today.

In essence, the program itself is based on a model, of which I was organiser for a training provider, that was developed in the United Kingdom. The idea behind it basically is that it is an early intervention program based on the idea of catching unemployed managers and professional type people at three to six months unemployment rather than letting them drift into the current sort of 79 weeks scenario.

In essence, the program looks at four weeks full-time training when we look at issues such as evaluating self-esteem, looking at trying to get them into a position where they are positively thinking, looking at upskilling them in such areas as IT and creativity, and also looking at ideas such as developing group projects so they are working as part of a team. We do full-time training so we hopefully get them into some kind of work ethic.

At that point we would then look at up to 22 weeks in a placement company with the major benefit to the placement company being the job seeker is basically unpaid by the employer. The employer can get the opportunity to develop his business. For example, one of the models in the UK which was very successful was the introduction of IIP where normal full-time staff potentially would not have the opportunity to implement that. Benefits for the job seeker are that they are back into the work force in a position where hopefully they can get a current referee. Employment opportunities develop from that, either with the placement company or with additional employers.

Obviously, from the Russian Ethnic Council's point of view we would look at potentially targeting new Russian migrants. My experience in trying to place people from the former USSR is that they tend to drift into lower skilled professions, and this problem is obviously exacerbated by the inability to access benefits for two years. People have got to support their families, et cetera, so we find physicists driving taxis and stuff which is not very good.

We can see, though, that this model could be repeated in other ethnic communities who experience similar issues with their new migrants, not only facing the issue of mature age but obviously the barrier of being a migrant to Australia. One aspect of the program that

worked quite well in the UK was split funding between what is, over there, the training and enterprise councils and, from the employers, where the employer would make a contribution to the actual training organisation which would then access money from both the government and the training and enterprise council, basically to cover costs.

The program was quite successful. The main areas of concern obviously were from the job seekers' point of view trying to get to the point where they would look at the situation of, 'Am I just being used for cheap labour.' However, what we found was that once people were working on worthwhile projects, the majority of the people would access employment with either the placement company or with another employer because of up-to-date experience.

CHAIR—Thanks, Ian. Father Alex, is there anything you would like to add?

Father Alexander—Just a bit of a background, I suppose, on where the Russian Ethnic Representative Council is coming from. The organisation was established in 1983. To assist the needy in the community was one of its main aims. It was only funded in 1991—other government funding, not employment funding—but before that period when it did receive employment funding in 1996 it did provide non-funded support, information, advocacy and referral for unemployed people, being part of what was in those days termed as 'needy', although now it is not a politically correct term. So we have had some experience in that aspect, especially since the Iron Curtain fell in 1991 and the independent migration started coming to Australia—highly skilled, highly qualified, highly experienced professionals coming from Russia, coming from the former Soviet Union and, as Ian said, taking on lower paid jobs.

The CBE program which Ian is the coordinator of began in 1996, and that was specifically targeted towards Russian speaking migrants and Russian speaking citizens of Australia. In 1998 we expanded that program by obtaining Job Network funding and servicing the wider community so the organisation has a much wider focus rather than just Russians.

I will make just a few points about the actual model that we put forward in the submission. It is a work experience model. One of the things is that the companies would be obtaining international input, multicultural input, that an Australian graduate here would not be able to necessarily give the company. These highly skilled people, brain-drained from Russia, coming to Australia and working as taxi drivers, of course, is not good for Australia either. It would be better if they could work in the field that they are experts in. We are hoping to target this model at the three-month stage of unemployment as an early intervention model, working on the principle that if you put in a little bit of money and effort and support at the three-month stage, then even getting to the six-month stage will not happen.

Finally, we believe that if we target this list—what could be a pilot program, a trial program—with large employers—we all know that the local business on the corner with three or four employees could not fit in another employee unless they actually had a vacancy, but larger companies, after an employee or a work experienced person has worked

there for a while and has shown their capabilities and their skills, will find room for them and make their company more valuable because of the skills that that person has.

CHAIR—You mentioned anecdotal evidence, but do you have any hard evidence that small businesses in particular are prejudiced against mature age workers?

Mr Bailey—Only from four years working in Australia. Initially I was working with the over 40s with another CBE project. Basically, from my point of view—and again it is pretty anecdotal—they are reluctant to actually make that employment decision. Feedback would be typically, ‘Okay, this person who has worked in an organisation for 20 years is too set in their ways; they are winding down; they are going to be too expensive.’ In some cases it may be a fear that this person is over-qualified, particularly, say, migrants from the former USSR. Sometimes we go into the process of downgrading qualifications and job titles because we do not want to frighten a new employer.

Father Alexander—If I can just expand on that, with small businesses, yes, there is the fear of taking someone that has not had the Australian experience as well, and that with Russian migrants is a big problem because the migration is essentially in the 30- to 40-year-old group, and, when they are 40 years old, the smaller company, the smaller business, will say, ‘They have not had Australian experience and they will not fit into this company because of that.’ That is the part about their age, whereas with someone who is younger that has come from Russia they may say, ‘Well, okay, he does not have the experience but we will train him.’ So that is why you need some sort of incentive here.

CHAIR—Who do you envisage would fund your management program—the 26 weeks plus the four weeks? How would that be funded so your prospective employees are working effectively as volunteers or supernumeraries in companies or businesses? How is that funded?

Mr Bailey—We would see basically two levels of funding. Obviously we would expect that this would be an approved activity by the government that they would be allowed to be given the opportunity to work in, and therefore they would receive their normal benefits, potentially with some incentives. For example, we run a work-for-the dole project where they get an extra \$20 to \$50 a week.

CHAIR—I was just about to say it is perhaps a variation on the work for the dole theme—whilst it is not a term I necessarily like myself. But it is a variation on that?

Mr Bailey—Yes. As far as the costs are concerned, the majority of the costs for the training provider would be for the four weeks of up-front training. To recover that cost, we would expect that the employer would make some form of contribution of X dollars a week to our organisation or to the training provider while this was occurring. Quite obviously, there would be this requirement to monitor the situation as well.

CHAIR—Have you field tested this with the unemployed people for whom you care? What do they think about it, if you have?

Mr Bailey—Again anecdotally, from trying to place Russian clientele, we find that one of the common themes is, ‘I just need my first opportunity, I need my first break in Australia.’ One of the questions we ask is, ‘Where do you want to work? How much are you looking to earn?’ ‘It doesn’t matter, I need my first opportunity.’ We have many offers of voluntary work for us: ‘I’ll come and be your accountant, I’ll come and be your general manager.’ That is field tested with about 400 clients over three years.

CHAIR—That is okay; I had to ask you.

Father Alexander—With the funding, the Work for the Dole program pays approximately \$1,500 or \$1,600 per placement. There is no reason why someone who is aged 45 or 40 should not also be eligible to receive as much. Are they any worse than someone who is younger and unemployed?

Mr SAWFORD—What is the size of your client group?

Mr Bailey—The Russian community in Melbourne?

Mr SAWFORD—Yes.

Mr Bailey—The statistics vary dramatically on people who are Russian or people who are from a Russian-speaking background.

Mr SAWFORD—I am not asking for the total Russian group, but in terms of the people who are your clients.

Mr Bailey—Who we are servicing?

Mr SAWFORD—Yes. What is the size of your service?

Mr Bailey—We have registered about 450 over three years, since August 1996.

Mr SAWFORD—How many people are employed similar to yourselves, Ian, and Father Alex—to service that client group?

Mr Bailey—The Russian client group?

Mr SAWFORD—Yes.

Mr Bailey—Basically 1½ full-time equivalent staff.

Mr SAWFORD—What sort of successes have you had over the last 3½ years?

Mr Bailey—The state government of Victoria CBE project—we have been given the task of placing 100 people into employment each year.

Father Alexander—Except for the first year.

Mr Bailey—Except for the first year, that was down at 75. To date, we are on target on that and we are due to hit target on that at the back end of this year—December.

Mr SAWFORD—What sort of employment positions were placed?

Mr Bailey—Fairly wide ranging. It depends on the circumstances of the person. For example, you mentioned a tiler before; we had a surgeon from Georgia who was a fairly new arrival to Australia. Obviously, with the conversion requirements in Australia he could not work as a surgeon. We placed him as a tiler because he was very dexterous, so he was probably an excellent tiler.

Mr SAWFORD—There is hope for you yet, Brendan!

Mr Bailey—People with computer skills place very quickly in the computer industry in Melbourne. We have our share of factory hand vacancies, accounting—

Mr SAWFORD—Right across the board. What about gender in terms of male and female? Is it easier to place women than men?

Mr Bailey—No.

Father Alexander—Going back to your question about the target group: in 1996, when the CBE program was first funded, the unemployment rate in the Russian-speaking community was 29 per cent. It was one of the highest of all multicultural ethnic groups in Victoria.

Mr SAWFORD—Were there any Russian community employers who you have contacted who have perhaps come in previous generations?

Father Alexander—Yes, there are. There are Russian businesses and Russian employers and we do utilise them to the greatest extent that we can. It just depends what vacancies they have and what job seekers we have. They do not necessarily show a greater loyalty to employ a Russian-speaking person. If they need someone who is qualified to a certain level, that is who they are going to take.

Mr BARTLETT—Mr Bailey, you mentioned earlier that some of your clients offered to do voluntary work. What mechanism do you have in place to encourage them to do that or to find voluntary workstations for them?

Mr Bailey—We have a very informal mechanism, principally because it comes back to dollars, I am afraid: if we place them in voluntary work, we do not get paid. However, if the person is really serious about voluntary work in terms of putting something on their resume, our first point of contact would be our Work for the Dole project. We would maybe look at feeding them into that. We have got industry contacts, For example, a lot of the community organisations that deliver this kind of service could maybe do with an administrator to help them. We assisted one of our Russian clients to work in one of the Greek projects, as an example, for community employment. It is a very informal kind of arrangement.

Mr BARTLETT—How many of your clients would be in voluntary work?

Mr Bailey—Currently?

Mr BARTLETT—Yes.

Mr Bailey—I would not know the exact number.

Mr BARTLETT—Do you see that as an effective way of obtaining workplace skills and experience or, perhaps even more importantly, making the contacts that would lead to paid employment?

Mr Bailey—Very effective, because they get to the point where they have got that opportunity to demonstrate what they can actually do. One of the other issues is that they are working in the industry so they learn industry specific English. We have actually employed our own volunteers. When we first started we had a volunteer administrator for whom we could give a very good reference; she performed very well. She has gone on to work full time at a medical centre as a receptionist. So we find it to be a very effective method.

Mr BARTLETT—You do not have an organised mechanism whereby you are constantly placing volunteers in full-time positions?

Mr Bailey—Our overall philosophy is that we try to get them into paid employment, particularly the very new migrants. It is okay to try to put them into voluntary work to eventually get them to the point where they can be high level managers, but if they are receiving nothing per week, it is very difficult to sell the concept of voluntary work to somebody—if you have got rent to pay, if you have got family to look after, maybe a child or a teenager looking to go to university from the former USSR.

Mr BARTLETT—If voluntary work satisfies the activities test and it is providing an opportunity to make those contacts and develop workplace experience, surely it is preferable to being on Newstart allowance and not doing anything.

Mr Bailey—One of the points is that if they are new migrants, they do not get Newstart allowance. So the only activities test is their own, basically—what they are willing to do.

Mr BARTLETT—After that?

Mr Bailey—After that, for sure.

Mr BARRESI—I am interested in why you have chosen this management type program when I would have thought that the profile of your clientele is probably coming from a group where the skills may not be managerial. Are you branching out of your current normal operations in taking this on?

Mr Bailey—No.

Mr BARRESI—What is the profile of a typical client? I am assuming they are of Russian background?

Mr Bailey—Yes. The profile of a typical client would be at least degree level educated, if not beyond.

Mr BARRESI—Overseas educated?

Mr Bailey—Yes. Often a typical client values their education, so they would maybe come and do something else in Australia as well, so they would get postgraduate qualifications. It is very difficult to describe a typical client. You could get, for example, somebody who has worked in a government department who has migrated to Australia. You would look at somebody who has worked as a—

Mr BARRESI—Are they migrants or refugees?

Mr Bailey—They are independent migrants.

Father Alexander—They have had to satisfy the points test and gain enough points for English qualifications.

Mr BARRESI—I understand.

Father Alexander—I would like to just clarify something. It is using the model of the management type program that was run in the UK, but it is targeting it at a professional, qualified experienced degree—scientists and physicists, not necessarily managers, although managers may be a subset of that. It is the broader professional, qualified migrants, not just managers. It is targeted at those professional qualified people, not the low skilled migrants necessarily, which there is a section of as well.

Mr BARRESI—How do we ensure that the project—it differs from the Work for the Dole in its target workplace because it is going into private enterprise—is not actually taking a paid position?

Mr Bailey—This was one of the concerns in the UK. Quite a substantial monitoring visit on that company was undertaken prior to actually placing a client into private enterprise or into a company. Obviously, that involves time and a cost. We would go out and assess why that project had to be a project: why couldn't it be taken on by somebody who was already working there or could that possibly be a paid position? One of the main projects, for example, was the Investors in People initiative, which was all the go in the UK at that time, where it would be very difficult to take somebody away from their normal duties to actually implement that. Then there are, for example, quality procedures. It would be very difficult to take somebody away from their normal—

Mr BARRESI—That job may normally be offered to an external consultant-cum-contractor, yet the employer now has the ability to have that job done for free.

Mr Bailey—It could be argued that, if the employer implements it, the Investors in People could run the business a lot more effectively. It would have benefits to the current work force and, basically, that could potentially produce more employment.

Mr BARRESI—I understand that the project needs to be done, but the point I am making is that, under the current scenario, if that project needs to be done, either an existing employee does it or a new employee is hired or the job is sourced out to a consultant or a contractor. You are offering a fourth alternative, which is a volunteer. I would say that you are taking someone's potential money earning position away from them by giving it to a volunteer.

Mr Bailey—This is why the initial assessment of that particular project would have to have fairly strict guidelines written down. You could put the same arguments with Work for the Dole.

Mr BARRESI—That is right, but Work for the Dole is not going into private enterprise.

Mr Bailey—The potential—for example, with our Work for the Dole projects—is that one of our employees could convert to, say, a full-time position by doing the media project. That could be an extension of the argument.

CHAIR—The corollary, of course, is that the people who are going into the program are themselves benefiting because they are being exposed to work practices and getting referees, et cetera.

Mr BARRESI—I do not dispute the benefit to the volunteer. What I am saying is: how do you ensure that the business is actually making the right decision? In other words, if you come to me and I have a business, obviously I am going to take a volunteer rather than pay my hard-earned money from my budget to have a consultant or a contractor or to hire another person into the job. I am going to be taking a volunteer.

Father Alexander—In Work for the Dole it is the same. It is community organisations versus private industry. The only difference is that one is a profit and the other one is a surplus, which gets plugged back in to providing services for the community. It is one and the same. A community organisation could still also say, 'We'll save money as well by employing volunteers.'

CHAIR—Thank you very much for what you are doing for the Russian community, and thank you for providing us with a submission. If you have any supplementary ideas or thoughts or anything like that, please feel free to send them on to us.

Father Alexander—Thank you.

[11.31 a.m.]

NGUYEN, Mr Hoang Vu, Director, Indo-Chinese Employment Service Pty Ltd

CHAIR—Welcome. Thank you very much for coming in to speak to us. It is not the easiest of tasks to turn up to speak to a bunch of politicians. Perhaps you could start by giving us an overview of your submission and what you think the key things are that we ought to be looking at.

