



## **COTA SA**

### **SUBMISSION TO AUSTRALIAN HUMAN RIGHTS COMMISSION WILLING TO WORK INQUIRY**

#### **Prepared by**

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## 1. INTRODUCTION

COTA SA welcomes the opportunity to provide this submission to the Australian Human Rights Commission *Willing to Work Inquiry*.

COTA SA is the peak body representing older South Australians. Our mission is to advance the rights, needs and interests of older South Australians.

COTA SA has over 12,000 individual members and 250 organisational members with a combined membership of more than 50,000. We have 80 associate members including aged care providers, local government bodies, health organisations, and other service and educational institutions. Our reach to and from older people throughout SA goes well beyond formal membership through a range of engagement forums, workshops and surveys.

Employment is a critical issue for South Australians. Mature age workers in South Australia face the additional burden of being in the state with the second oldest population, the highest unemployment rate in the nation and the lowest employment growth forecast.

COTA SA has made older workers one of its highest priorities, recognising the central place that good work will play in the economic and social well-being of people particularly as they age.

In providing this submission, COTA SA draws on two recent major pieces of work funded by the South Australian Government:

- Boomers and the Workforce: a Conversation - a project funded in 2014 by the Office for the Ageing
- Employment for the Ages - a project funded in 2014-15 by the Department of State Development.

## 2. EMPLOYMENT, INDUSTRY AND JOBS GROWTH IN SOUTH AUSTRALIA

South Australia is changing before our eyes, with greater cultural and lifestyle diversity than ever before. Our new age profile is a significant part of this changing picture. People over 65 now comprise 14% of our population, a proportion expected to increase to at least 21% by 2041, and the age group that used to be lumped together as 60+ now includes increasing numbers of people in their 80s, 90s and 100s.

The challenges facing mature age workers in South Australia are amplified by the backdrop of the state's current economic climate. For South Australia the issue is compounded by a shortage of jobs, and a low prospect of future jobs growth.

In 2012 there were just over 1.65m people in SA, with most of the population residing in the Greater Adelaide Area. There were 395,177 people aged 55 and over, of whom 123,837 (31%) were wage and salary earners. Half (53%) of all employed people aged 65 or over worked part time.

The major employing industries (accounting for 35% of industries) in 2011 were:

- Health care and social assistance (in growth)
- Retail
- Manufacturing (in decline)

Major occupations in SA are:

- Professionals
- Clerical and Administrative
- Labourers
- Community and Personal Services
- Technical and trades.

### South Australian labour force indicators

The South Australian unemployment rate peaked at 8.2% in June 2015, and then dipped slightly to 7.9% in July and August, and 7.7% in September.

<b>(Trend) September 2015</b>	
Total employment:	802,000 - fell by 1,300 (0.2%)
Unemployed people:	69,700 - rose by 300 (0.5%)
Headline unemployment:	7.7% - fell by 0.2 of a percentage point (seasonally adjusted)
Participation rate:	62.3% - fell 0.1% (seasonally adjusted)

Source: <http://www.skills.sa.gov.au/workforce-information/labour-market> accessed 4 November 2015

On 26 October 2015, the ABC published a timeline of South Australian job losses from December 2013 to the present<sup>1</sup>. The major losses were from :

- Aldinga Turkeys: 79
- Alinta Energy: 440
- Arnotts: 120
- Arrium Mining: 655
- ASC: 220
- BHP: 230, plus up to 380 contractors
- Caroma Industries: 76
- Holden: 270 (3000 over 4 years)
- SA Pathology 332
- Santos: 400
- United Dairy Power: 130

Although economists vary in their estimates of the wider impact of major redundancies on local communities, they agree that the impacts are significant in areas such as Adelaide's northern suburbs, and the Upper Spencer Gulf area.

The Commonwealth Government reports that employment growth in South Australia, Tasmania and the ACT is expected to be significantly less than elsewhere in Australia, with jobs growth in South Australia estimated to be the worst of all the states over the next five years.<sup>2</sup>

In South Australia, the sectors growing at above average pace (6.7 per cent) are expected to be: Health Care and Social Assistance (15.5 per cent), Professional, Scientific and Technical Services (12.4 per cent), Education and Training (12.0 per cent), Arts and Recreation Services (11.3 per cent), Administrative and Support Services (10.5 per cent), Accommodation and Food Services (10.3 per cent), Other (9.8 per cent), Transport, Postal and Warehousing (8.7 per cent), Construction (8.3 per cent), and Retail Trade (7.0 per cent). The only sectors expected to lose jobs are Mining (-16.7 per cent) and Manufacturing (-13.4 per cent).

