**Willing to Work: National Inquiry into Employment Discrimination against Older Australians and Australians with Disability**

# Submission No 31

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**Name** Michael Ross Venner F.C.A.

**Submission made by**

☒ Older Australian who is not working and does not wish to work

# FORM 1: Submission regarding Older Australians/ Australians with Disability / Both

### **Your experience**

**Gender**

[ ]  Female

[x]  Male

[ ]  X (Indeterminate/Intersex/Unspecified)

**Are you of Aboriginal or Torres Strait Islander descent?**

[ ]  Aboriginal

[ ]  Torres Strait Islander

[ ]  Both

[x]  No

**Are you from a culturally and linguistically diverse background?**

[ ] Yes

[x] No

**Have you (or the person you are submitting on behalf of) experienced employment discrimination?**

*Discrimination is when a person is treated less favourably than another person in a similar situation because of a characteristic they have, such as their age, or disability.*

*It is also discrimination when there is a rule or policy that is the same for everyone but has an unfair effect on people who are older or people with a particular disability.*

[ ]  Yes

[ ]  No

[x]  Not sure

**Did you take any action in relation to the employment discrimination you experienced?**

[ ]  Yes

[x]  No

**Please tell us more, for example, what action you took and how effective you felt it was; or why you chose not to take any action.**

I was seeking a successor in my role as financial controller. The lady from the agency with whom we were working asked me to “show her around the complex.” As soon as we were in the carpark, she asked me “Is there any group you would not be prepared to consider.”

Evidenced by the deliberate removal of myself from any possible witnesses, I believe this was a deliberate invitation to nominate groups of persons who our organisation might wish to exclude.

None the less, recognising that without witnesses any complaint regarding this question could be “inverted” to suggest that I was willing to be a party to discrimination, I merely advised the lady that we were resolutely compliant with Equal Opportunity legislation.

**Did your experience of employment discrimination impact on your participation in the workforce? (For example, did you have to stop work, change jobs or take sick leave?)**

[ ] Yes

[x] No

**Please tell us more**

The vacancy was filled by a candidate who proved unsatisfactory. We did not use the agency in question subsequently.

### **Barriers**

**Do you think older Australians/Australians with disability face barriers when they look for work or are in a job?**

[x] Yes

[ ] No

[ ] Not sure

**If yes, or not sure, what do you think these barriers might be?**

Every vacancy is filled on the decision of one or more managers. Perfectly reasonably, manager will make a selection decision to get the task performed and also to enhance (or at least – not diminish) their position.

Can a manager enhance their position by recruiting an older worker? The two alternatives suggest that they can not. Consider the perception of a manager who hires an older worker. Such hiring can have one of two outcomes:

1. The older worker is not a success – This will be interpreted as a predictable failure and waste of time. It will diminish the status of the manager.
2. The older worker is a success – The role in which the older worker is engaged will be seen as diminished and the manager will be perceived as having a lower status.

In essence, older workers have low status. Their managers therefore have low status and in the brutally competitive world today, “Those who fail to manage their careers manage - nothing.”

Managers are therefore profoundly risk averse.

**Does employment discrimination have an impact on gaining and keeping employment for older Australians/Australians with disability?**

[x] Yes

[ ] No

[ ] Not sure

**Are there any practices, attitudes or laws which discourage or prevent equal participation in employment of older Australians/Australians with disability?**

[x] Yes

[ ] No

[ ] Not sure

**Please tell us more**

Recruitment practice operates through several layers. Agency – Personnel department – Selection Committee – Manager’s final decision. If any one of those layers is resistant to recruiting older, or otherwise disadvantaged candidates, they will be excluded at that point. I have articulated above the powerful incentive on managers to discriminate.

The layering of decision makers is particularly applicable where multiple employment agencies are competing to fill a position. Only the successful agency will earn income, each agency therefore has a powerful incentive to offer candidates with the least negatives in their profile. Age or disability is clearly a major negative for many decision makers.

**What are the incentives and disincentives for older Australians/Australians with disability to work?**

**Incentives:**

Human interaction and its enhancement of self-respect

Financial imperatives

**Disincentives:**

Expectations of exclusion

Discomfort for some with the latest IT infrastructure

Expectation of numerous rejections and the recognition of the psychological damage which such rejections will inflict.

