



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

# HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT,  
EDUCATION AND WORKPLACE RELATIONS

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

THURSDAY, 25 NOVEMBER 1999

CANBERRA

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

**Thursday, 25 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, Ms Gambaro, Mrs Gash, Ms Gillard, Dr Nelson and Mr Sawford

**Terms of reference for the inquiry:**

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

**WITNESSES**

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**Committee met at 9.06 a.m.**

**BOYNE, Ms Kathleen, Manager, Coasttrain Mature Workers Program, South East New South Wales Area Consultative Committee**

**DEDMAN, Mr John Clifford, Executive Officer, South East New South Wales Area Consultative Committee**

**MALAVEY, Mr Greg, Chair, South East New South Wales Area Consultative Committee**

**SALKELD, Mr Michael, Manager, South Coast Business Enterprise Centre**

**CHAIR**—Welcome. I remind you that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. The deliberate misleading of the committee may be regarded as a contempt of the parliament. The committee prefers that all evidence be given in public but if at any stage you want to say anything in private that is not on the record, just indicate to us that that is the case and we will consider your request. Perhaps you could give us an opening summary of what you see as the major issues and any specific recommendations you would like to emphasise then we will discuss it until just after 9.45 a.m.

**Mr Dedman**—I will give you a very brief summary of our submission. Basically, we see one problem as being that the trend to casualisation, part-time employment and contract work continues to emerge causing financial insecurity for older workers. This group tends to be confounded and angered by employer attitudes to their age. Continued unemployment impacts on their self-respect and esteem and is manifested in their temperament, health and personal presentation.

Solutions we have thought of are: sensitively devised, individually tailored self-paced programs of development; the improving of employer attitudes to mature workers; the consideration of self-starter grants for those with skills and goals; retraining and reskilling being made priority concerns for employment strategies. I will now pass over to Michael Salkeld, who is the Manager of the Business Enterprise Centre which is based in Bega and covers the south coast. Michael will talk about that area.

**Mr Salkeld**—I have a few brief comments to make on our organisation and some amplifying comments which you might find helpful. As Manager of the South Coast Business Enterprise Centre, I think it is important to note that we are one of nearly 50 such organisations which operate throughout New South Wales with the support of the New South Wales government through the Department of State and Regional Development. We provide free and confidential business counselling and other practical assistance to intending and existing business operators. The Business Enterprise Centre is a division of SERTEC Ltd, which is a not-for-profit community based public company. Until recently, I was the chief executive officer of that organisation.

We operate in the shires of Cooma-Monaro, Snowy River, Bombala, Eurobodalla and Bega Valley as well as the ACT and Queanbeyan. Our annual turnover exceeds \$5 million

and we have over 160 employees. As well as being the BEC, we are a group training company, a Job Network contracted provider, a retail skills centre and, until March of this year, we also operated as an Internet service provider. For a period of seven years, we were a NEIS managing agent but were not successful in the previous round of tenders, missing out solely on the price criterion.

It is rather ironic that I appear before you today as, up until October 1995, I was the First Assistant Secretary, Committees and Corporate Services, here in the Department of the House of Representatives. I can tell you that back in 1995, I would not have been equipped to be appearing before this committee today. But four years of experience in rural New South Wales dealing on a day-to-day basis with the unemployed, including those seeking to start a business, has given me a sound appreciation of the problems confronting the mature age unemployed.

There is a lot more I would like to say, but it is contained in the material that I have already handed to the committee secretariat. However, there are some things that I would like to mention in more detail. There is often a desire to use retrenchment packages to buy a job. This usually takes the form of purchasing a small business. It never ceases to amaze me that, were I to suggest to a person that they place a \$20,000 bet on an even-money favourite in the fourth race at Randwick, they would dismiss me with disdain. However, I regularly see the result of people who have invested their superannuation or redundancy packages, often totalling more than \$20,000, on so-called business opportunities without having conducted adequate research or obtained appropriate business advice.

We all recognise the problems confronting the mature age unemployed, but the difficulty is finding workable solutions and developing strategies to achieve those solutions. I will not go into all the problems because you will be well aware of them. Some of the suggestions I would like to make are these. In recent years there has been a number of disadvantaged groups recognised by government as requiring specialised programs and other initiatives, with Aboriginal and Torres Strait Islander people, youth, women and people from non-English speaking backgrounds being targeted. In my view, there is now a need for the over-45s to be similarly recognised. Former labour market initiatives, such as the job skills program and the special employer support program, did make a difference and their re-introduction, perhaps in a modified form would, in my view, be likely to produce results.

In particular, the mature workers program would benefit from expansion and relaxation of the current eligibility criteria. People over 50 can often exit from intensive assistance; however, many are keen to remain within a system that provides hope and training opportunities. These people contribute considerable social capital, particularly in regional Australia. Investing in them is really an investment in our region by way of economic and social development. There is a demonstrated need that their development should include structured training, with an emphasis on computer literacy.

People over 45 often have a lot to offer and, with appropriate training, could utilise their wealth of knowledge and experience by working with unemployed youth both in a mentoring capacity and with the provision of literacy and numeracy development. I believe that much could be achieved if community work coordinators administering Work for the Dole programs were given the flexibility to develop tailored Work for the Dole programs for

mature age people who, with appropriate training, could work with unemployed youth along the lines I have suggested. I can tell you that there is a major problem out there with the literacy and numeracy of our youth and we need to be addressing it. I see a synergy in this proposition of mine.

The success of the New Enterprise Incentive Scheme supports the case for its retention and also its expansion. I also see considerable benefit in provision of access to training and mentoring components of the New Enterprise Incentive Scheme for persons who otherwise might be ineligible under existing criteria. It is important that we as a community encourage the over-45s to realise that to seek support during times of readjustment and directional shift is wholly acceptable. As a society, we need the experience, skills, vision and drive of the over-45s if Australia is to be able to continue to grow and be competitive within the global economy.

In conclusion, I would make an observation. The Australian defence forces are ramping up for a major recruitment drive seeking about 5,500 new personnel, principally because of our continuing commitment in East Timor. Conditions of general entry include the criterion that applicants must have reached 17 and be under 35 years of age. This is, in my view, a stark illustration of the problems facing our mature age unemployed. Thank you.

**CHAIR**—Are there any other comments or opening remarks?

**Ms Boyne**—I work for Auswide Projects; information about the organisation is described in the report that you have. I have been managing the mature workers program for five years in Bega and recently in Cooma and Queanbeyan. For 11 years I have been working directly with unemployed people at the grassroots level in training and case management. I have seen, heard and felt the human misery and suffering that unemployment has inflicted upon people. I have seen first-hand people who were once employed, confident and capable, become traumatised by the sense of loss brought on by redundancy, retrenchment and termination of employment. I have seen how this savage impact can foster suicidal tendencies, marriage breakdowns, drug and alcohol abuse and much more that will never be disclosed.

