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An Ageless Australian Workforce

Over the next 30 years, the proportion of older Australians will nearly double. There will also be longer periods of reliance on retirement incomes as average life expectancy continues to increase.

Compared to other countries, there are low levels of workforce participation among mature Australians. The last few decades have seen a culture of early retirement, voluntary or otherwise. This culture is underlined by community attitudes towards the ongoing participation of mature workers and, in some cases, financial incentives which encourage an early exit from the workforce.

Labour market growth will slow from the current level of 170,000 people per year to 125,000 for the entire decade from 2020 to 2030. The issue of increasing participation of mature workers must be addressed by all levels of government, the business sector, peak employer and employee organisations, training providers, employment agencies, the media, national representative/lobby groups for seniors and the wider community.

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EXECUTIVE SUMMARY

Increased labour market participation by mature workers has featured prominently on the national agenda since 2002 and is set in the context of a projected doubling of the aged population over the next 30 years, increasing life expectancy and a declining fertility rate (**pages 1-4**). Changes in labour force participation over the last few decades have seen a decrease in the proportion of the workforce aged 55 years and over, fairly consistent declines in participation by males across all age groups and increasing participation by females, particularly in terms of part-time work. The duration of unemployment of workers aged 55 years and over has also steadily increased, with older males forming a larger proportion of 'discouraged' jobseekers (**pages 5-6**). In comparison to other countries, there are low levels of workforce participation among mature Australians (**pages 6-7**). The workplace environment has also changed, with significant growth in part-time employment, a trend towards longer working hours for full-time workers, a more educated workforce and the need for greater flexibility and mobility in career planning (**pages 8-11**).

There are financial, social and health benefits associated with longer workforce participation. Greater workforce participation must be balanced, however, with recognition of the valuable contributions mature Australians make through voluntary work and caring responsibilities (**pages 10-12**).

The reasons expressed by employers for not employing mature workers include a perceived decrease in productivity and lack of flexibility and adaptability to change. The benefits of retaining older workers include their loyalty to an organisation, better interaction with a more mature customer base, utilisation of corporate knowledge, their workforce experience, lower rates of absenteeism and provision of a degree of stability in mobile workforces (**pages 12-16**). There is also a suggestion that the anti-discrimination legislation of the States, Territories and Commonwealth is not, of itself, sufficient protection for mature workers and does not appear to influence employers significantly in the recruitment process (**pages 16-19**).

Despite the expectations of retiring Australians, research has demonstrated that retirement savings are generally below the levels needed for a modest, let alone comfortable, retirement (**pages 19-24**).

Commonwealth initiatives to understand and address mature age workforce participation include an Access Economics report on 'Population Ageing and the Economy' (**pages 24-25**), the Intergenerational Report (**pages 25-30**), a National Strategy for an Ageing Australia (**pages 30-31**) and a number of House of Representative Standing Committees (**pages 31-32**).

The Queensland Government hosted an open forum on 'Business, Work & Ageing: Valuing Diversity' in January 2004 (**page 32**). Other initiatives to date include the 'Breaking the Unemployment Cycle' program (**pages 32-34**), the '45 plus' jobs program (**page 35**) and release of the 'Queensland 2020: A Vision for the Future' discussion paper (**page 35**).

The Business Council of Australia (**pages 36-37**), Australia Post (**pages 38-39**) and Westpac (**page 39**) have been active in the business community in addressing the issues associated with mature workforce participation.

Increasing the workforce participation of mature Australians requires participation by all levels of government and the business sector, greater awareness among workers and a better understanding of the issues in the wider community (**pages 39-41**).

1 INTRODUCTION

For many Australians, retirement from full-time employment marks a new phase in their lives during which they have more time to devote to family and friends or to pursuing hobbies and interests they had less time for during their working lives. Retirement typically also involves living on a reduced income.

During the 'baby boom' period of 1946 to 1965, there were 4.2 million births in Australia. Those born in the peak year of the baby boom (1947) are now over 55 years of age. Similar to the trends in many other countries, the proportion of older Australians will nearly double in the next 30 years. The average Australian life expectancy also continues to increase, requiring longer periods of reliance on retirement income. In comparison to other countries however, Australia has a low level of labour force participation among its mature workers and the last few decades have seen the development of a culture of early retirement, voluntary or otherwise. This culture is underlined by community attitudes towards the ongoing participation of mature workers and, in some cases, financial incentives which encourage an early exit from the workforce.

Despite age discrimination legislation in all States and Territories, mature workers remain vulnerable in employment, whether in gaining or retaining employment, making a successful transition to retirement or by being subjected to higher levels of retrenchment or redundancy. A range of factors contribute to this vulnerability, including the views of employers and the wider community, policies which support early retirement, lack of workplace flexibility and, in some cases, the attitudes of the mature workers themselves.

Increased labour market participation by mature workers was put on the national agenda in 2002 by the Prime Minister, the Hon John Howard MP. The Commonwealth Government has sought to raise national awareness of the issue and stimulate public discussion. A role in addressing the issue must, however, be played by all levels of government, the business sector, peak employer and employee organisations, training providers, employment agencies, the media, national representative/lobby groups for seniors and the wider community.

2 STATISTICS

2.1 AGEING POPULATION

2.1.1 Increasing Proportion of Older Australians

The proportion of the Australian population aged 65 years and over, and aged 80 years and over, has steadily increased and is projected to continue to increase.

Table 1¹

Proportion of Australian Population Aged 65 and Over and 80 and Over

Age	1992	1997	2002	2011	2031	2051	2101
Aged 65 and over (%)	11.5	12.1	12.7	14.3	22.3	26.1	27.0
Aged 80 and over (%)	2.3	2.7	3.2	3.9	6.3	9.4	10.1

2.1.2 Lower Proportion of Older Queenslanders

Queensland has a lower proportion of its population in the older age cohorts, and this trend is projected to continue. Western Australian has a profile similar to Queensland in this respect, whereas Tasmania and South Australia will be constituted by particularly higher proportions of older people. The Northern Territory is projected to continue to have a significantly lower proportion of older people than the national average.

Table 2²

Proportion of Population Aged 65 and Over and 80 and Over by State

State/Territory	Qld	WA	SA	Tas	Vic	NSW	ACT	NT
Aged 65 and over in 2003 (%)	11.8	11.2	14.8	14.0	13.1	13.2	8.8	3.9
Aged 80 and over in 2003 (%)	2.9	2.7	3.9	3.6	3.3	3.3	2.0	0.6
Aged 65 and over in 2051 (%)	24.7	24.3	31.1	34.0	27.8	26.3	23.3	10.3
Aged 80 and over in 2051 (%)	8.5	8.5	12.2	13.2	10.4	9.4	8.4	2.1

¹ ABS, Australian Social Trends 2003, 'Population – National summary tables', *Australia Now*.

² ABS, Australian Social Trends 2003, 'Population – State summary tables', *Australia Now*.

2.1.3 International Comparisons

The profile of Australia's ageing population compares with that of New Zealand, the United Kingdom and Canada whereas Italy, Greece and Japan will have higher proportions of older citizens. Papua New Guinea, Malaysia and Indonesia will have lower proportions of older citizens.

Table 3³

Proportion of Population Aged 65 and Over by Country

Aged 65 and over (%)				Aged 65 and over (%)			
Country	2005	2020	2050	Country	2005	2020	2050
Australia	12.8	17.3	23.9	Greece	19.0	22.3	33.2
New Zealand	12.1	16.3	22.9	Italy	19.6	23.7	34.4
Canada	13.2	17.3	23.9	PNG	2.5	3.3	8.8
USA	12.3	15.9	20.0	Malaysia	4.6	7.4	15.7
United Kingdom	15.9	18.6	23.3	Indonesia	5.5	7.1	16.9
Japan	19.7	28.1	36.5	China	7.5	11.7	22.9
France	16.3	20.3	26.4	Hong Kong	11.4	16.4	29.6
Korea	8.8	14.0	30.5	Singapore	8.4	17.4	30.5
Sweden	17.7	22.7	27.0	Vietnam	5.4	6.6	18.0

2.2 LONGER LIFE EXPECTANCY

The life expectancy of Australian males at birth increased from 74.4 years in 1991 to 77.0 years in 2001 and for females from 80.4 years to 82.4 years over the same period.

In 1991, the life expectancy of Australian males and females aged 65 years was 15.4 years and 19.1 years respectively. By 2001, these figures had increased to 17.2 years and 20.7 years respectively.

³ ABS, 'Australian Social Trends 2003 – International comparisons – Population', *Australia Now*.

The proportion of Australian males surviving to age 70 increased from 70.8% in 1991 to 77.3% in 2001. The figures for Australian females over the same period were 83.3% and 86.6% respectively.⁴

Researchers have warned, however, that the official forecasts have substantially under-estimated the size of Australia's ageing population.⁵

It is also important to note that life expectancy is not uniform across all population groups. In particular Aboriginal and Torres Strait Islander life expectancy, at 57 years for males and 62 years for females, is significantly lower than the national average.⁶

2.3 DECLINING FERTILITY RATE

The fertility rate is an issue related to the ageing population; however, it tends to receive less consideration than other projections on the ageing population.

Australia's fertility rate was relatively low during the Great Depression of the 1930s, slumping to 2.1 babies per woman in 1934. It peaked in 1961 at 3.5 births per woman during the post-World War II 'baby boom' before declining, stabilising during the 1980s and then further declining.

