6

Workforce participation

6.1 Maintaining and increasing the number of older people in the workforce is of interest to the inquiry from both social and economic perspectives.

The Challenge

6.2 The changing demographic profile of the Australian population will impact upon labour participation due to a higher proportion of the population reaching retirement age. While Australia's population is projected to increase by 16% or 3 million people by 2012, 94% of this growth will be in people aged 45 years and over, resulting in decreasing workforce participation over time.[1] This in turn could reduce annual growth in Gross Domestic Product (GDP).

6.3 The last 40 years have seen significant changes in the way in which Australians work with a dramatic increase in the number of women joining the workforce. The increased rates of female participation between 1982-83 (44.6%) and 2002-03 (56%) are partly explained by the increased instances of part-time work. In 1973, 12% of all work was part-time, by 2002-03 the proportion had increase to 28.5%.[2]

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1 Australian Bureau of Statistics, Labour Force Projections Australia, Canberra, 1999, Catalogue No 6260.0, p 7.

2 Australian Bureau of Statistics, *2004 Year Book*, Canberra, 2004, Catalogue No 1301.0, p 133; Australian Social Trends 1994 Work – Paid Employment: Trends in Part-time work, Canberra, 1994, p 1-2.

6.4 As noted in chapter 1, potentially the ageing of the population could be offset by changes in fertility or mortality (which are unlikely) or by changing immigration policies. There is general agreement in the evidence put to the Committee that immigration may moderate the fall in employment growth but increases in immigration alone will not be sufficient to reverse declining workforce participation.[3]

6.5 At present the participation rate for the older people is significantly lower than for other age groups (Table 6.1).

6.6 The Department of Family and Community Services (FACS) indicates that Australia has participation rates below the OECD average, for men and women alike in the mature age (55 to 64 years) group. In 2002, Australia's participation rate for this group was 48.6%, whereas Canada had 51.3%, United Kingdom 54%, United States 60.2%, and New Zealand 62.93%[4]. As a consequence, Australia is at a significant disadvantage in accessing and retaining the expertise of mature age workers.

Table 6.1: Labour Force Participation Rates, by age group

	Males		**Females**	
Age Group	*1982-83 (%)*	*2002-03 (%)*	*1982-83 (%)*	*2002-03 (%)*
15-19	63.6	58.4	59.2	60.7
20-24	91.2	85.1	71.0	77.5
25-34	95.6	91.2	54.0	70.8
35-44	95.0	90.6	58.4	72.6
45-54	90.6	88.1	48.2	73.8
55-64	64.4	63.1	20.3	40.2
65 and over	9.7	10.0	2.3	3.2
All Age Groups	**77.1**	**72.0**	**44.6**	**56.0**

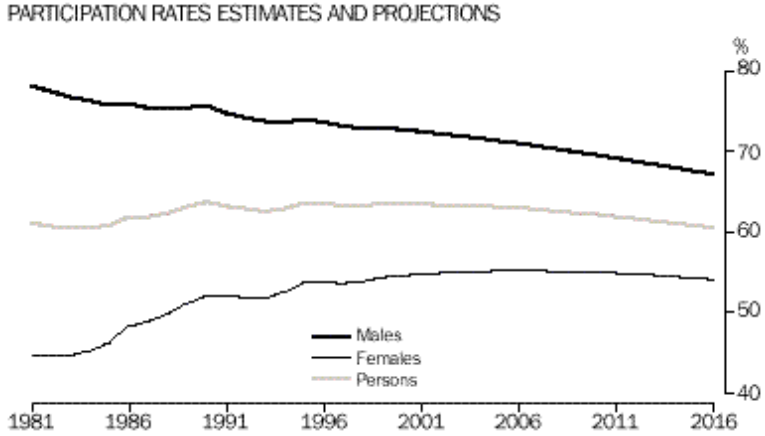
Source: ABS, 2004 Year Book, p 133.

6.7 Although female participation rates have increased over the last twenty years, this trend could flatten over the future years. Ausralians overall participation rate is expected to decrease over time as shown in Figure 6.1.

3 Department of Immigration and Multicultural and Indigenous Affairs, sub 117, p 3; Betts K, Swinburne University of Technology, Victoria, sub 92, p 1; Sustainable Population Australia, Canberra Region, sub 55, p 3.