To illustrate this, I would like to introduce you to one of the clients from the mature workers program. Let's call her Susan and respect her confidentiality. She is 48 years of age, unemployed for 2½ years, it is 14 years since she left her profession of nursing and she is a sole parent. Her barriers to employment: sole parent; one teenage son expelled from high school; family problems; recent broken marriage; no car licence and not able to drive; 14 years since leaving her nursing profession; suicidal behaviour; taking medication. She has no family in Australia, as they are all in England. She has no money, no confidence and low self-esteem. Her needs are to regain a healthy emotional and mental state and get back into nursing, update her qualifications, get a job, become confident and regain a happy family situation.

How the mature workers program assisted her over two years: built trust, rapport and confidence through a lot of active listening; referred her for counselling; identified her strengths, desires, fears, opportunities and prospects for employment and training; developed her resume; found someone to teach her to drive; organised voluntary work experience;

identified training where a client could update skills. She obtained a drivers licence and purchased a car within that two-year period. She commenced part-time work. In those two years, the client successfully obtained full-time employment. She is now a very happy person.

Over the five years the mature workers program has been operating in the Bega Valley shire, we have assisted approximately 560 clients, increasing the numbers assisted each year. Over the past 12 months, our client intake has increased by 50 per cent. This suggests that the problem of mature age unemployment is growing. This problem will be compounded if there is accuracy in the regional perception that 40 per cent of dairy farmers in the Bega Valley shire will go under with the introduction of deregulation. Included in this will be their wives who are partners in the businesses and receiving an income and their children who have lost their prospective livelihood.

To date, our total employment outcomes for the Bega Valley shire have been 331, and our training outcomes have been 171. Our program has recently only been servicing the Bega Valley shire but has now been extended to include Queanbeyan and Cooma. If you refer to the table at page 1 in the report, you will notice how the jobs have become fewer as the job seekers have become older. That is on page one of your Auswide Projects report. Under the mature workers program training initiative, there is a new initiative for mature workers that is funded by DET, the New South Wales Department of Education and Training. It is a coupon based training program for clients of the mature workers program. I ascertain our clients' training needs and identify training relevant to their requirements to meet the skill needs of local industries and clients. Their training has proved very successful, as clients were keen to participate, and enhancing their skills is now being looked at.

I have observed over the past 11 years that accepted unfounded wisdom that emanates from Commonwealth government through to local government is that equity policies for disadvantaged only include youth, indigenous, those from non-English speaking backgrounds, women and people with disabilities. The disadvantaged group does not include the unemployed, particularly not the mature age unemployed.

Recommendations: educate employers through the media advertising for mature age employees; incentives for employers who hire mature age job seekers, with funding being increased relevant to the age group; have reskilling programs similar to traineeships and apprenticeships; have the Public Service lead in placing mature age job seekers into voluntary work placements and their training programs; and fund training programs specific to mature age job seekers. I would like to leave you with the following quote from Franklin D. Roosevelt:

No country however rich can afford the waste of its human resources. Demoralisation caused by vast unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order.

Thank you.

**Mr Malavey**—In summary, I would like to make three points. One is that in regional Australia not only do we deal with the hardship of unemployment over the age of 45 but our unemployment levels are three and four times higher than urban areas. The problem

manifests itself dramatically in the numbers of unemployed in that age group in our areas. The people are keen to work. They are willing to risk their life savings, superannuation and any other funds that they can get their hands on, even to go as far as getting loans, to buy businesses that they often are not capable of running because training and other things are not available to them. In the end, after five years of spending the money that they have spent a lifetime generating, they end up on the government payroll for the rest of their lives.

The over-45s in high unemployment areas are limited in employment in a way the people from the cities cannot believe. As governments shrink their regional Australia posts, the possibilities of gaining employment for experienced and mature people decrease to a half or a third the rate of possibilities for younger people; they often do not have the flexibility of travel. It is very, very important that you consider regional Australia in the over-45s unemployment situation as being well above that of urban and city areas.

**CHAIR**—Thank you very much for the submission and also for everything you do and for taking the time to come and speak to us about these issues. What is the general level of unemployment amongst over-45s in your region? We have an idea of what the national figure is, but what level are we looking at in your area?

**Mr Malavey**—I do not have those figures with me. The unemployment total in our shire is 15 per cent, and the high signal area is the over-45s.

**Mr Salkeld**—I would say that in our area, with the people who are our clients, about 50 per cent are over 45, with about 70 per cent being male and 30 per cent being female.

**CHAIR**—Do you believe that employers are discriminating against prospective employees on the basis of age?

**Ms Boyne**—Yes.

**CHAIR**—Can you tell us why you believe that? I agree with you, but we heard from people who disagree with us and I am interested in finding out what your experience is.

**Ms Boyne**—First of all, they are getting educated by the media, by the TVs, seeing young people in traineeships; the prospective employees are young people who are doing the traineeships and apprenticeships. I have not seen anything on TV that has shown older people as prospective employees. Our clients in the mature workers program have been told in interviews that they are too old. It is as blatant as that. I know that does not follow EEO principles, but in country areas and small businesses that is what they do. In fact, when I do resumes for our clients, I do not put their age in because I know that, if I do, they will not even get an interview, they will not even get to first base.

**Mr Malavey**—Following up on what Michael has said, it is the opportunities that are arriving. The part-time and casual job opportunities are not really geared to especially over-45 males. If it is telemarketing, a new computer or Internet activity, it is not a job opportunity that normally suits the experience of that marketplace. So that is one of the compounding problems that you come across.



**Mr Salkeld**—Yes. If I could add to what Kathleen was saying, we tell our clients to leave their date of birth and age off their resume. We get lots of feedback from our clients that they do that, but those interviewing them can tell. They go into an interview and they realise two seconds after they have sat down that the interviewer has switched off because of their age. When I first took over the job, people used to come to me at 50 and say that they were too old. I am seeing people now who are 38 who are coming to see me and saying, 'I'm over the hill; I'm washed up.' It is a general perception out there. It is not something that is isolated and infrequent.

**Mr Dedman**—You have asked about our unemployment rates and, whilst we do not have specific rates on the over-45s, in the Eurobodalla shire the latest figures we have are 15.1 per cent. But it has been up as high as 19.3 over the last few years. The Bega Valley shire is 12.1 at the moment, but it has been as high as about 14. So they are significant, high unemployment areas.

**CHAIR**—Can you explain what a self-starter grant is and how that would work? You talked about self-starter grants in your submission.