Mr Nguyen—The Indo-Chinese Employment Service provides job matching, job searching, training and intensive assistance across the Melbourne metropolitan area. We have nine offices in Melbourne. The issues that beset most workers over the age of 45 are also common in the Indo-Chinese community. The mature age unemployed remained unemployed the longest and are the most difficult to place.

One of the crucial differences between most unemployed workers over 45 years of age and the Indo-Chinese unemployed over 45 years of age is that Indo-Chinese clients are not necessarily retrenched with an established work history and, in many cases, have never worked in Australia. Another problem is that the skills that Indo-Chinese migrants have may not be in demand in Australia, as is the case with a number of our clients who have a background in non-mechanised agriculture and types of farming not used in Australia.

Unemployment issues are felt more keenly by older workers and, in addition, Indo-Chinese unemployed are less likely to seek help outside the Indo-Chinese community for two main reasons. Firstly, they have a cultural pride and social expectation, which does not lend itself to seeking assistance outside the extended family. Secondly, due to a lack of proficiency in English, they are unable to have access to assistance that is not delivered by an Indo-Chinese agency. Because of this, the following social and economic problems are prevalent with unemployed Indo-Chinese workers over 45 years of age. There is often a greater range of health problems, such as depression, drinking, smoking, mental illness and stress related illnesses. Unemployed workers over 45 years of age experience a significant loss of self-esteem, which can result in difficulty with decision making, lack of confidence and poor motivation. This is particularly distressing to older Indo-Chinese, as the accepted cultural mores are that the older you are, the more respected you are.

Problem gambling in the Indo-Chinese community is a significant hidden problem as a result of the social pressure to appear successful and thus it is a desperate need for a quick fix. This is linked with the excessive use of alcohol, both of which are, unfortunately, accepted in the Indo-Chinese community. The end result is often a destructive cycle of gambling, drinking and domestic violence. Because of extended family expectations, there are often family responsibilities, such as supporting or caring for a sick or an elderly family member. Marriage difficulties can result from the pressures and financial situation.

Solutions: we believe the government is trying its best to help this client group, and we see this inquiry as a reflection of the government's great effort in helping people over 45 years of age overcome their barriers. We see ourselves as part of the job network, and we would be happy to do whatever we can to help facilitate the return to work of this kind of group. The following are our recommended strategies. Emphasise the positives and educate

employers and industries. Establish an education and media program aimed at employers and industry so they understand that workers over 45 years of age are worthwhile employees.

Extend the Work for the Dole program. An extension of Work for the Dole to include the over 45s would be extremely useful, as we have found that voluntary work is effective in giving workers over 45 years of age confidence and updated or new work skills. The extension of Work for the Dole would ensure that people get effective work experience and a sense a pride that they are working and gaining skills.

Create business opportunities for migrants over 45 years of age. Starting a small business is a popular preference for workers over the age of 45. Business opportunities suit older workers, but they need business skills and support to set up and run them. There are lots of ideas in our community. There is a need for a supportive program for older migrants to give them business skills and, while the NEIS program assists, it is much too hard for older Indo-Chinese to get into because of the language barrier. As an integral part of the business planning, we suggest a NEIS type program with an ESL component that offers mentoring and practical support for migrants.

That is part of my submission. I wish to thank the committee for giving me the opportunity to give evidence on this matter. I hope that my submission is of some help to you. If there is anything we can do to help the committee, we will try our best.

CHAIR—Thank you very much. It is of help to us, I can assure you. I presume you heard the previous discussion with the people from the Russian community. In terms of extending Work for the Dole for those over the age of 45, does that have a fair bit of support amongst your Indo-Chinese clients?

Mr Nguyen—Yes, I believe so. The Indo-Chinese community is one of the new ethnic groups here in Australia. Many people have chosen this country as their homeland. I think many have received lots of support and help from both the government and from the community. Indo-Chinese people are grateful people. If there is a way of proving or showing their gratitude, I think they would appreciate that. I think that Work for the Dole is a great opportunity for them not only to learn new skills as part of their mutual obligations but also to show their respect and to make a contribution to the community.

CHAIR—We had two ladies here earlier from the Western Older Workers Services Inc. They said that there was a significant number of people who did not want to work, and it would be easier if they were required to find work only for those who did. Is that your experience with people with whom you work?

Mr Nguyen—In that regard, it is not my experience. With proper education, I believe that Work for the Dole would have great support from the Indo-Chinese community.

CHAIR—Thank you very much.

Mr SAWFORD—I do not think any of us here like the term ‘work for the dole’, but we understand what we mean by that. Do you actually mean working for the dole or do you mean that this ought to be a subsidy for training? Should it be a training subsidy?

Mr Nguyen—I say that Work for the Dole is okay from my perspective of a Job Network provider. I understand what it means. But, for the general community, perhaps we should be looking at some other names to give them the feeling that they are doing something to contribute to society rather than to have them think they have got to work hard in exchange for the dole. If there is another name, that would help.

Mr SAWFORD—On the one hand, wage subsidies have been used to combat mature age unemployment, but the negative part of that is that it sometimes substitutes one person from unemployment to employment and puts someone else out. Then we have training programs with doubtful opportunities for significant secure jobs in the future for people with that particular training. Maybe the mind-set with which we operate in this country and in the OECD countries—because we all have the same problem—is wrong. If our mind-set is wrong in terms of wage subsidies not working and training not working, what could possibly work? Is your community able to give any examples of where we may need to have a different mind-set in looking at these problems in a different way—maybe looking at a more creative and more lateral solution—than what we have been doing currently?

Mr Nguyen—There are some projects in the community that attract lots of support. There are things like working for community facilities, cleaning up community facilities or facilities for public housing tenants, working in nursing homes organising visits to those people and catering for the sick and elderly in those places. Other things would be to visit people in prison and to provide meals on wheels for the elderly in their local area. I think those kinds of projects would give people a sense of pride and a feeling that they are doing something. Through that kind of work, we can also provide some training opportunities for them, teaching them new skills—how to cook or prepare food—and teaching safety and health issues so that they are familiar with the work situation in the future.

Mr SAWFORD—You are aware, of course, that other companies in Australia have set up home care services—Jim's Mowing, VIP Home Services. They do house cleaning and all sorts of things. Are there any examples in your community of similar franchises being set up or begun?

Mr Nguyen—Not that I am aware of. The idea of franchising is still very new to our community. Talking about Work for the Dole, if there are projects similar to that for community purposes rather than private enterprise, I think they would attract lots of support.

Ms GILLARD—I am interested in your comments on the NEIS. Could you talk to us about what criteria or design you would change of the NEIS so it more fitted the needs of your community?

Mr Nguyen—A lot of our clients have skills in their own country—in Vietnam, China and Laos. They are very good at running small businesses. Here they have got to face the language problem, and NEIS is good in a way. Not many people from our community have actually participated in the NEIS program because of language difficulties. If we have a NEIS type program set up that allows people to participate and we have an ESL component in it, they can learn management skills and also learn ESL at the same time. That would be very useful.

Ms GILLARD—At what point do you think access to that program would assist people? When they are newly arrived migrants or at some point later? I am just wondering about genuinely having the resources to start a business venture.

Mr Nguyen—I say that it would be for people who have been here for some time and have established themselves in this country and are ready to move on to the next step. I see in my clientele a great number of people who are in that category. They have been here, and they are ready to set up a business but their main barrier is the language problem and they cannot get over that. For people who have been here for some time, it would be very useful.

Mr BARRESI—You mentioned—and we all appreciate this from our own experience with your community—that there is a real sense of being part of an extended family and looking after the extended family. Does that in itself create a barrier from the point of view of the jobs that they can accept in terms of location? You have got people who obviously have got very good skills in non-mechanised agriculture. How willing are members of your community to move out of the suburbs into some of the more rural and regional areas to try to put their hand to some of these positions? For example, in the outer eastern suburbs, towards Lilydale and the Yarra Ranges, a very strong flower growing industry has emerged. Is your community interested in, firstly, moving into those industries and, secondly, moving out of their traditional residential locations?

Mr Nguyen—I am sure that a lot of people would like the opportunity to get work, even if they have to move out of their area. Some of my clients approached us and said that they wished to have a farm—say, in Queensland or interstate—so that they could go back to their traditional method and set up a family business. I do not think it is going to be a problem, even though they tend to be within their extended family network. If there is a job opportunity, I am sure that lots of people would support it and get up and go.

Mr BARRESI—I know it is not a career; it is more a filling-in job: do they take on those jobs each season in the fruit growing areas? Do they move up there?

Mr Nguyen—They do.

Mr BARRESI—As fill-in jobs?

Mr Nguyen—Yes, we have lots of people who get up and go—fruit picking and manual labour work.

Mr BARTLETT—You mentioned some of the problems associated with long-term unemployment—psychological, emotional problems, gambling and those sorts of things. Do you have in place a support network to help people through those problems?

Mr Nguyen—We do not have a service in place as far as our organisation is concerned, but we have a referral system. We know the local network to whom we can refer people—a multicultural service. When people come to us with a problem, we make a referral.

Mr BARTLETT—Take gambling, for example: do you have any anecdotal evidence that once those people that are emotionally dependent on gambling are into full-time employment that problem disappears, or does it continue with them once they are employed?

Mr Nguyen—Generally speaking, one of the reasons that they become problem gamblers is that they have nothing to do during the day. If they are occupied, the problem will disappear.

Mr BARTLETT—Have you seen examples of that?

Mr Nguyen—I have. We have got a few clients who initially, when they came to us, had no job. One of their activities was going to the casino and spending their time there. Once we found them a job, they got occupied and they were no longer gamblers.

Mr BARRESI—Apart from speaking the language and understanding the culture which those that work in your business have with the Indo-Chinese community, what else are you offering to them to help them to get a job? Obviously, it is a big advantage for them to come to someone who speaks the language and understands their needs, but is there anything in particular about what you are offering which other Job Network providers are not offering, and are you successful because of that?

Mr Nguyen—What we offer to our job seekers is not only trying to match them to a job or find a suitable employer; we also concentrate on education. We talk to them, give them counselling, change their way of thinking and attitude. We think it has been very successful.

Mr BARRESI—But all Job Network providers do that. What specifically do you do?

Mr Nguyen—We have got someone who has been here for over 10 years; they have never worked here in Australia and they have come here. Somehow they got the wrong thinking. They thought that being unemployed is their right, that receiving benefit is a right; because they have got three children to look after, that society has got to feed them. They just think it is a right. We say to them that they have got to look for their future and for their children's future. They have got to set a role model for their children to follow. One of the things they should realise is that they have been receiving this kind of help and support from government and from the taxpayer, and they cannot just stay like that. They have got to do something to pay back to the community.

Mr BARRESI—Are you providing any literacy and numeracy courses?

Mr Nguyen—We do not, but we have a network with the local TAFE colleges, and we refer them to those.

CHAIR—Have you put your idea of a NEIS program for people with English as a second language to the latest tender round for NEIS projects?

Mr Nguyen—No, we did not tender for the NEIS program. It was only the other one. We are quite happy to work with whoever is successful in that tender.

Mr BARRESI—You had 1, 2, 3 and FLEX?

Mr Nguyen—Yes.

Mr BARRESI—You are not tendering for FLEX; what about 1, 2 and 3: are you still doing that?

Mr Nguyen—No, FLEX is 1, 2 and 3.

Mr BARRESI—I mean NEIS. Are you still tendering for 1, 2 and 3?

Mr Nguyen—Yes.

Mr BARRESI—How successful were you in the last one?

Mr Nguyen—With intensive assistance, we are one of the successful providers in the Job Network, because our performance indicator is very optimistic and could be double or triple the national average.

Mr BARRESI—Do you believe that you have any different problems from other Job Network providers in your relationship with Centrelink?

Mr Nguyen—I do not think so. I think our relationship—

Mr BARRESI—I heard anecdotally—this is why I wanted to check this—that your organisation was not getting enough referrals from Centrelink. Is that the case or not?

Mr Nguyen—There was some problem in the past, but it was only a temporary thing. We talked to our local Centrelink and we got it resolved. So I think it was due to the admin. system rather than the personnel level at Centrelink.

CHAIR—Mr Nguyen, thank you very much for being here today. There are many Australians who I wish could hear what you have said today—not only what you have said, but the way you have said it. It was extremely good.

Mr Nguyen—Thank you.

[12.01 p.m.]

HOWARD, Mr Alan Stanley, Private Citizen

CHAIR—Welcome. Perhaps you could give us an overview of the situation as you see it. We will then discuss it and finish at 12.30 p.m.

Mr Howard—By nature, I am a very open person and I think the best benefit that might be gained from my presentation is for you to know that nothing is sacrosanct to me. I think there is an opportunity to ask questions particularly about the psychology of the position of a person of my age who has been through that unemployed situation. I invite the committee to be direct and personal about anything, because it touches on a lot of the reasonings that sometimes cannot be uncovered.

I will be making reference to notes and breaking in and out of the notes. In opening, I would like to refer to part of the conclusion of my submission where I was somewhat admonishing of the inquiry, suspecting that it might brush over the offerings of individuals and not take account of the small less important issues that might be raised by the likes of me. Very pleasantly, I have found this not to be the experience so far and I would like to compliment the secretariat of this inquiry and, of course, the inquiry members on their responsiveness and their general efforts to ensure that a wide perspective is brought to this committee. I think basically being involved in the process is terrific. It has been a good experience to date and I am very thankful for the opportunity to be here.

I am the sort of person who has taken a strong interest in political, social and current affairs issues, probably for 20 years or 30 years. I could have foreseen globalisation coming and I am fairly aware about the changes that have occurred. I first noticed and identified it with things like the introduction of total quality management, compulsory competitive tendering, international standards implementation and other concepts like best practice and so on.

At the time I took these to be reasonable reactions to improve business efficiency et cetera and also probably to address some of the untenable work practices that existed in many industries. But over time I have come to view it as cracking a nut with a sledgehammer. I have had a very keen interest in these things, but there are people who do not. I would put the figure at 85 per cent of the community who have no studied interest of these issues whatsoever. I subscribe to the idea that the community is, by and large, politically illiterate on a lot of these sorts of issues. It does not interest people and this makes it harder for them when these things happen. I am saying that I am a person who could reasonably be expected to understand what has occurred.

I understood globalisation and the need to liberalise world trade and such things as GATT and the development of the Uruguay Rounds. But I did not see any attempt by governments to explain—let alone consult—that there were going to be very big changes in this society. I really feel that there could have been some formal program to advise of the changes and the impacts that they might have.

There was expenditure on the republic referendum—on something that was only a proposition, and not a sure thing. In the case of globalisation, governments were saying, ‘This is unavoidable; we cannot be an island; it has to happen’, and I think it was beholden upon them to explain to the community. I did not see anything of that happening and people felt disconnected because of that sort of thing. There is obviously more than enough information available from many sources on the impact of this. I am certainly here to say that older workers are very definitely one group upon whom the ramifications have been very profound and most of them do not comprehend it. That is a part of the problem.

As an aside, and talking about things like TQM and so on, I have been interested to learn recently of the National Citizenship Program whose goal is to develop a set of national benchmarks and indicators for a good society and good communities and to do so in ways that combine best practice standards with a very strong community development and citizen participation element in it. I only got that a few days ago and I am chasing up material, information and papers on that. It seems to be a counterbalance to the introduction of all of these TQM, CCT and all the wonderful new systems that we have. They are now looking to apply them back as part of the remedy, and I find that interesting.

