

FACTORS AFFECTING RETIREMENT



BOOK 3: AUSTRALIA



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3.1 Summary

- In recent years a diverse range of policy measures tackling mature age employment issues at State and Federal levels have been introduced.
- Policy measures have been introduced to encourage later retirement.
- However, it is too early to gauge their effectiveness.
- Australia has implemented legislation proscribing age discrimination, although while cases have been brought these have been fewer than for other forms of discrimination such as race and gender.
- The impact on employer behaviour has not been assessed.

3.2 The labour market situation of older people Labour force participation and unemployment

A comprehensive statistical overview of the situation of older workers in the Australian labour market was recently carried out by Jones (1999) using data for 1996-1999 supplied by the Australian Bureau of Statistics. Another useful discussion is provided by VandenHeuvel (1999). Both are drawn upon in the following discussion of the status of older workers.

According to Jones, the size of the population aged 45 or over is expected to increase significantly in coming decades from just under 6.5 million in 1998 to over 10 million by 2021 and to almost 13 million by 2051. Economic activity rates fall off considerably after the age of 45. Among the 35-44 age group the participation rate stands at 79.2 per cent but falls to 57.6 per cent among those aged 45 or over. Men are considerably more likely than women to be actively participating in the labour market except in the 20-24 age group (87.9 per cent of males compared to 77.4 per cent of females) and the 15-19 age group (60.1 per cent versus 63.5 per cent respectively). The age at which participation rates peak differs between men and

women. The male participation rate peaks at 92 per cent in the 35-44 age group whereas for women it peaks at 68.3 per cent among the 45-54 age group. By the age of 65 or over only 9.3 per cent of men and 2.9 per cent of women are actively participating in the labour market.

VandenHeuvel argues that trends in labour force participation over the last twenty years have been opposite for older men and women, with the former showing a decrease and the latter showing a marked increase, although she does not examine trends in the participation of different age cohorts of women which might show a different pattern. She adds that among older men in recent years the downward trend in participation rates has slowed or levelled off. Thus, among men in the 45-54 age group labour force participation declined from 92.1 per cent in 1978 to 88.6 per cent by 1993, before declining only slightly to 87.6 per cent by 1998. Among men in the 55-59 age group labour force participation declined from 80.8 per cent in 1978 to 73.1 per cent in 1993, before increasing slightly to 74.6 per cent by 1998. Among men in the 60-64 age group the labour force participation rate was 56.8 per cent in 1978. According to VandenHeuvel the rate then fluctuated somewhat in line with economic cycles. By 1998 it was 45.5 per cent.

Turning to levels of unemployment, among older women these have been consistently low over the last 20 years, although there is evidence of greater volatility in recent years. The situation for older men is different. In particular, men in the 60-64 age group experienced high levels of unemployment in the early 1990s (for example, 19.6 per cent in January 1994), which were mirrored by men in the 55-59 age group, although levels of unemployment in this age group were lower. On the other hand, unemployment levels have fallen considerably since then among the 60-64 age group to a level below that of the 55-59 age group. By contrast, those in the 45-54 age group have experienced lower

levels of unemployment than both the older age groups and those aged 22-44 (VandenHeuvel 1999).

VandenHeuvel also considers the number of discouraged workers. Figures for 1998 show that, for both men and women, older people are over-represented among those classified as discouraged. Women appear to be worse off than men with 26,500 discouraged male workers in 1998 compared to 43,200 discouraged female workers.

Additionally, VandenHeuvel calculates revised unemployment rates based on recorded and 'hidden' unemployment. This shows that the accuracy of the recorded figures declines with age. For example, while in 1998 the unemployment rate among men aged 60-64 was 5.4 per cent this rose in the revised figures to 9.6 per cent. Similarly among women in the 55-59 age group, the rate rises from 6.4 in the recorded figures to 12.0 per cent in the revised figures. Research carried out by Le and Miller (1999) suggests that the risk of being unemployed is greatest among individuals in the 15-19 age group followed by those in the 55-59 age group.