**Mr Malavey**—That is the NEIS program, is it?

**Mr Salkeld**—Yes. The New Enterprise Incentive Scheme, which is a federal government initiative going back many years now, is a worthwhile program. It is my understanding that, in some states of Australia and in the ACT—but I am not sure whether it still exists—the state government or the territory government would provide a self-startup grant to someone who was approved for the NEIS scheme. It was not a federal government program; it was a state or territory government program. That is something that could be looked at, but it would not be one of the higher priority things that I would be recommending. The New Enterprise Incentive Scheme program is a six-week training course which really develops people's skills in small business management. I think it would be very handy if that program could be adapted and used for people who were unemployed, maybe not necessarily for those who were about to start a business and were not necessarily unemployed, just for people over 45 who would then have the prospect of developing their skills further so that they could adapt and use them in other environments.

**Mr SAWFORD**—John, I will direct this question to you in view of your comments, particularly about education programs. I feel sure that this committee will come up with a recommendation about a national education program. What attributes would you focus on if that recommendation were made?

**Mr Dedman**—We have made the point that sensitively devised, individually tailored type programs—

**Mr SAWFORD**—I am talking about a national education program to make employers aware of the qualities of, and not to overlook, mature age workers. That is it, basically. You can have education programs that work and you can have education programs that do not work. From your perspective in terms of the people you represent, what do you think should be part of that education program?

**Mr Dedman**—You are talking about an advertising campaign or whatever directed at the employers generally?

**CHAIR**—A comprehensive strategy which changes not only the attitudes of employers—although those attitudes in many cases reflect the attitudes of society generally. We have discussed this before, but we have changed our societal attitudes towards smoking, for example, and slowly but surely towards AIDS and a few other things. If in your shire, where you are dealing with the human face of this every day, you were developing, as Rod suggests, a campaign to change the attitudes of Australians, and employers in particular, toward older workers, what would you be looking for?

**Mr Malavey**—Perhaps I could make a comment. I would be looking at mature age apprenticeships and traineeships. I would also be looking at profiling people who have been working and are working and being successful in that age group. There is a tendency for people who have had or are having a hard time to congregate and actually talk themselves into a hard corner scenario from which they think they will never leave. Organisations such as Michael's probably number as the few access points which try to lift people by training and education and confidence building—and it is the same with Kathleen's—to get these people to become confident about their possibilities for the future. But, generally, it is about giving them the same opportunities as youth. You know, you can take on a mature age apprentice.

**CHAIR**—This problem has been put to us, and we understand it. If we lose our seat and want to go and train to be an electrician, we can. But, with the sorts of commitments we have at our age—that is collectively, all of us—we just could not live on that sort of income.

**Mr Malavey**—I will ask Kathleen to deal with that.

**Ms Boyne**—That is why we mentioned that the older the job seeker or the employee, the more incentive the employer should receive. Often in our area a lot of businesses will hire trainees and apprentices because they cannot afford not to. They cannot afford to hire at the award rate, so they will take on trainees or apprentices. They have the mind-set that a trainee or apprentice is a young person because of the advertising. Also, mature age people do not want to be trainees. It is an insult to say to a mature age person, 'Would you like to be a trainee; would you like to be an apprentice?' That is a real insult to their 40 years of being in the employment situation. I really think that word itself needs to be reframed.

I remember that after World War II, when the people came back from the war, there was a training program which was named specifically for that target group; they were not called traineeships or apprenticeships, and that program was relevant to their age group. Perhaps we could think of a name that would empower these people to feel that it is okay to retrain and reskill. I think that putting the right name on it would be really important.

**Mr SAWFORD**—They put the name of the trade: I want to be a tiler. That is what they did. They did not call it an apprenticeship.

**Ms Boyne**—Yes, that is right. So I think the name is important. Then there has to be something in it for the employer. The money has to be there for the employer and for the person as a mature age job seeker.

**Mr SAWFORD**—There is the problem with wage incentives that they can just create displacement; in other words, they have people going in and out of employment and the overall situation does not change at all.

**Ms Boyne**—Yes.

**Mr SAWFORD**—One of the things that always concerns me is that, whether it be federal, state or local government—and I want to focus on local government in your areas—we see very few examples of where, with the given set of money that these governments have, they maximise employment opportunities. If you have a mind-set that you take into account such as, ‘How, with this amount of money, can we maximise employment opportunities for the people we are serving?’ it changes the direction of where the money is spent.

We were in Melbourne a couple of weeks ago and a local council—and in a pretty tough area—was giving evidence. I asked the Director of Economic Development, ‘How much money is your council spending on capital infrastructure?’ which is a tried and prudent way of maximising employment opportunities. The answer was ‘Less than seven per cent.’ There are some examples that have come back to us of it being even worse than that, that they do not spend their money on that at all. Are you aware in your areas of what your local government is spending; what percentage of their funding or income is being spent on capital infrastructure?

**Mr Dedman**—I would have no idea.

**Mr Salkeld**—I would venture to say that it would be very low. In my view, councils spend most of their money on employees; that is where the majority of the expenditure goes. But I suppose, if they decide to reduce their number of employees, there are more people out of work. As a general rule, I would say that councils are not spending enough on capital infrastructure—and I agree with you, it does help to create jobs.

**Mr Dedman**—And when they do, they are actually contracting. They are now sacking their backhoe driver and talking him into buying his own backhoe and then contracting him back on to council. That is fine for the people who have been there long enough to have the funds to do it; but the people who cannot afford to do so are then just set adrift. So, even though councils are very good in a lot of ways, the possibility of quite long-term employment for the outdoor staff is limited dramatically.

**Mr SAWFORD**—Perhaps they are areas that you ought to take up when you go back.

**Mr Dedman**—We have an interesting situation in Eden where the government has allocated some money in view of the cannery closing. There is \$3.6 million that has been allocated to that Eden region to try to develop some jobs. That is a different approach. We are going through that stage of setting up the guidelines, and I think the applications will be

advertised in the papers this weekend. It will be interesting to see what comes out of giving, basically, the community \$3.6 million to try to create jobs down there through a series of grants for people in business to try to develop their business further.

**Mr BARRESI**—Kathleen, I am intrigued with your case study No. 1 that you read out. First of all, I congratulate you that you were able to stick with this person for almost two years and that you were able to get her a full-time job.

**Ms Boyne**—Thank you.

**Mr BARRESI**—But the other concern—and I am not sure how many of those people you have on your books—is that it took almost two years of commitment on your behalf. I hate to think that it takes that long, even with such dedicated management, to get someone into work. How were you funded throughout that entire period to support this individual?

**Ms Boyne**—Very leanly. I work long hours. I think it is an industry where you have to have true commitment. Our programs are getting cut back more and more each year. I am receiving the same funding for the next financial year, 1999-2000, as I was getting in 1995.

**Mr BARRESI**—With her, you would have received your payments on placement?

**Ms Boyne**—This is just commencing. In the past with the mature workers program, we put in a submission for X amount of dollars. It is not relevant per placement; that will commence in December. But what is relevant is that I must meet so many employment and training outcomes per annum. I have exceeded my employment and training outcomes each year by about 150 per cent, but I must meet those outcomes.