I am suggesting that in considering the group that is older workers, the first and strong suggestion that I would tender is the empirical need for you to discriminate in all elements of the process. I think we take the word ‘discriminate’ too literally, or we take the wrong definition of it at times. The definition that I have is that to discriminate is to make a clear distinction or to differentiate rather than the secondary definition of discriminate which is to act on the basis of prejudice. I am suggesting that it is very important, and I think one of the biggest blocks to making any progress with dealing with people—or the spectrum of welfare and other support mechanisms—is the paranoia particularly apparent with governments differentiating among and between particular groups to whom they are required to respond. In other words, I do not think they do it enough.

The irony is that central to the capitalist, free enterprise, deregulated system and approach which otherwise impacts so heavily on our lives is the practice of marketing, and marketing is everything about responding to needs. This is only achieved through differentiation. The reality, of course, is that governments and others do differentiate. We have heard this morning of the Russian group and the Vietnamese group and so on, so that it is appropriate to differentiate, but I do not think they differentiate enough within an homogenous group like the over-45s or the 50s by looking inside that group. I think you need to differentiate and discriminate in there.

The older age workers I could characterise as people with significant resources. They include those who see themselves as and are happy to be at the end of their effective working life; people not really very interested in maintaining any form of effective focus on a vocation; some who seek only part-time or casual work; some who may be unmotivated bludgers and others ready, willing, very able and indeed enormously keen and enthusiastic to continue in fulfilling productive and appropriately rewarding work.

I agree with what Jill Milthorpe said before. One of the remedies might exist in the fact that governments spend a terrible lot of money with the on-costs of maintaining people who will always beat the system. They just do not want to work, and you can put all the systems

in place to try and corral them but it is not going to happen. I wonder whether it would be better through a system of case management to accept and to basically establish an agreement with certain people by saying, 'Look, let's stop kidding ourselves. This is where you are going. We have to set parameters and rules because it is government money, but we will review that each 12 months. As long as you say you are doing a few odd jobs here, you are doing this, you are going to earn a few bob, there is a sustenance basis on which you can live.' Then you can take the resources and apply them to people who really want to have them and who want to get back into the work force.

My particular interest in this exercise is to consider this latter group, that is, those people who are very keen and able to work. I describe them in the second paragraph on page 7 of my submission as a group who have generally been cost efficient citizens with strong moral and ethical codes, and people who have been shown to be net contributors to their society. To these people, the biggest crime of the whole situation we face is the removal of the fundamental reasoning in so many of the processes which determine the outcomes that affect them.

If it is the design of any government to take a country and its citizens down a particular philosophical path, and/or particularly when it sees it necessary or unavoidable, then not only should it be beholden to explain, as I mentioned earlier, but also to comprehensively reassess all the other structures and mechanisms which can render such a direction to be seen as unreasonable and unjust when viewed in a comparative way. That is how people in this situation in the group that we are talking about do see this. They see so many other things happening around them that they get very frustrated. I believe this group has many talented, experienced, knowledgeable, intelligent, enthusiastic and committed people amongst it, but they witness changes that are not in any way in accord with the implementation of new efficiencies and best practice and rather, in many cases, have been manipulated to meet the needs of those who in a lot of cases just happen to be in the right place at the right time to grab hold of the levers and entrench themselves amongst the benefactors or the winners. This is how a lot of people view it.

Every day people in this situation are taunted by examples of unbelievable inefficiency, ineffectiveness and incompetence which they are unable to reconcile with their position of not being able to gain reasonable employment. If part of the process of best practice is to ensure that you have the best available people in any given position, and we are in the situation where there is a massive over-supply of excellent talent to choose from, how can so obvious a situation occur so constantly? If we have got this massive group of people there, why don't we pick the best? There is this great opportunity, but to people who are in this situation that does not seem to happen.

Part of the answer lies in what I have termed or called, to paraphrase myself, 'The them's that are in are in' syndrome. I say that it goes, 'Them's that are in are in and them's that are out are out,' and 'Them's that are in are making darn sure that them's that are out do not get in'—or, 'I'm all right, Jack, and I'm going to keep it that way.' Again, I think that is how a lot of people view it. Some might see that as an odd proposition. The only thing that I would say is, 'Well, you check it out with people who have been in this position and ask them how they feel; ask them do they have some of these psychological responses to what they see

occurring around them.' I think you will find that the notion that I have put forward hits the mark with a lot of people.

Very funnily, in preparing for all of this, to support this proposition that I have just put forward I referred to a recently released report which happened to be the report by Chris Meddows-Taylor. I heard him on the radio and rang up to get his report, and I have included many of his quotes in the information—not of course being aware that he was here today. I find it a very interesting report, as obviously you have also, and therefore I do not need to quote or go over it, but I think it really points it out—like the game's out. The fact is that, despite the anti-agers and situations that we have in place, the reality is it occurs, and that is part of the psychological thing. We all know it is happening, don't we, and people like me know it is happening but we pretend it does not happen, and reports like this show that it does happen when you get beneath it.

I found interesting some of the quotes. The results also come at a time when companies are beginning to recognise that knowledge and learning are crucial to their competitive success, and instead of retaining our mature workers, our power houses of knowledge, we are relegating them to the employment scrap heap. Now we are beginning to think of it. For a person in this position you say, 'Well, why weren't some obvious outcomes like this thought about before we went down this path, and something done to mitigate that sort of situation?' It is something that, to me, seemed fairly obvious. And then I go on to mention some of the other quotes: Simply presenting a young new beaut executive team is no substitute!

Boy, could I agree with that. There is much else, I suggest, relevant in his paper, and obviously you have seen that and will be following up on it. I mainly used it and wanted to quote from it to lend weight to that proposition that I was putting. Basically my proposition is that globalisation and laissez faire economics do not produce fair, equitable or reasonable outcomes but indeed add to the environment where the predominant attitude becomes 'Bugger you, Jack; I'm all right'. I believe it is the role of government to balance that situation. If indeed we must have this, because of the world situation, then it becomes the job of government to balance what is happening so that its people are not as adversely affected as they have been.

Proof of the pudding, in terms of people's reaction to the widespread inequities spawned by the current circumstances, is clearly evident for everyone to see. We need only to look at the recent elections and the referendum to plumb the mood of society—and particularly where I come from, what they euphemistically call the bush. Important characteristics of the new way of things are manifested in many indicators, including the levels of social dislocation; the burgeoning of the self-indulgent 'me' generation; the much clearer delineation of the haves and the have-nots—'What class of Olympic tickets do you have access to', that sort of thing; the ability to structure your affairs to grossly minimise your tax obligations, and the nature and methods of wealth creation. To me we see that as changing enormously. They are not productive things. They are things such as the exponential growth of certain industries like gambling and pawnbroking, the latter where profits are derived from charging interest rates of up to 300 per cent per annum to the most vulnerable in society.

Jill, I was saying, mentioned businesses—I have just made a note here—forcing people, or businesses into taking the lead and having a social conscience and taking people on. That is not going to happen, because you can see from these examples the attitude about people.

They will do anything—and it has changed a lot—to make a buck because it is a real jungle out there, and I think people feel that they are fighting.

It is funny. I suppose if somebody was looking at the view that I might be presenting here, you could probably think if you were doing a profile of me that I might be sort of prejudiced, left leaning and/or anticonservative. That might be something that you would suggest from some of the things that I have said. The irony of it is the fact that I could be accurately characterised as a longstanding, vehement antisocialist, probably a traditional conservative sort of person, who has not once in 32 years voted for the Labor Party, and neither do I covet other's success and/or affluence. I think that is a good thing. I think that is the free system. I think that is what it is all about.

I am reminded that I had a Russian photographer out here in 1982 as part of the *A Day in the Life of Australia* book where they had the 100 photographers and I was the tourism director. His name was Vladimir Sitchov. He had escaped from the Russian influence, he had to smuggle his photos out which were in *Paris Match* and so on. I said to him, 'Well, you must be really happy to get out of that, the Communist system, and into this free enterprise, capitalist system. It must be fantastic for you.' He said, 'Oh, nyet, no; in end is same thing.' I said, 'No, no, no, you have missed the point. You have escaped Russia, the Soviet system; you have come here to the free enterprise,' and he said, 'No, nyet; in end is same thing—totalitarian.' That was his view about it, and you can see from what has happened over the last decade or so that you are reminded of these things.

I was raised with an underpinning of responsibility and a culture of accountability and discipline on a bed of truth. That is how I have been raised. Whether it is a baby boomer, I credit that with the particular parents that I was fortunate to be born to, but that is the way I was raised, and it produced a belief in me in the systems of society and the governments which guided them as essentially adhering to fundamental reasoning to which I referred earlier. You always felt that you would get a fair go, and I do not think that that is the way things have turned out under the systems and the changes that we are seeing.

Your inquiry seeks issues specific to older workers seeking employment. From the feelings of many in this group that I have chosen to attempt to illustrate to you today, I am sure my thesis in this regard, if tested, would gain widespread empathy and agreement—some of those things that I have mentioned before. The feelings of adherence to the propositions that I have put to you, I would suggest, might be summed up by saying that people no longer feel, as they did not so long ago, that provided they had a good range of skills and abilities, were industrious, applied, diligent and honest, Australia would always deliver a fair crack of the whip. I am sure you will find many people fitting this description no longer believe that to be the case, and I think that is a sad indictment for this country. Thank you.

CHAIR—Thank you very much, Mr Howard, for giving us such a comprehensive and much needed philosophical perspective on this. I agree with you in the sense that I think governments and political leaders have failed to really understand what has been happening in certain parts of our country, much less explain it, and this kind of national grief and anger that many Australians are going through. It is a bit like telling the patient who has got cancer, 'Here's your treatment; go and take it,' without having a bit of empathy in the

process. Leaving aside the cultural issues and those sorts of things, are there specific things that you think that we could recommend to the government that it could do to help people in our age group?

Mr Howard—There are. I would preface it by saying that my wife, who is 12 years younger than I am, had to, at the start of this year, either go back to teaching or resign from the department. We had the situation where that was a guaranteed income for the family and that was the better proposition. She has returned. I have had this terrific experience in the last 12 months of being home with my six-year-old, who still has a hole in the heart and so on, and we determined to not send him to school until he was six. It has been a magnificent thing. We had made that determination that there would always be somebody at home for the boys until they both went to school.

I am not bitter; I really am trying. The reason I have taken the trouble to make this submission and then follow up with it is to try and pass on what may be affecting some and certainly has affected me in the past. I found that that 18-month period was really difficult to get the mind around. As long as I did all the right things and was better than the next bloke or woman in the line, I thought there would always be a place for me. That is the culture that I found that changed. I am in a very happy situation. We have made that decision that we are not chasing a four-wheel drive and all of those other things for the moment. It is those quality of life issues that we are about.

That said, if you are a person who thinks the way I think about things and never really saw themselves ever putting their hand into welfare, it comes as real shock. The first time it happened to me, during one of the accident periods, you hardly go out, you draw the blinds, you think everybody is watching you when you go into the CES and all the rest of it. It is a shocking feeling, and you wonder, 'Have I declared this? Is this exactly right? Will I be sprung?' The notion of doing the wrong thing in that really weighs heavily.

One of the things that I still do, and is good in part because it gives us both exercise, is go out banging real estate signs. I get \$5 for banging in a real estate sign.

CHAIR—Banging them in?

Mr Howard—Yes.

CHAIR—I thought you meant you walked along the street and—

Mr Howard—No; erecting them. You get \$5 for this. What do I do? Do I declare that as the total income and then try and work out the costs associated with my little business of erecting real estate signs which might accrue me \$150 a month? But I worry, 'Hang on; how am I going to declare this?' I use that money to buy computer peripherals which I have never had, and it has enabled me to get computers and I have taken an interest in them and am developing new abilities with that.

My feeling and belief in something that you can do is that if you case manage people like this, it is not hard to get to whether they are really fair dinkum and wanting to do something. You might say to them in the case management, 'What's the plan for you? What

do you want to do to keep things together in the interim? All right; we accept you are going to go out and you will keep yourself active and will belt up a few real estate signs or you are a civil marriage celebrant and you will marry people throughout the year and that will provide a few more bob.' Then you could be doing some projects for people and you might want a brochure for the new business you have set up or for the school, for example, where my children go—on spec, in some ways. It could be part voluntary for a school. But, for a private business, if you can do a strategic planning paper or something for them, and if it works and develops a project, you might get paid down the track.

There is a big project proposal in Bendigo for an inland container terminal. That was the idea of a friend of mine. He wanted me to do the feasibility study, and I said, 'That is beyond my envelope, that is beyond my abilities. It is a bigger thing.' I established the contacts for him with the council and set up all the early meetings and did a submission to potential investors down in Melbourne for him to do that, and that was done on the never-never—if it worked, maybe I would get payment down the track.

I suggest, for people in this situation, you firstly do need to differentiate within the group and say, 'There is a group of people who do not want to work so we will enter some agreement with them.' Then, at this end, there are people who do want to work, but they have to survive and they have families and so on that they need to support. They are going to put together a package of things which will take them over the mark in some areas. But we are better to say, 'We will give you this amount of support for the year. We will work with you and, in effect, trust in you a bit more.'

CHAIR—Mr Barresi wants to ask you a question and then we are going to have to finish.

Mr BARRESI—I actually agree with you, but I think that governments of all colours have not explained the changes that have been taking place. I do not mean at a state or even at a national level; I think this is an international phenomenon. People are more and more alienated from what is taking place in the hierarchy of their particular societies. I actually worked with corporations, on TQM and a self-directed work teams type issue. One of the fallouts, of course, of that in terms of gaining efficiencies and productivity was that middle level management just went by the wayside. You no longer needed that middle level management. You either had senior management or you had very empowered employees at the grassroots level.

To some extent, it is not only governments, it is also businesses and organisations that have shirked that responsibility. Is there something which can be done at that level? You have talked about governments. What would be your suggestion about how we can make organisations themselves have a lot more of a social conscience about some of these decisions that they are making when making retrenchments and redundancies? It is not enough for them to simply say we are giving them placement consultants to work with.

Mr Howard—I think the only way you could succeed would be in some way to attach it as an overrider to corporate largesse in terms of corporate boxes and so on—the other culture that has developed. Again, when you are looking at the situation as to what business is doing, there is the corporate box culture of, 'You have been a great client for us; now

would you like to come down for the footy this weekend'—with everything turned on, the champagne and so on. Maybe you need to attach something to the giving out, or tax the level of corporate largesse so that they are looking at the responsibility in the other way. I despair and say to you that I just do not think business will respond to that request which has been made. I know the Prime Minister has made a number of speeches to say, 'You need to help more in this role.' I see the situation as having gone so far, it is like I have to look after me and we are going to do this. This is the new high-flying way and they are not going to give that up.

I believe that the only way you will achieve anything like that is by some sort of imposition on business and industry. If I was doing it, I think it is the perfect place to do it because that has been a growth industry. If somebody is asking me to a corporate function because I have been buying copy paper off you, or something like that, and you say, 'You are such a good customer; we will take you to the footy,' then somebody is paying for that somewhere. Would you be able to give me a better deal if you did not offer to take me to the footy and so on? It is in that area. It is the amount of the economy that has grown in that area which is creating and sending all the wrong messages to young people. It is all 'You have to be in' or 'You have to be it' to be invited down to the corporate box and the whole thing.

I wish I could offer you suggestions as to how that may change. There are brilliant corporate citizens and, as Chris Meddows-Taylor was saying—or as you asked him—maybe he could identify some of these examples that could be used to show people the way and show the benefits of employing older age group people and so on. It is only by leadership that it could occur. So it is by benefit, by carrot. Thank you.

