

**Public Hearings of the House of Representatives Standing  
Committee on Employment Education and Workplace**  
*Inquiry into Issues Specific to Workers over 45 Years of Age Seeking  
Employment, or Establishing a Business, following Unemployment*

The Federal government has placed microeconomic reform at the centre of its policy agenda.

Microeconomic reform has made a direct contribution to regional unemployment through employment reductions in rail, electricity, water and telecommunication services under National Competition Policy.

Labour market reform is supposed to reduce the natural rate of unemployment yet there is significant disparity in unemployment rates across regions that are subject to the same institutional and legal structures.

Federal Government reform of labour and product markets is founded on the assumption of the mobility of both workers and firms to achieve convergence of unemployment rates across regions. Rates of mobility are not significantly different for Australian workers than those from other countries.

Are high rates of mobility from regional areas either desirable or likely for **older** workers, given the resulting:

- Breakdown of social networks, eg. informal childcare arrangements, care of the elderly;
- Difficulty in selling houses in declining regional areas;
- Uncertain returns to mobility given the increase in non-standard employment; and
- Limited returns to mobility of relatively short employment horizon.

There is a cumulative effect on regional areas of significant out-migration.

Labour market reform per se cannot direct jobs to specific regions or age cohorts.

If a particular age cohort is made more attractive through say wage subsidies or additional training, jobs will tend to be redistributed rather than created.

The solution is targeted job creation based on the social and economic needs of regional areas and their stock of skills and potential skills through training.

Dr. Martin Watts & Mr. Richard Denniss  
Centre of Full Employment and Equity  
Department of Economics  
University of Newcastle  
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