4 Department of Family and Community Services, sub 90, pp 10-11.

Figure 6.1: Workforce participation rates to 2016



Source: Australian Bureau of Statistics, Labour Force Projections, Australia, 1999-2016, catalogue 6260.0

6.8 The low participation rate also affects Australia's aged dependency ratio by decreasing the number of working aged people (between 15 and 65 years) supporting the number of people aged over 65 years. Table 6.2 shows that while Australia's aged dependency ratio is expected to rise from 18.2 in 2000 to 32.3 in 2030 (177% increase), it will still be well below the 2030 projected international average of 41.2. Countries such as Switzerland and Japan are expected to experience an increase in their aged dependency rates of respectively 23.8 to 53.0 and 25.2 to 51 (a 200% increase).[5]

Why older people leave the workforce

6.9 The reasons why mature age workers leave the workforce are complex and interrelated. They include: early retirement (voluntary and involuntary); reluctance among employers to recruit mature aged people; and low demand for the skills or expertise mature age workers possess.[6]

6.10 Older employees may leave the workforce as a result of company policy, culture or the attitudes of individual managers. Employer attitudes form one of the most significant barriers to mature age employment. Stereotypical assumptions about the merits of older workers include low productivity, inefficiency, and mental and physical incapacity. Professor Helen Bartlett advised the Committee:

5 Gittins R and Tiffen R, *How Australia Compares*, 2004, Cambridge, England, Chapter 6, Work and the labour force, p 67.

6 Department of Health and Ageing, sub 119, p 26.

> The challenges that still remain are concerned with negative attitudes around ageing and how we can break down some of the stereotypes.[7]

Table 6.2: Aged dependency ratio

Country	1980	2000	2030
Switzerland	20.8	23.8	53.0
Japan	13.4	25.2	51.7
Italy	20.4	26.7	47.3
Austria	24.0	22.9	46.4
Germany	23.7	24.1	46.3
Sweden	25.4	27.1	46.0
Finland	17.7	22.3	45.7
Belgium	21.9	25.9	43.4
United Kingdom	23.5	24.1	40.4
Denmark	22.3	22.5	40.0
France	21.9	24.5	39.8
Netherlands	17.4	20.1	39.6
Norway	23.4	23.7	39.1
Canada	13.9	18.5	37.5
New Zealand	15.7	17.9	33.7
United States	16.9	18.6	32.9
Australia	**14.7**	**18.2**	**32.3**
Ireland	18.3	16.9	26.3
Mean	***19.7***	***22.4***	***41.2***

Source: Annex to OECD Society at a Glance: OECD Social Indicators (2nd Edition, 2003) Table 2.1.A, as cited by R Grittins and R Tiffen, Work and the labour force, p 67.

6.11 The Committee notes that increasing the rate participation of older workers in the paid workforce has the potential to contribute significant opportunities towards productivity and social wellbeing in Australia.

Barriers to workforce participation

6.12 Mature aged people can face disadvantages and barriers when seeking work or wishing to remain in the workforce: the attitudes of employers, their duties as carers, a lack of relevant skills and experience and perhaps their own health.[8]

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7 Bartlett H, transcript 20/05/2003, p 498.

8 The Country Women's Association of Australia, sub 121, p 1.

6.13 The Department of Family and Community Services drew the Committee's attention to research undertaken by Drake Personnel surveying discrimination against older workers. Of the group of 500 organisations surveyed, 62% choose their staff from the 31 to 40 years age group. None preferred to select managers and executives in their fifties and 65% indicated the over 50 age group are more likely to be identified for retrenchment. In evidence to the Committee Professor Helen Bartlett pointed out that most of human resources staff are likely to be in their 30s. This may be a contributing factor in employing younger people instead of older people.[9]

6.14 Other evidence indicated that there are implicit incentives to discriminate against older workers. Mr Venner stated that '…older workers have low status and low status workers have low status managers. Low status managers do not get promoted.' Older workers are also far more likely to be denied workplace training or promotion. [10]

6.15 Mature aged people often find it may take longer and be more difficult to find employment. This is reflected in the fact that mature aged people have the highest levels of long term unemployment. While the rate of mature age unemployment is lower than for other groups, mature age workers face increased rates of long term unemployment.[11] Figure 6.2 illustrates that the proportion of people whose last job was two or more years ago increases with age, with those aged 55 years and over making up 51% of the long term unemployed.[12]

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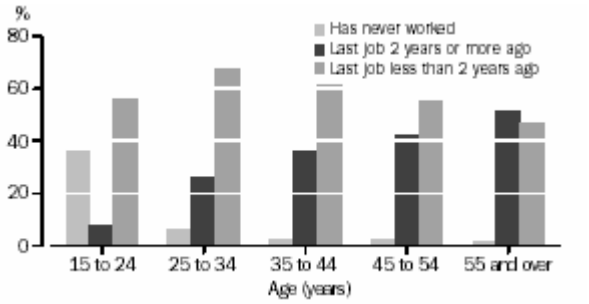
9 Department of Family and Community Services, sub 156, pp 11-12; Bartlett H, transcript 20/05/2003, p 507.