CHAIR—Thanks very much. I suppose the other side of the corporate box thing—and I think all of us, whatever our politics here, have similar concerns—is that it does at least help fund sport and provide employment and hospitality and all that sort of stuff. Thanks for coming down here and opening up your life to us, which is not the easiest thing to do.

Mr Howard—It has been a wonderful experience. I really appreciate it. It is good to be involved in the process. I will be following with interest the proceedings and that sort of thing. I look forward to seeing the report.

CHAIR—We are actually doing this inquiry because we want to do it; not because it was foisted on us by anybody else. Thank you very much.

Proceedings suspended from 12.31 p.m. to 2.00 p.m.

CAFFERTY, Mr Derek, Chief Executive Officer, Jobpower

DIPROSE, Ms Suzanne Cathryn, Business Development Manager, Jobpower

CHAIR—Welcome to our inquiry and thank you for taking the time to come to speak to us. We appreciate it greatly. Perhaps if you give us an overview of the submission, the predominant issues as you see them and any recommendations, we will discuss it and conclude at 2.30 p.m.

Mr Cafferty—Thank you for affording us the opportunity to represent the views of Jobpower on what we believe is a crucial matter, the issues affecting older workers seeking employment or establishing a business. There are five main areas we wish to talk about, the first one being core transferable skills as we see them. There are a number of skills which research has indicated are important to employers in gathering new employees or to people trying to establish a business. There are seven skills that we would speak about—problem solving, teamwork, initiative, communication skills, self-management, basic literacy and numeracy and negotiation skills. These are skills which are often experiential and, as people age, they gather more.

The second area that we would like to speak about is the flexibility of employment arrangements. ABS data and our own placements show that three out of four new jobs that are being created in the Australian community are part-time or casual jobs. The nature of work is changing to greater casualisation, both domestically and internationally, and I think that is a trend which really has to be reinforced, particularly dealing with mature age workers.

Mature age workers are often seeking greater autonomy and control over their working life and they are attracted to more flexible and casual working arrangements. Research that we have undertaken and have had validated from external sources demonstrated the greatest proportion of long-term male job seekers in the 45 to 64 age bracket possess manual skills in blue-collar industries which are shrinking or evaporating completely.

Subcontract and franchise arrangements are very often of interest to mature age workers. We have some concerns about it though, particularly with the impact of the findings of the Ralph inquiry on subcontract arrangements.

One of the things that we push particularly for older workers is to look at strategies towards bullet-proofing themselves and securing their income into the future. Our bullet-proofing strategy involves putting together two or three part-time or casual jobs to establish one overall income strategy for the individual. This assists them particularly when one job may be lost. It is not as big a deal to lose one part-time or casual job as it is to lose one full-time job.

The next area that we would like to talk about is government contracts. We see them as an opportunity for the government and the Commonwealth to leverage and apply positive weighting for companies that employ mature age workers. All government contracts affect mature age people. If we look at particularly the building and construction and manufacturing industries, 70 per cent of work in both of those sectors derive some form of

Commonwealth funding. A requirement for contractors to demonstrate a strategy for dealing with mature age workers and employing mature age people is a legitimate strategy to put in place.

There are other areas. The area in which we do government work is our Job Network contract. The Job Network exercise in Australia was the largest global human resource outsourcing that has been undertaken, representing \$1.7 billion worth of contract work. There is no requirement in the first tender round or in this current tender round, which is now being assessed, for us to employ mature age workers. I think it is something that we could reflect on and look at.

Another area we would like to talk about is our work experience and work trials. We have had great success by placing mature age workers in work experience programs and offering initial employment through a work trial rather than straight into full-time employment.

The fifth issue that we would wish to talk to the committee about is a public awareness campaign. We feel there is a need for a two-pronged strategy in public awareness, although not necessarily a major full-throttle mass media campaign. We believe it needs to be targeted particularly towards employers. There is still wholesale ignorance of laws regarding age discrimination. We find that there are employer account managers every day who specify age requirements and say that they do not want people over 40 and so on. I think the law needs to be reinforced in a campaign, which also should focus on the benefits to employers of employing people in the mature age bracket.

The second prong of the attack needs to be aimed at mature age job seekers themselves for them to see that the next job that they get, which may be casual or part time—and there is a 75 per cent chance that their next job will be part time or casual—is not an end. It is just a step on the pathway to securing their financial future and removing them from a reliance on benefits in order to focus on looking at multiple income streams for the future. They are the five issues that we would see as the basis of our submission.

CHAIR—Have you anything to add, Suzanne?

Ms Diprose—Not at the moment.

CHAIR—When you come up against prospective employers that stipulate they do not want someone over the age of 40 or whatever, do you take that as read or do you try and work on them a bit?

Mr Cafferty—We try to educate them. We say, ‘We cannot advertise on your behalf or put a listing in with an age barrier on a position.’ We exist in a very competitive market and basically it is not our position to say to people, ‘You must not do this.’ We also live in the real world where an employer is in a position to say, ‘Don’t send me anyone over the age of 40 to interview.’ If that happens we have two options: we could say, ‘Okay, we don’t service this employer at all’, which we have done, or we could send mature age people along in full knowledge that they have got no chance of employment with that company. Both of those are not strategies that we would want to adopt long term.

What we try to do is work on an individual basis and stress the skills that people have. We look at the job itself and then employer account managers will say, 'Well, age isn't necessarily a barrier to this', and try and talk people through it rather than adopt an adversarial approach.

CHAIR—We have been told that some network providers encourage older workers to retire to get them off the books.

Mr Cafferty—Yes. In fact, that has not necessarily been something that is limited to Job Network. From time to time there are opportunities where Centrelink will encourage you to turn over the people that are registered with you, particularly long-term unemployed, for assistance.

After 12 months worth of service from us, particularly for people requiring intensive assistance, if they have not been placed in work, they would, in the industry term, drop off our caseload and we would be sent new people who fall into that bracket. There are two main areas of long-term unemployed in Australia: youth and workers over 45—predominantly male workers over 45. It is a lot easier to work with and place younger people than it is the long-term, older, male unemployed.

Mr WILKIE—In your submission you talked about the need to encourage older people to get into more training options. What do you do to encourage mature aged to get into those training options and what sort of training options do you provide?

Mr Cafferty—Jobpower is a consortium of seven former training providers, six of which are former Skillshares. I believe you are familiar with the system. The kind of training we want to deliver does not relate to direct vocational skills. We emphasise looking at teamwork, communication skills, self-management, and literacy and numeracy. We also focus on basic computer skills. We believe that they are the most appropriate skills to get people back into the work force.

With respect to other areas that we would look at, the most transferable vocational skill we can deliver to people at present is a forklift licence. That is showing up in our research as the most transferable and relevant to the most industries.

Ms Diprose—And a truck drivers licence—the big ones.

Mr Cafferty—An articulated licence.

Mr WILKIE—Do you provide that training in-house?

Mr Cafferty—Some we do and some is outsourced. The forklift driving and the articulated licence for heavy vehicles are outsourced.

Mr WILKIE—We have had submissions that have suggested that there is insufficient training money included in the package put up for getting people sufficient training. Has that been your experience or do you think you can cope within the current budget?

Mr Cafferty—You can ask me: would we like to get more money? I suppose the answer to that is always: yes. Can we structure it so as to deliver what we believe is adequate training? Yes, we can. I think it is a case of not offering blanket training in every area. What we look at is to ask: is this training going to lead to an outcome? Is this training going to lead to a job? If it does, then we will provide it. If it does not, or it is not likely to, or it is something that is of interest but is not necessarily going to lead to securing employment, then we do not go ahead with it. I think that you have to look at it on that basis.

Ms Diprose—I think we are able to provide the training at almost discount prices within our structure because of our existing training programs that all of our members in the consortium provide on an ongoing basis. So others would not have that skill.

Mr WILKIE—Is that because you have the infrastructure there from Skillshare?

Ms Diprose—Yes, that is right. Others would not have that to optimise.

Mr Cafferty—And we also look at doing other things—ensuring people have an adequate resume, for example. Our computer system does that for us automatically. One of the other things that we have been doing lately is running what we call ‘super workshops’, focusing on and targeting jobs that you are likely to pick up. We have been running those for job seekers in venues with numbers of up to 450. We find that they are a very good source of empowering people to get back into the work force themselves.

It brings me to another point which is a little bit of a hobby horse. The most likely way of sustaining a job is if you have sourced it and found the job yourself. We have put in a lot of effort to develop quite a sophisticated approach to empowering people to gain work themselves and source it. Having that degree of ownership in the process, they are more likely to retain that position.

The current Job Network contract does not pay a fee for empowering people to get their own jobs. It only pays when you have made a direct job that you have listed and have placed someone in it, whereas the strategies that we work on to get people to find their own work do not generate a fee for us.

Ms Diprose—Yet 85 per cent of jobs are actually acquired by people networking, cold calling and doing the work themselves. So we provide all the resources for them to do that. We have a set of telephone booths, we have all the newspapers, business journals, et cetera, the touch screens, the administration support and photocopying. All of that is sitting there in these Jobsearch centres but we are not actually funded in any way to provide that.

Mr WILKIE—Do you mainly provide that for your FLEX 2 people or do you do it across the board?

Mr Cafferty—We do it across the board. Jobpower operates in the south-eastern growth corridor of Melbourne at present. Two million Australians reside and something like 20,000 businesses operate in that area. It is a very broad and diverse demographic area and a very broad multicultural area as well. What we have been doing from day one is skills audit every single person, and we have now had 12,000 people through our doors. So we now have a

very good profile of the people we have on our database. We also capture the data from the position descriptions that employers generate when they require us to fill a vacancy for them, so we can then overlay the requirements of employers onto the profile of the unemployed people that we have. We target our training needs to plugging the gaps, and we find that that is a more strategic and successful way of doing it.

Our facilities are basically there for our FLEX 1s, the Jobsearch training people and the intensive assistance people. We do not discriminate against anybody who comes to register with us. As far as we are concerned, they all add to the integrity of our database and offer us more people registered with us. We do not say, 'This is the Golden Wing Club for the people who are on Jobsearch training.' If you register with Jobpower, you get to use all our facilities.

Mr WILKIE—It sounds like the targeted training which Skillshares used to provide.

Ms GILLARD—In terms of the system design, you have spoken of whether there could be money for empowering people to get their own outcome instead of providing them with an outcome. Is there anything else, from your experience, that you would recommend to government about the design of FLEX 1, FLEX 2, FLEX 3, NEIS or any of the other programs in the suite of programs that is available in the area? Among the things that has come up a number of times in this inquiry is trying to get to people earlier in the unemployment cycle and whether there are program or systemic issues that need to be addressed there.

Mr Cafferty—The body of knowledge that would reinforce that early intervention is the way to go. It is really a question of paying for a barricade at the top of the hill rather than paying for ambulances at the bottom of it. It is that dramatic. If we can get to people early on, before they become long-term unemployed and, if we talk in terms of the 1999 definition of long-term unemployed as being 12 months, then that is really way down into having people with very low self-esteem and who have lost contact.

Ms GILLARD—They are socially isolated. Therefore their networks are gone and, with respect to their chances of getting employment, they are really very much outside the loop of employment.

Mr Cafferty—The first thing we do with long-term unemployed people who come to register with us is get them into a group, commence social interaction again and start to build confidence again. We have walked away from the model of doing it directly—one on one exclusively with long-term unemployed people. We find that that is really only adding further to the problem. You really need to get people into their groups and get them interacting with each other again. That has been very successful, but anything that can be done early in the cycle is most valuable.

One thing that people need to keep in mind is that people do not register on day one for unemployment benefits when they become unemployed. They will have a crack at finding their own job first. Very often they will use up their savings.

Ms GILLARD—Especially people over 45.

Mr Cafferty—They may have left with annual leave owing or something. They will wait until all that is used up before they come and register. People who are registering with you on day one have not just lost their job on the Friday and have come down to a Job Network agency to register on the Monday. It does not work that way. We need to be cognisant of that when we are talking about early intervention programs. It really needs to start at day one. It would be handy if something could be done in that area. Certainly, if the Jobsearch training, which currently kicks in after six months, were to be done or made available to people on day one, it would be very useful.

Ms GILLARD—Do you think wage subsidies can play any role in assisting people who have been long-term unemployed, perhaps displaced middle-aged male manual workers who have become long-term unemployed and therefore have a lot of labour market disadvantage in getting back into the work force? Is that your experience?

Mr Cafferty—It is an interesting area. One of the things we have done from time to time is to look at what level of wage subsidy you offer. We think they are realistic. I think the money is just not there in the current funding for Job Network providers to offer the level of funding that an employer would require.

If we would get \$3,000 for a person who is classified as a FLEX 3.1—I will elaborate on the classification structure if you require me to—and if we are going to place somebody and say, ‘We want to secure this person’s employment,’ we would receive the last \$1,000 of that \$3,000 after the person has been placed for 26 weeks. So at the stage when we have made the person job ready—basically on day one, when they commence employment—there is no available funding to us to offer a subsidy or an incentive to the employer.

I think you really need to structure things so that you are not insulting an employer’s intelligence. For us to say, ‘We will give you \$200 or \$500 if you employ this person,’ is not enough to be meaningful. It really needs to be something that would subsidise them for around 13 weeks of employment to really have a benefit. If you are going to do it, it has to be something that encourages employers to keep people in employment over that 13-week period.

Mr WILKIE—The Job Network fee was supposed to include the cashing out of employment subsidy money which was there previously under Jobstart. We have heard also from others that there is not enough money there to provide those subsidies. Is that what you are indicating now—that if you are going to have subsidy money, the government really needs to provide that separately?

Mr Cafferty—Yes. One of the models described to me by some DEWRSB employees was that, yes, that funding is all rolled into one and you should not look at allocating the funding each time you make a claim or each time you place someone, that that money does not necessarily go with that job seeker. That is a fine model if you are working with tens of thousands of people and you have a large cash base to work from. But when you are an emerging business—which we have been; we were established on 1 May 1998—to say from day one, ‘Okay, we will offer a subsidy to an employer and negatively fund that ourselves in the hope that that place will pay off for us in the long-term,’ is not very realistic and not something we can afford to do.

Dr EMERSON—I have a couple of questions in relation to pages 9 and 10 of your submission relating to employee subcontract plans. It states there that Mr Des Moore cites that the proportion of the work force prepared to work as subcontractors has more than doubled since the 1980s. That may well be a combination of two factors. Let us call one the genuine subcontractors who find that that is a good, realistic way to organise their affairs. The other might be something that the government responded to just the other day for people who have effectively changed their status artificially from employees to subcontractors to generate various tax concessions—and the government is moving against the latter with this basically 80 per cent rule. I was curious, therefore, to see that, in your treatment of the benefits of the proposed structure, health care card rights are maintained under this system. How does that work?

Mr Cafferty—One of the concerns we hear from people who are long-term unemployed is that once they get into the benefit system they become very dependent on the whole system. It is a very secure income stream in that you are not going to lose the benefit that you have. We are looking at ways to try to make it advantageous for people to return to work. When you look at that, when you consider that they are making a jump from a very secure income to a job that they may not have undertaken before, there is a huge risk in that for the individual. When you look at that risk which may, when you value the overall benefits package, actually adversely affect them financially, there needs to be some incentive to return to work. We are saying that if they could retain, say, their health care card for a longer period, that may add to the attractiveness of returning to work.

Dr EMERSON—I understand now, but the way I read it it seemed to be saying that if they became subcontractors then they got to retain their health care card.

Mr Cafferty—That may happen.

Dr EMERSON—In fact, you are recommending that should happen: if they become subcontractors, they should be able to retain their health care card. I just could not see how that followed under present law.