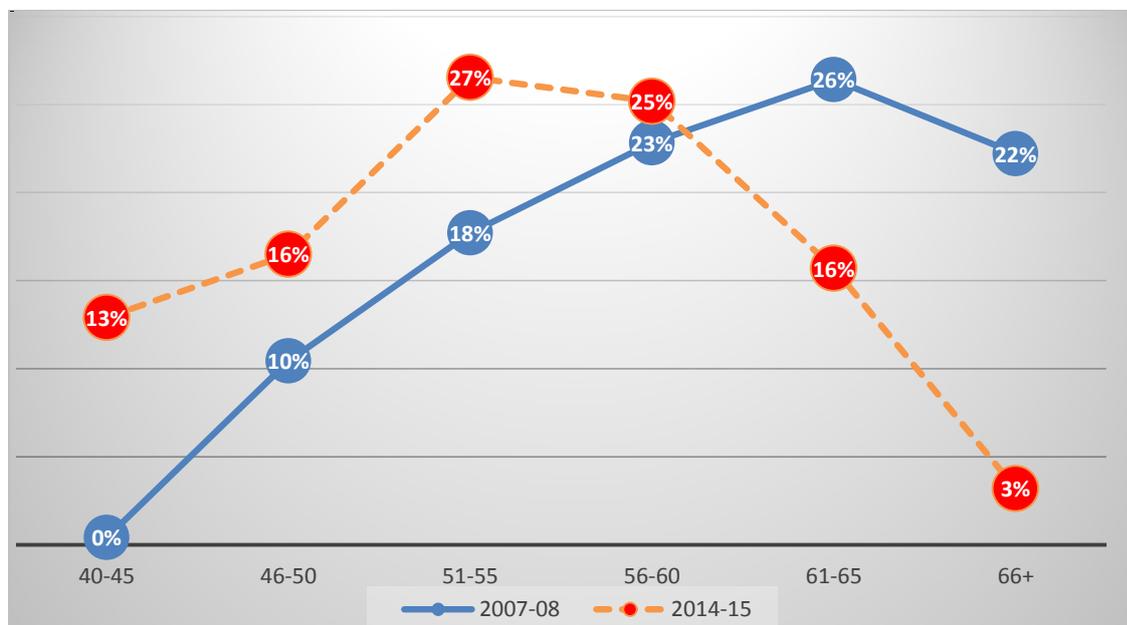
With the exception of Health Care and Social Assistance and Education and Training, most are coming off a low base in terms of generating jobs at a scale required to alleviate the current employment problems facing the state.

DOME is a government- funded employment service specifically to assist mature-age workers in SA. One thousand three hundred (1300) people registered with DOME in the past 12 months. Unlike Job Active Providers, there is no obligation for job seekers to register for DOME services.

There are currently 2,500 unemployed people registered with DOME - 1,500 men and 1,000 women.

In 2014, just over 500 people were placed into employment by DOME. The Executive Director of DOME estimates that these people would have earned over \$22m in wages, paid almost \$3m in tax, and, if all of them were eligible, saved potentially \$7m in income support payments.

However, DOME also reports a significant shift in the ages of the people looking for work. The average age in 2007-08 was 60 it is now down to 53.



Source: DOME 2015

There has also been a dramatic decline in the number of people aged 60+ looking for work, and an increase in the number of those aged 40-55. In 2007-8 there were 100 people aged 40-50 registering; in 2014-15 there were 370. In the age group 60+, in 2007-08 there were 475 registrants and in 2014-15 there were 237.

COTA SA and DOME suggest this trend indicates that people in the 60+ age group are disengaging from the workforce despite a clear preference (and financial imperative) to continue in paid work.

### 3. INFLUENCES ON WORKFORCE PARTICIPATION

COTA SA is concerned that the term *workforce participation* is used loosely, and therefore creates a false impression of the real situation for mature age job seekers.

Policy discussions and media coverage should be clear about what is meant by the workforce participation rate. Workforce participation (or labour market participation) is not employment. Workforce participation measures how many people are either working or *looking for work* .

This makes the rapid decline in workforce participation by people over the age of 55 even more alarming, as it adds weight to speculation that people have stopped looking for work.

Further, the number of people in employment needs to be accompanied by a breakdown of full time and part time, and fraction of part time – underemployment is a significant factor for older workers, especially women.

