

Western Australian Department of Training

**Submission to the House Of Representatives,
STANDING COMMITTEE ON
EMPLOYMENT, EDUCATION AND
WORKPLACE RELATIONS.**

**Issues specific to workers over 45 years of age
seeking employment, or establishing a business,
following unemployment.**

Barriers to Employment and Enterprising Options for Mature Job Seekers

As we approach the new millennium there has been an increased amount of interest in issues related to older persons, partially due to the effect caused by the aging population. In 1999, the International Year of Older Persons, the Western Australian Department of Training is strongly focusing on issues specific to workers over 45 years of age seeking employment, or establishing a business, following a period of unemployment.

A unified approach to identify and address aged issues has been established by the State Government through the Office of Seniors Interests with the development of the State five-year plan on ageing, entitled 'Time on Our Side – A Five Year Plan for Western Australia's Maturing Population'. Through this ageing plan, and in response to the National Task Force on Healthy Ageing, the Western Australian Department of Training has conducted research into the issues surrounding unemployment of mature persons.

With the growing proportion of aged persons in Australian society today there has also been an increased proportion of aged persons in the work force. The Australian Bureau of Statistics (ABS) has projected that by the year 2051 between 24% and 26% of Australia's population will be aged 65 years and over. (This is compared with 12% in 1997.) With the ageing of the population there has also been a rise in the level of mature aged unemployment. From August 1997 unemployed persons aged 45 to 54 increased by 156% over the space of one year.

Although Australia's unemployment rate has been reducing over recent times, the number of unemployed people over the age of 45 has continued to increase during this period. The Australian Labor Party's study into Australia's mature aged unemployment (1998) shows that the number of unemployed 45 – 64 years of age is rising at more than twice the rate of the other age groups. Hidden unemployment is also a pressing issue amongst this age group. A study recently undertaken by Flinders University (1998) reviewed ABS figures of "discouraged" job seekers, citing a total of 26,500 mature aged men and 43,200 mature aged women - or a total of 69,700 mature aged persons who wanted employment but were not looking for work due to the poor employment outlook.

Research conducted into the above listed statistics has shown that there are many influencing factors within Australia that has resulted in a negative impact on the employment and enterprising options amongst mature persons. However on a positive note, it appears that there are no such impediments to mature persons resulting from the operation of the industrial and equal opportunity legislation.

There are no labour relations legislative impediments in WA to employees over 45 years of age seeking employment. Equal opportunity legislation prohibits discrimination in employment on the basis of age.

From a policy perspective it is important that new regulations are not introduced which would inhibit employees 45 years of age and over from accessing flexible working arrangements to accommodate either a return to the workforce or phased retirement.

(Prepared by the Department of Productivity and Labour Relations; April 1999)

The wide variety of impediments causing older people more likely to be made redundant and not re-employed, include:

- Downsizing in the early 1990's in the mature, heavy industries where a large number of male, full time, older workers were employed.
- Financial incentives to encourage early retirement of older workers
- Organisations reducing middle management structures, which contain a large proportion of mature workers
- Limiting employment options and changed workplace environments that are at times so unattractive that older workers who can, often choose to exit at the earliest opportunity without understanding the implications.
- Despite the anti-discrimination legislation, ageist attitudes of individuals and ageist organisational cultures
- An attitude in Australian society which is slow to realise that older people can remain in the workforce longer due to improvements in health and working conditions.
- Some employers consider that employing older people in particular positions block career progression for younger staff
- Research shows some employers consider 'aged' workers to be as young as 36 – 40 years old.

Below is an expansion on the issues, listed above, specific to workers over 45 years of age seeking employment, or establishing a business, following unemployment.

1. Difficulty of breaking long term unemployment cycles

Early intervention has always been considered critical in successfully preventing further unemployment. Mature persons, especially, require assistance to ensure early intervention as they are faced, often for the first time in their life, with few employment prospects and no job security. Periods of unemployment for longer than six months heighten problems as skills begin to lose currency, new lifestyle patterns emerge around a person's unemployment status and there is then a rapid decline in a person's hopes and confidence. Once unemployed, matured aged job seekers face longer periods of unemployment than their younger counterparts. In 1998 the average duration of unemployment for both men and women aged 55 and over was two years (Vanden Heuvel 1999). Clearly this issue of early intervention is of critical importance.

2. Recruitment and selection processes

Many mature aged workers are experiencing difficulties in gaining access to new growth industries, which could be due to inadequacies in recruitment and selection processes. Wording contained within, and the style of Job Description Forms will often inadvertently discourage mature job seekers from applying for, and subsequently being selected for positions. Anecdotal evidence has shown that many mature age employees are unfamiliar with the current writing style appropriate for job applications and may therefore be excluded from first round selection processes.