Mr Cafferty—There would be people working as subcontractors in the current system who would have a legitimate minimum taxable income which would entitle them to have a health care card.

Dr EMERSON—Yes, that is true. Could you expand your first point, ‘increase in employment outcomes for the government’?

Mr Cafferty—We spoke particularly to labour hire companies that we work with on a regular basis who might take someone for 45 hours a week working in a low skilled, process type position. We suggested that, instead of having one person 45 hours a week, we could package three people for 15 hours. That is what we are trying to push.

Dr EMERSON—What do you mean by the final one, ‘Address some workplace relations issues’?

Mr Cafferty—They are issues of seeing that this type of employment is accepted in a workplace. There have been a number of industrial relations concerns from the union movement in relation to this form of employment.

Mr SAWFORD—Ten years ago, in terms of mature age unemployment, it was not uncommon to be thinking of 55-year-old pluses, whereas now we are thinking of 45-year-old and some people on this inquiry have actually suggested even 35-year-olds.

Ms Diprose—Scary, isn't it?

Mr SAWFORD—A bit scary. The current 55-year-olds in the main have had relatively reasonable opportunities for higher education, whereas 10 years ago the 55-year-olds had limited educational opportunities. The current 45-year-olds and the 35-year-olds have had increasingly better education opportunities. Have you seen trends developing or patterns developing with the different age groups in mature age people you are dealing with as your clients?

Ms Diprose—You would see that the younger group have had more access to education but you are not seeing that in really tertiary education terms, I suppose.

Mr SAWFORD—Senior secondary?

Ms Diprose—Yes. You might see them doing some six-week courses or that sort of thing much more than the older age groups had done previously in the past, but you are not really seeing a huge change reflected in university degrees or anything else like that. You are not seeing that at all, or we are not. But we are dealing with long-term unemployed people as our primary target group.

Mr SAWFORD—So, if I am a 45-year-old manual worker and I front up to one of your nine sites and I have only recently been retrenched or unemployed, will someone suggest to me that maybe the future for me is casual part time or multiple income streams? I will probably react a little bit sensitively or maybe even very angrily at all of that when I look at you and think, 'You do not have to do multiple income streams,' or I look at politicians, and say, 'You do not have to deal with multiple income streams. What sort of crap are you on about, you guys? What you are offering me'—and I am dealing with that anger—'is a second-rate job.' If that is my potential employment until I retire, what other opportunity is there? How do you deal with the anger, for a start? And then, how can we deal with some strategies for training, for convincing that person that multiple income streams are not such a bad thing?

CHAIR—John Laws is on a lot of income streams.

Mr Cafferty—Firstly, the picture you paint is an interesting one and is atypical. We get a great deal of cooperation from job seekers. We have had some angry contacts with people but, by and large, that has been—

Mr SAWFORD—Anger is not always—

Mr Cafferty—It has been a minimum. We find that job seekers come to us for assistance and advice. You have to lay out the options for them. You say to people, ‘Three out of four new jobs that have been created in Australia in the last six years are part time or casual. Your chances of gaining employment in one of those positions is greater than obtaining a full-time job.’ What we would then say to them is, ‘Do not look at this casual or part-time job as an end to your employment cycle. This is a beginning. This is a line on your resume which says, "recent work history". This is something you are doing now. To have a job is a better option than having no job and, when you have a part-time or a casual job, you have an increased chance of securing long-term, full-time employment than you have sitting back unemployed and waiting for a full-time job to occur.’

Mr SAWFORD—How true is that with respect to long-term, full-time employment? Is it a 25 per cent chance? Is it a 10 per cent chance? What is it?

Mr Cafferty—To give you an accurate answer on that, I would have to take it on board.

Mr SAWFORD—I would have thought it was probably about a 25 per cent chance at most.

Mr Cafferty—A new job is a job which is being created rather than replacing somebody else. If Suzanne were to retire or resign from Jobpower tomorrow and I replaced her, that would be an existing job rather than a new job, and part-time and casual jobs are outstripping new jobs by a factor of three—three out of every four new jobs are part time or casual. It is a factor of three to one.

Ms GILLARD—I can understand that approach but isn't one of the problems with that approach, from the individual's point of view, that when that person accesses the first part-time or casual job the benefit system is not a great copper with that in terms of effective marginal tax rates?

Mr Cafferty—Absolutely. That is a problem; that is the issue we are talking about. It is a disincentive. That job may be less secure than staying on benefits, but there are other things that we would then push—benefits of working, rather than just strictly financial benefits—for participating in the work force. There are many other benefits—control over your life, independence, and so on.

Ms Diprose—Using your transferable skills. A big thing that we do with our clientele is educate them about the transferable skills. People come in with very fixed minds, saying that they have done certain jobs and the skill base is X, Y, Z. We work with them to actually address the issues that they have got further skills that they are not really recognising. They have not often had formal qualifications in those skills either, such as negotiation skills, teamwork or communication skills—those generic core competencies.

Where we do get a positive response is where such a person goes away saying, ‘Hey, I have got more skills than I thought. Perhaps it is a bit greener than I had initially thought, as well.’ We educate the person also about how those skills can be translated and the environments those skills are suitable for.

Mr Cafferty—And on the other side of the fence, you can speak with the employer and say, ‘This person has worked in the building and construction industry’—or in manufacturing—‘and his skills are relevant to the position that you are advertising,’ and you show that those skills can be translated to the employer as well. You have to work on both sides of the equation.

CHAIR—I am sorry, we have to finish at that point. Thank you very much for taking the time to come and speak to us and provide us with such a good submission and answer our questions. We have been told that in some industries 30 is considered old, but when you have concerned babies turning up at the inquiry you know it is going to be absurd.

Mr Cafferty—I have got some copies of my notes for today. We also asked our staff to do a random sample of people who are registered with us in that 45-age bracket and to break down their industries and their skills base. I thought that might be useful to you.

CHAIR—Thank you very much.

[2.39 p.m.]

CORRELL, Mr Denys, National Executive Director, Council on the Ageing (Australia)

SHEEN, Ms Veronica, National Policy Officer, Council on the Ageing (Australia)

CHAIR—Welcome. Perhaps you could give us an overview of the submission which we can then discuss.

Mr Correll—Thank you very much for the opportunity of appearing before you. We have put in two submissions to this inquiry but rather than going back over those, because you have those, we will bring you up to date on some aspects of the policy and work of the council in relation to employment.

At the beginning of last year we adopted employment as the subject that we wished to concentrate on during the International Year of Older Persons. We saw it as one of the most important issues facing both individuals and our society into the next century. That is unusual because our membership is older than the age group that you have been talking about, but the older people themselves were worried that unless we came to better grips with employment issues into the next century we would have a long-lasting problem.

Last week we conducted our first annual congress on the subject of employment, *Older Australians: a Working Future*. That congress was very well attended with 250 people representing older people, people of employment age, unionists and employers, not to mention the Minister for Aged Care.

Out of that, firstly, the minister, as you would be aware, launched the paper, *Employment for Mature Age Workers*, and we were pleased that she chose to do that. I will just draw your attention to some of the key outcomes from the congress—and we have issued a one-page communique from that congress which we would be happy to table.

The first thing we saw was that there was a major activity that needs to occur, and that is business and community working together. We do not believe there is enough understanding within the employer sector of mature age employment issues, and we can see there is a major role for us in taking that further.

The key to it was the feeling that government needs to take a much stronger lead in employment issues, and there are a number of points under that. Firstly, I have mentioned employers taking leadership as an employer and with employers regarding the employment of older aged people. Secondly, we are looking at attacking some of the stereotypes, particularly some media campaign which picks up the issues to do with older employment.

Thirdly, in attacking the subject of early retirement, we have developed into a society that believes that it is a good idea to leave the work force over the age of 50, and that stereotype and myth is somewhat entrenched in our society now. It is quite contrary to people's ability, and an individual's ability, to live on the type of income that they have generated and put into super during their lifetime, on one hand. On the other hand, if anybody has read the Commission of Audit 1996, there is an extreme concern by economists

regarding dependency ratios. If we keep on pushing people out of the work force at that age, the issue of dependency ratio is going to become a problem into the next century. The fourth point that was brought out by Professor Sol Encel is that he has done quite a few studies on good practices overseas, and giving the opportunity to publicise those good initiatives in this country to employers would be a great benefit to the older community.

On the subject of the responsibilities of government, too, is the tuning of the Job Network to meet the needs of older workers. We may cover that a bit more if you wish later on—and having targeted employment programs. The feedback we get constantly is that people are feeling parked within the system if they are over the age of 50, even over the age of 45. The Commonwealth needs to put in place antidiscrimination legislation, as that is a fairly fundamental part of its own practices and, certainly, in the employment within the Public Service. If any of you have walked through a Public Service department in recent years, you will see the corporate memory has disappeared, very much so, because the people that have been put off have been largely in the over-50s age group. What we would like to see government do is set targets for reducing the average duration of unemployment of older workers. The figures usually used are somebody over the age of 50 having two years in unemployment as an average duration.

Finally, in the income security areas, there is the removal of some of the existing penalties for people who are unemployed, such as having to use their assets or having to use their superannuation if they are unemployed over a certain period over the age of 55. Some of these policies we see running contrary to each other—on one hand, the idea of having people in employment and, on the other hand, expecting people to accumulate superannuation for their retirement, then using it in a period of unemployment, rather than keeping it for retirement. So we see there are some issues around that, where we see some contradiction within government policy. It is a bit of a bird's-eye view of two days of very intense congress, but they would be the issues that came through loud and clear from both speakers and delegates at the congress.

CHAIR—Thank you very much, Denys. Do you have anything to add, Veronica?

Ms Sheen—In the submissions that we have presented to the inquiry, our focus very much has been on public policy interventions around this issue. Given that our understanding is that a lot of material has been presented to the inquiry about the nature of the unemployment problem amongst mature aged people, we are particularly keen to discuss some of the public policy interventions that we have recommended in our submissions.

CHAIR—Firstly, I suppose just about everybody other than employers themselves has identified the culture amongst employers; the most recent public one being the Drake survey, I suppose. How would you propose we go about changing the attitudes of employers toward older workers? You mentioned the publicity campaign, but presumably like smoking and HIV-AIDS and other things, the publicity part is just one part of a spectrum of activity.

Mr Correll—Engaging the employers in the subject would be the first thing we would be aiming to do. We believe this is not just a government responsibility. On the Council on the Ageing, we have a responsibility also to engage employers, both at national and at state level, in bringing to their attention some of the issues such as the Drake survey. I noticed

there was a response—I am not sure if it was to the survey itself—from the ACCI where they discounted any prejudice towards over 50s employees. That was reported in the press, so it has to be checked back to the source. If that is the attitude, we are starting behind the eight ball dealing with employers if they do not think there is a problem.

CHAIR—Can you expand on the issue of superannuation and people being required to draw down on it over the age of 55 before they are eligible for Newstart and other allowances? What impact is that having amongst unemployed people in that age group?

Ms Sheen—Just to set some background to this issue, out of our research with older unemployed people, we have been very concerned about the erosion of the assets of people in their 50s which is going to have a very significant impact on the level of resources that they take into their retirement. The policy, whereby after 39 weeks on a social security income superannuation is taken into account in the social security assets test, has the effect that people must go into their superannuation assets in order to draw sufficient income for day-to-day living costs.

We have done some work with the help of an actuary that gives us some examples of the effect of a person's income or assets in retirement. We find that, as a result of that policy, people are substantially more reliant on government income support, the age pension, in their post-retirement years than they would otherwise have been if they had continued to draw a Newstart allowance. So we are very concerned about that long-term impact.

CHAIR—Can I get a copy of that?

Ms Sheen—Yes.

CHAIR—We probably disagree amongst ourselves here, but we understand the basic rationale of the decision in the 1996 budget, in the context of the fiscal consolidation program. It begs the question whether we are making some savings in the short to medium term, but in the long term it is costing us more because these people eventually go into retirement with less superannuation behind them. If you have done any work on that, we would certainly like to see it.

Mr Correll—The actuarial work just shows that the major compounding is in the last years of about 55 plus. If it is eroded at that stage, then the compounding becomes less.

CHAIR—Yes.

Mr Correll—We would be happy to provide those figures to you.

Mr BARTLETT—Do those studies that you have done indicate anything about the extent of double dipping? Does it cover that sort of problem which is, I guess, the counter argument?

Ms Sheen—The work that we have done really is just case studies of the situation of people in different circumstances having to draw down on their superannuation assets at 55 rather than keeping them until they are actually retired.

CHAIR—We have encountered the situation, both in our personal and in our professional lives and through this inquiry, of people aged between 45 and 50 with two or three kids still at home and a mortgage and the male—it is usually the male but not always—loses his job. They are in a situation where the house is going to have to go. Apart from dealing with the grief and bereavement of losing a job that they may have had for some time, they have also got these compounding financial pressures that many of us have.

How would you feel about them being able, for example, to access their superannuation for a defined period of time to maintain their financial commitments whilst their prospects for getting a job are still reasonable—for four months, six months? If you knew that for the next six months your mortgage at least would be paid, you might be able to focus a bit more on getting a job.

Mr Correll—I guess we would differentiate between what people choose to do to maintain their existence and children and house and what they are almost obliged to do if their benefit is withdrawn. That is the distinction we would draw between those two situations, particularly in relation to having to use or eat into your superannuation assets because you are not receiving the government benefit. That is where we would draw a very sharp distinction. But, of course, if somebody is in danger of losing his or her house and some tapping of the superannuation assets was going to help that situation then we would probably see that as favourable.

Mr BARTLETT—You referred to the problems of an ageing population and higher dependency ratios, and so on, and certainly I agree that we need to encourage people to stay in the work force longer. But with your own figures there where you suggested that 81 per cent of men and 64 per cent of women who retired earlier are actually involuntarily retired, have you given any thought to ways in which we could be encouraging employers to keep those people on for longer? Conversely, would you think there would be a case for concessions from mature age employed to make them more attractive to employers? For instance, one of the submissions we had suggested pay cuts past a certain age, or cuts in superannuation contributions to make them more affordable for employers. Do you think those options are worth consideration?

Mr Correll—A couple of thoughts. Firstly, not only do employers have problems with their attitudes to older employees, I think they have also got a very poor understanding of the purchasing power of older workers and older citizens anyway. While there has been a strong tapping of the youth market, they have not really woken up that there is a major sector out there that is not only just a potential purchaser, but also a major purchaser within the community.

That leads to the question of what type of relationship you have with the people who are buying. Some of the examples that Sol Encel has used in his work from overseas show that you have appropriately aged people working with appropriately aged people or similarly aged people rather than having a vast age gap between the younger and the older, and some of the examples he has picked are from the UK and Germany. So with the employers I think there is a gap in their understanding of that particular market which is gradually emerging.

Mr BARTLETT—Certainly, in some industries there are benefits to be gained there.

Mr Correll—Yes, there are benefits. And I do not think this is an argument you can win on a soft heart. It is something which is called hard economic reality and a financial reality to firms. They have got to be persuaded there is an economic and financial benefit to them. If they do not, they are hardly likely to do it for philanthropic reasons.

Mr BARTLETT—But what about when there is no market benefit—do you see a case for providing a benefit on the cost side? You mentioned, for example, consideration of options for tapered retirement and certainly from a macro point of view I think that tapered retirement is a path that we ought to be exploring further. Can you suggest any ways that we could provide financial incentives for employers to facilitate that?

Mr Correll—I am not sure about the financial incentives.