Jones explores the characteristics of those persons aged 45 or over being retrenched or made redundant. She reports that the proportions of individuals with or without post-school qualifications were similar. However, when considered separately women who had been retrenched or made redundant were more likely than men to be without post-school qualifications (57 per cent versus 46 per cent). Another important feature of those who had been retrenched or made redundant among the age group in question was that over a third had been born outside Australia. Finally, another important feature of this group was that almost a third had dependants. Three quarters of this sub-group were men.

Analysis of reasons given for ceasing last full-time employment by Jones indicates that older workers are more likely than younger people to be job losers than job leavers. ABS data indicate that 81 per cent gave the reason for ceasing their last job as job loss compared to 64 per cent in the 15-44 age group. Lay-offs or retrenchments were the main reason for job loss among both people aged 45 or over and those in the 15-44 age group but was a more important reason for ceasing employment among the former than the latter age group (56 per cent versus 43 per cent).

Long-term unemployment and job-seeking

Jones also reports data on perceived difficulties in finding employment among unemployed people in the 45 years or over age group. This shows that, among both men and women in the 45-54 age group, similar proportions (36.5 per cent and 37.1 per cent respectively) felt that they were considered too old by employers. However, this proportion rose significantly to 66.4 per cent of men and 49.6 per cent of women in the 55 years or over age group. On average almost 50 per cent of people aged 45 or over felt that they were considered too old by employers. Overall, being considered 'too old' is the most commonly reported difficulty in finding work among this age group.

Long-term unemployment is an important feature of the labour market situation of older workers. VandenHeuvel reports data for the years 1988, 1993 and 1998 which show that, in all years older workers were likely to be unemployed for considerably longer than their younger counterparts. Thus, women aged 55 years or over were unemployed for an average of 106.9 weeks in 1998 compared to 33.8 weeks among those in the 25-34 age group. In addition, since 1998 the average duration of unemployment among men aged 55 or over has declined somewhat whereas it has increased markedly among women in this age group. As a result, the average duration of unemployment among women exceeded that for men in 1998.

VandenHeuvel also notes that both older men and women are over-represented among the very long-term unemployed.

According to Jones successful job-seekers in the age group 20-24 were most likely to report that the job they obtained was not their preference, followed by those aged 45 or over. However, the difference between age groups were small.

Characteristics of employees

According to Jones, among employed males 94 per cent in the age group 35-44 are in full-time employment declining to 68.4 per cent among the 60 or over age group. Among employed women over two-thirds (68.4 per cent) of those in the 25-34 age group are in full-time employment whereas only 38.8 of employed women in the 60 or over age group are employed full-time.

VandenHeuvel also explores the issue of working hours. She points out that there have been gender and age differences in trends in part-time working. Thus the proportion of part-time working among men aged 45 or over increased between 1988 and 1998 from 7.4 per cent to 11.2, while among women in the same age group the amount of part-time working remained fairly constant. However, these aggregate figures hide important age differences among men and women. Thus, among men it would appear that, although part-time working has increased for all age groups, this has been less among men aged 60 or over (although men aged 60 or over are much more likely to be employed part-time than younger men). By contrast, among women only the 15-24 age group and those aged 60 or over have experienced increased incidences of part-time working, with a slight decline among those aged 45-59.

Another issue is the extent of under-employment among older workers. Data presented by VandenHeuvel for

the period 1988 to 1998 show that, among both men and women aged 55 years or over, a large majority of those working part-time would not prefer to work longer hours. However, among men aged 45-54 years the proportion indicating that they would prefer to work longer hours was significant - 44.1 per cent - and higher than the average rate of underemployment for men as a whole (38.1 per cent). Thus, underemployment would appear to be a major problem among men in this age group.

Additionally, Jones examines other characteristics of older workers in employment using data from 1996. Analysis of male employees who had worked for their present employer for one year or more indicated that workers in the 55 or over age group were less likely to be promoted than all other age groups. Workers in the 45-54 age group were less likely to have been promoted than all other age groups, except those in the 55 or over and 15-19 age groups. Also, those in the 55 or over and 45-54 age groups were less likely to have experienced a job transfer than all age groups other than 15-19 year olds. Workers in the 55 or over age group were also more likely than every other age group to have changed their working hours, followed by those in the 15-19 age group and then the 45-54 age group. Workers age 55 or over were less likely to have new, different or extra duties than any other age group whereas, other than the 15-19 age group, workers in the 45-54 age group were more likely than any other age group to have new, different or extra duties. Overall, a similar pattern is observed for female employees.