**Mr BARRESI**—What contribution did you make financially to this individual to help them through the various stages?

**Ms Boyne**—I had no money in my budget to put forth to that client. The only thing I could give her was my time and my expertise in job seeking skills, and my support and my networking.

**Ms GILLARD**—I suppose that leads into my question. We obviously have a range of government programs to provide assistance to unemployed people generally—it is the accursed terminology, the sort of FLEX 1, FLEX 2, FLEX 3 and the NEIS scheme. Is there anything that you would recommend to us as design changes that should be made to those arrangements that would make them more useful for mature age unemployed people and/or more useful in rural and regional Australia?

**Ms Boyne**—I do not think mature age job seekers are being acknowledged in the disadvantaged target group. They receive exactly the same treatment as a person who is 23 years of age, yet they are having more difficulty getting employment. As you saw on that table, it is harder for me to get a person a job the older they get. But there is no incentive for the person, the job seeker, or the employer. They are still treated exactly the same as everybody else. In FLEX 1, 2 and 3, mature workers are treated just like everyone else is. So there is no special incentives for an employer to take on a mature age job seeker.

**Ms GILLARD**—You would say that that is a key.

**Ms Boyne**—I think the education of employers is really important. There are many qualities that a mature age job seeker has. For the last two days I have been running interview workshops for mature age job seekers in Cooma and Queanbeyan and the qualities we come up with, the qualities that they have that other people do not have—younger people just do not have life's experiences.

We have also been conducting through this coupon training. We received 10 coupons for Auswide projects and \$200 per client. We have just put them through some computer training. Mature age job seekers do not have the relevant computer training, and that is really important. They just need to be finetuned. So short training is important too for the mature age job seekers because they have skills but they just need to be honed. They might have been retrenched for two years and they just have to get back in. Personal development skills are others that they need.

**Mr Salkeld**—I think there needs to be a limit on subsidised employment, but there is subsidised employment to an extent with apprentices and trainees. I think the mature age worker needs to be recognised, some term that is not pejorative needs to be thought up and some funds need to be targeted, maybe even hiving off some of the traineeship funds, giving them a special name and targeting over-45s.

**Mr Malavey**—The government is already successful at that in some areas like when they closed down the woodchipping and sawmilling down there, they gave funds to re-educate and for retraining. There are no problems there at all. But NEIS is one of the areas that has been cut to hell down in our area. The region has copped enough NEIS but areas down the coast have not really received their fair share. NEIS is an absolute critical key for mature age workers who are willing to risk their life savings to go into business to have a chance in small business.

**CHAIR**—Something that has been put to us is that the people who are most likely to succeed in NEIS are, in fact, ineligible for it.

**Mr Malavey**—Yes.

**Ms Boyne**—Yes.

**Mr Malavey**—Because they have not been unemployed for long enough or whatever it might be.

**CHAIR**—If you were slogging your guts out running a business, you would probably resent the fact that someone else is getting a leg up on the back of the government, I suppose. So there has to be a balance there. But at the moment NEIS is a very good program but it seems to help people into undercapitalised business who really have nothing. Anyway, we have been looking at a few things that might improve.

**Mrs GASH**—Michael, I heard what you had to say earlier on, and I was very impressed with what you did say. Can you tell me the success rate you do have at NEIS at the moment?

**Mr Salkeld**—We no longer run it, and perhaps I should say this without mentioning our competition: we had NEIS for eight years, we lost out and the organisation that beat us is based in Wollongong. They do not have any permanent presence in our area. They have run only one program in the area in the entire time they have had the contract because they have places that relate to the entire region so they are using them in Wollongong. Our people feel as though they have missed out.

Our success rate was a little bit lower than the national average but around 70 per cent. By 'success', I mean that three months after all benefits have ceased, they check and 70 per cent of the people had not returned to benefits. So it is a very good program in terms of outcomes. But I agree with the chair, that the problem is that we are really trying to assist people who are starting businesses from behind the starting line because they lack sufficient funds, and they are really pulling themselves up by the bootstraps. Maybe that is why self-starter grants would assist in that regard. But it is a great program and I believe it deserves recognition by additional places being made available, and particularly in rural and regional Australia.

**Mrs GASH**—You are welcome to use some at Nowra. We have a NEIS program at Nowra, so come up to us. We would love to have you up there.

**Mr Salkeld**—Thank you.

**Mrs GASH**—What were the ages within the 70 per cent success rate of NEIS that you had? Were they mature age or younger who were successful?

**Mr Salkeld**—I think the mature age would have had the higher success rate. My personal view—and this is a general statement of course—is that if you are looking for a worker, you go for someone who is over 45 and you have someone who is imbued with a work ethic, who has years and years of experience, a lot of pride, dedication and commitment. They are the persons I would be employing generally. But for some reason, the moment you get to 40, employers turn off, and I do not really know how you are going to turn that around.

**Mrs GASH**—Have you done any research into the number of jobs that are available for mature age people in your area? We did a survey ourselves just to find out where they were and who would employ the mature age people. It was quite surprising with the number of places there were, but we just did not know about them. Have you done anything like that at all?

**Mr Salkeld**—No, no specific survey. I do not know whether Kathleen has done that.

**Mrs GASH**—That would allow you then perhaps to put one with the other if you can sort of case by case it. I know that it is work but it does help in the long run to try to identify where those jobs are that could take those sorts of people.

**CHAIR**—I suspect that a lot of them are in industries that are dying in the region.

**Mr Salkeld**—That is right. The industries that carried those people are the ones that are shrinking the quickest.

**Ms Boyne**—As John mentioned, with the Greenseas cannery in Eden, over 100 staff were retrenched and the majority of those were mature age women of non-English speaking background, unskilled. They are now coming to the mature workers program and we are trying to place them.

**Mr BARRESI**—I am interested in your view about outplacement programs that may be offered. Sometimes an employer who is embarking on a retrenchment program may have an outplacement service to go with that retrenchment. Other times there is not; you get retrenched and there is the door and out you go. What is your experience with those individuals who come to you with those outplacement service programs already funded and provided by their employer?

**Mr Dedman**—Perhaps I might just comment there. That actually happened with the Heinz cannery closure. The Heinz organisation contracted an outplacement service from Melbourne and they attempted to find positions for these people. But my understanding on the whole was that they were not particularly successful. They had a period of time, I think it might have been three months or something, then it all fell back on to the local providers anyway who know the market, know the opportunities, where to go and what doors to knock on. Really, in hindsight, I think Heinz would have been far better just to get in the local providers who know the local area and do the work.