Ms Sheen—Just one observation we took from our discussions with mature age unemployed people themselves was that they often said that it did not matter how low a wage they offered themselves for or how menial the jobs, there are still barriers there. That begs the question whether a cut in wages is actually going to do any good whatsoever given that there is this perception out there that a lot of employers have that they just simply want a younger work force for whatever reason.

The other issue you brought up was about attitudes. A lot of evidence came through at our conference last week that older people are actually extremely productive, and that leads to the proposition that really they should be paid for their productivity and not because they are older.

Mr BARTLETT—That is an ideal that we would like to see enacted but that is not necessarily the way that employers work. Is it true that the financial barriers or the psychological barriers or barriers of perception are greater in terms of hiring a mature age unemployed as distinct from not sacking a mature age employee?

Mr Correll—I think it is prejudiced at both ends. Just as an example, when did you last walk into a bank and find somebody over the age of 50 as a teller? Who are some of the major clients of banks? It is just the idea that the banks have put off the older employees without thinking about what the impact is on their customers—that is that point—and that is putting people off.

The regular story we have got from all the people we have met with is that when they apply for positions they have been lucky to get an interview if their age is known. If their age is not known when they walk in the door, the facial expressions will tell the people straightaway that they are not in the age group that the employer is looking for.

Mr BARTLETT—Let me return to my question. You cannot suggest then any financial incentives or any means by which we can encourage employers to hold on to their mature employees in terms of encouraging a tapered retirement program?

Mr Correll—The major thing we would be doing is retraining. That came up constantly, as well, as the people felt they had to—and it was quite realistic—retrain, to bring up particularly electronic communications skills. That was one of the big areas that they needed

to do. A lot of them were putting themselves through courses at their own expense. So keeping up their skills for the job market would be one area of government intervention which would be very welcome.

Ms Sheen—May I add something else to that? There is an issue—I heard it referred to in the previous session—about whether some sort of wage subsidy programs would be useful for older unemployed people. I think that there are two issues here about older unemployed people. There is the fact of their age but there is also the fact of the long-term unemployment itself being a barrier. The extent to which a wage subsidy, for instance, could actually address the long-term unemployed side of the problem is interesting and would possibly have some effect. That may not actually be related to the age problem; it might actually be the long-term unemployment part of the problem that would be addressed by some sort of subsidy to an employer.

Mr BARTLETT—There are problems then of exploitation or abuse of that as well by the employer?

Ms Sheen—Possibly.

CHAIR—Nonetheless, they are doing it in WA, South Australia and the ACT. At least it appears to have had some success there.

Mr SAWFORD—Veronica, you mentioned in the second submission something about cold canvassing. It is interesting that there seems to be general agreement among people who have come before this inquiry that there is a significant need for a national education program of employers right across the community in terms of highlighting the strengths of mature age employees rather than their weaknesses. But one of the things in terms of cold canvassing—and I forgot to ask the previous group before time ran out—is that in my electorate we have a lot of industries and a lot of firms that employ 10 to 200. Over the last three or four years in particular, more so than in the previous five years, the cold canvassing, which often even as a member of parliament you would be suggesting to constituents who came in, is no longer realistic. Employment that was previously done by personnel managers, human resources managers, or whatever, does not happen because they do not have them any more. It is all outsourced. So the access in view of cold canvassing, particularly in a parochial community like Port Adelaide, which has always been historically true is no longer as true as it was. Would you like to make some comments about the reality of cold canvassing?

Ms Sheen—It is just as you say. The people we spoke to knew about all the things that were put out there—having to be very up-front about job searching, going out there cold canvassing, ringing up, being very assertive. They did all those things, yet they were still coming up against barriers. I guess it is the changing nature of hiring practices, the sheer numbers and the competition for positions that come up time and time again. We did speak to people in Adelaide, and they particularly brought out the intense competition in the Adelaide area. I guess that has something to do with the fact that there is a higher unemployment rate in South Australia than in some of the other Australian states. Yes, certainly we would endorse what you have said.

Mr SAWFORD—You raised another question—again, I think it was in that supplementary part of your submission. You gave an example of four or five women who had gone out and got higher degrees in the belief that this would make them saleable in terms of the job market. In fact, nothing of consequence occurred. Would you like to comment on that?

Ms Sheen—Again, it comes back to this combination of factors that I identified at the end of the paper. There is age discrimination combined with long-term unemployment and the fact that people who have been retrenched are looking for a job from the position of unemployment, which is always harder than looking for a job while you are in a job. Another factor is loss of confidence after a difficult retrenchment process, and everybody spoke of how painful that had been.

Mr Correll—And keeping yourself well presented for 200 interviews. It came across that it was psychologically very difficult to front up for your 199th interview looking fresh and ready to go, that that was demoralising. The example you gave, Mr Sawford, of three of those four, I think, going overseas to use their qualifications on a short-term basis rather staggered us. Most of them were single and teaching English as a second language, and to find jobs they had to leave their families and go overseas for short periods of time to raise income. That struck us as being ludicrous.

Ms GILLARD—Just referring to the recommendation section of your submission where you deal with changes that could be made in the Job Network arrangements—and I think you heard the discussion we had before about possible changes in early intervention models—I just wanted to know if you had any further comments about the Flex programs or even the NEIS scheme, given the comments you made about small businesses. What things could government do about those program designs which might make them more effective for older unemployed people?

Ms Sheen—We were quite concerned about the reports of the Job Network we got from the people we spoke to. Generally, there was a perception that most providers were not really terribly interested in them. There was an expectation that they would not be able to get a job, no action was taken and this term ‘parking’ came up time and time again. I do not know whether that will continue to be a problem. I understand the new tenders have now been finalised, and some of those problems are meant to be overcome. However, they were certainly the findings of our discussions earlier this year.

Ms GILLARD—Are there any program design questions that, from the government’s point of view, might make it easier?

Ms Sheen—People complained they were not getting the assistance they were entitled to. That was partly because there wasn’t this action. We were also concerned about the lack of options in intensive assistance. The options did not seem to include anything that really tackled long-term unemployment itself. While it was okay up to a point, if there was a skills deficit there was still a problem in addressing the length of the period of unemployment, because many people may not have been registered. As the person before said, a lot of people do not register with the Job Network until they are well into a period of

unemployment. So they are already long-term unemployed by the time they start, and the assistance is not appropriate to overcome that particular barrier.

Mr BARRESI—We have heard from a number of witnesses today on the concept that perhaps we, as a government, should be asking the question, ‘Who wants to work and who doesn’t?’ as the first stage in determining who we help. I do not think we have heard that prior to today—I certainly have not—but certainly two or three different groups have made that comment today. They have said, ‘Let’s find out who actually does want to work and then look at programs and initiatives to deal with them, and we will just have to live with those who do not want to work and provide whatever assistance is necessary.’ What is your view about that? As I said, it had not come up before, but it came up consistently today.

Mr Correll—It is a hard call for us, because everybody we have met has wanted to work. We have not met anybody in the sessions we have had who has been in the other category of not wanting to work, and they have wanted to work for a variety of reasons. One reason is that they have had a work habit all their lives and they see that as part of themselves, and obviously they want to work to make ends meet.

Mr SAWFORD—Can I put the same question to you, but just change a couple of words?

Mr Correll—All right.

Mr SAWFORD—There are an increasing number of people whose life experiences inform them very well, but they know that in the current employment situation the hope of their getting a job is negligible. In order for them, as human beings, to deal with that they do exactly that: they give up looking for a job. If you look at the reality of what has happened in this country—and, again, I apologise to my colleagues—there are 700,000 unemployed, there are 700,000 underemployed—

CHAIR—There are 604,000 underemployed.

Mr SAWFORD—There are 700,000 who have given up the ghost—that is the reality—and there are 70,000 job vacancies. People of a mature age who find themselves in circumstances where their full-time employment is terminated, have been around; they are not dumb. They know what is going on, and that sort of circumstance is very difficult for an individual to deal with when they know the bias—that is, whatever their qualifications, whatever retraining they may go through, the fact is that the actual jobs out there are limited. Even if they do move into one, as with wage subsidies, it may be at the cost of someone else having to move out—in other words, with substitution, you move into a job and someone else moves out—and then 12 months later they will be doing something else. That is almost the same question Mr Barresi asked.

Mr BARRESI—Is it?

Mr SAWFORD—Yes, it is. But maybe people are more realistic than we give them credit for.

Mr Correll—The thing that strikes us about the people who come into our office—and Veronica has held groups—is that they have skills and they know they have got skills. They know that up until their retrenchment they have been a valuable member of the work force. So the puzzlement and hurt that hits them at that stage is: why are they unemployed? It is not a question as I think you have portrayed it. They think they have a place in the job market, but they just cannot seem to get the job. So it is not a case, as I think you portrayed it; I think it is more like—

Mr SAWFORD—Then how do you explain the 700,000 people in this country—you can find the figures; there have been plenty of studies—who have given up looking for a job? How do you explain that?

Mr Correll—If you take 200 job applications, I am not surprised. One person quoted that they had had three interviews out of 200 applications. So when do you give up? By the way, the cost of applying for jobs came up—the photocopying—

Mr SAWFORD—Doesn't that confirm the proposition I just put to you?

Mr Correll—That they will give up?

Mr SAWFORD—Yes. Human beings do not put themselves up for failure over and over again. There is a limit, and when you reach that limit you behave accordingly.

Ms Sheen—At the end of the day we would see a very strong role for government intervention in ensuring that employment and unemployment is equitably shared around and that government programs actually assist in this sharing around. Certainly one of our major recommendations is addressing long-term unemployment so that, while people might lose jobs and be unemployed for a time, it is for a short time, not a long time, and so that it is equitable across groups while we work on all those other things that actually create jobs in the economy and bring down the unemployment rates to levels more like four and five per cent than seven per cent.

Mr SAWFORD—I do not want to make this an inquisition but, in actual fact, the long-term unemployment has increased from probably 100,000 to 300,000 and it is increasing. That is the pattern.

Ms Sheen—Yes.

Mr SAWFORD—It is not going the other way.

Ms Sheen—Our argument is that there are things that can be done to reduce long-term unemployment to share unemployment and employment around more equitably. One of the programs that we have been very interested in, for instance, is the New South Wales Mature Workers Program, a targeted program for older people or people over 40—we could look at making that 45—but something specific of that nature. This government has told us that they are not greatly interested in targeted programs. However, our belief is that, given the unique problems of this particular group, we really should be looking at something that does address

their issues. A particular program would have a number of benefits: an advocacy function, for one, and really trying to get in to employers and promote older people.

There is no evidence that there is anything like that happening on a national scale at the present time. We definitely need something that is national in nature and something that goes through all the states, territories and regions. We are very much aware of the regional and rural aspects of this problem. Maybe we could start looking at some sort of job creation function if that is needed to start breaking that cycle of long-term unemployment for some of those people. We believe that there is a role for particular programs and, at the moment, that is not considered but that is really what is necessary in this environment that you are talking about.

CHAIR—I think what Rod is saying, in a sense, is that even if we do get to five per cent unemployment—and let us hope that we do—we will still have half a million people unemployed, 15 per cent youth unemployment and significantly, because of a change in demographics, a high number of unemployed people in this age group. Is it Orwell's *Road to Wigan Pier* where the chance of getting a job is about as reasonable as owning an aeroplane? That is the way that many Australians have seen it, particularly in this age group. It is interesting that in the document that the minister released last week, or the week before, I think something like two-thirds of the 600,000 jobs created in the last three years have gone to people over the age of 40 and yet we still have 125,000 of them without work. They have registered anyway. I think that is what Rod is more or less saying. The question is: should we as a nation start to redefine the way we view work?

Mr Correll—We would like to see government lead by example and consider the examples of retrenchment practices and the movement to gradual retirement. If government did take a lead and a very public lead on that then that would be of benefit.

CHAIR—That is one of the things we are considering.

Mr Correll—That is something within your power.

Mr BARRESI—In fact, in fairness, I think the government will be taking a lead. If you read Jocelyn Newman's white paper that was released during the week where the task force had been asked to look at the issue of businesses being involved and sharing in the social contract to help those long-term unemployed—particularly in mature age unemployment—there is scope to make some changes. Perhaps you might even have a say in that task force inquiry.

I would like to ask you another question and maybe I will get the framing of this question correct. You mention in your recommendations that you would like to see the Commonwealth enact age discrimination legislation similar to that which other states and territories have. Can you explain to me how you would envisage that legislation to be? Would it be simply legislation of what the Commonwealth departments would have in terms of good work practice agreements or would it go beyond that to be similar to the submission that was made by the previous witnesses which was putting up a quota? They suggested a quota of 10 per cent of all new hires to be in the mature age category. Do you see this

working, at the other extreme, in a manner similar to the affirmative action legislation where there is a reporting of the percentage of your work force that is in a particular age bracket?

Mr Correll—I think it falls somewhere between the two. There is a need for guidelines for all types of employers on employment of older people because as far as I know there is nothing much in existence at present on that subject. About the quota, I would have to hark back to disability where they have had in some countries required percentages of people with disabilities. They have been somewhat counterproductive producing an antagonistic reaction by the employers to that type of legislation because they feel it is being imposed on them and they do their best to subvert the legislation. I do not think that the legislative track is a really good way to go because of that experience with disability. Really you do not want an employer feeling that they have got to take somebody just because of age alone. One would hope that they would take them because they are skilled and suitable for the job.

Ms Sheen—We wrote a submission recently to the Human Rights and Equal Opportunity Commission on their discussion paper ‘Age Matters’ which raised the possibilities of Commonwealth age discrimination legislation. What we said in the submission was that we believe that it is very important that the legislation is attached to a strong education program to employers particularly. The legislation by itself is not enough without that promotion and education function as well.

We also wanted to see that the legislation actually was enforceable and that individuals also had access to the processes because we were quite concerned about some of the arrangements now in discrimination legislation which may prevent access to the process. As long as the Human Rights and Equal Opportunity Commission are agreeable we will pass on our submission to you.

Mr Correll—One of the features of the legislation according to the feedback we got from our groups is that people are usually not stupid enough, when they do not employ somebody, to say, ‘We are not giving you this job because you are over 50’, although some of them were stupid enough to make comments like that.

Mr BARRESI—I share your concerns about putting in quotas in that it has not worked in some other areas around the world. I was looking also perhaps at the affirmative action legislation that was in place a number of years ago to see whether that is a model that needs to be adopted for age discrimination, so it becomes a reporting mechanism rather than an enforcement.

Mr Correll—If you put a positive spin on something it is better than putting a negative spin on it. We were talking about the frameworks and it comes back to your question. Taking a look at the number of people unemployed now, it is a question of whether we accept that as the future and consider the social cost of people being unemployed. I will assume that we would not think that would be an acceptable position to have in the next five or 10 years. The casualties of the current system we may not be able to do much about, but I hope this inquiry is going to look at what will be the situation over a longer term and get away from short-term gains for long-term losses.

Mr SAWFORD—Two of the most sensible job creators this century were Henry Ford and Mr Kellogg. Ford paid workers twice the wages. In other words he looked at the norm of how people were employed and he doubled the wages; out of that he got increased productivity. In the 1920s, Mr Kellogg, the cornflakes man, when everyone was working 12 hours a day in that industry, decided to pay them the same wages for six hours and he increased productivity. Maybe we are looking for people thinking laterally who just turn things on their ends. It seems to be that, unless you break the framework, nothing of great consequence is going to occur. It is interesting to look back and see who in the past have broken the framework and they have done things everybody else said could not be done.