Since 1976, the rate has been well below the level of 2.1 births per woman needed for population replacement. It is currently 1.7 births per woman and is expected to fall to 1.6 by 2042.

The declining fertility rate has been accompanied by an increase in the median age of women at the time of their first pregnancy, up from 24 years in 1975 to 29 years in 2000.⁷

⁴ ABS, 'Australian Social Trends 2003 – Health status – National summary tables', *Australia Now*.

⁵ Leanne Edmestone, 'Ageing population forecasts higher than expected', *Courier Mail*, 20 January 2004, p 5.

⁶ Queensland. Department of Families, *Queensland 2020: A State for All Ages*, Discussion Paper, September 2003, p 22, http://www.families.qld.gov.au/departments/futuredirections/qld2020/documents/pdf/dp_fulldoc.pdf.

⁷ ABS, 'Australian Social Trends 2003 – International comparisons – Population'; ABS, 'Australian Social Trends 2002 – Population - Population Projections: Fertility futures', *Australia Now*; ABS, 'Australian Social Trends 2003 – Work – National summary tables', *Australia Now*.

2.4 CHANGES IN LABOUR FORCE PARTICIPATION

The last few decades have indicated a shift towards early retirement and increased participation by females, particularly through part-time work.

2.4.1 Declining Male Participation and Increasing Female Participation

The proportion of employed persons working full-time decreased between 1971 and 2001 from 89% to 69%. The proportion of the workforce aged 55 years and over fell from 13.2% in 1971 to 11.5% in 2001.

Participation by women, although still consistently lower than that for men, increased from 37% in 1971 to 55% in 2001. The participation of women aged 55-64 increased from 25% in 1992 to 31% in 1997 and 38% in 2002. A considerable proportion of these females are employed part-time, increasing from 50% in 1992 to 52.3% in 2002.

Overall participation by men decreased from 81% to 71% between 1971 and 2001, with fairly consistent declines across all age groups. Between 1973 and 1993, participation of men aged 55-64 years in full-time employment fell from 79% to 52%. The decline was even greater in the 60-64 years age group, falling from 72% in 1973 to 38% in 1983, where the level of participation continues to approximately remain. Of all employed males aged 55-64, those in part-time employment rose slightly between 1992 and 2002 from 13% to 16%.

Table 4

Changing Employment Status of Australian Males Aged 45+

Employment Status	45-54 years (%)		55-59 years (%)		60-64 years (%)		65 years and over (%)	
	1992	1997	1992	1997	1992	1997	1992	1997
Full-Time	84.8	82.4	67.0	65.4	40.2	38.1	5.6	6.4
Part-Time	5.3	6.0	9.2	8.3	10.1	9.5	4.3	5.4
Fully Retired	7.0	8.5	20.4	22.3	47.0	49.5	88.5	86.6
Partially Retired	1.8	2.2	5.2	5.2	7.1	7.5	3.9	4.8

The duration of unemployment among workers aged 55 and over steadily increased from 36 weeks in 1978, to a peak of 118 weeks in 1993. This compared to an increase from 28 weeks to 60 weeks over the same period for the total population. There has since been a slight decline in the duration of unemployment, to 104 weeks for men aged 55 and over and 107 weeks for women aged 55 and over.

Since the 1983 recession, the unemployment rate for males aged 55-64 years has been consistently higher than for males aged 25-54 years. There were increases in the unemployment rates for all ages after the economic downturns of 1983 and 1990. In 1985, the unemployment rate for males aged 55-64 years was nearly 2% higher than for males aged 25-54 years, increasing to 3% higher in 1992 and 5% higher in 1993. The incidence of long-term unemployment also increases significantly with age, with older men form a larger portion of 'discouraged' jobseekers.⁸

2.4.2 International Comparisons

Table 5⁹

Participation and Unemployment Rates by Country

Country		Men			Women		
		1979	1990	2000	1979	1990	2000
Australia	Participation (%)	69.5	63.2	61.5	20.3	24.9	36.3
	Unemployment (%)	3.1	6.3	4.9	2.3	3.0	2.4
Finland	Participation (%)	56.3	47.1	48.1	41.3	40.8	45.2
	Unemployment (%)	3.6	5.1	9.3	5.5	2.8	9.4
Germany	Participation (%)	66.9	58.3	55.2	28.4	27.5	34.1
	Unemployment (%)	5.5	9.9	12.6	5.9	15.2	15.0
Japan	Participation (%)	85.2	83.3	84.1	45.4	47.2	49.7
	Unemployment (%)	4.4	3.4	6.8	1.2	1.4	3.6
Netherlands	Participation (%)	65.3	45.7	50.8	14.4	16.7	26.4
	Unemployment (%)	3.3	2.8	1.7	2.7	6.3	2.1
UK	Participation (%)	-	68.1	63.3	-	38.7	42.6
	Unemployment (%)	-	8.4	5.5	-	5.0	2.8
USA	Participation (%)	72.8	67.8	67.3	41.7	45.2	51.8
	Unemployment (%)	2.7	3.8	2.4	3.2	2.8	2.5

⁸ ABS, 'Australian Social Trends 2003 – Paid work: Changes in labour force participation across generations', *Australia Now*; ABS, 'Australian Social Trends 1994 – Work – Not in the labour force: Early retirement among men', *Australia Now*; Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, April 2003, p 16, <http://www.bca.com.au/upload/AGEDOCfinal22.04.03.pdf>.

⁹ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, pp 11-12.

Table 6¹⁰
Long-Term Unemployment¹¹ (as a % of Unemployed) by Country

Country	Men			Women		
	15-24	25-54	55+	15-24	25-54	55+
Australia	17.8	36.6	45.5	16.0	28.3	56.0
Finland	8.8	39.1	58.3	8.8	29.6	54.5
Germany	23.7	49.1	69.1	23.2	52.9	69.1
Japan	26.3	29.4	35.6	14.8	13.8	37.5
Netherlands	-	35.5	56.9	12.5	38.6	43.9
UK	17.4	40.3	46.1	9.9	22.9	30.5
USA	-	6.8	-	-	6.4	-

2.5 RETIREMENT TRENDS

Between 1960 and 1995, the average age of workforce exit fell by four years for men and five years for women.¹² Over 75% of males and around 95% of females intend to retire from full-time work before reaching the age of 65. Over 50% of females indicate that they intend to retire from full-time work before reaching the age of 45.¹³

Historically, retirement has been a much more significant milestone for men than women, considering the longer periods of continuous full-time employment often engaged in by males.

The reasons for retirement generally differ between the various age cohorts. In 1997 the key reasons for retirement for males were-

- for those aged 45-54, health or injury (56%) and retrenchment (15%);
- for those aged 55-59, health or injury (40%) and retrenchment (19%);
- for those aged 60-64, reaching appropriate retirement age (27%), health or injury (23%) and reaching compulsory retirement age (18%); and

¹⁰ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 12.

¹¹ Long-term unemployment is generally defined as lasting more than 12 months.

¹² Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 7.

¹³ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 3.

- for those aged 65-69, reaching compulsory retirement age (65%) or appropriate retirement age (17%).¹⁴

2.6 CHANGING WORKPLACE ENVIRONMENT

2.6.1 Growth in Part-Time Employment

One of the most significant changes to the labour market over the last 20 years has been the growth in part-time employment. Part-time employment has increased by approximately 140% (compared to about 26% for full-time employment) and now accounts for nearly 29% of total employment, up from 17.5% 20 years ago.

Growth in part-time employment for females, especially in the last decade, has been particularly strong and is up by 211%. Part-time employment growth has been strong for mature age women (up by 184%). Similarly strong growth has been recorded for mature age men (up by 196.5%) from 6.7% in 1982 to 12.9% in 2002.¹⁵

2.6.2 Longer Working Hours

Increased Working Hours for Full-Time Australian Workers

Strong growth in part-time employment has increased the proportion of Australians working shorter hours; however, there has been a trend over the last 20 years for full-time workers to work increasingly longer hours. Between 1982 and 2002, the average weekly hours worked by Australians in full-time employment increased from 42 hours to 44 hours, with approximately one-third of those who regularly work overtime reporting that they do not generally receive payment for that overtime.¹⁶

¹⁴ ABS, 'Australian Social Trends 2000 – Work – Not in the labour force: Retirement and retirement intentions'; ABS, 'Australian Social Trends 1994 – Work – Not in the labour force: Early retirement among men'.

¹⁵ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 15.

¹⁶ This would include payment whether directly by the hour, indirectly as part of a salary package, time off in lieu or by some other arrangement.

Although the research indicates that females are more likely than males to be unpaid for overtime, long working hours are typically less common in the more female dominated occupations.

The proportion of full-time employees working a 40 hour week decreased from 39% in 1982 to 24% in 2002. The greatest increase was in those working 50-59 hours per week, which was up from 10% to 16%. The number of Australians working 50 hours or more per week doubled between 1982 and 2002 from 20% to 30% of full-time workers. This represented an increase from 10% to 19% for full-time female workers and 23% to 35% for full-time male workers.

Trend in OECD Countries for Shorter Working Hours

In terms of long working hours in other OECD counties, Australia is exceeded only by the United Kingdom (in terms of the proportion of the male population working long hours) and Japan (in terms of the proportion of the female population working long hours).