**Mr Salkeld**—Perhaps I could add to that. My view of outplacement services by these big companies is that it is purely cosmetic. My view of consultants is that they are people who borrow your watch to tell you the time at an exorbitant price, and what they really need to be doing is, if they were fair dinkum, Heinz Greenseas should have been giving money to organisations like ours and Kathleen's who are in the area and are committed and do this work because we care about the people. No-one goes into this line of work to make money. Outplacement services, if they are going to work, have to be directed by the people who live in the area, and who understand the problems and not some high flying consultancy firm from Melbourne.

**Mr Malavey**—Also keep in mind that the average income in our region is around \$17,000 per annum. The businesses that you are talking about taking up mature age or young workers are tiny. You are talking about people who own a shop in the main street of a coastal village that might be working 60 hours a week and earning \$20,000-odd a year and they do not want to be unemployed. If they had to work 70 hours to make their \$20,000, they would do it. But we are in a very fragile commercial market and, when it comes to satisfying the people seeking employment in any age group it is difficult. It is just that the curve gets steeper as you hit that 45 and above age group.

We are very fragile markets, so there is no simple solution. It is a matter of a fair go. But in the end they are competing against youth programs, Aboriginal programs, all the other programs. When it comes to taking on a new employee at the cost of 60 per cent of real

costs because of a program versus 100 per cent of somebody else, the 60 per cent will always win. They are small businesses, they cannot afford much more.

**CHAIR**—Thank you very much for your evidence. I am sorry we have to finish here, but it has been a pleasure to listen to you. I think we all admire what you are trying to do in very difficult circumstances which sadly are not unique to your area, as you are well aware. There is any number of places we have been where people we have spoken to are going through the same anguish. If you have any supplementary ideas, suggestions, comments on what anybody else has said—and it is worth reading the *Hansard* of the exchange between ourselves and the Australian Chamber of Commerce and Industry and also the Business Council of Australia—you might, if you are interested and have the time—I know that you are up to your eyeballs in alligators down there trying to do your work—please send them on. Thank you very much.



[9.51 a.m.]

**BASTIAN, Mr Rob, Chief Executive Officer, Council of Small Business Organisations of Australia**

**CHAIR**—Welcome, Mr Bastian. I know that you are absolutely flat out at the moment with tax reform so thank you for taking the time to come along and speak to us about these issues. Perhaps you could give us an overview of how small businesses generally in your organisation would see this issue and any particular themes you think are worth emphasising. We will then have a discussion about it for probably about a half an hour.

**Mr Bastian**—There are two or three major points that I would like to make. Thank you for hearing me without my having put in a formal submission. I certainly intended to and there is certainly a small business position on this subject, had I been able to get pen to paper. In essence, as you have said, we are very distracted at the moment by taxation reform and a few other issues that are running. Were that not to be the case, I have absolutely no doubt that small business would see this inquiry as one of the most important inquiries running at the moment.

Essentially, we have not developed a policy position in council specifically on the people over 45. But COSBOA has huge experience in employment matters and employment policy and pursuing traineeship programs and various training objectives under both sides of government. In the course of that, I think I can speak with considerable confidence on the attitude of the sector. Just for the record, I have been a chief executive of this organisation for 15 years. We have quarterly meetings of all the council members. Just literally yesterday we finished the one focused more on tax and the new millennium. I write weekly reports to those people and I have done for that period of time. On that basis I think I have a sense of what small business is thinking and can offer you as reliable position as anyone, shall we say.

My first point would be that the sector is managed by people rapidly approaching 45 if not past that mark. There is a general sense of concern that the focus has been devoted particularly to the young and, with absolutely no detriment to that focus, it has not been sufficiently on the area that you are looking at. I have no doubt that we can endorse, encourage, publicly support, call for a greater focus on this area, the area of over 45s. Small business as a group, as a sector, would endorse that very, very loudly. The focuses beyond youth have been on cultural—I heard this from the previous speaker—and indigenous programs and other programs. But the silent majority—and I think it is a majority—needs a far greater focus. That is my first point.

The second point—and this cuts a little bit to the tax debate itself—is that as a community, as a culture, as an economy, Australia faces a particular problem which is common with the rest of the world inasmuch as we are focused on employment when the central task is probably more correctly described as involvement in our community. I am trying to say that the correct way to involve the Australian population in its processes is through work, through involvement, through participation.

In a purely rationalist approach, that may not be simply employment. Employment is defined as concisely and sharply as an activity which produces profit and gets mixed up with rationalist economic debate, whereas much of the employment support programs and employment creation programs carry a huge element of involvement and social contribution as distinct from economic contribution, if you can separate those two. I think this is an incredibly important point to make because in small business we are constantly looking for support to assist, I guess, that part of the economy that we provide a huge contribution to, and it is clearly employment, it is clearly involvement.

Whenever we get to saying we need a particular level of support for that involvement, rationalist economists come out and say 'No, no, you cannot do that, you will distort the marketplace.' So I think we have to shift the focus a little from looking for employment, pure and simple, to valuing involvement. It is that cry for involvement that has given rise to the Hanson sort of thing. Quite frankly, I think it put paid to Jeff Kennett in Victoria. Those are elements that I would like to see on the table and they are very difficult to define. However, in that context, I would just say that small business's contribution here is not because it is small; it is because it just happens by chance to be labour intensive. It is that difficult tilting of the economic thought towards accepting a social contribution through helping labour intensity as distinct from just pursuing efficiency. That, almost by definition, is measured as being how much you can produce with how few people.

So there are some difficult issues to grapple with. I was stressing those to let you know that I think the sector would be behind you if it could speak the language that I am trying to speak to you now.

The fourth and final point to my opening position is to look at the trend, look at what is happening and where things are moving. You have the data, we do not have the data. The government has the data and access to data here. It is very difficult for me to quantify the comment that there is a trend towards home based businesses, a huge trend. Technology is driving people to operate smaller entities, informal entities in home based situations, which are sometimes difficult for public policy to cover. But the trend is very clear and the ABS's own numbers show that. You are talking of around half a million firms operating from a home based business. You are talking a huge take-up of technology which is still virtually unmeasured.

I suspect that there is also a trend in ageing. We all know that we are an ageing population. It is that trend we have to deal with. We have to measure it, package it and understand it and get ahead of it, as distinct from just continuing to deal with its symptoms.

That is my opening statement. Really, all I can say is that if you can perhaps quiz me in those areas, I feel I can justify those positions.

**CHAIR**—Thank you very much. That is terrific and refreshing too compared to some of the other business contributions we have had. I have three things to ask you about. The first is: one of the issues we have identified is that the way in which employees are dismissed or made redundant often contributes substantially to their maladjustment to what is a major life event. They are going through a grief and bereavement which is little different from losing a spouse or a home—in fact, some of them lose their homes as a result of it and all the rest of

it. Some employers deal with it very well, but a lot of employers do not. Larger companies clearly find it easier and would find it easier, for example, to use an outplacement service.