3. Restrictions imposed through community stereotypes

A problem experienced not only in WA but throughout all of Australia is in trying to change community stereotyping concerning mature aged workers partially in regards to their perceived lack of contemporary based knowledge and dated operational styles. Many people within the community believe that older workers are less productive due to misconceptions such as the requirement for increased periods of sick leave due to an

increased likelihood of illness. Research indicates that this is not accurate, and in fact older workers take less sick leave than younger workers who have family responsibilities, and they have fewer accidents than workers under 25 years of age.

Other community misconceptions include the belief that older employees are unlikely to remain in the workforce for a reasonable length of time before retiring and therefore should not be considered for further training or advancement opportunities. In fact Australian educators and trainers are working to open peoples' minds to the concept of five or six career changes throughout their working life. In the future the average length of employment in any one position is expected to be less than 10 years.

4. Changes to DETYA's Funded Labour Market Activities

With the abolition of the Working Nation program of labour market initiatives and the introduction of the Job Network, a number of previously funded job seeker activities have either been absorbed into other programs, abolished or devolved to other organisations. These programs included REEP, Job Skills and New Work Opportunities. These initiatives were designed to assist, amongst others, the mature aged job seekers, providing them with work skills and employment networks to enhance their employment opportunities.

Changes to these labour market programs together with the introduction of the Job Network and the Flex 1, 2 and 3 arrangements have significantly reshaped the opportunities for unemployed people, particularly for people who have some existing labour market skills and are regarded as job ready.

Of particular concern are people who do not immediately register as unemployed. These people are in many instances disadvantaging their employment opportunities by not seeking immediate registration. It is not until individuals are actually registered as long term unemployed that they become eligible to access employment services under Flex 2 or 3. Relocation assistance and special intervention support such as purchased placement on vocational training courses are only available under Flex 3, which limits early intervention opportunities to take up new employment directions.

5. Reluctance to adopt new training practices

Advancements made through changes to the structure of training programs have not yet been widely adopted by many mature aged workers. There is still only limited acceptance of the lifelong learning ethos and many mature aged persons are reluctant to return to training or explore flexible working options, such as a compellation of modular jobs. (A mixture of part- time and casual jobs).

Employers have also shown some reluctance towards adopting new training practices in regards to mature workers. Further promotion is needed for employers to recognise prior learning and to accept skills obtained through experience as opposed to formal training.

6. Job Network assistance for disadvantaged job seekers

Under the new Job Network, which is based on contracting, private brokerage firms receive payment based on the number of successfully placed job applicants. This has resulted in a tendency for private employment services to only target unemployed persons known as 'job ready' therefore 'creaming' the labour market. With many of the private agencies focusing attention on people who would have more than likely found employment without

assistance, little attention is directed to the long term unemployed before they reach the Flex 2/3 category.

This problem is further compounded by the fact that many disadvantaged job seekers can only attract low incomes due to poor literacy skills and a lack of formal training, and they are therefore less likely to be able to personally fund their own retraining.

7. Lack of experience and training when starting self-employment

With recent changes to management practices, and the recessions of the early 90's, many businesses have downsized operations and outsourced divisions. An emerging trend within Western Australia is for mature aged workers to take voluntary redundancy packages to start their own businesses. In fact the small business sector is the largest growth industry within WA.

Unfortunately, due to a lack of experience and training, many small businesses do not survive. With the collapse of their businesses many mature age people are forced into unemployment and welfare, due to the loss of their 'nest-egg'. With diminished financial assets these people may not be able to purchase employment assistance, and as they are not classified as long term unemployed they are not eligible to access the Job Network. These issues compound their sense of failure and make it difficult for them to re-establish themselves in the labour market.

(Re: paragraph 4.)

8. Mature age workers attitude to welfare

Many mature age workers are reluctant, at first, to register for welfare payments if they become unemployed. This may partially be due to the fact that these workers previously held high level management positions and therefore believe they will quickly find further employment. Also mature workers tend to place a greater level of importance on the social stigma attached to being on welfare, which may further deter them from entering the welfare system.

This causes significant problems in that these mature people are depleting their personal funds while trying to find further employment on their own. Often by the time these people require assistance they have limited funds available (because they have not received any income or welfare payments for an extended period of time) and therefore are not able to purchase private assistance. Commonwealth assistance is also often denied as they are not considered as a long term unemployed person, because they have not been registered as unemployed through the welfare system for an extended period of time.

9. Western Australian Strategies for Mature Aged Employment and Enterprise

Through the developments made in conjunction with the State five-year ageing plan and the National Task Force on Healthy Ageing, the Western Australian Department of Training has developed a number of strategies to ensure effective initiatives are constructed to respond to mature aged worker's employment and enterprise issues.