10 Venner R, sub 168, pp 1-2.

11 In November 2003, the unemployment rate for 45-64 year olds was 3.5% compared with an overall unemployment rate of 5.4%; Australian Bureau of Statistics, *Australian Labour Market Statistics, Job search experience: methods and barriers in finding jobs*, Canberra, April 2004, catalogue no 6105.0

12 Australian Bureau of Statistics, *Australian Labour Market Statistics, Job search experience: methods and barriers in finding jobs*, Canberra, April 2004, catalogue no 6105.0

Figure 6.2: Unemployed Persons with prior work experience



Source: Australian Bureau of Statistics, Australian Labour Market Statistics, Job search experience: methods and barriers in finding jobs, April 2004 catalogue no. 6105.0.

6.16 Reasons for leaving the workforce vary by age. In 1997, people under 60 years most commonly retired because of ill health or injury, particularly among those retiring before the age of 55 years where more than half of retirees gave this as the reason. Retrenchment was also given as a common reason for those aged under 60, particularly among those aged between 55 and 59 years (19%). However, most of those who had retired between 65 and 69 years had done so because they felt they had reached an appropriate age for retirement or because they had reached the compulsory age for retirement in their job and were 'considered too old by employers' (82%).[13]

6.17 Until recently, superannuation arrangements may also have acted as an incentive for individuals to retire at an age where they could still have contributed to, and received benefits from, the workforce. The Australian Government announced in 1997 that the preservation age for superannuation would be increased from 55 to 60 for anyone born after 1 July 1964.[14] Other superannuation measures to encourage increased workforce participation are detailed in chapter 7.

6.18 An ageing community means that there is an increasing number of carers including older people. Many people, particularly in regional and rural centres, find it necessary to leave work to provide care for a partner or relative. Options such as flexible working arrangements and parental care should be considered so that carers have a more realistic chance of combining caring and workforce participation.[15]

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13 Australian Bureau of Statistics, Australian Social Trends 2000, *Retirement and retirement intentions,* Canberra, catalogue no. 4102.0 pp 112,131; ACTU, sub 107, p 4; Reeve P, transcript, 20/05/2003, p 513.

14 FaCS sub 156, p 6; Australian Taxation Office, *Self-managed superannuation funds – preservation rules*, viewed 4/05/2004, <http://www.ato.gov.au/super/content.asp?doc=/content/19132.htm>.

15 Halliday G, transcript 3/02/2004, pp 767-9.

6.19 Recent research into the barriers facing older workers examined ways to reduce age-related stereotypes and discrimination, and to increase fairer performance ratings and provision of training. The research recommended:

- providing training to managerial staff on the ageing process;
- retraining older workers to enhance their career opportunities, especially within companies undergoing substantial organisational change;
- providing older workers with opportunities to enhance motivation and learning by undertaking job rotation and job transfers; and
- carrying out career planning programs to avoid skill obsolescence and increase the commitment and productivity of the employee. [16]

Sharing responsibility for improving workforce participation

6.20 Increasing workforce participation is a shared responsibility. Governments, employers, the community and individuals are all responsible for encouraging and increasing levels of workforce participation and together need to develop strategies that meet the needs of all parties.

6.21 The role of Government is to provide an environment, through legislation, policies and services, which encourages participation. It is also that of encouraging choice for those who could possibly enter or exit the labour force:

> The key issue is not to mandate particular labour market behaviour for this group. Rather it is to create the environment in which those people, particularly women with child rearing or other caring responsibilities can balance those responsibilities with the demands of work should they choose to enter or return to the labour force.[17]

6.22 The Australians Working Together (AWT) welfare reform package, introduced by the Australian Government in September 2002, encompasses a range of initiatives to help people on income support gain work or participate in their communities in ways which best suit

16 Department of Education, Science and Training, Report into the Barriers to Training for Older Workers and Possible Policy Solutions, pp 171-219, 001, viewed 17/05/2004, <www.dest.gov.au/archive/iae/documents/olderworkers/olderworkersv4.pdf>.

17 Department of Employment and Workplace Relations, sub 164, p 10.

them.[18] The Transition to Work component focuses on parents, carers and people 50 years and over who are starting work for the first time or are returning to work after an absence of 2 years or more. The program offers mature age people practical help and training to develop their skills including: help with writing a resume or job application; courses to up-grade skills; career counselling; and driver training.[19]

6.23 The Indigenous Employment Policy (IEP) focuses on increasing employment opportunities, particularly in the private sector, for Indigenous people. The IEP consists of a number of programs including the Community Development Employment Program (CDEP).[20] While supporting the desirability of older people maintaining workforce participation, the Aboriginal and Torres Strait Islander Commission explained that in some communities, CDEP can make only a limited contribution to assisting people with workforce participation. There may be 'a couple of generations without any work experience.' Even where CDEP does assist in acquiring skills, there may be very few labour market opportunities.[21]

