

Participation in the Workforce in the context of Ageing.

The purpose of this paper is to provide outlines of areas that may create positions in the workforce. Detail will be lacking. Conceptual ideas are presented, some of which are acknowledged as radical changes in the current environment.

The writer, being in excess of 45 years of age, would be delighted to accept a Consultancy from the committee to enhance these ideas!

Un/Under Employment Measures

Currently there is no accurate measurement of un/under employment in place. Current un/under employment statistics rely on the inclusion of welfare recipients capable of work and requiring access to unemployment benefits and who are prepared to work under the concept of mutual obligation, registering for unemployment benefits. They may also be participants of changed opportunities on a government funded scheme.

These statistics do not include the very large numbers of persons in excess of 45 years of age who have some low level income in the family as a result of spousal earnings, but are now "consulting" on their own account. For "consulting" we should read un/under employed. It is estimated that one third of all persons in the age group of 45 to 64 are unemployed in real terms. Many more are under employed. These people were often on large salaries and benefits packages. They are the victims of globalisation and the tech wreck eras. They are maintaining face in the suburbs by adopting a façade of being industrious but pursuing business opportunities on a daily basis with limited success. Registered with ABN numbers they present a facade of independence, but with large mortgages, private school fees, novated lease cars to maintain, the normality presented is anything but normal. These people are chasing declining numbers of senior positions in a global employment world and are the hidden face of the community.

Affect of the Demise of Commonwealth Employment Service (CES)

Many years ago, the bulk of unemployed had no option but to enrol with the CES. This no longer exists and most unemployed at senior level, have no understanding of where to go to avail themselves of benefits. In the past there was a Professional Employment Office under the auspices of the CES. Today this avenue no longer exists to assist the unemployed/underemployed to find senior roles. Those who formerly enrolled with the CES were labourers with few assets. These people met the tests of no work, limited resources and a spouse at home. They were able to participate in a variety of unemployment payments and grants. Society has moved on. Today there are the employed frequently have two incomes in a family (occasionally both earned by the same person). These incomes are required to pay for the high costs associated with survival. Nowhere is this more apparent than in Sydney with an average house price exceeding \$430,000, high local and state taxes and limited government offsets to take into account the diminished quality of life in living in Australia's most overpopulated city.

For those who are over 45 years of age, un/under employed and with a small income from a spouse, this moves them from an affluent middle class life style to one of living below the poverty level.

How do we fix the current issues?

Measurement

First, we must measure unemployment accurately to determine the labour based Gross Domestic Product of the country. We should measure underemployment

accurately. This will give a truly accurate indication of the real GDP potential of the country. How do we measure this?

Collection of Statistics

The ATO is one of the largest collectors of statistics on individuals. In this computerised age, there should be the capacity to run comparative figures of annual income/tax paid per person to determine where there has been a substantial income decline. This will often be in the 45 to 64 year old age group. It should be a concern to the government that there has been a decline in taxation received and disposable income in the economy as a whole, as these both lead to declining spending in the community. Having accurate statistics gleaned from such reports would allow disclosure of the true size of the real unemployment problem in Australia. Is this difficult to determine? NO, it is not, given that there are only around five million employed people in Australia. It is not difficult to generate an exception report demonstrating where personal income has dropped in a given time frame by more than 15%.

Employment agencies could then be directed or targeted to these people for a fee (given the demise of the jobs network and the CES) before these people have a chance to become the long term unemployed. Helping people back into the workforce quickly, is critical in maintaining self esteem.

Employment Practices within Government

Government is a large employer in Australia. When the size of the problem is understood, the Government could then assist the unemployed by changing its recruitment and entrance criteria to assist the unemployed.

Most people retrenched, are from private enterprise. People may be retrenched from their roles in government, but they normally move to redeployment lists and are continued to be paid. Whilst there are many vacancies in Government, people from private enterprise do not apply for these positions. Why? Because of internal bureaucratic process and procedures, people are often slotted for the positions in advance unknown to the general public who apply for these positions. Addressing selection criteria is onerous for persons outside government. The unemployed do not normally apply for a single position. Most older people apply for multiple positions often running into hundreds of roles. Most positions have generic skills and competencies that can be addressed, but all competencies are required to be addressed to form the "short list". Each position requires specific competencies to be addressed. Where government positions are advertised by commercial recruitment consultancies, they have a different documentation requirement to those advertised directly by government departments. This needs to be standardised to a lower common level to ensure that government receives the best candidates for each position. This would assist those in the over 45 year old category to return to the workforce.