Table 7¹⁷

Proportion of Employed People Working 45+ Hours by OECD Country

Country	Men		Women		Country	Men		Women	
	1985	1994	1985	1994		1985	1994	1985	1994
Australia	30.2	38.1	9.6	13.6	Belgium	5.0	5.5	1.6	3.0
Canada	20.1	23.1	6.1	7.7	Denmark	8.6	15.0	2.1	5.6
France	12.1	15.0	4.7	6.1	Germany	10.0	8.3	4.3	3.0
Greece	17.3	20.2	8.6	13.2	Italy	11.5	13.6	4.5	5.7
Japan*	50.1	36.7	22.7	15.8	Netherlands	13.0	1.8	2.4	0.4
Portugal**	59.2	26.2	41.6	12.5	Spain	11.2	11.6	11.0	5.9
Sweden**	15.3	17.1	4.5	5.5	UK	36.2	41.5	6.9	10.9
USA*	24.7	27.0	8.8	11.1					

*Figures for Japan and the USA are for those working more than 48 hours per week.

**The figures for Portugal and Sweden are for 1987 and 1994.

¹⁷ ABS, 'Australian Social Trends 1999 – Work – Paid work: Decline of the standard working week', *Australia Now*. ABS, 'Australian Social Trends 2003 – Work – Paid work: Longer working hours', *Australia Now*.

2.6.3 Skilled Workforce

The proportion of employees with a bachelor degree or higher increased significantly between 1971 and 2001 from 3% to 19%. Over the same period, there was an increase in the proportion of persons aged 15-24 attending school or an educational institution, from 35% to 54%. These changes reflected the shift to knowledge-based industries and an increase from 57% to 75% in the proportion of employed persons working in service industries.¹⁸ The differences in educational levels are more pronounced for women, particularly between those in the younger and older age cohorts.

It is now generally recognised that it is unreasonable for workers to expect to remain in the one job or industry for the duration of their working lives. Greater flexibility and mobility is required, with an emphasis on transferability of skills. Career progression is now more commonly linked to ongoing training, performance and educational qualifications rather than duration in a particular position.

Table 8 indicates how structural change in the economy has affected the employment patterns of mature age workers.

Table 8¹⁹

Employment Patterns of Mature Age Workers 1985-2002

Industry	Employees Aged 45+ (%)	
	1985	2002
Retail Trade	11.0	10.5
Health and Community Services	8.4	12.1
Education	7.1	9.9
Property and Business Services	6.4	11.8
Manufacturing	17.7	12.7
Agriculture, Forestry and Mining	9.5	6.1

3 BENEFITS OF LONGER WORKFORCE PARTICIPATION

The positive benefits of workforce participation by mature workers include-

¹⁸ ABS, 'Australian Social Trends 2003 – Paid work: Changes in labour force participation across generations', *Australia Now*.

¹⁹ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, pp 15-16.

- financial benefits to the individual (better retirement income and standard of living) and the wider community;
- social benefits such as better self-esteem and confidence, outside friends and networks, and a sense of belonging, identity and contribution; and
- health benefits through lower levels of anxiety, depression and stress, and better financial resources to access a higher standard of health care.

4 VOLUNTARY WORK AND CARING RESPONSIBILITIES

Mature Australians make valuable contributions through voluntary work and caring responsibilities, either in their own household, the households of other family members or in the wider community. Examples of such contributions include repairs and maintenance work, cleaning, cooking, laundry, gardening, shopping, paperwork, driving and caring for an elderly parent, spouse or grandchild.

These contributions not only generate significant cost savings by reducing the demands on government services and outlays, but also provide a degree of social cohesion and stability.

The value of unpaid work by people aged 65 and over was calculated to be \$43 billion. For people aged 55 and over, the value was \$83.5 billion. On average, women contribute the equivalent of \$30,000 worth of labour each year and men around \$20,000.²⁰

People aged 55 and over perform 37% of voluntary work. 21% of principal carers of people with disabilities are aged over 65. Grandparents provide childcare to 21% of children aged under 11 and 41% of children who receive some form of childcare obtain at least some of this care from a grandparent.²¹

The value of voluntary work outside a person's own household increases for women with age to reach a maximum (12.4% of their contribution) at 55-64 years. It then slightly declines, but continues to remain substantial for women aged over 75. The time of peak contribution for males outside their own household is the 65-74 year age group, at which time 13% of their voluntary work occurs outside their

²⁰ These amounts are in 2002 dollars. 'Volunteer economy worth \$43 billion', *Courier Mail*, 27 November 2003, referring to a report by the Australian Institute of Family Studies, *Measuring the Value of Unpaid Household, Caring and Voluntary Work of Older Australians*, Research Paper No 34, October 2003, <http://www.aifs.org.au/institute/pubs/respaper/RP34.pdf>.

²¹ AIFS, *Measuring the Value of Unpaid Household, Caring and Voluntary Work of Older Australians*, p 4.

household. This is slightly above the proportion of the contribution (11.3%) made by males aged 55-64 years.²²

The Queensland Government launched a policy on volunteering in May 2003.²³

5 EMPLOYING OLDER AUSTRALIANS

Surveys of employers indicate a preference for 'middle years' workers; that is, workers aged between 25 and 40.²⁴

5.1 DRAKE MANAGEMENT CONSULTING SURVEY

A survey by Drake Management Consulting on the preferences of over 500 senior executives and human resource managers in relation to recruiting, retrenching and retraining executive staff showed²⁵

- 62% predominantly selected employees from the 31-40 year age group, 23% from the 41-50 year age group and 16% from the 20-30 year age group;
- none of the organisations indicated a preference for selecting employees over 50 years of age;
- 65% nominated the over 50 age group as the 'preferred age group' for retrenching employees, followed by 22% for the 41-50 year age group, 11% for the 31-40 year age group and 2% for the 20-30 year age group;
- as many as 70% of Australian firms cited perceived inflexibility and an unwillingness to change as the reasons why they would retrench executives over the age of 50 ahead of others;

²² AIFS, *Measuring the Value of Unpaid Household, Caring and Voluntary Work of Older Australians*, p 12.

²³ Queensland. Department of Families, *Engaging Queensland: The Queensland Government Policy on Volunteering*, http://www.families.qld.gov.au/departement/announcements/2003/documents/pdf/volunteering_policy.pdf.

²⁴ 'Tis the season to jolly well consider keeping older workers', *Sydney Morning Herald*, 13 November 2003.

²⁵ The survey was conducted in 1999 and submitted to the House of Representatives Standing Committee on Employment, Education and Workplace Relations inquiry 'Age Counts – An Inquiry into Issues Specific to Mature-Age Workers'. Drake Personnel Limited, 'Age Discrimination is Alive and Well', *Media Release*, October 1999, <http://www.aph.gov.au/house/committee/edt/Owk/subs/sub165.pdf>.

- mature age workers fared worse in Queensland than in other States, with 81% of Queensland organisations preferring 31-40 year olds and only 9.5% preferring 41-50 year olds; and
- the ‘young culture’ is particularly prominent in the management and executive teams of the public sector and banking/finance and business (accounting and legal) organisations.

5.2 MORGAN & BANKS JOB INDEX SURVEY

A Morgan & Banks Job Index Survey²⁶ revealed that 50% of employers believed that Australian organisations think that workers aged 50 years and over are less productive than younger workers. More employers from the advertising/marketing (64%) and legal (56%) sectors felt that Australian organisations held this view, compared to fewer employers in the health/medical/pharmaceutical (42%) and engineering (43%) sectors.

There was little variation in the proportion of employers from medium (51%) and large (52%) organisations who thought that Australian organisations held this view, compared to slightly fewer small business employers (45%).

5.3 NEW SOUTH WALES POLICY RESEARCH CENTRE

Research by the Social Policy Research Centre in New South Wales in late 2001 considered the recruiting practices of employers in business services.²⁷ The research indicated that-

- small businesses provide the greatest source of employment for mature age workers;
- most assess the age of ‘best contribution’ to be 30-44 years (51%) followed by under 20 years and over 45 years (both 15%), whereas 20% think that an individual’s contribution is unrelated to age;
- in terms of the last recruitment practices of the interviewed employers, 60% of successful candidates aged 45 and over were employed from within the

²⁶ Morgan & Banks Job Index Survey for November 1999 – January 2000. The survey involved 4,125 employers.

²⁷ University of New South Wales, Social Policy Research Centre, *The Recruitment of Older Australian Workers: A Survey of Employers in a High Growth Industry*, December 2001, <http://www.sprc.unsw.edu.au/newreports/SPRC%20REPORT%206%2001.pdf>. The business services sector was chosen on the basis that it was the industry not only with Australia’s fastest growing employment but also with a reputation for providing employment opportunities for mature age workers.

same industry. 11% of successful candidates were aged over 45, 58% were aged under 30 and 31% were aged 30-44;

- reasons for the lack of success of candidates aged over 45 include not possessing current skills (17%), lacking relevant technical experience (17%), not 'fitting' into the business (12%), being unable to demonstrate their relevant experience (10%), being overqualified (9%), having an unsuitable application (3%), lacking confidence (2%) and having been unemployed for at least 12 months (1%);
- most employers are unaware of the future decrease in the number of younger workers;
- the age profile of an organisation's customer base and the perceived age of best contribution are key factors in selecting an older worker;
- there is a preference for a diverse workforce of intelligent, reliable team workers rather than simply those with computing experience;
- in terms of older workers who have been retrenched, employers view them as experienced but 'unlucky' workers who deserve a second chance, who have been the victim of an industrial change and who are not easily discouraged. Unhelpfully however, retrenched workers are also perceived to be more 'wanting' a job rather than 'needing' a job;
- a majority of employers do not believe that employees will retire at age 55 over the next 10 to 15 years, with most believing the 'right age' to retire is over 65 years (38%), followed by 60-64 years (28%), 55-59 years (26%) and 50-55 years (4%). Women, older respondents and businesses with a more mature customer profile are more likely to nominate older age groups as the 'right age' to retire;
- in deciding to employ a person aged over 45, a majority of employers would be strongly influenced by the candidate being the 'best candidate' for the position, followed by the candidate's recent industry experience and having relevant and current computing skills;
- employers recognise the positive social reasons for mature employees continuing to work, rather than purely financial reasons such as reliance on the age pension or insufficiency of superannuation;
- employers consider the ability to retire through sound financial planning, poor health, family or caring commitments, an inability to work effectively in their current position, no longer wanting to work full-time and having a partner who is retired as being 'good reasons' for retiring; and
- mere eligibility for the age pension or having reached 'retirement age' are regarded as poor reasons for retirement.