Absenteeism

Jones also examines absenteeism among older workers using data from 1997. The most common reason for being absent was health. Women were more likely to be absent because of caring responsibilities than men.

Hours worked

Jones reports that workers aged 45 or over are more likely to report flexible working hours. There are also surprising gender differences. Men in the age group 45 or over are more likely to report having flexible working hours than men in the 15-44 age group. They are also more likely to report working flexible hours than women aged 45 or over. Women aged 45 or over report similar levels of flexible working to women in the 15-44 age group. Similar numbers of men and women in both age groups are able to work extra hours in order to take time off. Her analysis also shows that, among those in the age group of interest working part-time, 22 per cent of men and 16 per cent of women would prefer to work more hours.

Earnings and job mobility

Earnings from employment was another area examined by Jones. Her analysis shows that among women working full-time, those in the 60 or over age group have lower average earnings than those in all other age groups other than the 15-19 and 20-24 age groups. Average earnings of women in the 55-59 age group were higher than women in the 45-54 age group but comparable with women in the 25-34 and 35-44 age groups. In the case of men, those in the 55-59 and 60 or over age groups reported lower average earnings than those between the ages of 25 and 54. Jones' analysis also shows that job mobility decreases with age. According to Jones, mobility peaks among the 20-24 age group and declines steadily thereafter.

Education and training

Other than those in the 15-19 age group, people aged 55-64 are least likely to have a post-school qualification. People in the 45-54 age group are less likely to have a post-school qualification than those in the 25-34 and 35-44 age groups. Among employed workers participation in training peaks among the 35-44 age group, whereas among unemployed people it peaks among the 25-34 age group. The main reported

reason why workers aged 45 or over did not participate in training was that they did not believe it necessary.

Age of retirement

Finally Jones reports data on the age of retirement in various sectors. This analysis shows that early exit is a feature of some but not all sectors. For example, significant numbers of workers in Government administration and defence, education and health and community services retire early whereas early exit appears to be less pronounced in personal and other services. Turning to occupational differences, significant numbers of managers and administrators work on past the age of 65. However, early exit is an important feature of the working lives of labourers and related workers and intermediate production and transport workers.

3.3 Social welfare and pension arrangements

The policy implications of the ageing of Australia's population were recently explored by the Productivity Commission and Melbourne Institute of Applied Economic and Social Research (Productivity Commission and Melbourne Institute of Applied Economic and Social Research, 1999), including its effects on economic growth, government revenue and expenditure, superannuation, health, long-term care and housing. Australia has developed the three-pillar (means-tested age pensions; mandatory superannuation for employed people; and voluntary superannuation and retirement savings) retirement income system recommended by the World Bank (Khan 1999) (Productivity Commission and Melbourne Institute of Applied Economic and Social Research, 1999). In Khan's view, the Australian Social Protection System (of which retirement incomes is the largest component) has been relatively more successful than other OECD systems in adapting to social and economic changes, providing full protection at the lowest cost (as a share of GDP) of any other OECD country. In 1992 the Australian pension system

underwent a major reform with employers now mandated to make superannuation contributions to complying superannuation funds of the employee's choice (Bateman and Piggott 1999).

According to Khan (1999), despite strict targeting of means-tested age pensions, over 80 per cent of the population of pension age receives either a full or a partial pension. According to McCallum (1999) approximately half of men and women aged 65 or over receive a full pension, while around 20 per cent of men and 30 per cent of women are entitled to a reduced pension. Also, among people aged 60 or over, two thirds of incomes are accounted for by pensions, one-fifth from interest earnings and less than 10 per cent from superannuation.