Research undertaken by the University of Adelaide in 2012<sup>3</sup> found that factors which increase the likelihood of not being in the labour force are:

- Chronic disease:
  - diabetes,
  - emphysema
  - arthritis
  - depression
- Being older
- Being female
- Lower education level – secondary school or lower

#### *Health*

Financial security has overtaken health as the factor most likely to influence baby boomer's retirement decisions (43%) – however, health is still the leading reason given for retirement by those who have retired (28%).<sup>4</sup>

There is a high likelihood of poor health outcomes in occupations where there are high strain jobs, variable work conditions and low job satisfaction.

Maximising the capacity of older workers depends significantly on health promoting workplaces, especially in lower paid lower skilled occupations.

#### *Gender*

COTA SA is particularly concerned about the impact of workplace age discrimination on older women. Professor Hazel Bateman from the University of NSW recently told a forum hosted by ECH and COTA SA that the chances of women facing poverty in older age are increasing dramatically due to low levels of superannuation and home ownership, lower wages, increased likelihood of being single, careers interrupted to meet family responsibilities and longer life expectancy. Being unable to secure paid work compounds these financial issues for women, with age discrimination making it difficult for older women to add to superannuation balances or make inroads into their mortgages in the years that could be the most productive for them.

The financial future for women aged 50 plus is very bleak if they are not able to secure a reasonable level of paid work.

#### *Location*

Regional South Australia experiences higher unemployment rates than the state average. The state's mid-north and Eyre districts will be impacted by the forthcoming closure of the Alinta Power station in Leigh Creek and Port Augusta . Opportunities for alternative employment for older workers in rural and regional South Australia are limited.

In July 2015, the ABC reported that almost 2,000 people in regional South Australia had lost their jobs in a month. The report went on to state that Regional Labour Force Data for the month of June

showed the state's regional areas were the worst hit, with up to 1,900 jobs lost between May and June. The state's south-east had the highest unemployment rate at 8.7 per cent.<sup>5</sup>

#### *Skill level*

The Training and Skills Commission in South Australia considers the population aged 55-70 years to be a considerable untapped source of productive capacity. It argues that programs that support mature-aged workers to upskill and reskill are essential.

It is the long-standing view of the Commission that cross-agency collaboration and commitment is necessary to ensure positive outcomes for those people most at risk of non-participation.<sup>6</sup>

COTA SA would add *Cultural and linguistic diversity* as an influencing factor. Berman et al's comprehensive research on racial and religious discrimination in employment found evidence of:

- Discrimination in recruitment;
- Underemployment and lack of recognition of qualifications;
- Discrimination and disadvantage in accessing and utilising job search agencies;
- Over-representation of migrants in low skilled, low paid employment;
- Under-representation of migrants in the public sector;
- Bias against migrants in promotion;
- Intimidation in the workplace;
- Religious discrimination;
- Additional discrimination related to gender;
- Discrimination in small and medium enterprises;
- Racism in the media and stereotyping of communities; and
- Difficulties accessing the complaints process.<sup>7</sup>

When discriminatory practices based on age are added to this list, the problems facing mature age job seekers from diverse backgrounds become even more intractable.

## **4. COTA SA PROJECTS**

### **Boomers and the Workforce – A Conversation**

In 2014 COTASA conducted a survey and forum in a project called *Boomers and the Workforce- A Conversation*. There were 93 responses to the survey, and 60 people attended the forum.

The result has been a rich collection of viewpoints and suggestions for increasing participation of boomers in the workforce.

The overwhelming message is that age discrimination against mature age workers is endemic, yet older workers deliver great value to their workplaces – in particular experience, knowledge and attitudes such as reliability and loyalty.

Age discrimination and workplace flexibility were the two issues of major concern raised both in the survey and in the forum. The conclusion was that ageism was not just in the workplace but in the employment marketplace. People were concerned that they couldn't get past recruitment agencies to employers.

Once in employment, the opportunities for training and employment were often withheld from older workers, and there was a general lack of respect for the great value mature-age workers brought.

Other concerns included the physical demands of work and balancing work with carer responsibilities.

Respondents were asked to rank what issues had an influence on their participation in the workforce. They were provided with eight options and, in addition, were asked to add any other issues.