But one of the things we are looking at is whether there is a place for developing some sort of code of conduct or best practice for redundancy or dismissal. You would have a check list which would enable you to, for example, notify family, and to involve social welfare agencies, financial counselling and those organisations in the local community which might be able to assist in the career transition issues this person might be dealing with. There are some agencies of a medical nature that can help with grief and all that sort of stuff. Clearly, if you are a big company and employing 1,500 people you can deal with that perhaps more easily than you can if the business is just you and your wife and one other person. In principle, do you feel you would be able to sit around with, say, the Business Council, the ACCI, the ACTU and us and talk about the merits and otherwise of that?

**Mr Bastian**—Without hesitation. It is a major area. I personally spent 25 years in the Navy and the outsourcing and the retirement processes there were very generous. It is a large bureaucracy and my transition from 25 years of a peculiar lifestyle on submarines and funny things, to going into the private sector was very easy.

One of the central points that I would like to make is that, thinking of small business as a sector, a collective—that is what we represent—rather than small business as the individual firms for a moment, the sector would endorse everything possible to ease that transition. The expenditure of public money, such as could be found, we would totally support. No-one wants to see anyone in pain. What I would guard against is the transition of policy to a business responsibility. This is where it gets a bit tricky. Big business, as you know, can handle and carry on these costs whereas small business simply cannot. You must take strong steps not to impose judgment on small business for failure to do certain things. There are practical limitations on what a tiny business can do.

Perhaps I could read into *Hansard* something which the ABS has already provided, so it is not new information. The average firm size in this country, including BHP and the public sector agencies, is 6.3 people. You take out the firms above 100, it is around 3.4. In rural Australia I am a bit mixed up—it is either 2.7 or 2.1. We have to be realistic as to what we can impose on people and not allow the debate to creep out saying, 'Employers must do this,' because small businesses regard themselves as employers and they are tarred with big brushes.

There is another dimension to this too. Small business, by and large, is picking up the outsourced efficiency moves of the government itself and big business. Big business, the top 1,000 firms, shed 1.4 per cent of their work force in 1997-1998. They are IBIS's figures for the ABW. So they are shedding big time. The Access Economics analysis of the longitudinal survey that the ABS did for the Office of Small Business showed that 60 per cent of net employment growth comes from the micros—that is under five and what they are calling small business, which is under 20; they have defined them slightly differently to their usual streams. The point of that is, for heaven's sake be careful as we step into this field not to allow more rhetoric to hit the small business sector. It is your saviour, not your problem, here.

In terms of processes, I think that the focus should be on educating the person being dispossessed rather than demanding more from the small business sector in terms of imposed responsibilities.

**CHAIR**—It is not a question perhaps of something that is prescriptive but at least developing a guide or a model. Having been an employer myself, a lot of employers might find it useful too.

**Mr Bastian**—Yes, I would certainly push it around to everyone I could, personally, from our own organisational point of view.

**CHAIR**—One of the things that underlies this perception amongst employers that older workers are more of a liability, if you like, is that they think they will not stay in the work force as long as, that they will not work as hard, that they are not as enthusiastic, energetic—all this sort of business—when, in fact, the evidence would suggest the opposite. Are workers compensation premiums any different for older workers versus younger workers?

**Mr Bastian**—I do not believe so, no.

**CHAIR**—The physiotherapists gave us some evidence to suggest that occupational disease and injury rates were actually higher in the over-45s, particularly the over-55s. I thought that if that is the case, surely the insurance industry would be rating for that.

**Mr Bastian**—I am an employer. I manage COSBOA as, I guess, a service company, so I am very much an employer. I signed off on 39 group certificates last year so I understand what you are saying. Oddly enough, I do not believe that our workers comp payments vary according to the age of the employees we have, although perhaps I am ignorant on that point.

**CHAIR**—Could you just make some inquiries on that? You might find it easier to get answers than we have. Could you make inquiries of the insurance industry as to whether they take age profiles of the work force into account when they are risk rating businesses.

**Mr Bastian**—The way the workers comp has been dished up to us is that it is the number of employees, and that is it—in fact, the relationship between the number of employees and your salary bill. There is no age component in there.

**CHAIR**—The evidence we have seen would suggest that you have less absenteeism, less churning of your work force and more reliability, if you like, from older employees?

**Mr Bastian**—I can only endorse that on a commonsense basis. I do not have the data in front of me. I suspect that the data is pretty sketchy.

**CHAIR**—In Melbourne, Mission Australia told us that one of the reasons why older workers are being forced into portfolio jobs—that is, one day of work a week here and one and a half days there; basically it is a number of casual jobs all added together—is that a lot of small and medium businesses in particular were fearful of unfair dismissal provisions and

were offering workers jobs on a part-time or casual basis with a view, if things worked out, to giving them longer term employment. Is that the case?

**Mr Bastian**—That is very much the case in small business but not something for which small business should be blamed. A lot of employment these days is moving to that transient short-term burst because a lot of work is being done in an outsourced way and a consultative way, and small business is very often the organiser of that labour for short-term contracts. I, myself, deal with government contracts. GST start-up office, for example, will give me some money to do certain work, but it wraps up on 30 June; a DETYA program that I am running wraps up on 30 June. I am in a peculiar area but I think the whole outsourcing process from government and big business has been about shedding their own labour responsibilities, their long-term responsibilities. Small business as a sector, and for obvious reasons, is reluctant to take on residual responsibilities.

In terms of solutions, I think it is not complex. I think we simply have to raise the level of awareness and promote the issue and give it more focus than it currently gets in the minds of these very busy people. I think we have to remove some of the threat with the dismissal process. I can assure you that small business is reluctant to employ people because it fears not only the dismissals law but the personal and psychological agony of putting off another human being. They are reluctant to take that on.

I personally was interviewing a retired plumber, a 60-year-old, literally yesterday for some policy work that I am doing—a steady reliable sort of bloke. This person had desperation all over him. You could see in his eyes that he wanted this sort of work. To take on that sort of commitment when I myself am pedaling pretty hard is something that you treat very carefully. It is not just the fear of unfair dismissals, although there is obviously a bit of that there; it is the fact that you do not want to let another human being down so you do not want to build up expectations. I think somehow we have to try to give merit to this process and ease that area of it. How we do that I do not really know.

**Mr SAWFORD**—But with most of these small businesses, the unfair dismissal laws do not apply and they never have.

**Mr Bastian**—I know, but they think they do.

**CHAIR**—This is what the mission fellow told us in Melbourne. He is the only person who has, I might add.

**Mr Bastian**—I would not like that to come across poorly. Unfair dismissals is an issue out there, and I think we are getting on to religious ground and I think it could take up a lot of time. But I am a rep, as indeed you are, and this is a real issue.

**Mr SAWFORD**—I understand the problem. Your organisation, and even governments, both governments, have never been able to get that across to small business, and the reason why is beyond me. Why haven't we been able to get it across? It does not apply.