Khan states that mandatory superannuation - the Superannuation Guarantee (SG) - was developed as a means of providing income maintenance for pensioners without increasing costs to the exchequer. It was based on existing occupational pension schemes covering white-collar workers. Exclusions include all workers earning less than \$450 per month (but this limit may be increased to \$900), part-time employees age under 18 and employees aged 65 or over. Employers contribute six per cent (set to rise to nine per cent by 2002) and an employee contribution of three per cent is planned to start in 2002. Contributions are paid into individual, fully vested, portable defined contribution accounts, although defined benefit plans may also qualify.

Additionally, employees may also make additional voluntary contributions to superannuation funds. According to Khan, over half of full-time employees and a quarter of part-time employees make contributions averaging 5.5-6.0 per cent.

Australia is gradually raising the state pension age for women to that of men, although it is not clear what effect this move will have on the employment patterns of women aged 60 or over. The Federal Government is also attempting to adjust the relationship between public and private provision of income/financial support in old age. However, the increased use of employer and private pensions mean that governments have less direct control over incentives to keep older people in the workforce.

Castles (1997) refers to taxation rules which, in his view, have meant that private superannuation has been a major route out of the labour market. For example, until 1983 lump-sums were privileged over annuities. Most funds were set up to take advantage of this and most benefits were taken as lump sums. Since 1983 this tax advantage has ceased, although the trend towards taking a lump sum over an annuity has not, with this route particularly favoured by those taking early retirement. While according to Castles this brings with it the potential danger of using up the tax-funded benefits of private superannuation and then relying on state support from the age of 65, he argues that there is little evidence that this has been the case. He also suggests that 'Australia's reliance on home ownership as a preferred avenue of life-cycle redistribution leads directly to a preference for lump sum superannuation entitlements'.

3.4 Impacts on labour market and retirement behaviour

According to Kahn, Australian workers have a considerable incentive to 'retire early, live off superannuation savings and then claim an unreduced age pension at age 65'. In his view, even in the case of individuals with low superannuation contributions, high effective marginal income tax rates (EMTRS) resulting from the interaction of taxes with pension reductions act as a discouragement to work. EMTRS impact most on those with low incomes. Kahn states that EMTRS should be reduced but a cost-neutral reduction will be difficult to effect due to a highly targeted system which has enabled Australia to provide high levels of social protection at relatively low cost.

In July 1999, eligible people of pensionable age were enabled to defer taking the age pension and continue working in paid employment (at least 20 hours per week for five years past the age of 65). They would then receive a one-time flat rate bonus of nine per cent for each year retirement was deferred. However, Kahn states that this is actuarially unfair and may not be a sufficient incentive to encourage individuals to defer their retirement.

Another approach to examining different pathways to early retirement has been to look at sources of income. Castles (1997) explored ABS survey data for 1980 and 1992 on main sources of income among men who had retired early. Main sources of income changed significantly over this period. Thus, in 1980 Government Pensions (that is, disability, sickness and service pensions) were the main sources of income for over half of early retirees above the age of 55 and almost two thirds between the ages of 60 and 64. However, this proportion had dropped considerably by 1992. Castles points to two main reasons for this decline. The first is in means-testing of benefits which has meant that someone who might have qualified for a pension previously would no longer do so. The second is a declining number of individuals claiming a service pension. Turning to other routes out of the labour market, Castles shows that, for those aged under 60 other resources were at least as important as Government pensions. Thus, in both 1980 and 1992 over a fifth of males in the 55-59 age group reported that superannuation was their main source of income. Finally, Castles also shows that by 1992, together, investments and asset sales were more important than superannuation as a source of income in retirement.

3.5 Role of human resource policies in influencing the labour force participation of older workers

Recent studies have investigated employers' orientations towards older workers. For example, Steinberg, Donald, Najman, and Skerman (1997) report a small scale study of 104 companies in the Brisbane area. From the article it is difficult to gauge the representativeness of the sample, although the researchers achieved a high response rate - 80 per cent. Employers were asked at what age they considered someone to be old. The modal age group was 51-55 with almost 35 per cent of employers selecting this age. It is sometimes claimed that smaller firms are more positively disposed towards older workers. However, this study found that respondents from companies with fewer than 50 employees considered a person to be an older worker at a mean age of 51 compared to a mean age of 58 for businesses with more than 500 employees. This survey also asked employers to compare older versus younger workers on three items. In all 27 per cent of respondents agreed with the statement: 'creative ideas mostly come from younger workers'. Also, 39.4 per cent of respondents agreed with the statement: 'older employees can be harder to train'. Finally, 73.8 per cent of respondents agreed with the statement: 'younger workers adapt more easily to new technologies'.