Seventy-two people responded to this question, with issues ranked as follows:

**Table 4: Influences on workforce participation**

INFLUENCES ON WORKFORCE PARTICIPATION		
RANK:	1	2
Access/barriers to technology	4	6
Access to flexible work practices	19	12
Age discrimination	23	7
Opportunity for training and re-skilling	4	9
Physical aspects of the job	8	4
Physical and mental health issues	6	9
Transitional arrangements for retirement	1	4
Workplace culture	7	21

Age discrimination and access to flexible work practices ranked the highest first preferences. In a later question, six respondents out of 66 wanted flexibility discussed at the forum, with 13 saying age discrimination was the most important issue. As one person said in the survey:

‘Why after 45 we are treated as invisible, do not get trained and included even though we are more reliable than younger workers.’

Significantly, when considering work health and safety, physical aspects of the job and physical and mental health issues were selected (combined) by 14 of the respondents (19.5 per cent). As one person wrote:

‘Jobs vary greatly in demands on employees – physically, mentally and emotionally. Therefore there should not be a hard and fast rule to increase retirement age.’

Another wrote:

‘Now I am ageing I find the physical demands of my job increasingly difficult to manage. I cannot work back to back shifts without becoming extremely tired. A late shift followed by an early shift exhausts me and I do not sleep as well as I used to.’

Participants were asked to recommend actions that could be undertaken immediately by government, COTA SA, employers or workers themselves to improve both work conditions and recruitment for Boomer workers. Among the solutions were:

- include components on respecting and valuing workers of all ages in work induction programs
- use non-stereotypical images of mature-workers in state and local government publications, such as older workers up ladders and using IT
- consider quotas for mature-age workers in workplaces
- undertake a statewide promotions campaign about the value of older workers.

## Employment for the Ages Project

As part of the State Government Election platform, COTA SA was allocated funds in 2014-15 to undertake the Employment for the Ages project.

The project was managed through the Department of State Development, and was designed to educate employers on the benefits of employing mature age workers (people aged 50 years and above).

The objectives of the project were to:

- Assist employers to see the business benefits of recruiting and retaining mature-age workers.
- Develop the capacity of employers to successfully recruit/retain mature-age workers.
- Promote the views and interests of mature-age people who are either in or seeking employment.

Project activities included a Recruiters Focus Group. The purpose of the workshop was to explore the worlds of the mature-age worker and the recruiter; learning how the two worlds interface and the lessons to be garnered that will benefit employers and mature-age workers in maximizing productivity outcomes for both.

Participants included representatives from DOME, Hender Careers, and a private consultant with more than 20 years' experience as both an employer and a recruiter.

The main messages coming from the workshop include:

- there does seem to be a slight shift towards older workers, but this is not widespread, and we are nowhere near the 'tipping point'.
- considerable improvement is required in the way older workers are prepared for job seeking, as many have had no recent experience of applying for work.
- most employers are risk averse. They will select someone who has direct experience, rather than left-field candidates who may be proposed by recruiters and who could bring something new to the role. Recruiters have a responsibility to broaden employers' thinking.
- change the language: 'Ageing' was a problem (including for COTA), and 'mature' was seen by many as merely old. 'Mature' also seen as staid, traditional and not positive.

Informally, other recruiters have advised that they often get a brief from an employer which clearly preferences people aged 30-45.

The project also ran three employer workshops, meeting with a total of 37 people across metropolitan and regional South Australia. The workshops focussed on workforce planning with a view to maximising the recruitment and retention of mature age workers.

COTA SA approached Business SA to link the project with its THREESIXTY Innovative Business Program, specifically the business coaching program which provides businesses with strategies and knowledge to grow a business.

Business SA developed a module on mature age friendly workplaces for inclusion South Australian Young Entrepreneur Scheme (SAYES) and Business Coaching sessions. The module will become part of the new subject called Workforce Development in the HR and Workforce Planning Session.

The module will be delivered as a 2-3 hour session in Module 10 of 11 training workshops for SAYES intake and month 8 of 10 in the Coaching Program. It aims to enable start-up founders and early start businesses to understand issues in employing people and building a workforce.

Participants will be exposed to the concepts, and knowledge relevant to building a healthy and productive workplace benefiting from diversity in that workforce. The module places particular

emphasis on non-discriminatory job descriptions and workplaces as well as the benefits of engagement of older people as part of a diverse group of people providing experience and balance.

There is an anticipated reach of 55 participants in Business SA Business Coaching and SAYES programs.

### *Project Findings*

The project demonstrated the difficulty in engaging directly with employers, particularly in the current South Australian economy.

The Employment for the Ages Project also highlighted the fragmented and 'stop start' approach to this issue for the last 20 years.