5.4 REASONS FOR NOT EMPLOYING MATURE AUSTRALIANS

There has been considerable discussion about Australia's 'grey ceilings'.²⁸ Employers have expressed the following as reasons for not employing mature Australians.²⁹

- a lack of flexibility and ability to adapt to changes in the workforce;
- decreased productivity with age;³⁰
- that older workers should 'make way' for younger workers; and
- older workers cannot adapt to new technology, are not worth training, are not interested in their work and do not have the physical strength or mental alertness of their younger colleagues.³¹

Mature workers also tend to have lower average levels of formal qualifications than their younger colleagues, a lack of skill in new technologies, work experience in declining industries, lack of recent training and may also be unwilling to seek out or participate in new training opportunities.³²

In comparison, younger workers are typically viewed in a more positive manner, as being enthusiastic, creative, more productive and 'the future' of their organisation.

Interestingly, employers are less likely to hold negative attitudes towards their own mature workers. It is more likely that they will hold unjustified stereotypical views in a general sense, impacting mostly on job-seeking mature people.³³

²⁸ Michael Cave, 'Old problems: CEOs hit grey ceiling', *Australian Financial Review*, 26 July 2003, p 6.

²⁹ Most of these reasons are taken from 'Tis the season to jolly well consider keeping older workers', *Sydney Morning Herald*.

³⁰ K. Andrews, 'Age adds to a company's bottom line', *Australian Financial Review*, 27 August 2003, p 63. Dr Philip Taylor, *Global Ageing – Meeting the Business Challenges*, prepared for the 'An Ageless Workforce – Opportunities for Business' Symposium, 27 August 2003, <http://www.olderaustralians.gov.au/documents/pdf/aawtaylor.pdf>.

³¹ Sherrill Nixon, 'Older staff not worth training, say bosses', *Sydney Morning Herald*, 7 October 2003.

³² New South Wales. Committee on Ageing, *Too Young To Go: Mature Age Unemployment and Early Retirement in NSW: Implications for Policy and Practice*, December 2001, http://www.coa.nsw.gov.au/pdf/too_young_to_go.pdf.

³³ Commonwealth. National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, November 2002, p 31, <http://www.ageing.health.gov.au/ofoa/documents/pdf/nsaabook.pdf>.

5.5 BENEFITS OF RETAINING OLDER WORKERS

Employers have identified the following benefits associated with retaining older workers³⁴

- the return on investment in those workers;
- prevention of skill shortages;
- older workers have greater ‘loyalty’ to an organisation and one-fifth the turnover rate of younger workers. They are also more likely to stay longer at an organisation after training than younger colleagues;
- for organisations with a more mature customer base, older workers are considered to interact better with those customers;
- utilisation of the ‘corporate knowledge’ of older workers such as familiarity with an organisation’s product, market, operations and customer base;
- older workers’ diversity of knowledge, skills and experience in the workforce;
- the ability to make better decisions, be relied upon more in crisis situations and higher dependability and cooperation;
- the productivity of mature workers, particularly in jobs involving intellectual skills, is generally equal to or greater than their younger colleagues;
- mature workers have lower rates of absenteeism and sick leave and fewer accidents; and
- in a mobile work environment, mature employees may provide a steadying influence on younger workers by offering a degree of continuity and a demonstration of long-term commitment.

6 ANTI-DISCRIMINATION LEGISLATION

6.1 QUEENSLAND

One of the purposes of the *Anti-Discrimination Act 1991* (Qld) is to promote equality of opportunity for everyone by protecting them from unfair discrimination

³⁴ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 47; Access Economics, *Population Ageing and the Economy*, January 2001, <http://www.ageing.health.gov.au/foa/documents/pdf/popageing.pdf>; Chelle Murphy, ‘Few pay heed to simple solution’, *Australian Financial Review*, 28 August 2003; National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, p 34.

in certain areas, including work.³⁵ The Act prohibits discrimination on the basis of age in-

- the pre-work area (such as the arrangements made for deciding who should be offered work, in actually deciding who should be offered work, in the terms of the work that is offered, in failing to offer work or in denying a person seeking work access to a guidance or other training program); and
- the work area (such as any variation to the terms of work; denying or limiting access to opportunities for promotion, training, transfer or other benefits; dismissing a worker through forced retirement; failing to provide work; denying access to a guidance or other training program; or by treating a worker unfavourably in any way in connection with work).³⁶

An employment agency must also not discriminate-

- by failing to supply a service;
- in the terms on which, or the way in which, a service is offered or supplied; or
- by treating a person seeking work or an employer seeking a worker unfavourably in any way in connection with a service.³⁷

The Act allows for certain exemptions, including-

- where there are genuine occupational requirements for a position;
- in residential domestic or childcare services; and
- in work with children, in certain circumstances.³⁸

There are also limited exemptions in terms of compulsory retirement ages for members of the judiciary and other specified occupations.³⁹

The Anti-Discrimination Commission Queensland administers the Act. Its annual report for 2002-03 indicates that most age related complaints relate to the work context. The Commission received 59 age related complaints in 2002-03 (7.2% of all complaints), which was a decrease from 63 complaints (9.6% of all complaints) in 2001-02. There were 533 (64%) work complaints in 2002-03. Of these, 47 (8%) related to age, which was down from 49 (10%) in 2001-02.

³⁵ *Anti-Discrimination Act 1991 (Qld)*, s 6(1).

³⁶ *Anti-Discrimination Act 1991 (Qld)*, ss 7(f), 10, 14, 15.

³⁷ *Anti-Discrimination Act 1991 (Qld)*, s 23.

³⁸ *Anti-Discrimination Act 1991 (Qld)*, ss 25-28.

³⁹ *Anti-Discrimination Act 1991 (Qld)*, s 106A.

6.2 COMMONWEALTH

The Commonwealth does not have any general legislation specifically targeting age discrimination.

Under the *Human Rights and Equal Opportunity Commission Act 1986* (Cth), a person suffers discrimination if they are refused a job, denied training opportunities or promotion, dismissed from employment or subjected to less favourable working conditions or terms of employment because of their age, even though their age would not affect their performance in that job.

The *Workplace Relations Act 1996* (Cth) provides that, in performing its functions, the Industrial Relations Commission must have regard to the need to prevent and eliminate discrimination, including age discrimination.⁴⁰ An employer must also not terminate employment on the basis of age, unless the termination is based on the inherent requirements of the particular position concerned.⁴¹

The Human Rights and Equal Opportunity Commission (HREOC) has responsibility for the *Human Rights and Equal Opportunity Commission Act 1986*. The following are statistics on the complaints received by the HREOC in relation to age-

- In 2002-03, 198 inquiries (out of 9,568 received) related to a person being 'too old' and 7 related to compulsory retirement. This compared to 161 inquiries (out of 8,052 received) related to a person being 'too old' and 10 related to compulsory retirement in 2001-02.
- In 2002-03, 26 complaints out of 199 (or 13%) made under the *Human Rights and Equal Opportunity Commission Act 1986* related to age, which was a decrease in number on the 30 complaints out of 242 (or 12%) made in 2001-02.
- In 2000-01, 207 out of 9,580 telephone inquiries received related to a person being 'too old' and 3 related to compulsory retirement. 14 out of a total of 751 written inquiries related to a person being 'too old'. Of the 240 written complaints made under the *Human Rights and Equal Opportunity Commission Act 1986*, 34 (14%) related to age.
- In 1999-00, 24 out of the 241 (10%) complaints made under the *Human Rights and Equal Opportunity Commission Act 1986* and 30 out of 590 written inquiries received related to age.

⁴⁰ *Workplace Relations Act 1996* (Cth), s 88B(3)(e).

⁴¹ *Workplace Relations Act 1996* (Cth), s 170CK(2)(f).

In May 2000, the HREOC released a report entitled 'Age Matters: A Report on Age Discrimination'.⁴² Age discrimination against older people in employment was the issue most commonly raised in submissions to the inquiry.

6.3 EFFECT OF ANTI-DISCRIMINATION LEGISLATION

It has been suggested that the anti-discrimination legislation of the States, Territories and the Commonwealth is not, of itself, sufficient protection for mature workers and does not appear to influence employers significantly in recruitment and selection processes. Reasons for the apparent lack of effectiveness of the legislation include-

- workers and employers being uncertain about its operation;
- age discrimination often being covert, evasive and easily masked; and
- wider community attitudes not reflecting the legislation.