In addition, employers were asked to rate different age groups in terms of various qualities and to decide whether a quality was more associated with one age group or whether there were no differences between age groups. Where employers expressed a preference this was usually in favour of younger age groups. Thus workers in the 25-39 age group were more likely to be considered to be 'hard working', 'mentally alert', 'healthy', and 'creative' than other age groups. Workers in the 40-55 age group were more likely to be described as rarely absent. On two items the majority of respondents saw no difference according to age: 'clever' and 'efficient'. On the other hand, few employers expressed a preference for workers in the 56 or over age group.

Finally, respondents were asked to indicate their preferred age group when selecting particular categories of worker. Employers expressed little interest in recruiting those aged in the 56 or over age group and in the case of only one group of employees - managers - did respondents express a preference for workers aged over 35.

3.6 Older individuals' orientations to work and retirement

Several Australian studies have explored individual difference in orientations to work and retirement. For example, Rosenman, Warburton, and Le Broque (1996) report on a survey carried out in 1992-93 of 320 women aged over 50, 160 of whom had non-English speaking backgrounds. The authors examined women's early retirement behaviour and provided additional data on the retirement decisions of people from non-English speaking backgrounds. Onyx and Benton (1996) explored older women's retirement decision-making and work-life balance. Also, Connolly and Kirk (1996) report the findings of research examining the determinants of participation rates among a group of older men in the age group 45-54 years. Unikowski (1996) reports analysis of Australian Bureau of Statistics data on reasons for retiring early. Finally, Patrickson and Hartmann (1996) carried out a study of women aged 50 years or over working in retailing which looked at their attitudes towards work. These studies will be reviewed in turn.

Taking the Rosenman et al study first, they found that, compared to those who retired at the age of 60 or later those who retired early:

- had been employed in less skilled jobs
- reported lower incomes
- were more likely to have been in full-time employment
- were more likely to be married with a partner in employment
- were more likely to be from a non-English speaking background
- had a lower level of educational attainment
- were more likely to be dependent on pensions and benefits and/or partner's income or superannuation, and
- were less likely to have their own superannuation or investments.

On the other hand, women who delayed retirement beyond the age of 60 were more likely to:

- work in white collar jobs
- have higher levels of education and earnings
- be unmarried.

Analysis of retirement behaviour indicated that women who had no partner or whose partner was not working were more likely to retire later. Another important predictor was socio-economic status. Women in professional occupations and those with higher incomes tended to retire later. According to the researchers, having less-desirable jobs and lower incomes are the main reasons for earlier retirement among women from non-English speaking backgrounds (Winocur, Rosenman and Warburton 1994).

The authors also asked respondents about their reasons for retiring early. Among those who retired before the age of 60 the main reason given was poor health. Among both early retirees and those retiring at normal retirement age the next most important reason given was that their partner had decided to retire and this determined the timing of their retirement. According to the researchers, while poor health differentiated the retired from the employed its effect was on the decision to retire; not the timing of retirement.

The authors also offered explanations for why women who had worked full-time previously were more likely to retire early. They suggest that part-timers may have more time for themselves and may be less likely to face compulsory retirement. Also, some part-time workers in the study had moved from full-time to part-time employment. The authors also examined the relationship between women's retirement decisions and their partners' retirement behaviour. Almost one third of individuals retired at the same time as their partner but, among those retiring early, over half reported that their partner was still in employment or had retired after them.

Finally, Rosenman et al explored the relationship between pension availability and retirement behaviour. Early retirees were more likely to be in receipt of a pension than those who retired later. Also, among low income groups pension availability was a major factor in the retirement decision.