The single biggest barrier to changing the views of employers is that there is no fully developed and articulated business case for employers.

## **5. SOLUTIONS**

### **Supply Side Solutions**

#### *Career Services*

COTA SA endorses the Age Discrimination Commissioner's call for a 'career health check' at about age 50. Workers will value support and advice to develop skills that enable them to review their career goals and their learning and development options to plan for the next 20 or 30 years of paid work.

Career services are also a critical component of both state and commonwealth government support for workers in transition, particularly in industries experiencing structural change. Retrenched workers and those facing retrenchment represent a large group of people assisted through career services. The South Australian Government supports retrenched workers and people experiencing disadvantage in the labour market, through tailored face to face career services delivered in all twelve (12) State Government regions.

Nonetheless, career services more generally have been hit hard by Federal Budget implications. The Commonwealth Government has stopped funding a number of career development initiatives, including the myfuture website, the *Jobs Guide*, and career development services for mature-aged people (*Experience+*) and parents returning to work.

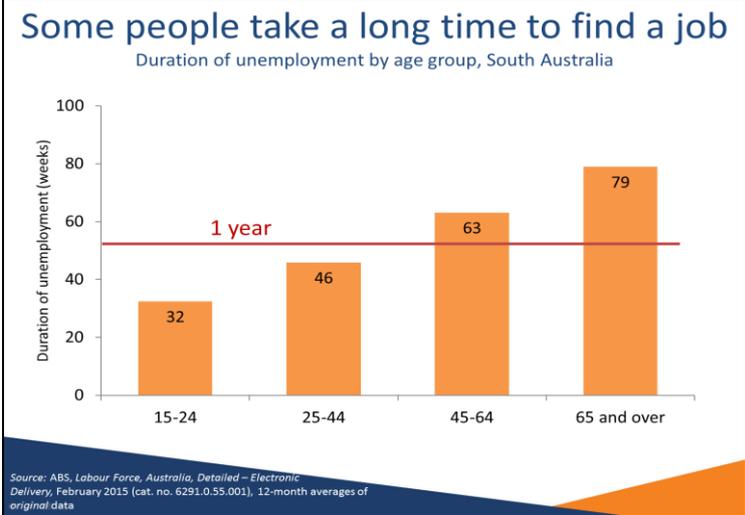
COTA SA is approaching the State Government for funds to develop a new set of principles for career services for mature age people which bring together the concepts of career health checks, encore careers and seniorpreneurship, as well as career transition to areas of jobs growth.

#### *Health and wellbeing in the workplace*

Workers need to stay healthy so they can work longer, this is particularly the case for workers in physically demanding jobs. While there has been considerable employer investment in executive and white collar fitness initiatives, this is not yet widespread for most menial occupations.

#### *Workers staying in the job for longer*

People need to be sure that exiting the workforce is the best decision for them. In South Australia particularly, it is much harder to re-enter the workforce once you've left it, and this increases with age. In effect, the best way to get a job is to retain the one you have, and investment in supporting both employers and staff to be nimble, flexible and contemporary is likely to pay dividends.



Source: Australian Government Department of Employment: *The Adelaide Labour Market and the Impact of the Holden Closedown* (March 2015)

### Demand Side Solutions

#### *Sell the business bottom line*

South Australia is primarily made up of small to medium enterprises and micro-businesses ie sole traders.

Work done by COTA SA over the last 12 months with employers has found that some businesses are beginning to concede that just as they are committed to tackle gender inequality, it is time to do the same about ageism.

They advise that the next step is to make the loud and clear the business bottom line for change.

The people best placed to do this are employers themselves. COTA SA has had an indication of commitment to do just that from six of South Australia’s most significant employers.

#### *Think work life stage, not age*

COTA SA wants to reframe the language of older workers, leaving behind talk about age-management and age-friendly workplaces. Older people have no desire to be seen as a special needs group in the work place. They are legitimate participants, with considerable skills to offer. We must revolutionise the way that we structure work. We need to move to high performance workplaces where better job design, career-long training, skill development, and a shared responsibility for health and well being will be the cornerstones.

The policy settings that will facilitate mature age workers getting and keeping work have strong parallels with the policies that have facilitated the increase in women’s participation in the workforce. This includes access to flexible work practices to allow for family and carer responsibilities, opportunities for training and re skilling, investment in workplace health initiatives, innovation in physical job design and, importantly, workplace cultures where diversity (including age diversity) is valued.