Recruitment is the greatest single cause of complaint.⁴³

7 SUPERANNUATION AND INCOME SUPPORT

The availability of non-labour sources of income is a fundamental part of retirement. Australia's retirement income system is a combination of public pensions,⁴⁴ superannuation and voluntary savings. In 1978, 27% of 50-64 year olds received a basic income support payment. This increased to 34% of the same age group in 1997. About half of the increase was due to the ageing population and the remainder due to an increasing dependence on income support.⁴⁵

⁴² Human Rights and Equal Opportunity Commission, *Age Matters: A Report on Age Discrimination*, May 2000, http://www.hreoc.gov.au/pdf/human_rights/age_report_2000.pdf.

⁴³ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, pp 4, 18-19.

⁴⁴ Principally the age pension, but also including the veterans', war widow and disability pensions.

⁴⁵ National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, pp 19-20.

Currently there are six working Australians supporting each retired person; by 2025, this ratio will be one to three.⁴⁶

A recent study by the Social Policy Research Centre for the University of New South Wales⁴⁷ indicates that, assuming retirees own their homes outright-

- a single person needs about \$420,000 (providing an annual income of \$32,800) and a couple needs about \$475,000 in combined savings (providing an annual income of \$43,350) for a comfortable retirement income from the age of 65; and
- for a very modest lifestyle, a single person needs an annual income of \$16,930 and a couple needs about \$23,550.

These amounts are well short of the average amount saved at retirement, which is currently \$70,000.

It has been recommended that all age groups in the community need to be better informed on financial planning matters and that this education needs to begin as early as possible, preferably in schools.⁴⁸

7.1 SUPERANNUATION

Total Australian superannuation assets are currently approximately \$548.5 billion.⁴⁹

In 1992, the Commonwealth Government introduced the superannuation guarantee to provide minimum compulsory coverage to employees. The rate increased from its initial 3% of earnings to the current level of 9% in 2002.

⁴⁶ John Denton, Population Task Force Chairman, Business Council of Australia, Transcript of Speech to 'An Ageless Workforce – Opportunities for Business' Symposium, 27 August 2003, <http://www.olderaustralians.gov.au/documents/pdf/aawdenton.pdf>.

⁴⁷ Philippa Smith, 'Don't be beached in old age', *The Age*, 8 February 2004.

⁴⁸ National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, p 12.

⁴⁹ Australian Prudential Regulation Authority, 'Superannuation Trends September Quarter 2003', <http://www.apra.gov.au/Statistics/loader.cfm?url=/commonspot/security/getfile.cfm&PageID=6720>.

Adjustments to the superannuation scheme in a bid to increase labour force participation by mature workers include-⁵⁰

- allowing workers to make personal contributions to their superannuation fund until they reach the age of 75, which is 10 years longer than they were able to do so a decade ago;⁵¹
- increasing the preservation age from 55 to 60 years on a phased basis between 2015 and 2025; and
- changing superannuation taxation arrangements to make it easier for someone who has retired and commenced taking a superannuation pension to stop the pension and roll the proceeds back to the accumulation phase in the same fund in the event they decide to re-enter the workforce.

Further proposed changes to the superannuation scheme, announced in February 2004, are discussed in Part 9.6 of this Research Brief.

The performance of superannuation funds and investments will also be of great importance, requiring sound management and vigilant oversight of the growing pool of funds and maximisation of growth earnings. Members of funds also need to be better educated about, and exercise more choices in, the management of their retirement savings.⁵²

It has been said that the gap between what Australians' expectations are for their retirement and what their current superannuation contributions and the pension will deliver is around \$600 billion, which is more than the current level of superannuation.⁵³

⁵⁰ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 31.

⁵¹ Employers, however, only have to make contributions until their employees reach the age of 70. This age cap has apparently been imposed so that tax concessions for superannuation are used for retirement purposes and not to enhance an individual's estate (Chris Jones, 'Super law review for aged staff', *Courier Mail*, 29 August 2003, p 10).

⁵² National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, p 13.

⁵³ Kate Lahey, Chief Executive of the Business Council of Australia, 'Age Can Work : The Case for Supporting Older Workers', addressing the Pursuing Opportunity & Prosperity Conference, 14 November 2003, p 2, http://www.bca.com.au/upload/KL_-_Pursuing_Opportunity_&_Prosperity_1103.pdf.

7.2 AGE PENSION

Nearly 80% of people of 'age pension age' receive a Commonwealth income support payment.⁵⁴ The current patterns of income support are partly related to the limited coverage and adequacy of superannuation schemes in the past. It is expected that the proportion of people in receipt of the maximum rate of age pension will fall from the current level of two-thirds of all age pensioners to one third by 2050.⁵⁵

The pension age for males is 65 and has remained unchanged for almost 100 years despite average male life expectancy increasing by 20 years over this period.⁵⁶ There is a phased increase in the qualifying age for women, from 60 years for those born before 1935 and 65 for those born in 1949 or later, such that equalisation between men and women will be achieved in the next decade.

The age pension is both income and asset tested.⁵⁷ The maximum pension rate is currently \$452.80 per fortnight for a single⁵⁸ and \$378.00 each for a couple. A couple who owns their own home is entitled to a full pension if their other assets total less than \$212,500. Part-pensions are available for total other assets less than \$466,500. The income test allows for a full pension if a couple earns no more than \$212 per fortnight. A part-pension is available if less than \$2,116.50 per fortnight is earned.

The 'Pension Bonus Scheme' was introduced in 1998 to encourage workers of pension age to remain in the workforce. It allows an additional payment of 9% on top of the standard pension for those remaining in employment beyond the age of 65, provided they work for at least 960 hours each year.⁵⁹

The maximum amount of the bonus is a multiple of 9.4% of the person's basic age pension entitlement for each 'accruing' bonus period, and is paid as a non-taxable

⁵⁴ National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, p 8.

⁵⁵ National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, p 12.

⁵⁶ Patrick McClure, 'Retirement has reached its used-by date', *Australian*, 27 October 2003, p 8.

⁵⁷ Information on the age pension is available at http://www.centreforlink.gov.au/internet/internet.nsf/payments/age_pension.htm.

⁵⁸ The maximum single rate age pension was set in 1997 to at least 25% of male total average weekly earnings.

⁵⁹ This is an average of 20 hours per week for 48 weeks.

lump sum when the person claims and receives an age pension. Table 9 shows the maximum amount of bonus that may be payable.

The Commonwealth proposes to publicise the scheme in an awareness campaign in 2004. The scheme is also the Commonwealth's 'preferred' means of addressing the ageing workforce issue.⁶⁰

Table 9

Maximum Amount Payable under Pension Bonus Scheme

Number of Bonus Years	Single (\$)	Couple (each) (\$)
1	1,106.60	923.80
2	4,426.60	3,695.30
3	9,959.80	8,314.50
4	17,706.30	14,781.30
5	27,666.10	23,095.80

7.3 AUSTRALIANS WORKING TOGETHER

Initiatives for job seekers over 50 years of age under the Commonwealth's 'Australians Working Together'⁶¹ package include more flexible participation requirements for income support and access to training accounts to gain work-related skills. The changes recognise the difficulties some mature age people face in securing paid employment and provide assistance targeted to their specific needs and circumstances.

A 'Transition to Work' program offers practical help such as career counselling, courses to upgrade skills and help with job applications and resumes for people over the age of 50 who have been out of the workforce for more than two years or who have never worked. The help is also available to those who are not on income support.

⁶⁰ Only 6,500 out of the more than 200,000 eligible Australians claimed the bonus last year. Many retirees are also unaware of the existence of the scheme (Samantha Maiden, 'New lure to keep older workers', *Australian*, 24 December 2003).

⁶¹ Information on this initiative is available at <http://www.together.gov.au/>.

8 ACCESS ECONOMICS REPORT

Access Economics prepared a report on 'Population Ageing and the Economy' for the Commonwealth Minister for Ageing⁶² in 2001 which considered-

- why business needs to change its attitude towards mature age workers; and
- the need to turn negative aspects of the effects of an ageing population into a more positive national attitude towards mature age participation in work.

The key findings of the report were as follows-

- Labour market growth will slow from a level of 170,000 per year currently to 125,000 for the entire decade from 2020 to 2030.⁶³
- A lack of growth in the working age population will potentially limit economic growth and, therefore, national income. Increased workforce participation can help offset this. Over recent decades, Australia's long term real economic growth has been 3.2%, approximately half of which has been generated through workforce growth and the remainder through increasing productivity. Participation by men aged 20-54 is already high and participation by women in the same age group has also increased. Participation by 15-19 year olds is limited by educational demands. Accordingly, greater participation by mature Australians is necessary to offset slowing growth in the working age population.⁶⁴
- Average annual per capita incomes could increase by 4% if workforce participation rose by 10% in the 55-70 year age group. This would largely offset the negative effects of an ageing population. Despite a small initial increase in unemployment, Australia's productive capacity would increase through the increase in labour supply. Wages earned and demand for goods and services generated by working older Australians would increase the growth rate of the economy, generating more jobs. Working older Australians would continue to pay taxes rather than receive income support. The increase to government finances could be enough to allow an across the board 2 cent in the dollar tax cut by 2030, or about \$8 billion per year in today's dollars. Alternatively, the additional taxes and reduced social spending would be enough to fund increases in health, education and the other outlays associated with an ageing population.⁶⁵

⁶² Access Economics, *Population Ageing and the Economy*.

⁶³ Access Economics, *Population Ageing and the Economy*, p 3.

⁶⁴ Access Economics, *Population Ageing and the Economy*, p 29.