CHAIR—On that point, which I am sure we will raise with the Chamber of Commerce and Industry on Monday, we will finish. Thank you very much for such a comprehensive submission. If there are any supplementary issues you want to raise with us, please send them on and we would like that actuarial work on the superannuation benefits draw down.

Mr Correll—Thanks, Dr Nelson.

Mr SAWFORD—That was an excellent submission.

Ms GILLARD—Yes.

[3.17 p.m.]

CAMPBELL, Mr Andrew John Egan, Convenor, Employment Resource Centre, Elsternwick/Caulfield South Church

FRYER, Ms Evelyn, Volunteer Client Assistant, Employment Resource Centre, Elsternwick/Caulfield South Church

CHAIR—Welcome to our inquiry today and thanks for taking the time and effort to come and speak to us. Would you like to give us a short overview of your submission and what you think are the most important points and then we will discuss them.

Mr Campbell—I am a retired industrialist. I worked for a large international company. In my retirement years we began at our local church an employment resource centre to help people find their way to employment. This centre is completely free—no charges—and most of the effort is put into helping people prepare resumes and giving them access to a computer and other aids.

We have been running this now for about four years. In the days of the CES we had a lot of clientele because CES used to divert a lot of the people they seemed unable to help to us. The numbers have decreased significantly since the introduction of Centrelink and other agencies. We have tried to summarise the experience of this voluntary employment resource centre.

Ms Fryer—I act as a volunteer client assistant at the centre. I am also unemployed and looking for work myself. I have assisted in putting this submission together and my areas that I will mainly be speaking about to support what is in the submission will relate to the job interview process and retraining. I think it would be best if Jack gave his summary to begin with.

CHAIR—Thank you.

Mr Campbell—I am speaking to a revised submission, copies of which have been circulated. The major points in the earlier submission will be covered in Evelyn's statement. There are three main areas. Firstly, it is undeniable that Australian workers over 45 face serious difficulties in finding and obtaining employment. I have listed several references that support that information.

Secondly, from our experience, it is undeniable that Australia faces serious problems if it does not reverse this trend to early retirement. There are a number of references to support that view.

Thirdly, it seems undeniable that attitudes by both employees and employers are significant factors in this early retirement syndrome. There are several references to the productivity of more mature people, their capabilities and employer attitudes. After that, there are certain observations—advocations, I have called them—that we would put to you.

The observations are that older workers, because of their life experiences, have relationship skills which they are often not aware of themselves and which employers, and perhaps more particularly employment agencies, tend to overlook or undervalue. These can be expressed most aptly perhaps in the sense of the story of the old bull and the young bull which you have no doubt all heard of. These skills are particularly valuable in tasks where there are direct relationships with the public or in work or project teams within enterprises.

In my earlier references I referred to the recent Drake study of 5,000 executives and managers. I hear that has already been quoted to you today. Meddows-Taylor from Drake Management Consulting says that our most seasoned veterans bring distinct assets to an organisation: experience, knowledge, wisdom, personal stability and confidence, an alternative perspective to that of the young and the callow. I think we all appreciate that. More mature workers often apply a more critical perception to ways of reaching a desired end-point than do younger employees. They apply that principle that I mentioned before of the old bull and the young bull. These attributes and the similar cost and performance advantages in the references above which are brought by more mature employees are not demonstrable in the normal resume and appear not to be given any value in the selection of job candidates for interview. Moreover, where two candidates with equality of skills and experience present themselves for selection, but one is 35 and the other is 45—perhaps even 50—the younger person seems to always get the job even though on all other counts they appear to be equal. Evelyn will enlarge on that from her experiences.

How might these employer attitudes be changed? I heard some discussion around the table earlier. One could speculate that such changes in attitude could be achieved by employers re-evaluating the pros and cons of retaining employees longer in their work force, re-evaluations that take into account the direct financial as well as the intrinsic factors to be considered. As the whole community ages perhaps current prejudices against the mature workers will change gradually by the sheer force of the change in demographic patterns.

One of the references from the Bureau of Statistics points out that by 2016, those aged over 45 will account for 82 per cent of the work force growth. People will find it hard to find enough young people if that is where their prejudices still lie. Perhaps current prejudices against mature workers will change gradually by the sheer force of this changing demographic pattern. But government may not be able to risk the crippling social consequences if reliance is simply left to such incremental change.

The current ages and attitudes in most organisations must be changed, and here senior leaders in industry and government and senior executives and HR managers have to change their views. I think it is a form of education.

Back in the 1960s and 1970s behavioural scientists changed the views of management, making them see that workers not only have hands and legs, but also brains. They introduced participative style management to work forces with tremendous changes in productivity over many industries. I think that sort of change could be introduced again. There are many examples of industries where the more senior, more mature workers can be seen to contribute marked increases to the productivity of teams and processes. Some of the reports by Professor Terry Seedsman and others in my references confirm those findings.

I think it is a fashion nowadays to believe that young people, particularly in the 30s, 35 and 40, are the most vibrant and dynamic people. Perhaps that is so. But the Drake study again points out that in the fast developing IT technology area they do have a good mix of older, more mature people as well as the young high fliers.

There are other things we can do about it. I think businesses should be required in their annual reports to stipulate the age ranges of their employees. They have to do it now virtually for directors, and directors have to be re-elected after age 72, I think. I think it would be a significant factor with businesses if they had to report, not necessarily the numbers, but percentages of their employees in each major age bracket.

Grey power is going to become a stronger and stronger force. We will only follow America again in that respect. I think grey power is going to be a dynamic force. Most of the shareholders are going to be amongst the grey power people, 35 up. Most businesses are encouraging larger shareholdings, so I think that could be a stimulating factor. Of course, grey power can be used for boycotting, too—although I am not sure how that would stand against our legislation.

Listening to the previous discussions I know that there might be other direct ways to encourage employers to retain employees, and I gather that the panel is aware of these systems that are sometimes used overseas. But I would see those in answer to a question, I think, from Dr Emerson. Those schemes generally invite only reactions against those systems and ways of getting around the system. I would see those to be effective or necessary only in extreme cases. We have got to use the carrot to encourage them.

I think there is also a need to educate many employees as they get older. Particularly in the past, many employees, when they reached retirement age, used to think, 'Great, I will get a lump sum now. We can pay off the house, have a trip around the world and then we can rest on the pension. I am quite happy to do that.' They need to be educated that the pension might not always be there and it might not be sufficient to enable a reasonable living. We need also to educate people on the significance of employment for an extra year or two in terms of additional superannuation. As pointed out in one of the references, an extra two years of employment at about age 50 equates to about another seven years superannuation coverage. So education is necessary in both those areas. That is pointed out by Vince FitzGerald in his study.

Age discrimination is covered by the Discrimination Act, but it seems to be completely toothless. Age discrimination—and Evelyn will talk about this—is going on every day with employers, and that was also found quite clearly by the recent Drake study. Maybe we have to find other ways of enforcement, but I do not see setting minimum percentages as desirable. I do not think it has been terribly effective overseas when used for employment of particular disadvantaged groups across America or India—it may be more effective in India.

On the NEIS schemes, in our centre we have had a few people who have been interested in NEIS schemes. From my experience, the NEIS schemes operate fairly well. In my experience, most small businesses tend to fail because of underestimation of working capital needs. I think there could be more incentives for people who are starting businesses through

the NEIS system, through higher depreciation allowances or some form of cheaper money through those first five years.

We all realise, of course, that there will not be jobs for everyone and, as someone said, not everyone is looking for work when they retire. Many people find satisfaction through voluntary work. There is a tremendous developing market among grey power. Even though they might be only spending their superannuation money, they still spend it. I think business and perhaps government could assist in this area; we should be doing market research for services that could be provided by grey power people—grey power businesses for the grey power. There must be tremendous service opportunities there.

CHAIR—Jack, we have just got 10 minutes left. I will ask Evelyn to give us a perspective, both in terms of someone who is unemployed or who has had trouble getting work and in terms of the services that you are providing through the Employment Resource Centre.

Ms Fryer—As our submission said, our services are free in relation to writing job applications, designing resumes, giving people the chance to do it themselves on the computer. We will give people a bit of basic education on how to word process on a computer if they have not got those skills. We have also got phone, photocopier et cetera available and various newspapers, which are listed in our submission.

In reference to job interviews, with respect, I disagree with what Senator Newman is reported as saying—that employers reject claims of bias against the mature age unemployed. I think that is a top priority that needs to be given to changing the attitudes of employers toward mature age unemployed. Many of us get frequent interviews that illustrate that we must have the skills that the employer wants. But when you face the panel, you can tell by body language, facial expression, or how quickly the interview is rushed that, because of your mature age, you are not a person that they really want.

Another area has come to light that gets around age discrimination. Employers are asking people to bring a photocopy of their drivers licence or passport when they do not require a police check and there is no driving in the job. I do not know about other states but in this state your date of birth is listed on your licence, so they can work out how old you are. I have not got the answer to how we quite get around that at the moment. I have reported it to Equal Opportunity, but I have not heard of anything being done about it so far. It is these sorts of things that are of great disadvantage to mature age unemployed.

Employers are also fairly inflexible. They have got fairly inflexible barriers for the unemployed. Even though you might be computer literate, they expect you to have current workplace experience in the latest program that they are using. We all know how many computer packages are around. It is absolutely impossible for the unemployed to be literate and workplace experienced in every one. That covers things like databases, spreadsheets, drawing, design packages and so forth.

Quite often, when employers have told me that I have been unsuccessful in gaining the job, they have said that I would be welcome to apply for another position that they advertise as soon as I can gain industry experience in their background industry, computer package, or

whatever. This is an unrealistic expectation for an unemployed person. Most of these sorts of things are not available in a voluntary capacity when it comes to databases and spreadsheets, whether or not it is a volunteer organisation. That part of their organisation is classed as confidential and only available to employees. So you are left in a no-man's-land.

Also, the government is encouraging people to work until they are 70. I would not mind doing that. I am in my late 50s; I am keen to work. It has been 21 months since I had my last job, which was for two months—that was the contract—and I was unemployed for 14 months before that. Prior to that, I had a permanent position until involuntary retrenchment came along. Because I know I have got skills that are needed, I keep persisting. I think maybe I will break the ice; I have not given up yet. But I must say that it does get daunting at times.

I sometimes wonder whether employers are only interviewing mature age people to meet protocol. These things you cannot prove, but you do wonder about them. I am registered with some of the Job Network agencies because I am in a situation where, under the current rule, I need to use my superannuation. I am only eligible for job matching. Employee agencies that I am registered with tell me the employers are extremely fussy about what they want. They tell the agencies the age group they want. They tell the agency that they want this, that and the other. In other words, they want an exact perfect match for the job. If you are not the perfect match they do not want you referred to them for an interview. Something really needs to be done in that respect. Individuals cannot do very much but whether something will result from this committee remains to be seen. As the time is short I will go across to my notes on retraining.

CHAIR—We have just got a couple of minutes left. It is an effective way of avoiding questions.

Ms Fryer—We all agree with retraining. Whether you are unemployed on benefits or unemployed on superannuation, it becomes unaffordable to keep retraining without a job coming up to use what you have retrained in. It gets past what you can afford to do. The state had a community based employment program for 45-plus skills initiative. They would take only mature age unemployed under 12 months and you had to have the same eligibility as you did for Centrelink assistance. This seemed very unfair as their program is supposed to fill in where the Commonwealth program does not. I feel that all unemployed should have eligibility for these programs to keep their skills active.

You will notice that one of the recommendations in the submission is for a levy to be placed on organisations in regard to retrenching people so that this can pay for retraining or contribute towards the retraining of the unemployed no matter what their period of unemployment is. Of course, the longer you are unemployed, the more unemployable the employer sees you, whether in reality you are or not. They do not have flexibility in that area.

There was a job ad in the local paper recently. In fact it was on the 15th of this month advertising free training and work experience if you were registered with Centrelink. When you phone up to say, 'I am registered with Centrelink,' you find that not mentioned in the ad is the fact that you have to receive benefits as well. The ad was not a true ad in my opinion

anyway because I am sure they will have a lot of people ringing up for that and 50 per cent will not be eligible because they are like me, not eligible for benefits.

I have also got a cutting here from a 45-year-old who has retrained in several areas. As soon as employers see that the person is of mature age, they are no longer interested. People feel that they have wasted their time retraining even though they want to re-enter the work force. That was in the *Age* on 12 October 1999. COTA, for example, think that mature age people, and I agree, are just as entitled to and need work as a 25-year-old. Just as the 25-year-old needs to keep retraining, the mature aged are usually willing to retrain if they want to enter or re-enter the work force. I know I am rushing this but I was given a strict time limit. I hope that briefly gives you an idea of what we have found in the people we meet at our resource centre over the years I been there. I have been there on and off for about four years.

CHAIR—Evelyn, thank you very much for that. Thank you, Jack. Sorry that we do not have time to ask you questions. As working politicians, we often find that is a good technique for avoiding getting questions. Thanks for what you do. I think it is fair to say that all of us in our various constituencies always admire the great work that is done by the Uniting Church generally. We particularly take our hats off to you and the people who work at the resource centre for what you are doing.

Mr Campbell—Can I ask one question that you might put to employers?

CHAIR—Yes.

Mr Campbell—Why do they now, when they are retrenching, not use the formula ‘last in, first out’? Why do they not use that? That used to be the old union rule so that the most recent employees went out first. The opposite pertains now in the Drake study.

CHAIR—Thank you very much. We will put that to them. Because of the time compression if you have any further issues you want to put to us or questions you would like to put to other people including employers then please send them along to Ms Chan and we will do that for you.

Mr Campbell—Thank you very much.

Ms Fryer—Thank you very much for your time.

CHAIR—If the world was full of people like you two, I do not think we would have too many problems.

[3.48 p.m.]

HALL, Mr David, General Manager, Economic Development, Hume City Council

LARMER, Ms Margaret, Employment Development Officer, Hume City Council

CHAIR—Thanks for your submission and for taking time out of your busy schedule to come and speak to us. Would you like to give us a 10-minute precis of the submission and then we can discuss it until 4.30 p.m.

Ms Larmer—I have, for the benefit of the committee, a couple of maps which might be useful for people who do not know exactly where Hume is. One is a larger map of north-west Melbourne and the other is a map indicating the actual area of Hume City Council, which is bordered by the Western Ring Road to the south and the Hume Highway to the east. It goes right up through Craigieburn and then across to Sunbury and down through Tullamarine, so it includes the Melbourne airport.

I have got a brief summary that I will read to you before questions. I thank the committee for the opportunity to contribute to this discussion. Our council regards unemployment as a serious concern, and we believe our residents have issues which are peculiar to our region, namely, a high proportion of residents from a non-English speaking background and a large manufacturing employment base. Older men—the 45 to 54-year-olds—make up 26 per cent of the north-west region's male unemployed compared to 16 per cent in metropolitan Melbourne. That group is composed of a structurally unemployed group of non-English speaking background males who have been retrenched from industry and lower level public service jobs over the last decade.

In 1996, 24 per cent of the north-west region's total population was born in non-English speaking countries, and the proportion unemployed from a non-English speaking country was 55 per cent. So the large number of unemployed non-English speakers who arrived in Australia particularly during the 1960s to 1980s supports the view that the older males from these countries have difficulty finding jobs. Particularly in Hume, in suburbs such as Meadow Heights, Coolaroo, Dallas, Campbellfield and Broadmeadows, between 45 per cent and 60 per cent of residents speak a language other than English. The most common languages are Turkish, Italian, Arabic, Greek, Vietnamese, Maltese and Spanish.