### **Good practice**

**Are there examples of good practice and workplace policies in employing and retaining older Australians/ Australians with disability?**

[x] Yes

[ ] No

[ ] Not sure

**Please tell us of examples of good practice in employing and retaining older Australians/ Australians with disability in work that you are aware of.**

Hardware stores, notably Bunning and Mitre 10. (A customer’s observation)

### **Solutions**

**What action should be taken to address employment discrimination against older Australians/Australians with disability?**

To find a solution, it is first necessary to examine why otherwise law abiding managers chose to break the laws against discrimination? The answer is that they will not be caught and no consequence can therefore fall upon them.

In effect, anti-discrimination law is more symbolic than effective. Solutions must therefore lie in other areas. Public education programmes have been touted but probably have the effect of entrenching negative stereotypes. Short term financial rewards may open doors, but ultimately have the same negative effect.

The community bears a cost for discrimination, against young or old, disabled or otherwise excluded. It therefore experiences a benefit when a business, through the decision of a manager engages such candidates and a cost when discrimination occurs.

A solution to discrimination can be constructed to transfer benefits from those who discriminate to those who enrich the community. Any such measure has to be relatively simple and use data readily available to the employer.

The solution proposed, requires three elements.

1. A numerical measure of the employment contribution of each entity.
2. A mechanism to aggregate decisions that increase the employment contribution by engaging disadvantaged candidates.
3. A process which converts this measure into a financial incentive to recruit candidates outside the normative stereotype.

***An outline for a practical scheme is included at the end of this submission.***

A variation on this methodology would also be applied to recruitment agencies. In this case, it would use similar weighting measure to ensure that a powerful incentive existed to offer a diverse range of candidates to prospective employers.

**What should be done to enhance workforce participation of older Australians/Australians with disability?**

Older workers do not wish to be unwelcomed appendages or tokens within their team. Implementation of the solution proposed in this submission would ensure that they were part of the normative community within the business and therefore felt valued.

The reduction in discrimination would encourage more older, or otherwise disadvantage candidates to apply, as their expectations of fair consideration would be increased.

**What outcomes or recommendations would you like to see from this National Inquiry?**

The recognition of the limits of a legislative solution to the problem of discrimination and the introduction of a methodology to recognising positive recruitment policies which is sufficiently powerful to overcome the existing reasons which cause managers to discriminate.

**Essential elements of an effective policy to counter balance motives for discrimination**

1. **A Numerical measure of employment contribution**

	1. The basic measure would be one Point for each full time employee week.
	2. Points would be diminished for part time and casual positions to ½ Point.
	3. Additional points provided for employees engaged for the full fiscal year.
2. **A mechanism to measure recruitment of disadvantaged candidates**
	1. Additional “disadvantage” points allocated for recruitment of disadvantaged candidates.
	2. Disadvantage points to reflect degree of disadvantage – Age, period of unemployment, Aboriginal/Torres Straight Island heritage, etc. Such points to aggregate.
3. **Converting the measure of employment to incentive**
	1. Aggregate Points to be calculated as part of PAYG reconciliation process. This score will be the total of points for employee weeks and disadvantage points for recruitment.
	2. Options to promote behaviour change

		1. Income tax adjustments to reward increased scores year by year.
		2. Payroll tax adjustments to reward increased scores year by year.
		3. (Preferred option) Where the final score falls, salaries in the managerial range to be wholly or partially excluded from the expenses of the entity for calculating tax payable. To allow deficit entities to mitigate this penalty, a market would be created to allow trading of excess and deficit points.

		**Commentary**

		While in itself revenue neutral, such a market would allow small entities to participate, even if they paid no salary which reached the threshold. They would escape any penalty if no salaries exceeding the threshold and they experienced a reduction in employment.

		This method ensures that the actual decision makers have to focus on the impact of their decisions. At the same time, resources are directed from entities which take the easy course of cutting their workforce and transferred to entities which are growing their workforce and are enriching the community thereby.

The scheme outlined would also provide an incentive for permanent jobs.

1. **Employment Agencies**

As a condition of their licences, employment agencies would be required to achieve an annual score based on the disadvantage points of the candidates placed, (as compared with those ineligible for disadvantage points.)

Failure to achieve the necessary points would again invite trading in a market. This market would provide substantial funding to agencies servicing disadvantaged job seekers which receive the bulk of their funding from government at this time.