**Mr Bastian**—Perhaps I could move off this subject as it is a time warp.

**Mr BARTLETT**—This question may have been asked. Perhaps we could focus on what we could do to encourage small businesses to employ mature age unemployed. I am certainly encouraged by your awareness of and empathy with the problem. Do you see it as being mainly a problem affecting big businesses or do you see reluctance there for your members as well?

**Mr Bastian**—My approach to big business is that, by and large, they use their natural advantage to pursue efficiency—that is, they can get capital and they use it as best they can—and, driven by shareholders to produce bigger returns and profits, they are forced, almost, to pursue efficiencies. An altruistic program in a big business is a very difficult thing to have.

**Mr BARTLETT**—But in terms more of a preference for younger workers rather than older workers, do you see that as pervading small business as well?

**Mr Bastian**—I can only give an opinion here. I think there are about three or four major areas. There is no simple solution, as the previous speaker said, but the areas I would look at would be to try to place greater value on mentoring and management skills. There is no question about that. The last one was focused on apprenticeships and training and reskilling. Another area is to accent, as we already do, the skills of these older people. I think there is an issue about threat. A small business person who only has a light grasp on the thing himself or herself tends to have a sense that a mature person coming in actually threatens their managerial position. That has to be softened through.

The notion of mentoring almost as a consultant. There are mentoring programs out there using retired people. I think VECCI runs one, a few other people run one. Those things are very, very valuable. Small business needs people behind it saying ‘You are running a bit fast but if you just tighten that up that would be very helpful to your firm.’ I think a lot of small businesses are a little out of control. They are under a lot of pressure and they do not have the managerial practices entrenched. They can reconstruct the crime but they do not manage the day-to-day event because they are trying to get money in all the time and that is where their focus should be.

The GST and the whole taxation reform process offers Australia a unique opportunity to bring in those managerial processes that this older sector has, particularly since the process of employing accountants in great numbers will lift the price of accountants and actually retract those very services from the tiny ones that are seeking to serve. The Institute of Chartered Accountants and the tax institute all agree with this. There will be a dearth of taxation support out there for small businesses because we cannot afford it. I think these older people could bring managerial experience, and there is something you could promote there. I am certainly looking at this plumber and a few others for that very reason myself—to look at my managerial practices, to ensure that I do not stumble for reasons that I cannot afford to buy in accountants to handle.

**Mr BARTLETT**—How effectively do you think your organisation can be involved in an education process in making employers aware of the benefits of older employees? How can the government assist with that and in what other ways can the government assist in making it easier for small business to take on older workers?

**Mr Bastian**—Dealing with my own thing first, we could assist very easily. Unfortunately, we are not a wealthy organisation and there would have to be resources applied to it. What we do a lot is telemarketing, tele-research, tele-reaching. COSBOA basically operates on two levels. We have the industry associations and we can beat up those—this would be very easy, that costs nothing. They are a distracted slice of humanity. The association executives, who are the natural multipliers of information, are very overburdened with public policy at the moment and it is a pipeline which you have to use very carefully.

Beyond that, there is a particular skill in reaching out into what I would call employment multipliers or little clusters. I keep using the image of the Crystal Softdrinks company up in Newcastle which has 630 trucks running around the place. It is not an industry association but it is a network that you can plug into and disseminate information if you have the skill to sell the need.

Cultural groupings: small business as a concept is easily explained. I was up in Sydney last week talking to the Lebanese at some central thing at in Marrickville trying to get how their information flows work on a DEMA program. So there are ways that you can skilfully slide information down. The media will take it for two or three days and lose it. You have to flatten out your spike of information. Basically it is not actually complicated; it is a bit of a grunt job. It requires some salesmanship and skill to put the right twist to the message so that you are actually coming in to help.

We do it okay. I think we are running pretty hard on the GST right now. But it is a task that we could do and would be delighted to do because—and here is the good thing—I know small business feels very strongly about this issue. It is just a question of finding the way to slide it in. If that is a real option I would be happy to talk to whomsoever on that subject, bring them over to our office, show them what we are doing with the GST stuff, show them what we are doing—we are running about three programs at the moment.

**Mr SAWFORD**—I was pleased to hear you say something about longitudinal research. We have been with this problem of mature age unemployment and unemployment generally for over 20 years and there is a dearth—in fact, it does not exist—of longitudinal research in this country on unemployment.

**Mr Bastian**—That is not really a fair comment. I think the trouble is that the information is a burden. I think we have more information than we need.

**Mr SAWFORD**—No, it is not longitudinal; it is serial. If you go back over the last 20 years, there is a university here that has been given some money—\$110,000—to do a study, but when they apply the next year or two years later to do a comparative study or to start developing a longitudinal study they are never able to get the funds. So there are not examples in this country. In the United Kingdom there are. They are very good at doing longitudinal research; we are not. So I was pleased to actually hear that your group is sponsoring that. Turning now to focus some questions on efficiency, efficiency is in the eye of the beholder, isn't it?

**Mr Bastian**—Yes.

**Mr SAWFORD**—Some people would argue that if you give the top 20 per cent of income earners more money, that is efficient. In actual fact, from your point of view, it is the other way around, isn't it?

**Mr Bastian**—Mr Bastian shook his head.

**Mr SAWFORD**—That is right. It is the 80 per cent having more money that is in your interests.

**Mr Bastian**—Yes, absolutely.

**Mr SAWFORD**—You also made the point that the top 1,000 businesses lost 1.4 per cent of employees.

**Mr Bastian**—Shed.

**Mr SAWFORD**—Lost, shed.

**Mr Bastian**—It is different.

**Mr SAWFORD**—Sacked.

**Mr Bastian**—Sacked, yes.

**Mr SAWFORD**—That is often put up in the view of efficiency in terms of the shareholders and whatever. There is no research that I have seen in Australia but the United States research now is showing that all of those companies that did that actually lost market share as well.

**Mr Bastian**—Great.

**Mr SAWFORD**—They may have made in the short term more profits but they lost market share. Actually, the companies in the US that have held their market share or increased market share did not go into the downsizing exercise at all. So that is an interesting point. Perhaps you could comment on that. You have also made this comment about employment and involvement. How can you say that without putting in the third factor, which I thought would have been just as important—income?

**Mr Bastian**—There are about 60 questions in those three questions.

**Mr SAWFORD**—There is efficiency on transfer of money—

**Mr Bastian**—Okay, let us talk about efficiency. Unfortunately the differences between commercial efficiency and economic efficient are fundamental. In commercial terms, efficiency is producing as much as you can on the lowest possible cost, particularly labour costs in most cases, and that is to produce a profit. A commercial activity has no social conscience nor should it have a social conscience. It is not commerce's responsibility to employ the nation; it is commerce's responsibility to generate the wealth. If we are running



an economy however, we have to measure the downside, the dislocation costs, the social costs of drugs and despair and crime and all that sort of messy stuff.