The issues of older women's retirement decision-making and work-life balance were investigated by Onyx and Benton (1996). Their analysis is based on responses to 50 questionnaires and 25 in-depth interviews with older professional women aged between 45 and 65. According to Onyx and Benton, few women in the sample had systematically planned for retirement. Among those who had considered the possibility there was an expectation that they would continue in paid work after retirement. Less than half the respondents had superannuation and the view was that the income it would provide would not be adequate, partly due to a lack of earlier planning and partly because they joined a pension scheme relatively late in life. Almost all respondents expressed a desire for more free time but the majority also wanted to continue in part-time paid work. Very few did not want to work at all. The majority wanted a shift in the balance of paid and unpaid work in the future and part-time or consultancy work which would leave them time for other interests while providing them with sufficient income. On the other hand, according to the authors the majority of respondents felt constrained by their income. This led to a need to remain in employment.

Onyx and Benton state that a key finding of their study was a desire among these women to obtain a balance between their professional lives and other aspects of their lives. While family and career were still valued some of the women surveyed were seeking to reduce the amount of time spent in each sphere to create more time for themselves. The majority expressed a desire to undertake more personal creative and recreational activities.

Connolly and Kirk (1996) examined the relationship between various indices and full-time participation rates among men aged 45-54 using Australian Bureau of Statistics data from 1978-1995. They found that real unemployment benefit rates and after-tax real wages were unrelated to participation rates. Further analysis indicated that consumer loan affordability, average labour income tax rate, the share of GDP(P) of services and the real value of receipts from dwelling rent were associated with labour force participation among this group. The researchers are somewhat cautious about the interpretation of their findings, pointing to the omission of variables, mis-specification of variables and assumptions about linear relationships between variables.

Unikowski (1996) reports findings for people aged 45 or over from a series of Retirement Intentions surveys carried out between 1989 and 1994 by the Australian Bureau of Statistics. According to Unikowski, over this period the level of voluntary early retirement declined among men from approximately one third to just over one quarter and remained stable for women at around two-fifths. Approximately one fifth of male voluntary retirees and around one quarter of female early retirees gave increased leisure as the main reason why they retired early. Also, in 1994 men were almost twice as likely to report that their retirement was involuntary than women. Poor health or injury was the main reported reason for early retirement among men, but among women the reasons given were more equally divided between 'more leisure', 'ill health or injury' and 'family reasons'. Poor health as a reason for early retirement remained constant over the period in question.

Unikowski contrasts this stability with an increase in take up of disability benefits over the same period. He suggests that this may reflect increased usage of disability for labour market reasons, but points to weaknesses in self-report measures of poor health and to other factors which could account for this increase. He also cites research which suggests that older workers with some form of illness or disability struggle to remain

in employment during a recession and may move across from unemployment to disability benefits. Thus, in his view, while access to a disability benefit 'does not in itself act as an incentive to retire early, it does appear to play a significant role in funding involuntary early retirement'.

In addition, he explores the role of age and age discrimination in early retirement. He reports whether or not an individual had cited age, including compulsory retirement, as a factor in their decision to retire early, broken down by age group. The proportions of both men and women citing age are similar across different age groups. Among the 50-54 age group 14.5 per cent of men and 14.3 per cent of women cited age/compulsory retirement as a factor whereas, among the 55-59 age group, 33.7 per cent of men and 31.7 per cent of women cited as age/compulsory retirement as a factor.

Patrickson and Hartmann (1996) interviewed 116 women aged 50 years or over working in retailing about their attitudes towards work. The sample included both full-time and part-time employees with slightly more being full-time (56 per cent). The majority had spent a period of time out of the workforce to raise children. Over half (60 per cent) had no superannuation coverage. Not only were respondents' earnings well below the national average but it appeared that, in many cases, their partner's incomes were below average male weekly earnings. Respondents rated working as important in their lives. The main motivating factor in returning to work had been money followed by boredom at home. Money was also cited by many as being the main reason for continuing in employment. Despite receiving only a modest income from their employment almost four-fifths of respondents reported that they were satisfied with their job. For part-time employees there were reported benefits in working flexible hours.