Thirteen strategies have been identified through the State five-year ageing plan, under three key areas, *Industry Focus*, *Training and Jobs*, and *Service to Clients*. The key outcome of the thirteen strategies is to achieve, *more older people participating in employment, training and community activities*.

Strategies for the report on National Task Force on Healthy Ageing, are incorporated in four key areas, *Community Attitudes, Work and Community Participation, Inclusive Communities and, Research and Information.*

These strategies have already seen the development and implementation of a number of initiatives by the Western Australian Department of Training, targeted towards mature aged persons (45 – 64 years) and seniors (65+ years) to aid them in Vocational Education and Training, and employment. Examples of Department mature aged initiatives include:

Access and Participation Directorate

The Access and Participation Directorate has been formed within the Department and is responsible for policy development, coordination and planning for a range of client groups, including the Adult Community Education sector. The Directorate seeks to improve the participation and access of client groups, including seniors, in employment and training by providing high quality policy development and strategic planning services.

The Department, under the Access and Participation Director, has recently tendered for a literature review of all services available to mature aged workers, within Western Australia. This should greatly assist the State Government in determine funds allocation to future initiatives.

Adaptation of Access All Areas initiatives for Mature Aged Unemployed

Many of the initiatives designed to address youth employment issues as part of Access All Areas can be successfully modified to address the needs of older unemployed people. Adaptations of these programs include the Job Search Guide, Cyber Job Link, Working 2001 CD-Rom, You Unlimited: Income Generating Lifestyles and Home Based Jobs.

‘Get Access’ Chat Line Forum for Mature Persons

To further aid the Department in providing advice and assistance to mature persons, a forum has been included in the ‘Get Access’ web site to allow people to post queries or research information specific to aged issues. The forum titled ‘Over 56 and too much of a generalist’ has proved to be one of the most successful topics posted on the chat line since its development.

Job Link Services

The Job Link program is a community-based employment service, which provides a range of activities to assist local job seekers into employment and training. The Western Australian Department of Training supports a network of 39 community-based Job Link programs in Western Australia. Although not all centres are specific to mature-aged people the Job Link network places particular emphasis on job seekers with special needs, including older persons

Don’t Overlook Mature Employees (DOME) Inc. – Employment Services

The Western Australian Department of Training’s ongoing support of DOME Inc. has seen the development of a number of programs specifically designed to aid mature job seekers, including counselling services, a series of Job Seeker Options Workshops and a proposed Professional Services Consultancy Agency.

Due to the increasing number of mature age workers becoming unemployed the Western Australian Department of Training is currently developing further initiatives in line with the strategies outlined through both the State five-year ageing plan and the National Task Force on Healthy Ageing. These initiatives include:

- Enterprising Options Program – Professional Services Consultancy Agency
- Development of a ‘Best Practice Award’ to promote mature aged employment and lifelong learning practices. (Awards for employers and employees.)
- Promotion of Recognition of Prior Learning to mature aged clients, to foster confidence in their skills base and to facilitate access to further employment and training opportunities.
- Building Diversity, a strategy which provides a third level input for setting priorities within the vocational education and training and employment system to cater for the diverse needs of individuals in the community.

Recommendations

In addition to these local Western Australian responses to the issue relating to mature aged employment and enterprise development, there are a number of strategies that require a broad national approach.

- The ageing population coupled with the rapid changes that are occurring in the labour market provide opportunities for skills development and retraining provision. A national approach to the promotion of training as an early intervention strategy and an opportunity for career redirection, regardless of age is an important message that needs to be conveyed throughout the community.
- Recognition of existing skills and workplace experience is also an important aspect of mature aged retraining and skills development. When people are encouraged to build upon their existing skills and to take up new training opportunities their future employment prospects are substantially enhanced. Effective, inexpensive processes for recognition of prior learning need to be further developed and readily available throughout the community.
- The changing labour market has resulted in a significant growth in part-time, casual, contract and self-employment through micro businesses. For many mature aged people this style of work is often quite alien and foreign to their concept of a “real job”. Work needs to be undertaken to provide mature aged job seekers with information and advice regarding the life style and income generating opportunities that the changing labour market can provide.
- The significant growth in self-employment and micro business development is an area within the labour market where increased support and advice is required. Many mature aged people entering self-employment have little or no experience in small business operations and management. Short term training and the provision of business mentor arrangements are needed to assist with skills development, advice and business networking.

- The introduction of early intervention strategies for mature aged unemployed is an issue of critical importance in the prevention of long term unemployment. Flex provision with a focus upon early intervention support for mature aged unemployed is an important service that is currently lacking.

The Western Australian Department of Training, through its research effort and its Job Link employment services network is well informed of many of the issues and developments in relation to mature aged employment and unemployment. Opportunities to work with the other states on a national approach to these issues would be welcomed, and any additional research carried out, in regards to the issues surrounding unemployment of older persons would be strongly supported.