

Productivity Commission

Independent Review of Job Network Submission



National Seniors
Association

OCTOBER 2001

National Seniors Association
Level 11/255 Adelaide Street
BRISBANE QLD 4000

31 October 2001

Job Network Review
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

To the Productivity Commission,

In response to the Independent Review of Job Network issues paper please find enclosed a copy of National Seniors Association's submission.

Please feel free to contact me if you would like further information.

Yours faithfully,

David R Deans
Chief Executive

Independent Review of Job Network

Who We Are

With over 225,000 members, National Seniors Association (NSA) is the largest organisation representing older Australians and a powerful lobbying force on seniors' issues. Our membership comprises of self-funded retirees, pensioners and people in the workforce. Members pay a fee to join NSA, so government funding is neither sought nor received.

Mature Age Unemployment

Studies show mature age workers are the first to be retrenched and the last to be rehired,¹ and long-term unemployment rates amongst older workers are consistently higher than other age groups.² New social realities dictate that people in their 50s will find themselves unemployed with young families and mortgages to pay. Unexpected redundancy erodes savings and at age-pension age many people find themselves reliant on the state.

NSA has proactively highlighted this issue for several years. In May 2001 NSA held a workshop on mature age unemployment with particular emphasis on the effectiveness of the Job Network, at Parliament House in Canberra. Participants included Job Network providers; government departmental staff; the Minister for Aged Care, Bronwyn Bishop; academics and seniors groups.

Job Network Key Areas

Key points raised at the workshop in relation to the Job Network are as follows.

- Job Network options are confusing. Centrelink acts as the “gateway” to the Job Network support system, yet mature age workers who are ineligible for social

¹ Drake Management Consulting (Aus), “Smashing the Stereotypes” in *Drake Business Review*, Vol.14 No.1, 2000.

² Australian Bureau of Statistics, Labour Force Estimates 1996-2001

security do not go into Centrelink, are not referred onto the Job Network and are unaware of the services on offer.

- Centrelink has a stigma which discourages older workers from registering with it. While the Job Network is stigmatised to a lesser extent, some people will only use private employment agencies. People unable to afford private agencies but who are reluctant to use Centrelink slip through the system.
- Australians are encouraged to save for retirement yet redundancy pay excludes the older unemployed from accessing the New Enterprise Incentive Scheme (NEIS).
- Youth oriented training programs are inappropriate for mature age workers. This point is consistent with NSA members' feedback. For example, the Jobsearch programme teaches clients how to prepare job applications and perform at interviews, but this is of little value to more experienced people. A member writes:

“I have found a part time training programme which may lead me into a part time job. I found that the Job Network didn't help me out in any way as it is geared towards the younger market. I initially had to do it off my own bat, rather than be directed to a programme for the older market”.

- The one-on-one Intensive Assistance programme is proving effective for older workers.
- Older workers buy into the negative stereotypes held by employers, so for employment agencies it is often a matter of rebuilding the self-esteem of clients.
- It was suggested that Job Network providers exchange best practice ideas. However, the providers emphasised information-sharing would pose problems in the competitive, market oriented Job Network environment.

Further to this workshop, NSA members indicate:

- They perceive little difference between the former CES and the Job Network;
- Both the CES and the Job Network were/are incapable of dealing with clients with limited work experience;
- Training offered through the system, without work experience, is ineffectual;
- Job Network's weakness is not being able to put people into places where they gain hands-on experience;
- Employers take advantage through the pay incentives – “when the money stops, work stops”;
- Centrelink rarely offers job referrals to seniors but puts them onto mature age allowances and disability pensions;
- Centrelink staff are often unaware of the programmes they administer and clients regularly receive conflicting advice;
- Young staff appear to lack empathy for or understanding of older clients and their problems. One member who has been unemployed for two years despite having two university degrees says registrations with four Job Network agencies have proven fruitless. He writes:

“Each approach has involved an initial interview with mostly young females who have had the task of assessing my potential...there has been no follow up by agencies and no attempt to place me in work”.

Recommendations

With regard to Job Network and mature age workers, NSA recommends:

1. Providing alternative gateways to the Job Network to cater for those people who are unlikely to go through Centrelink.
2. Establishing specific training programmes for the mature age unemployed.
3. Simplifying the Centrelink and Job Network systems.
4. Ensuring Centrelink staff are well equipped to advise clients of Job Network and social security options.
5. Encouraging Centrelink and Job Network providers to employ mature age staff to whom older clients can better relate.
6. Ensuring Job Network programmes are flexible enough to take into account the varying circumstances of each client such as skills, geographical location and target industry.
7. Establishing more programmes which provide job seekers with relevant work experience.
8. Classifying mature age workers as “high risk” at an earlier stage so they may access one-on-one programmes such as Intensive Assistance sooner.
9. Re-examining programmes which force job seekers to delve into retirement savings before they are eligible for assistance.