Ageism in Government

It is generally acknowledged by those who are un/under employed, that government departments will not hire people over 43 unless they meet the explicit requirements of the position. As a result, the underemployed tire very quickly of applying for positions in government. Government procedures to applicants are notoriously slow. The average rejection letter arrives two months after application and up to six months after application (if at all!) This makes the planning of life difficult and gives applicants false hope in the application/job hunting process. Government employees with security of tenure, have little understanding of normal recruitment practices and believe that the methodologies employed in filling government roles are standard within the workforce. Many applicants for government positions do not understand this and become disillusioned.

Allocation of Government Positions

Government should look to allocating a percentage of ALL positions to those from outside the public service and designate or assign those positions. It is these positions that should be advertised. Normal internal recruitment procedures should apply to all other roles with limited visibility to the general public. Job seekers in government are astounded at the money wasted advertising positions in multi page advertisements in the newspapers and on the internet, that will go to an internal applicant identified by internal succession planning methodologies.

Refusal of Age Discrimination

Government should also immediately refuse to allow discrimination on the basis of age. This, in actuality will make little difference, but to receive several hundred responses indicating "too experienced" when applying for roles without being interviewed is frustrating for job applicants. Too experienced is nomenclature for "Too Old".

Government should pass an Act similar in style and intent to the Affirmative Action (Women) Act for those over 45 years of age.

Financing Pool for Business Acquisition

Small business makes up the majority of employers in Australia. Many of those who are in the hidden group have high order business management skills. They have sufficient assets to be able to buy businesses and create employment for Australians but are unable to borrow acquisition financing and working capital to buy existing businesses.

The Government should create a venture capital scheme in the form of a Mezzanine Investment Fund, that allows those who have sufficient experience in business to borrow against a fund to acquire businesses. Many of these people are asset rich and can borrow to buy real estate, but borrowing criteria to acquire businesses are very different.

Staffing Growth Targets

Government could create staff employment growth targets for business rewarding them with a reduction in Payroll tax or by providing a heavy subsidy in Workers Compensation premiums.

Canadian Unemployment Model

Government should also investigate the Canadian model of Unemployment Benefit that acts as a self insurance scheme where those who lose their jobs through no fault of their own receive a payment of up to 70% of their taxable salary for a defined period prior to it reducing to a subsistence level.

Broader Retraining Incentives

Retraining and training incentives could be offered to those who are not enrolled as unemployed but are clearly underemployed. This would help to grow the knowledge stock of the nation. It is clear that many of the underemployed have high level skills as evidenced by the phrase contained in position rejection letters that says they are "too experienced" or "too senior"

Abolition of Maternity Leave

Thought should be given to the abolition of Maternity leave. Whilst this has allowed many women to maintain positions during confinement, their roles have created many temporary opportunities that are occupied by temporary staff or contractors

whilst the person on maternity leave decides whether to return. This has caused a loss of in excess of 100,000 permanent positions in the workforce that need to be occupied by contractors and temporary staff.

No Lower Remuneration Clause

Finally, the potential exists for all positions that are to be occupied by contractors and temporary staff to be remunerated at no lower pay rate than the person was earning prior to the cessation of their last position. This would ensure that where organisations require contractors, they accurately scope the work in advance and recruit at the appropriate level required. The exception to this is where there is a training phase required for the contractor joining the organisation. Whilst this smacks of a big brother influence in recruitment, government imposes on individuals in all areas of their lives. To have positive influence would assist people to retain their competency levels and assist the over 45 year old workforce to benefit from this intrusion.

In Conclusion

The issue of ageing in the workforce is serious given the diminishing number of people who are expected to be available to work in the future. Suggestions have been made in this paper that could have a serious effect in diminishing the loss of skills in the community in the future and raise the esteem and immense value of older workers.

Yours Sincerely
Geoffrey Cripps
HR 2 U
Human Resource Consulting,
20 Range Road,
West Pennant Hills,
NSW. 2125.