

23 October 2020

Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT

Submitted via email to: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Secretary,

**RE: Economic Recovery Package (JobMaker Hiring Credit)**

The Council on the Ageing (COTA) Australia writes in response to the *Economic Recovery Package (JobMaker Hiring Credit) Amendment Bill 2020*.

COTA Australia is the national consumer peak body for older Australians. Through its own networks and those of the State and Territory Councils on the Ageing (COTAs) around Australia we represent more than 1,000 seniors' organisation members - which jointly represent over 500,000 older Australians - and over 45,000 individual members and supporters.

COTA Australia commends the delivery of stimulus measures designed to incentivise employment during the difficult economic conditions brought on by COVID-19. Young people and casual workers were amongst those hit hardest by the earliest phases of the economic impact of COVID-19. We understand and applaud moves to help younger people gain and maintain work during this time. COTA Australia notes also the submissions from the Australian Retailers Association and the Council of Small Business Organisations Australia (amongst others) who have articulated the need to support businesses at this time.

COTA Australia supports this legislation. However, COTA Australia does wish to express a number of concerns that have been raised by our constituency, and both business and community organisations, that should be considered by the Committee.

**There is a need for a JobMaker-type measure for older workers**

This measure accurately identifies young people as a vulnerable group who would benefit from targeted measures to incentivise employment. However, COTA Australia is deeply disappointed that there the other equally vulnerable population group, older workers, are not included in the scheme, or alternatively a similar program targeting employment for older Australians.

While mature workers are not experiencing as large a spike of unemployment as younger workers, there has been a major increase in older unemployment, and we know historically that those who have been laid off are more likely to become part of the 'long term unemployed'. Once an older person becomes unemployed, in most cases they find it much more difficult to re-enter employment

than younger people. People aged 55–64 years spend on average 36 weeks looking for work until they find employment, compared to 14 weeks for all age groups. Early intervention is critical.

Ageism is endemic in Australian society and is evident in all facets of life. We see ageism in the attitudes of employers to their older workers, and in the bias against employing older people, in consequential reduced access to employment, and in lack of access to appropriate training and professional development. The skills, experience and learned wisdom of older people is often undervalued. We have seen past examples of older workers being unable to re-join the workforce after global and domestic economic downturns, and even after major economic shifts lie the collapse of the car industry. As the economy recovers from COVID-19 in the coming months, we expect to see older workers becoming ‘discouraged workers’ disproportionately concentrated amongst retail and manufacturing industries. These industries have been hard-hit by COVID-19.

The Restart Wage Subsidy was not designed as a temporary measure. The program is not a COVID-19 measure. Whilst it is outside of the scope of this particular submission, COTA Australia has long argued for improvements to the Restart Wage Subsidy that would improve the uptake of the program, and keep older people employed for longer. This could include in the introduction of an ongoing reduction of tax on small to medium businesses for each mature age employee. In the interim, Restart Wage Subsidy could be financed through an uncapped subsidy pool outside the JobActive Employment Fund, to encourage uptake by JobActive providers.

For now, there is an urgent need for a COVID-19 specific measure. Restart Wage Subsidy is not fit-for-purpose in the current economic environment.

### **No older workers should be displaced due to JobMaker**

In its current form, an employer could, theoretically, displace one older worker from their role, and replace them with two part-time/casual younger workers under the scheme. There have already been anecdotal reports of this happening. This provides a financial incentive on top of already pervasive age discrimination in Australia. Proper safeguards must be built into the program to ensure older workers’ jobs are protected. Government must ensure the JobMaker program must not result in existing older employees being displaced by subsidised younger workers.

Age discrimination is still widespread and significantly disadvantages older jobseekers. A national survey on age discrimination in the workplace found that around 30 percent of employers indicated that their organisation has an age above which they are reluctant to recruit workers. Of those organisations, 68 per cent expressed unwillingness to hire workers over the age of 50. .

There is substantial ambiguity in the scheme as to how it intends to link employers with JobMaker-eligible employees, or how eligible will be assessed. Questions have been raised about the possibility of amendments to the Age Discrimination Act, that would allow for recruiters to make specific reference to a new job as a Jobmaker-designated position. We would hope that any such amendment would also affirm that job advertisements specifically targeted to older workers remain a possibility under the current framework. Such a move would improve a long-standing hesitation to including wording in job advertisements that specifically encourages mature applicants to apply, out of concerns about the legal implications of using positive discrimination in their language.

### **Wait times for JobMaker eligibility should be reconsidered**

The 'wait time' for the JobMaker scheme is also a matter needing careful consideration. The current proposal allows anyone who has been in receipt of income support for one of the previous three months to be eligible for the program. COTA Australia does not have a settled view on the amount of time an employee must be unemployed before they are eligible for JobMaker. We understand the Australian Council of Social Service has a number of proposals that include setting the wait time for categories under 25 at 6 months, with those over 25 at 12 months. Conversely, the Council of Small Business Organisations Australia has taken the view that extended wait times do little to prevent long term unemployment, and that early intervention is critical. We note for reference that Restart Wage Subsidy has a wait time of 6 months.

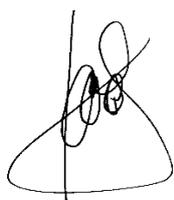
COTA Australia has generally argued for the earliest possible intervention strategies to tackle mature age unemployment to minimise the chance of the older unemployed become 'long term', or never working again. It is important that the right balance to be found between early intervention, and effectively targeting the scheme to support those who could benefit most from the scheme.

### **The JobMaker rate should be reconsidered**

Finally, the Council of Small Business Organisations Australia and others have indicated that the rate is set too low to incentivise small business. This is particularly true of the lower subsidy rate for ages 30-35. COTA Australia agrees with the position of the Australian Council of Social Service that proposes a doubling of the subsidy for jobs of 30 hours or more a week or setting the subsidy at half of the minimum wage for average hours worked. This would remove disincentive for employers to employ fulltime workers under the scheme, whilst providing greater support to small business.

Thank you again for the opportunity to provide a submission in relation to JobMaker. We look forward to an opportunity to put forward our views and further explain our position before the inquiry. Please contact then undersigned to follow up any aspect of this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Ian Yates', written over a vertical line.

Ian Yates AM  
**Chief Executive**