#### *Structural and Legislative barriers*

Under current Commonwealth Government policy, the qualification age for the Age Pension is 65 years, increasing to 67 years by 1 July 2023. This measure increases the qualifying age from 67 to 70 years. On 1 July 2025 the qualifying age will increase from 67 years by six months every two years

until 1 July 2035 when the Age Pension qualifying age will reach 70. The eligibility age for access to superannuation remains low, increasing from 55 to 60, and the age at which superannuation benefits are tax-free will remain at 60.

COTA Australia has called for a holistic inquiry into retirement incomes which looks at how workforce participation, superannuation, income support payments and age pensions integrate to provide a safe and secure future for older people.

## 6. SUMMARY

Mature age workers are currently seen as a problem to be solved. On and off for almost three decades, governments, industry associations, universities, not-for-profits and employer groups have developed toolkits, templates, guidance materials, checklists and other resources pitched at employers to create 'age friendly workplaces'. Yet older people consistently report that ageism in the workplace is alive and well.

COTA SA's forum, the survey, pre-election consultations in early 2014, research, and ongoing stakeholder engagement has identified recurring key concerns around mature-age workers.

### *Mental health*

Mature-age workers consistently express concern about the impacts of work practices and age discrimination on their mental health. Loss of confidence, loss of personal value and unacceptable levels of stress are common among those who have found themselves overlooked at work or overlooked in the labour market. The result both inside and outside the workplace is an impact on mental health. For those unemployed, the loss of income can have an added impact on physical health and wellbeing. This is a particular concern for older women who, instead of being able to maximize earning pre-retirement and make up for low superannuation and lack of home ownership end up approaching pension age after a decade on Newstart.

### *Age discrimination*

Ageism is experienced inside workplaces and in the labour market. Older workers are passed over for promotion and receive fewer training opportunities. Assumptions are made about workers' lack of ability in the use of modern technology and other new work practices. In recruitment, mature-age workers are doubtful that their CVs make it past recruitment agencies. When it comes to winning jobs, many mature-age workers feel that after the age of 45 employers do not seriously consider their applications or their skills.

### *Physical labour*

Mature-age workers have said that they are not always able to continue work in jobs requiring physical labour, including trades and nursing. Workplaces do not always offer alternatives that value people's other capabilities (such as intellectual ability, corporate knowledge, commitment, management and self-management skills), but concentrate instead on what workers cannot do rather than what they can. Changes in duties and roles are rarely available. This has a particular impact on blue collar and semi-skilled workers, and means that a lifetime of wage disadvantage is compounded.

### *Flexibility*

Flexibility in work conditions is important to mature-age workers, and represents a major platform for change. Older workers feel that flexibility is available to those with young children (albeit hard-won), but is not so easily given to those who are caring for older parents, grandchildren or chronically ill partners. The result is greater incidences of ill health and stress on the part of the

carer. For those transitioning to retirement, flexibility is needed to allow workers to prepare for retirement in a positive, healthy manner.

#### *Work and meaning*

Mature-age workers look to work as providing meaning, sociability status and income. It is an important contributor to wellbeing and mental health. Where work is appropriate and suitably rewarded and recognised, the wellbeing outcomes are even better.

## 7. CONCLUSION

Statistics translate into people whose lives are drastically impacted by whether they are able to find work or not. How people generate their income is more than just about how often they go overseas or how often they buy a new car. It impacts on where and how they live, how they access health services, and whether they manage the cost of living. It has a major impact upon their mental health and material well-being for the rest of their lives.

With older people soon to make up a quarter of South Australia's population and its customer base, as well as being a major source of its workforce in growing industries such as health care, we can no longer afford to marginalise such a large group.

Discrimination against older employees in the workplace is archaic behaviour. Unfortunately, like other forms of ageism, it remains widely tolerated and its tragic impacts are poorly recognised and understood.

While it may seem counterintuitive, it is unlikely we will address age discrimination until we ignore age. For as long as we continue an obsession with age, stereotypes will keep getting in the way of careers that should keep blossoming, re-treading and developing.

COTA SA recommends

- new models of employment, (especially in regional South Australia) such as job sharing between employers, which facilitates access to meaningful and sustainable work
- continuing investment in developing and articulating the business case for mature age workers.
- supporting older workers to plan for their later working lives through good career advice and access to training and reskilling for areas of jobs growth
- segmenting the workforce participation rate of older people (including older women) which analyses and measures outcomes for those in under-employment as well as unemployment
- strategies that tackle ageism more broadly so that growing old is valued and celebrated.

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