⁶⁵ Access Economics, *Population Ageing and the Economy*, pp 36-39.

- The cost of paying pensions will rise by 0.82% of GDP (or \$5.4 billion in 2000 dollars) between 1999 and 2031. This will almost be offset over the same period by a fall in the cost of education, by about 0.72% of GDP (or \$4.7 billion in 2000 dollars).
- Health spending will increase through population growth, rising per capita utilisation of doctors' services (due to increasing usage and an ageing population), increasing prices and an improved quality of health care arising from increased spending and investment in improved technology and techniques. Demographic effects, and the associated rise in per capita utilisation, may add the equivalent of 1.78% of GDP (or \$11.6 billion in 2000 dollars) to health care costs by 2031.
- The net cost of ageing per year, taking account of higher pension costs and health care costs and lower education costs, is predicted to be approximately \$12.3 billion by 2031. However, these increases will be even greater when a factor for increasing prices, allowing for the improving quality of health care over time, is accounted for. It is predicted that these additional costs might rise by 6.08% of GDP over the next 30 years (almost \$40 billion in 2000 dollars), which is higher than the official estimates of 3.5-3.7% of GDP (or \$23-\$24 billion in 2000 dollars).
- On the revenue side, it is estimated there will be an 'ageing' loss to direct tax revenues of 0.7% of GDP by 2031 (\$4.6 billion in 2000 dollars) and a loss to indirect tax revenue of 0.18% of GDP (\$1.2 billion in 2000 dollars), giving a total tax revenue loss through ageing of \$5.7 billion in 2000 dollars.
- The total 'fiscal hill' to be climbed over the next 30 years is estimated to be \$45.5 billion per year in 2000 dollars.
- Accordingly, it is not so much the 'pure costs' of ageing but the cost of increasing quality in health, through increased spending as the public sector invests in improved technology and techniques for the benefit of the public, that threatens the nation's finances.⁶⁶

9 INTERGENERATIONAL REPORT

The Intergenerational Report⁶⁷ was released by the Federal Treasurer in the 2002-03 Federal Budget. It is predicated on the statement that "significant uncertainty surrounds the assumptions underlying the report's projections and their impact on

⁶⁶ Access Economics, *Population Ageing and the Economy*, pp 46-48.

⁶⁷ Commonwealth. Treasury, *Intergenerational Report 2002-03*, 2002-03 Budget Paper No. 5, 14 May 2002, <http://www.budget.gov.au/2002-03/bp5/html/>.

government finances. Accordingly, the results represent a plausible central case and should not be viewed as specific forecasts".⁶⁸

The report provides a basis for considering the Commonwealth's fiscal outlook over the long term and identifies emerging issues related to the ageing population.

Following the publication of the report, an interdepartmental task force was established by the Treasurer to consider-

- labour force participation, particularly for older Australians who want to work;
- superannuation and retirement incomes policy; and
- managing the expected increase in government spending in areas affected by demographic change, particularly health and aged care.⁶⁹

9.1 SLOWING ECONOMIC GROWTH

Economic growth is projected to slow over the next 40 years relative to the outcomes achieved during the last decade, reflecting lower productivity and employment growth rates.

Productivity growth is predicted to return to around its 30 year average of about 1.75%, below the growth in the 1990s of about 2% per year, and will be the key driver of future economic growth.

Employment growth is also expected to slow, reflecting lower labour force growth through lower population growth and a falling rate of overall labour force participation. In the future, employment growth will be influenced by labour force participation. Increasing the participation rates of workers with lower participation levels, such as older workers, will have limited impact on the overall participation rate. For example, a 10% increase in the participation of males aged 55 and over would be required to increase the overall participation rate by 2%. Accordingly, a substantial increase in the participation rate of mature workers will not have a large impact on the overall participation rate, and therefore economic growth, however other benefits such as higher income, greater accumulation of superannuation and enhanced health and lifestyle in retirement for this group would result.⁷⁰

⁶⁸ Access Economics, *Population Ageing and the Economy*, p 60.

⁶⁹ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, pp 29-30.

⁷⁰ Access Economics, *Population Ageing and the Economy*, pp 5, 25, 27-28.

The report predicts a continued fall in participation for men aged 45-54 and 55-59 over the next 40 years and an increase in participation for women in all age groups, such that by 2042 there should be equal participation rates between men and women. It also estimates that higher rates of full-time labour force participation by older workers would reduce projected government spending on health care and age pensions by 0.25% of GDP by 2041.

Real GDP growth is predicted to decline to an average of 3.1% in 2000-10 and to around 2% per year in the 2020s and beyond.

All OECD countries are expected to experience similar downward pressure on real economic growth over the longer term and Australia's average real GDP growth rate is projected to be stronger than recent projections for the United Kingdom, Japan and New Zealand. The United States, however, is projected to have stronger real economic growth, due to its higher fertility rate.

9.2 INCREASE IN HEALTH AND AGED CARE SPENDING

Over half of the Commonwealth's spending is directed to health and aged care, the social safety net and education, all of which are sensitive to demographic changes. Much of the projected rise in government spending over the next 40 years is attributed to increased spending on health and aged care. Over the last 30 years, Commonwealth health spending more than doubled to 4% of GDP, with spending on the Pharmaceutical Benefits Scheme being the fastest growing component.

Population and ageing effects have accounted for only one-third of recent growth in spending. Most of the growth has come from the demand for new technology and treatments and the public's expectation to access new and more expensive diagnostic procedures and medications listed on the Pharmaceutical Benefits Scheme. These trends, unless addressed, are likely to continue to increase health spending to 4.3% of GDP by 2011-12 and 8.1% of GDP in 2041-42.

As the population ages, aged care spending is projected to increase from 0.7% of GDP in 2001-02 to 1.8% of GDP in 2041-42.⁷¹

9.3 INCREASE IN SOCIAL SAFETY NET PAYMENTS

Social safety net payments to individuals requiring support or supplementary assistance accounts for approximately 35% of Commonwealth spending, with the largest group of payments to people older than usual workforce age ('pension

⁷¹ Access Economics, *Population Ageing and the Economy*, pp 7, 31.

age'). These payments include the age pension and veteran and war widow pensions.

The largest single payment category is the age pension, which is means tested and does not depend on previous labour force experience or an individual's contributions. The service pension is available five years earlier than the age pension. Over the last 20 years, the number of age pensioners increased from 1.3 million to 1.8 million. The number of service and war widow pensioners has remained at around 300,000 for some time and is expected to fall as veterans age.

Age and service pension payments are projected to increase from 2.9% of GDP in 2001-02 to 4.6% of GDP in 2041-42, driven mainly by an increase of the population in the eligible age range and, reflective of the maturing superannuation system, partly offset by a projected decline in the proportion of the eligible age group receiving a full pension.⁷²

9.4 TAXATION REVENUE TO REMAIN CONSTANT

Taxation revenue, through income taxes and indirect taxes, is the largest source of Commonwealth revenue (approximately 91% of total Commonwealth revenue), with income taxes accounting for 73% of Commonwealth revenue.

Although the ageing population will affect personal income tax revenue due to the lower average tax paid per person in the older age groups, these revenues are not expected to fall as a percentage of GDP because labour force and wages growth trends affect income tax and GDP growth more or less equally. Therefore, Commonwealth taxation revenue is expected to remain relatively constant at about 20.8% from 2005-06.

9.5 OVERALL RESULTS

The projections of Commonwealth spending show that the current trends in spending are likely to lead to significant fiscal demands, with spending predicted to exceed revenue in 15 years time. By 2041-42, the gap between spending and revenue is projected to grow to around 5% of GDP, or about \$87 billion in today's dollars, when Commonwealth spending is projected to be 27.4% of GDP and revenue is projected to have remained constant at 22.4% of GDP from 2005-06.

⁷² It is projected however that the proportion receiving a part pension will increase significantly. Access Economics, *Population Ageing and the Economy*, p 41.

9.6 TREASURY DISCUSSION PAPER

On 25 February 2004, the Hon P Costello MP, Federal Treasurer, released a discussion paper updating the Intergenerational Report.⁷³

The principal manner in which the Commonwealth proposes to address the effects of the ageing population is through economic growth, particularly by increasing labour force participation levels and productivity. The three policy areas identified for achieving this outcome are-

- improvements in the capacity for work, through better health and education;
- better incentives for work, involving proposed changes to the superannuation system; and
- improved flexibility in the workplace which allows mature workers to make a transition to retirement.

The Federal Treasurer also released a policy paper setting out proposals for Australia's retirement income system.⁷⁴ The key proposals for change include-

- allowing anyone under the age of 65 to make contributions to a superannuation fund by removing the work test for superannuation contributions;
- changing the work test rules for those aged over 65 from a weekly to an annual test;
- changes requiring superannuation funds to start paying benefits to a person as soon as practicable after they reach the age of 75, which are aimed at stopping the accumulation of superannuation as an estate asset rather than for use as retirement income;
- increasing choice and competition in the income streams market, by allowing for "growth pensions" under which retirees can receive a regular pension that is a fixed proportion of investment savings but which rises and falls with financial markets;

⁷³ Commonwealth. *Australia's Demographic Challenges*, February 2004, http://demographics.treasury.gov.au/content/download/australias_demographic_challenges.pdf Comments on the discussion paper may be made by interested parties by 14 May 2004.