Patrickson and Hartmann also asked respondents about their retirement intentions. They state that, while some were concerned about the possibility of redundancy, few had devoted any consideration to the prospect of retirement. Over a tenth of respondents wanted to work beyond the age of 65 while almost a third stated that they never wanted to retire. Almost half of the sample stated that their planned age of retirement was more indicative of when they would be forced to retire than what their preference would be. Their analysis also indicated that those planning to retire later: tended to be older, were more likely to be employed full-time, to be unmarried, in better health, and to have a moderate income level. If they were married then their partner was more likely to be retired. On the other hand, those planning to retire earlier tended to be younger. Those who were undecided were more likely to have an occupational or private pension or both, have a spouse on a higher income and to have a child still living at home.

3.7 Role of labour market policies and collective agreements in extending/contracting working life

Australian policy makers are showing increasing concern about the impact of rising pension costs and the predicted fall in the number of school leavers (Productivity Commission and Melbourne Institute of Applied Economic and Social Research, 1999). It is also recognised that age discrimination in employment is a problem requiring attention. In Australia publicly supported job promotion measures and training schemes have overwhelmingly been aimed at combating youth unemployment, even until recently, although there are signs that decision makers are becoming increasingly concerned about the ageing of the workforce. A mixture of positive business strategies, new employment and social-security policies, peer pressure and awareness raising are now emerging in an attempt to overcome the barriers facing older workers.

Australia, with its Federal system and with a strong emphasis on State rights, has introduced not only a complex weave of roles and responsibilities between the Commonwealth and States, but also shows considerable variability among the States in key policies such as anti-discrimination legislation and the ending of compulsory retirement.

Age discrimination was made illegal in all Australian states except Tasmania over the period 1989-1996 under legislation proscribing age discrimination and fixed retirement ages (Encel 1997; Encel and Studencki 1998). Tasmania introduced the Anti-Discrimination Act, 1998, which has not yet commenced, covering most areas of age discrimination. Recent analysis of data on complaints of age discrimination in NSW under its Anti-Discrimination Act found that the majority concerned discrimination in employment. In 1996-1997 only five per cent of complaints to the Anti-Discrimination Board of New South Wales concerned age, compared to 25 per cent and 22 per cent which concerned sex and race respectively (Encel and Studencki 1998). However, the relative newness of legislation concerning age discrimination makes it difficult to evaluate its impact.

The Commonwealth Government has Public Service Legislation before the Senate to remove the formal retirement age for public servants; and has announced the abolition of 65 years as the compulsory retirement age for statutory office holders (Bishop, 1999). In addition, the Commonwealth Workplace Relations Act 1996 also provides that an employee must not terminate a person's employment because of age (Bishop, 1999). In this regard Encel (1996) notes that a survey conducted among public sector employees aged 60 or over in New South Wales found that a significant number were seriously considering remaining in employment now that it was legally possible.

Also in Australia the Commonwealth Government has introduced a number of mature age worker initiatives particularly as part of the International Year of Older Persons. A House of Representatives Inquiry has been carried out into issues specific to workers aged over 45, following unemployment. At one time it was thought that it might recommend the introduction of a code of conduct for employers, although employers were apparently opposed to the idea.

The employability of older workers will also be considered in the development of the National Strategy for an Ageing Australia, which takes 'a whole of government approach to the issues associated with Australia's population ageing' (Office for Older Australians, 1999), overseen by a Ministerial Reference Group, supported by an Expert Panel and Interdepartmental Committee. The Strategy will be structured on a process of investigation and consultation leading to the formulation of an agenda for action to be published in 2000.

Australian Government support to employers has included the Guide to Issues for Older Workers (Office for Older Australians, 1999) to assist organisations to meet the changing needs of mature age workers and a special award within the Corporate Work and Family Awards in recognition of older workers or eldercare responsibilities. Funding has also been allocated for the Australian Employers' Convention (as well as similar state-based activities), to encourage business to review mature-age work practices and promote best practice; as well as commissioned work addressing barriers facing mature-age workers. 'Employment Victoria' implemented a campaign in 1999 which aimed to encourage employers to take on older workers.