According to 1996 figures, Hume has a substantially greater proportion of persons employed as tradespersons and related workers or clerical, sales and service workers than the Melbourne statistical district, and it is this level of unskilled worker that has been hardest hit by the decline in the manufacturing sector. If this decline continues, it will impact further on Hume, as manufacturing still remains the most important industry, employing the largest proportion of employees in the city. Hume City Council is exploring a variety of initiatives to address these issues because we believe there is a need for a targeted approach to meet the unique needs and issues of our residents. One of the outcomes of our employment strategy, which we adopted in 1998, was to establish the Jobs for Hume task force. That is made up of business and community members, who are currently developing programs which address local employment issues, and it has raised community awareness.

These are just some of the programs we have been working on in the last 12 months. We have started a new initiative, which is mentoring, to establish a program that will provide support and advice to job seekers, employers and students. Current schemes operating in Hume, such as the Interviewing the Future program, will be studied, and research will be undertaken to learn current trends and developments. That will be presented to the task force for further consideration next year. We have also developed a Hume employment resource guide. It is designed in three parts to provide employers, job seekers and school students in the city with a comprehensive overview of the organisations and services available to support them. We have got hard copies to distribute to schools, tertiary institutions and libraries, and we are going to put it on the Internet next year.

At present, we are also looking at working with the Fred Emery Institute to adapt their model of a search conference to an urban environment, which we can then use to explore solutions to specific unemployment problems relating to Hume. This project could be a pilot for achieving two simultaneous objectives: community development and job creation. It would also provide some empirical evidence of what ordinary Australia sees as a desirable direction for the country on the unemployment issue.

The role of Hume City Council as a local provider of a range of services is to integrate and coordinate the services required by job seekers and to act as a conduit between all sectors—business, education, community and residents—to ensure that local opportunities are maximised. Hume City Council submits that for our region the most immediate steps are: firstly, to acknowledge that non-Australian born older job seekers have specific needs and that policies, programs and strategies should be developed that are targeted to them; secondly, to develop an awareness campaign to raise the issues within the wider community in order to promote the benefits of older workers to employers; and thirdly, to provide encouragement and incentives to older job seekers so that they are able to understand what they have to offer, how best to promote themselves and how best to access the existing system.

In summary, the key message we want to give today is that it is at the local level that an awareness of community needs can best be explored and addressed and that Hume City Council would appreciate any support and cooperation that this committee might provide. Thank you.

CHAIR—Thank you very much. Has the council done anything specifically to try and re-educate employers in your municipality about their attitudes toward older workers?

Ms Larmer—It has probably been more general until this stage. When we actually got into looking at this submission, we realised that we perhaps needed to target education, but we have certainly been working a lot with re-educating them about employing long-term unemployed people across the board, because that has always been a stumbling block.

Mr Hall—There was one specific example with a business that was closing down its manufacturing arm. I guess that was not targeted at over 45s but it was working with that labour force to go through the transition of a downsizing process. We were introducing them to other major employers in the city to see if there were opportunities to move into those firms.

CHAIR—Does council itself have any policy on the age profile of its work force? You two look as if you are in your late twenties.

Mr Hall—No.

CHAIR—Not specifically targeted?

Ms Larmer—No.

Mr Hall—No.

Mr BARTLETT—That is the line I wanted to pursue: council's own implementation policies. What percentage of your own work force would be over 45?

Ms Larmer—We have been so focused on encouraging our organisation to employ local people—we have really been pushing with managers, when they are employing people, to look at, as one of the criteria, whether they understand the local area and the local issues—that we have not stuck in an age thing there.

Mr Hall—That is really where we came from with our study. It was very much along these lines: if there is going to be economic development in our region, we need to get some local outcomes in terms of employment. Our policies are very much about embracing the local. When we say local we mean regional as well, not just our municipal boundaries.

Mr BARTLETT—Do you think intuitively that the age structure of your own work force would be typical of the area generally?

Mr Hall—It is something we would have to look at, but I guess when we have got about 18,000 people employed in manufacturing, predominantly—

CHAIR—I thought you were going to say 'employed by the council'!

Ms Larmer—We missed the downsizing!

Mr Hall—I was just going to comment that I guess the white-collar work force would be a very young work force. Our outdoor staff would reflect the manufacturing labour—

Mr BARTLETT—What about in council's redundancies? Have there been any forced redundancies in the past three or four years and, if so, have they tended to be mature age rather than younger people?

Ms Larmer—Again, I would say that with blue collar, it would have been the older age group that would have taken redundancies. With white collar, it would probably be across the board really.

Mr BARTLETT—So council has not given any thought to policies to actually encourage having more mature age new employees?

Mr Hall—I think the answer would be no.

Mr BARTLETT—Have you given any thought to policies, say, to encourage tapering of retirement, the sharing of jobs or part-time work for older employees? Is that something that you think would be worth pursuing? Is it possible to pursue that in your context as an employer?

Mr Hall—It would be. To put it in context—and there were some smiles about Victorian local government before—I guess local government, and particularly Hume, is still going through that transition of stabilising coming from four municipalities, and I have not really addressed how we develop that work force beyond that. It is still very much early days. But I am certain our council would look at that issue. Like most public sector organisations, our policies are very much about equal opportunity, but we do not get into specific interventionist policies about what that is meant to achieve other than that we do have open policies about recruitment, training and development.

Ms GILLARD—I suspect what would have happened in Victoria—and Hume would be one example—as a result of the legislation which forced councils to increasingly contract out services on a compulsory basis is that most councils started with the contracting out of physical services and then moved on to human services. And when physical services went, it would have tended, by way of grand generalisation—but I think it is true to say—to have been older male workers whose jobs were either lost or fundamentally changed as a result of the contracting-out process. So I am sure that, if you did a chart of work force patterns throughout local government as a result of the former government's policies, you would have seen age profiles come down and work force size come down.

Mr BARTLETT—It would have meant the blue-collar jobs would have gone first.

Ms Larmer—Yes.

Ms GILLARD—The tendency was for the physical jobs to be contracted out first. Council resisted the contracting out of human services and then ultimately had to succumb to that to meet the former government's defined percentages of what needed to be contracted out.

Mr BARTLETT—The challenge has been put to us, as a federal government, to lead the way in terms of policies that encourage employment of people of mature age. I would suggest that the same challenge ought to be at a local government level. Perhaps there is a clearer and more direct connection in the relationship between local government and local employers than there is at a national level, and therefore the example you set is probably much more easily copied.

Mr Hall—A principle in this strategy was very much about us, as a community leader, improving our practices if we were going to tell or encourage our employers to do the same thing.

Mr SAWFORD—Just taking another aspect of Kerry's question in the sense of maximising employment opportunities—and not to make it too defensive—federal and state

governments do not have a great record either. I understand from Kerry's question that there is no deliberate program to maximise employment opportunities via the amount of money you deal with?

Mr Hall—Within our city?

Mr SAWFORD—Yes, within your city. Within your council's budget, there is no definite program to maximise employment opportunities?

Mr Hall—That is correct.

Mr SAWFORD—One of the best criteria for measuring success or failure of a local government is to see how much money they actually spend or encourage to be spent within their municipalities via capital infrastructure spending. I have noted that some councils around Australia have deliberately increased their capital infrastructure spending from less than 10 per cent to 24 or 25 per cent of their capital infrastructure spending—in fact, one in my electorate has got up to 30 per cent—with very positive impacts on employment opportunities directly, outsourced, employed or created in terms of where the expenditures are made. Does Hume do anything like this, and what is your capital infrastructure spending percentage?

Mr Hall—Not enough is the answer.

Mr SAWFORD—What is it?

Mr Hall—It is about \$12 million.

Mr SAWFORD—What is it as a percentage of your total budget, roughly?

Mr Hall—It is seven per cent.

Mr SAWFORD—Seven per cent?

Mr Hall—Yes.

Mr SAWFORD—That is appalling.

Mr Hall—Can I perhaps respond in another way?

Mr SAWFORD—Yes.

Ms GILLARD—We are moving into the age of enlightenment, though. You have to take that into account.

Mr Hall—This council is pretty focused in the area of employment development. We have the highest level of industrial commercial development in Melbourne outside the CBD. Because of the nature of our city, Melbourne airport and the infrastructure that is in place, it has been \$317 million over the last two years. Our challenge as a council is to translate that

into local outcomes so that if there are new businesses being developed in our city, we are actually out there encouraging jobs growth in the private sector. It is not so much what we can generate by our own activities. That is a deliberate policy, and the council has probably a larger budget specifically focused on economic development and employment development in comparison with other councils in the region.

Mr SAWFORD—I think you are misinterpreting what I am saying. I am saying that councils have had good employment results, not by directly employing people themselves but by deliberately changing the percentage of capital infrastructure spending within their municipalities. Most of this has been in the private sector, but by directing what limited amount of money they do have, councils can maximise employment opportunities in particular projects. We all know of projects where you can employ one consultant for half a million dollars and get two sets of recommendations. You can spend that same amount of money on community parks, roads, footpaths, or drainage systems, and you can maximise employment opportunities—maybe through other firms. That is what I am saying: seven per cent is very small, isn't it?

Mr Hall—Yes, it is, and I acknowledge it is not enough. What is driving the council's capital works is not employment development; it is maintaining the infrastructure we have in place and building a new infrastructure. We have a 10-year plan. When I say we do not have enough money, there is not sufficient money there to provide the new infrastructure. We have an older city around Broadmeadows in terms of maintaining infrastructure, but we also have some of the fastest growing regions in Australia in Roxburgh Park, Craigieburn and Sunbury. The challenge for our council has been more about managing the books and managing the growth of the city. Employment is not a driving policy directive in how we manage the funds. I am not saying that it is correct, but it certainly is not as high a priority as building the city.

Mr SAWFORD—Have you discussed at council level future plans to increase that percentage of capital infrastructure spending?

Mr Hall—Yes. The council has put in place a plan to bring that up to a level which is deemed to be appropriate to provide the new infrastructure.

Mr SAWFORD—Do you want to give us some idea? Is it five years or 10 years down the track?

Mr Hall—I am happy to provide it to you. I do not have it with me.

Mr SAWFORD—Take it on notice.

Mr Hall—We have gone through an exercise about what is an appropriate level for the council to expend on capital works for a city of its nature, size and growth. I can provide that.

Dr EMERSON—One of the demographic features of the Hume City Council area that you described is a relatively high proportion of people from non-English speaking backgrounds without, perhaps, a really huge skills base. Do you have any views on the value

of later intervention programs to help with the literacy skills of those people? Would that significantly change their employment prospects, or do you think realistically that it is a bit too late and you would have to look at other strategies to improve the employability of mature age workers from non-English speaking backgrounds that had less than full literacy skills?

Ms Larmer—Literacy is probably only one issue for them. Generally they present with a range of issues, literacy being one, lack of skills, another. They came out here 20 or 30 years ago to work in manufacturing, so not only do they not have transferable skills, but they also have very little concept that they could develop some. They have been working on a production line for 20 or 30 years, so even to improve their literacy would still be only one component of the problems that they have.

The other problem we have is identifying them because they very much tend not to ask for assistance, and that is what I was talking about—the awareness campaign. They are not the group that you see hanging out at the shopping centre like the young kids obviously looking for something to do and who will pick up on youth programs. The nature of these people is not to come and ask for help in an overt way. In offering programs we find that generally they are just not picked up initially.

Dr EMERSON—One of the things we have discussed at previous meetings is whether there is merit in simply saying, in relation to people with those sorts of characteristics, that we will actually, unusually, get involved in public sector job creation projects for them because their chances of training or retraining, and so on, are not great. Therefore, without something as direct as a public sector employment program for those types of workers, society is really saying, ‘Bye-bye. There is nothing on offer for you.’ Do you have a view on that? I am not saying that a local council should fund that, but small ‘g’ government may. There may be some merit in doing those sorts of public works.

Ms Larmer—That is the type of thing that they would be comfortable with perhaps, if it is something that is familiar and is part of a bigger structural program that they can see a part for themselves in.

Mr Hall—We previously ran job skills programs. Margaret managed that project for council and there were some individuals from a non-English speaking background that really grew through that process, through that opportunity. We do not have that program any more.

CHAIR—Is your council involved in any Work for the Dole projects?

Ms Larmer—Yes, we are currently managing—

CHAIR—It is an area where there is some controversy. There is not so much Work for the Dole nowadays for the younger people. Possibly the name is still not well accepted by some.

Mr Hall—We call it ‘employment experience program’.

CHAIR—Congratulations. Some people—today's Indo-Chinese people for example—said that they would like Work for the Dole for over-45s. Have you had older members of your municipality ask for Work for the Dole or something like it?

Ms Larmer—Certainly when we were advertising for positions because we were asking for volunteers for the program, we had interest from older people who again had some resentment that there is some restriction with all labour market programs. They have to be 12 months unemployed or a certain age or receiving benefits. With every program you offer, there is always something that restricts someone. There is always a complaint. I would not narrow it to a certain ethnic group.

CHAIR—The Indo-Chinese representative in particular said, as a Job Network provider, that there was a real demand amongst their people. What about volunteers in council? There is a lot of support for volunteerism in this age group, particularly those who are unemployed. Is that something you have given thought to?

Mr Hall—It is an important part of our service. A number of our services we would have difficulty delivering if we did not have volunteers, from tourism right through to community service delivery. Again, I would suspect it has a community development rationale. It is also about delivering a service at the end of the day.

CHAIR—But do you actively encourage volunteers? Do you keep a record of how many you have got working and where they are working with you?

Mr Hall—I can speak first hand. We run an information centre at Sunbury which is part of our unit. We have 35 to 40 volunteers that work out of that information centre. I would say they would all be over 45. A lot of the people that are working there are referred to us from the community health service where people are looking for opportunities to participate. They have gone through some trauma. It really assists us in running the service but also fulfils a community need. We spend a lot of time working with that and there is a lot of training involved with that group as well because they are working in the front line, customer services, and coming from a variety of backgrounds. Sunbury has a lot of early retired and retired people that have moved out there to be with their families and are looking for other things to do, so they have some first-hand experience for that.

CHAIR—Thank you very much. It looks like we are all questioned out. Thanks for that. It is terrific of the council to take such an interest in this and come along to speak to us. We are grateful to you.

Mr Hall—Thank you.

Ms Larmer—Thank you.

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

That this committee receive as evidence and authorise the publication of the supplementary submission received from Jobpower for the inquiry into issues specific to workers over 45, namely *Core transferable skills* and *Random sample breakdown of job seekers over 45*.

Resolved (on motion by Mr Sawford):

That the committee receive as evidence and authorise the publication of the supplementary submission received from the Employment Resource Centre for the inquiry into issues specific to workers over 45.

Resolved (on motion by Mr Bartlett):

That this committee receive as evidence and include in its record as an exhibit for the inquiry into issues specific to workers over 45 the document received from the Council on the Ageing titled 'Press release for the inaugural national COTA congress 11.9.99'.

Resolved on (on motion by Dr Emerson):

That this committee receive as evidence and include in its record as an exhibit for the inquiry into issues specific to workers over 45 the documents received from the Employment Resource Centre, including (a) various press clippings from the *Age* and (b) a Drake Management Consulting media release on an age discrimination survey.

Resolved (on motion by Dr Emerson):

That this committee receive as evidence and include in its record as an exhibit for the inquiry into issues specific to workers over 45 the document received from Hume City Council, namely, two Hume City Council municipality maps.

Resolved (on motion by Mr Wilkie):

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

Resolved (on motion by Ms Gillard):

That this committee authorises the public release of submission No. 165 from Mr Chris Meddows-Taylor, National Manager of Drake International.

Committee adjourned at 4.16 p.m.