⁷⁴ Commonwealth. *A More Flexible and Adaptable Retirement Income System*, February 2004, http://demographics.treasury.gov.au/content/download/flexible_retirement_income_system.pdf

- changing the asset test exemption for complying income streams, to crack down on wealthy people accessing taxpayer-funded pensions;
- making it easier to make a transition to retirement, by allowing individuals to continue to work on a part-time basis and use part of their superannuation as a pension to supplement their income;
- preserving rolled-over employer eligible termination payments; and
- simplifying the superannuation guarantee notional earnings base.

These incentives are expected to cost \$29.3 million over 5 years.

10 NATIONAL STRATEGY FOR AN AGEING AUSTRALIA

The National Strategy for an Ageing Australia was released by the then Office for Ageing in February 2002⁷⁵ and provides a broad and coordinated framework for addressing current issues facing older people as well as preparing for future demographic changes. The strategy has resulted in the appointment of a National Advisory Committee on Ageing.

Three of the principles on which the strategy is based are as follows-

- the ageing population is significant and must be addressed by governments, business and the community;
- all Australians, regardless of age, should have access to employment, training and learning opportunities appropriate to their needs; and
- opportunities should exist for Australians to make lifelong contribution to society and the economy.

One of the discussion papers released during the development of the policy related to issues associated with the employment of older workers.⁷⁶ The paper-

- examined the ageing of the Australian workforce;
- discussed the potential for further economic growth through greater participation by mature age workers;

⁷⁵ Commonwealth. National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, November 2002, <http://www.ageing.health.gov.au/fofa/documents/pdf/nsaabook.pdf>.

⁷⁶ Commonwealth. National Strategy for an Ageing Australia, *Employment for Mature Age Workers*, Issues Paper, November 1999, <http://www.ageing.health.gov.au/fofa/documents/pdf/employ.pdf>. The other issues papers can be accessed from <http://www.ageing.health.gov.au/fofa/agepolicy/index.htm>.

- reviewed the possibilities of a longer period of participation in a changed working environment;
- explored the attitudes of employers, employees and the community to the ageing process and the implications of these attitudes on employment decisions and the transition to retirement; and
- reviewed current initiatives with respect to mature age workers.

The strategy states that market forces will ultimately drive the demand and costs of skilled mature age workers; however, attitudinal and structural forces impacting on the willingness to employ mature age workers, and the willingness and capacity of mature age workers to remain in employment, are also important.

11 STANDING COMMITTEE INQUIRIES

11.1 STANDING COMMITTEE ON AGEING

The House of Representatives Standing Committee on Ageing was asked in June 2002 to inquire into the long term strategies needed to address the ageing of the Australian population over the next 40 years.⁷⁷ The inquiry has involved a consideration of workforce participation.

A final report has not yet been released but a series of community consultations have been undertaken.

11.2 STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND WORKPLACE RELATIONS

The past House of Representatives Standing Committee on Employment, Education and Workplace Relations was asked in March 1999 to inquire into and report on the social, economic and industrial issues specific to workers over 45 years of age who were seeking employment, or establishing a business, following unemployment.⁷⁸ A report was released in June 2000.⁷⁹

⁷⁷ <http://www.aph.gov.au/house/committee/ageing/Index.htm>.

⁷⁸ <http://www.aph.gov.au/house/committee/edt/Owk/index.HTM>.

⁷⁹ Commonwealth. House of Representatives Standing Committee on Employment, Education and Workplace Relations, *Age Counts – An Inquiry into Issues Specific to Older Workers Seeking Employment, or Establishing a Business, following Unemployment*, June 2000, <http://www.aph.gov.au/house/committee/edt/Owk/report/index.htm>.

The Queensland Government submission to the inquiry⁸⁰ discussed the extent of mature age unemployment in Queensland; barriers to mature people retaining and gaining employment; the social, economic and equity effects of high levels of long term unemployment and Queensland Government initiatives in relation to mature age employment.

12 QUEENSLAND GOVERNMENT INITIATIVES

This section discusses some of the key Queensland Government initiatives which relate to mature age labour force participation.

12.1 BUSINESS, WORK & AGEING FORUM

In January 2004, the Queensland Government hosted an open ‘Business, Work & Ageing: Valuing Diversity’ forum with the objective of engaging “with business, government and community representatives on global and national approaches to population ageing and the workforce”.

The key speakers included Professor Philip Taylor (Senior Research Associate & Executive Director, Interdisciplinary Research Centre on Ageing, University of Cambridge and Professor of Ageing and Social Policy, University of Swinburne) and Professor Louise Rolland (Business, Work and Ageing Centre, University of Swinburne).

12.2 BREAKING THE UNEMPLOYMENT CYCLE

‘Breaking the Unemployment Cycle’ is a \$470 million initiative established in 1998 and administered by the Department of Employment and Training which aims to create 56,000 jobs by June 2004.⁸¹

The various components to the initiative are discussed below.

⁸⁰ <http://www.aph.gov.au/house/committee/edt/Owk/subs/sub163.pdf>,
http://www.aph.gov.au/house/committee/edt/Owk/subs/sub163_1.pdf.

⁸¹ Information on the initiative is available at <http://www.employment.qld.gov.au/btucycle.htm>.

12.2.1 The Community Jobs Plan

The 'Community Jobs Plan' creates job placements for the long-term unemployed in labour intensive public works, environmental and community projects. It funds organisations to provide unemployed people with paid full-time work and job experience on community based projects for three to six months. To participate, a person must have been unemployed for at least 12 months or be disadvantaged in the labour market and at risk of experiencing long-term unemployment. About 19% of the assisted people are mature age and, three months after participating, 55% have experienced an employment outcome.

12.2.2 The Community Employment Assistance Program

The 'Community Employment Assistance Plan' provides funds of up to \$60,000 to community and public sector organisations to provide people who have been unemployed for at least 12 months with training, employment preparation and job search assistance to increase their employment opportunities and enable them to be 'job ready'. To 30 June 2003, 4,900 (or 32%) of participants were mature age.

12.2.3 Community Training Partnerships

Funding is available under the 'Community Training Partnerships' program to provide opportunities for communities to identify whether their employment needs are aligned to economic and social development and to broker the appropriate training.

12.2.4 Mature Age Workers' Wage Subsidy

The 'Experience Pays' program provides a wage subsidy to employers who provide employment to persons aged 45 and over who have been unemployed for at least six months or who have completed an approved program under the 'Breaking the Unemployment Cycle'. The subsidy is up to \$4,400 (inc. GST), paid in two instalments, and the person must be employed for an average of at least 25 hours per week. The program aims to help at least 1,350 job seekers over three years at a cost of \$5.4 million; however, the uptake has been less than anticipated. In its first year there were 118 applications and payments were made to 60 employers.

12.2.5 Mature Age Job Ready Program

The 'Back to Work' program aims to assist 1,000 workers annually aged 45 and over who are seeking to re-enter the workforce and have been unemployed for at

least three months. The assistance is conducted over 50 hours and provides participants with enhanced personal, computer and internet skills, more confidence to communicate effectively, and increased awareness of how to constructively address and solve issues, apply for work, address selection criteria and attend interviews.

12.2.6 The Worker Assistance Program

The 'Worker Assistance Program' is an early intervention program aimed at assisting workers who are displaced, or about to be displaced, through large scale and regional retrenchments to make the transition to alternative employment. Eligible workers may receive assistance towards job preparation, training assistance, employer wage subsidy and relocation expenses.

12.2.7 Queenslanders Working Together

The 'Queenslanders Working Together' initiative is funded under the Commonwealth's 'Australians Working Together' initiative and provides funding for community and public sector organisations to provide job seekers, including mature age job seekers, with assistance to find work or access accredited training.

12.2.8 Review of Initiative

A review of the initiative in October 2002 found that-

- job placement targets had been exceeded with 43,000 jobseekers having been assisted into employment by June 2002;
- the Community Jobs Plan had assisted 1,444 people at a cost of approximately \$18 million in 2001-02;
- the Community Employment Assistance Program had assisted approximately 4,161 people at a cost of \$2.3 million in 2001-02;
- the Experience Pays and Back to Work programs had assisted approximately 1,065 people at a cost of \$2.3 million in 2001-02; and
- the Works Assistance program had assisted 1,400 people at a cost of \$2.4 million in 2002-02.

Overall, 8,478 or 16.3% of the people assisted were over 40 years of age which excluded about 1,500 mature workers who had been assisted on the Worker Assistance Program.

12.3 '45 PLUS' JOBS PROGRAM

A program launched in late 2002 had the aim of creating 45 jobs in 45 weeks for unemployed people on Brisbane's southside who were aged over 45 years. The program involved the local chamber of commerce and the local newspaper and resulted in work being found for 71 mature jobseekers.⁸²

12.4 QUEENSLAND 2020: A VISION FOR THE FUTURE

The Department of Families released a discussion paper in September 2003 focussing on Queensland's ageing population.⁸³ It looks to the year 2020 when most of the baby boomer generation will have reached 60 years or more. Feedback is being received until March 2004.

13 ATTITUDE OF THE BUSINESS SECTOR

The business sector is integral to changing the attitudes and beliefs associated with the ageing workforce, early retirement and participation rates of mature workers. It is also in the best interest of business to address these challenges.⁸⁴

13.1 AGELESS WORKFORCE SYMPOSIUM

The National Seniors Association and the Australian Chamber of Commerce and Industry hosted 'An Ageless Workforce – Opportunities for Business' Symposium in Sydney in August 2003.⁸⁵ The objective of the symposium was to raise awareness in the business community of the labour market impact of demographic change and how current employment practices affect the workforce participation of mature workers. More than 500 business leaders attended the symposium.