We are only now starting to get that into a box and honestly factoring it into the economic equation, and that is where small business has been trying to say, 'Give us an edge.' Unfortunately, we have focused our own debate on the wrong end, on being small, when what society wants from us is not our size, it is our labour intensity. It just happens that the fit is the same. We are actually making progress on that. So that is government's responsibility, it is not business's responsibility to carry that load. Business will not ultimately carry it.

Switching to the third part of what I think your question is—and you might have to restate it actually, as I am probably losing the plot—

**Mr SAWFORD**—Employment involvement income.

**Mr Bastian**—The involvement point that I have been trying to make is in the economics, the broader economic argument. And it is in the costs of despair, dislocation, drugs, crime and all that nasty stuff which is not really small business's responsibility to unscramble; it is government's responsibility to unscramble. All I am suggesting is that if one fosters small business or the labour intensive component of small business, that transfer cost, if that is the correct economic term, would reduce or should reduce. That is something that I would personally, as an interventionist I guess, be arguing.

The third point that you made was about wages and about regressive, or no, processes of the tax system. Paradoxically, and I am not an economist, you could argue that the recipient of any benefit of wealth creation in a state or nation, which is what we are, or an economy should be the people themselves, end of story. Business is only a mechanism to assemble labour and capital and get wealth out the other end. The wealth should be owned by people.

As a person, I would be very comfortable with looking at how that wealth should be distributed. We tend to regard that as a progressive or a regressive decision in taxation reform. What is not occurring is to look at business itself and judge the impact of taxation reform in a similarly progressive or regressive fashion. My main point is that at the moment, right now, we seem inadvertently to be allowing revenue and capital in the business community, which produces the wealth, to creep up.

I would just cite some figures and you can unscramble them from *Hansard* and I will sell you the graphs. In the last year—this is *BRW*'s work, not mine—the national revenue increased by 5.9 per cent and employment increased by 2.1 per cent. I am almost certain of that. The top 1,000 firms that I cited before increased their revenue by 7.9 per cent and shed 1.4 per cent of their work force. The non-top 1,000 firms increased their revenue by 2.1 per cent and increased their employment by 4.1 or 4.2 per cent. Can you see the point that I am trying to make? Revenue is going one way and the jobs from that are going down. That is a very crude measure but there is a trend there.

Over the last five years those same figures produced a lesser revenue growth for big firms and they actually increased their jobs by about 0.6 over the five years. So what that

shows you, using *BRW's* IBIS work, is that the thing is intensifying. I am looking forward to seeing the top 1,000 firms this year, which should be out this month. That is our fundamental problem. From my own perspective, though I suspect small business would not really understand a lot of what I am saying, our task is somehow to get more reward for the employment process. May I say that the whole of the taxation reform process has not addressed that issue. I do not know whether I have answered your questions.

**Mr SAWFORD**—You have not actually answered the questions, but you have made some comments—

**Mr Bastian**—There were three questions there. Which one did not I answer?

**Mr SAWFORD**—You mentioned the employment and involvement, but you have to mention income because you cannot have two parts of the trifecta and not have the last part.

**Mr Bastian**—The lower income groupings are presumably getting more of the welfare support area as well. I am trying to make the point that it is not a pure employment argument that we have to consider. We have to address the over-45s as needing to be involved in their community as well. For that reason, they need to be supported. If you are trying to flog their efficiency all the time in the way we are doing with people with disabilities and ethnic groups, small business will say to you 'I am the employer, I will determine their efficiency.' We have to take a different approach to it in my view; that is what I am saying.

**Mr SAWFORD**—I understand where you are coming from but, no, I do not agree.

**CHAIR**—The Drake survey of 500 employers that was recently published found that 81 per cent said they would recruit preferably from the 30 to 40 age bracket, and 62 per cent said that they would target over-45s for redundancy before anybody else. Do you have any comment on that? Are you aware of that? Does small business have a different point of view, do you think?

**Mr Bastian**—No, I am not aware of the work. Those figures do not surprise me. I guess, once again, the task before us as a community, not just your committee, is to address this trend and look for the best ways to get solutions for it. I am suggesting that there is a large element of marketing here. Some of these people will be supported by simply raising the awareness and, as you were discussing with the other people, making people aware of how to go about the process.

There is also something you should be aware of, and that is that the group you are reaching for has been reached for to death in the last two to three years. We have been appealed to to help people with disabilities, we have been appealed to to help young people, we have been appealed to to help everyone in the street. There is a communications blockage there. The sector is I think justly tired of being appealed to to pick up the slack of the government itself laying off people, and large firms, for efficiency gains, laying off people. So there is a large communications issues there about packaging a sales package.

**Mr BARRESI**—Just clarifying that, are you saying, even though you are not aware of the Drake survey, that you are not surprised with those results because they indicate that there is active discrimination by employers against mature age people?

**Mr Bastian**—That is a quantum leap from what I just said.

**Mr BARRESI**—That is what the Drake survey indicates.

**Mr Bastian**—The fact that a trend is occurring is not necessarily—it is a quantum leap from saying this is what is happening to saying this is active discrimination. ‘Active’ in my mind means that they are consciously discriminating against the group rather than going with their instincts, I guess, to employ people, for reasons we have not really properly understood. It may well be that government policy is actually steering people towards the young; I do not know. There is a pile of reasons there, but active discrimination is a term that certainly did not come from my mouth.

**CHAIR**—Perhaps the employers feel that they are making the best business decision recruiting people in a certain age bracket, whereas those who are in other age brackets interpret that as active discrimination. But I have to say that throughout the course of this inquiry—in fact, from my own experience of life and what some of my friends who are employers of considerable numbers of people have said to me—I have found it difficult to believe that there is not discrimination against older people, as there is against other groups who, for whatever reason people, do not like.

**Mr Bastian**—Can I just respond to that?

**CHAIR**—I am sorry, we have to finish. There will be nobody here. I am happy to meet with you and talk to you privately. What is the attitude of the small business community to NEIS and, in particular, to making NEIS easier to access by people in this age bracket?

**Mr Bastian**—I can answer that one quickly. From COSBOA’s own perspective, NEIS was a focus two to three years ago and has not been in our cross-sights for the last 2½ to three years. That is not something that I admit with pride, but we have been focused on other issues.

**CHAIR**—Basically, would your members essentially be hostile to recommendations which make NEIS more accessible to a broader range of people in this age group?

**Mr Bastian**—I do not believe so, no. I think they would support it. But I would say that your own observation from the previous group was that there is an element of resentment about subsidising people in a competitive situation. That is a difficult thing that has to be managed.

**CHAIR**—Thank you, Rob. I am sorry if I seemed rude by cutting you off, but we have to go. Thank you very much and thank you for the patience of my colleagues.

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

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

**Committee adjourned at 10.30 a.m.**