The Australian Employers' Convention 'Achieving an age balance in the work force' was launched in 1999. This three year initiative aims to provide employers with information about workforce ageing, tools to help managers identify the age profiles of their organisations and to implement strategies to accommodate changing workforce demographics, a forum to discuss policy issues with Government and the opportunity to network with other businesses. A national conference will be held each year as well as other local events and reports from research. The initiative has a range of sponsors including Federal and State Government.

At the State level the Victorian Government held an inquiry into positive ageing which reported in 1997 (Family and Community Development Committee, Parliament of Victoria 1997). The inquiry examined the issues of work and retirement among older people. Recently it launched the policy document arising from the inquiry: 'Creating a Victoria for all ages'. However there was no specific objective concerning work and employment. Instead this is included under an objective referring to participation in community life.

In 1999 the State of South Australia launched two initiatives targeting training and employment among older workers. The first, called 'Mature Age Skills Training Grant', gives older workers the opportunity to obtain new skills through the provision of grants of up to \$500 dollars which can be used to pay for training. To be eligible an individual must be unemployed and aged 40 or over, not already in receipt of Government sponsored job-search training and not in full-time study. The grant can be used to purchase training in areas where there are skill shortages or job growth, which tackles personal barriers to employment, or where an unemployed person has a job offer which is conditional on the receipt of training. Training must be provided by registered training providers. Any accredited training can be undertaken from certificate to degree level. The second scheme, called 'Mature age employer incentive scheme' (MAEIS), offers a grant of up to \$2,000 for employers who take on an unemployed older worker who has been unemployed for three months or more who was made redundant within the last three months. The worker must be employed for at least 20 hours per week and remain with the employer for a minimum of six months. The recruited worker must not displace an existing member of the workforce. Also, they must be given a contract of employment and be paid the going rate for the job. There is a limit of one grant per employing organisation.

Additionally, in 1999 the State of Western Australia (Western Australian Department of Training 1999) launched a programme called 'Mature employment program: Profit from experience'. This programme will run until August 2000. This is a pilot intervention which aims to help workers aged over 45 into employment. Its primary focus is on workers who have been unemployed for between three and 12 months who are not already in receipt of Commonwealth assistance. The scheme targets unemployed people, those wishing to enter new careers and new labour market entrants. An evaluation is planned. The scheme consists of several linked elements:

1. Mature Employment Access Officers (MEAO) will provide one-to-one counselling and advice, sign-posting to other options, assistance with an employment placement, support and monitoring to older job-seekers. Following assessment the Access Officer will recommend the part of the programme that would be most suitable for the client. After completion the client will be referred back to the Access Officer, should assistance still be required. It is anticipated that the client will be supported for 12 months or less by the Access Officer.

2. Funds will be made available to support regional intervention strategies when redundancies occur and these activities will be supported by a best practice resource kit based on previous State Government interventions in particular communities.

3. Skills Redirection, consisting of the following elements:

- New work options
Group workshops will help clients to explore work opportunities and build confidence.
- New world skills
This element focuses on individual barriers to re-entering the workforce; it consists of specific short training activities such as an introduction to technology and life skills, and aims to motivate clients in order to prepare them for more intense learning later on, although it may lead directly to an employment outcome.
- Skills on demand - individual placements
This element aims to be responsive to individual needs as identified by the MEAO and the client, and focuses on actions which will overcome barriers to employment or training.

- Skills on demand - group training
This part of the programme requires that regional and local skill needs be assessed prior to the implementation of a 'labour market' style of programme with an emphasis on employment outcomes.
- A system called 'Cyber Job Link' will be developed and piloted which will aim to provide access to careers and labour market information, employment and training opportunities for communities which are not located close to existing provision. Particular information focusing on the needs of older clients will be included.

5. Skill recognition is an integral part of the programme. This will be undertaken by the MEAO on an informal basis initially but if further training is deemed necessary a formal programme will be undertaken.

Since 1989 the Government of New South Wales has run its 'Mature workers program' which offers help with job-search skills, training and assistance with finding employment to people aged over 40. The target group includes those who are unemployed, or have recently been, or who are about to be retrenched. 'Employment Victoria' has also recently implemented a scheme providing a training incentive to upskill mature-age workers once they have been guaranteed a position in a firm.



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