The Prime Minister, the Hon John Howard MP, used the symposium to-

⁸² Address by Karen Struthers MP to 'Business, Work & Ageing Forum', Brisbane, January 2004.

⁸³ *Queensland 2020: A State for All Ages*.

⁸⁴ National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, p 20.

⁸⁵ Papers from the Symposium and transcripts of the addresses by the Prime Minister, the Hon John Howard MP, and the Minister for Ageing, the Hon Kevin Andrews MP, are available at <http://www.olderaustralians.gov.au/wllplan/aawpapers.htm>.

- reveal plans that the government intends to use the public service as the model for retaining and encouraging older workers;
- ask a panel of top business advisers for recommendations on how employers can encourage mature age workers to stay at work or rejoin the workforce;⁸⁶
- urge employees to change their attitudes to early retirement; and
- urge employers to engage their workers in the 55-64 year age group.

13.2 BUSINESS COUNCIL OF AUSTRALIA

The Business Council of Australia (BCU) has been particularly active in raising awareness in the business community about the impact of Australia's ageing workforce and the need to change the negative perceptions towards mature workers that are held by employers, employees and the wider community.

13.2.1 Guidelines

The BCU released guidelines in August 2003 on businesses supporting older workers. The aim of the guidelines is to provide a role in promoting discussion and debate about the need for ongoing participation by mature workers, together with outlining possible strategies on how this may be achieved.⁸⁷ The BCU has indicated that there had been a high degree of interest and support from its members in the guidelines.

13.2.2 Joint report of Business Council of Australia and Business Council of Australia

In April 2003, the BCU and the Australian Council of Trade Unions released a report prepared by Emeritus Professor Sol Encel.⁸⁸

⁸⁶ These business advisers form the Prime Minister's Community Business Partnership Panel, which was established four years ago to encourage more business participation in public policy issues. Chelle Murphy, 'PM orders inquiry into ageing workforce crisis', *Australian Financial Review*, 27 August 2003, p 1.

⁸⁷ Business Council of Australia, *50+: Age Can Work: A Business Guide for Supporting Older Workers*, August 2003, <http://www.bca.com.au/content.asp?newsID=91720>.

⁸⁸ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*.

The report examines trends in labour force participation and the public policy responses in Australia, Finland, Germany, Japan, the Netherlands, the United Kingdom and the United States. It recognises that the approaches adopted by the various countries typically involve-

- restructuring benefits, tax arrangements and retirement income policies to enhance flexibility and balance incentives which encourage early retirement;
- the development of policies providing intensive assistance supporting the effective labour market participation of mature job seekers;
- age discrimination legislation; and
- comprehensive policy approaches to address public attitudes and perceptions about the benefits of mature age workforce participation and increasing the awareness of age discrimination legislation and its implications.⁸⁹

The report also discusses recent initiatives at the Commonwealth level for mature age job seekers, the history of Commonwealth assistance and State-based programs for mature aged workers.⁹⁰

The report concludes that-⁹¹

- age discrimination legislation is important but not in itself sufficient to prevent discrimination towards older workers;
- retirement income policies should be designed to encourage rather than discourage continued participation in the workforce;
- there is a need for a substantial shift in attitudes regarding the benefits mature workers bring to the workforce and in remaining engaged; and
- to be effective, policies must be integrated across all levels of government.

13.3 CASE STUDIES

Some of Australia's biggest employers, including Australia Post and Westpac, have adopted policies to support and increase their number of mature workers.

⁸⁹ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 3.

⁹⁰ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 20-24, 29-31, 25-28.

⁹¹ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 47.

13.3.1 Australia Post

The median age of Australia Post's 35,800 strong workforce increased from 27 to 42 over the past 12 years, with a significant proportion of its workforce currently in the 45-54 year age group. The organisation was presented with an award in May 2002 from 'Diversity at Work' for its excellence and leadership in promoting workforce diversity in relation to older workers.

Australia Post reports that⁹²

- it has a range of initiatives for identifying and addressing the significant emerging business issues related to planning for and managing an ageing workforce;
- it has entered into a collaborative research program with Swinburne University and The Australian Partnership for 'Business Work and Ageing' to analyse the business impacts of Australia's ageing population;
- for the year ended 30 June 2002, part-time employment increased by 354 positions and full-time employment decreased by 129 positions. 74% of positions at Australia Post were full-time and 21% were part-time. Females constituted about two-thirds of the part-time employees; and
- there was a decrease over the last 15 years in the number of full-time males, general consistency in the number of full-time females and increases in the numbers of part-time males and females.

Initiatives introduced by Australia Post include⁹³

- career planning for its mature workers which involves formal assessments of their skills and designing projects matched to their talents and aspirations;
- a structured succession planning management program involving coordinated recruitment, assessment of an individual's potential, professional development and monitoring of job movement and retention;⁹⁴
- assessing demographic workforce profiles by division/occupational group to determine whether they are optimal or whether intervention is required;
- facilitating increased job mobility;
- health and safety studies into ageing and work;
- a communication program to encourage people to remain at work longer, eliminate age stereotypes and address the responsibilities of workers and

⁹² Australia Post, *Equal Employment Opportunity Report 2001-02*.

⁹³ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 15.

⁹⁴ Australia Post, *Annual Report 2002-03*, p 40.

- the organisation in relation to career management, skill maintenance and the relationship of skill currency to employability; and
- encouraging a learning and development culture with a view to staff maintaining skill currency over their working lives.

13.3.2 Westpac

Westpac employs around 30,000 people,⁹⁵ about 13,700 of whom are full-time and 6,300 of whom are part time. It is seeking to better align the age, gender and diversity of its workforce with the broader community and has started a campaign to recruit up to 900 mature age workers, including financial planners and advisers, over the next three years.⁹⁶

Westpac currently has higher proportions of workers in the younger age cohorts, and lower proportions in the older age cohorts, than the Australian average. For example, 35% of its workforce is in the 25-34 age group (the Australian average is 23%), 29% in the 33-44 age group (compared to 25%), 18% in the 45-54 age group (compared to 22%) and 3% the 55+ age group (compared to 11%).⁹⁷

14 INCREASING MATURE AGE PARTICIPATION

No single policy will be effective in adequately addressing the issues associated with the Australia's ageing workforce. The response requires long-term, consistent and positive intervention and an integrated approach by all levels of government, cooperation by the business sector and increased awareness among workers and the wider community.

The suggestions that have been raised in terms of addressing the issue are extensive and include-⁹⁸

- addressing the attitudes, negative stereotypes and culture of the community, business sector and individuals in relation to early retirement and the value

⁹⁵ <http://www.westpac.com.au/internet/publish.nsf/Content/WICR+Westpac+as+an+employer>.

⁹⁶ Westpac, *Concise Annual Report 2002-2003*, p 30; Westpac, *Social Impact Report 2002*, p 20.

⁹⁷ Westpac, *Concise Annual Report 2002-2003*, p 30.

⁹⁸ Sol Encel, *Age Can Work: The Case for Older Australians Staying in the Workforce*, p 30; NSW Policy Research Report. Access Economics, *Population Ageing and the Economy*; National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*.

of workforce participation by mature age people. Mature worker policies should be based in a broader framework aimed at addressing diversity in the workforce (i.e. age, gender, disability etc);

- raising awareness of the importance of financial and retirement planning;
- considering the removal of financial incentives for early retirement;
- examining family policies;⁹⁹
- considering the role that migration plays in labour market growth (both in terms of possible future competition for available pools of migrants and the continuing ‘brain drain’ of young, highly qualified Australians migrating to other countries);
- increasing awareness of employers of the impact of the ageing workforce and the need to develop strategies to recruit, retain and support mature workers through greater workforce flexibility (such as allowing transition to retirement through a gradual reduction in the number of hours, support for skills maintenance and development through on-going training). Encouraging localised policies and responses from employers in preference to the imposition of government policy on them;
- raising the awareness of employment intermediaries;
- educating workers on the need to keep their skills and competencies relevant and be responsive to training and retraining requirements, so they can better handle transitions during their working lives;
- encouraging healthy workplaces by, for example, considering ergonomics and job design in the context of ageing employees, and healthy lifestyle practices;
- creating additional incentives to assist mature age people on income support or who have been made redundant;
- improving services and support for mature age people, based on their varying needs, including enhanced employment services;
- considering incentives that would give mature age workers greater choice to remain in the workforce, such as the Pension Bonus Scheme, without institutionalising the barriers they face;¹⁰⁰
- supporting the income, career and job search needs of mature age workers who have been displaced from the workforce while they seek to regain employment;

⁹⁹ There is indication that in 2004 the Commonwealth will design work and family reforms to offer greater flexibility to older workers, not just couples with young children (Samantha Maiden, ‘New lure to keep older workers’).

¹⁰⁰ National Strategy for an Ageing Australia, *An Older Australia, Challenges and Opportunities for All*, p 21.

- examining income support arrangements (such as the pension age¹⁰¹ and the loss of pension through part-time work) and superannuation management and performance; and
- an evaluation of the effectiveness of the approaches mentioned above to determine whether the aims are being achieved.

¹⁰¹ Mr Kevin Andrews MP, Commonwealth Workplace Relations Minister, recently rejected overseas trends towards higher pension ages and said an expansion of the current incentives to encourage retirees into part-time work was a better option (Samantha Maiden, 'New lure to keep older workers').

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