6.24 Governments are not solely responsible for increasing levels of workforce participation. The Business Council of Australia (BCA) recognises the role business (inclusive of government employers) at all levels must play:

> While change will initially need to be led from the top, it must flow through all levels of business if new strategies and policies are to have a meaningful impact.[22]

6.25 The notion of sharing responsibility underpins the Community Business Partnership (CBP). The CBP recognises that communities are stronger and more cohesive when individuals, not-for-profit organisations, governments and business work together, combining their resources and skills to develop creative solutions to local and regional problems and to strengthen community ties. The focus of the

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18 Australian Chamber of Commerce and Industry, *Mature Age Employment Changing Culture,* May 2003, viewed 19/05/2004, <http://www.acci.asn.au/text_files/issues_papers/Employ_Educ/ee27.pdf>.

19 Australian Government website, viewed 19/05/2004, <http://www.together.gov.au/whoIsInvolved/peopleOverFifty/default.asp>.

20 Department of Workplace Relations, *Indigenous Employment Policy,* viewed 16/07/2004, <http://www.workplace.gov.au/indigenous>.

21 Gooda M, transcript 7/03/2003, p 202.

22 Business Council of Australia, *Age Can Work: A Business Guide for Supporting Older Workers,* August 2003, p 3, viewed 16/07/2004, <http://www.bca.com.au/content.asp?newsID= 91720>.

CBP includes measuring employment participation for older workers. The Prime Minister has requested the CBP inquire into ways for government and business to encourage the private sector to employ more mature age workers. The Partnership is expected to present its findings and recommendations to the Prime Minister for consideration in mid 2005.[23]

6.26 State and Territory Governments in their strategies to address the ageing of the population all acknowledge the importance of encouraging workforce participation. Encouragement to participate in the workforce is given through targeted programs, including:

- in NSW, the Mature Workers Program, run through the Department of Employment and Training;
- the South Australia Government's workforce development strategy targets older workers and Indigenous people and has a focus on job opportunities in regional communities; and
- in Queensland the Back to Work Program and the Experience Pays Program focus on people aged 45 and over who have been unemployed for at least 3 months.[24]

The benefits of employing older workers

6.27 Evidence presented to the Committee reinforces the value of mature age workers and the positive contribution they make to the workforce, including:

- in many activities, productivity may increase with age in part because continuity and stability combined with experience reduce training and recruitment costs;
- mature workers produce work of high quality; and

23 Community Business Partnership, viewed 12/07/2004, <http://www.partnerships.gov.au/social/social_policy_mature_age_workers.shtml>.

24 Encel S, *Age can work: The case for older Australians staying in the workforce,* A report to the Australian Council of Trade Unions and the Business Council of Australia, April 2003, viewed 28/05/2004, <http://www.bca.com.au/upload/AGEDOCfinal22.04.03.pdf>, p 25-28; ACT, viewed 11/05/2004, <http://www.ageing.act.gov.au/ministinfo/>; NSW, viewed 6/05/2004, <http://www.maca.nsw.gov.au/pdf/strategicplan2003-4-2005-6.pdf>; NSW Mature Workers Program, viewed 28/05/2004, <http://www.det.nsw.edu.au/eas/mature/index.htm>; NT, viewed 5/05/2004, <http://www.nt.gov.au/dcm/senior_territorians/strategy.shtml>; QLD, sub 129, p 8; QLD website, viewed 5/05/2004, <http://www.communities.qld.gov.au/seniors/publications/ index.html>; SA, viewed 27/05/2004, <http://www.saworks. sa.gov.au/>; TAS, viewed 5/05/2004, <http://www.dpac.tas.gov.au/divisions /seniors/>; VIC, viewed 5/05/2004, <http://www.seniors.vic.gov.au/index.htm>; WA, viewed 5/05/2004, <http://osi.wa.gov.au/htmlfiles/active.htm>.

- older workers may have more experience and maturity, a stronger work ethic and higher commitment to their jobs. [25]

6.28 Negative stereotypes need to be countered with positive messages which highlight the contribution older Australians can make to the workforce and to the community. [26] There is considerable scope for organisations to improve mature age participation in the workforce by addressing misconceptions about older workers.

Practical initiatives to encourage participation

6.29 The Department of Employment and Workplace Relations (DEWR) suggested to the Committee initiatives to encourage people in the workforce to stay at work longer and encourage those who have left the workforce to re-enter the workforce as soon as possible. Possible initiatives include building upon workplace relations reforms by increasing flexibility in working conditions such as the opportunity to access permanent part-time work, flexible working hours, job sharing, home-based work, career breaks and family friendly policies. [27]

6.30 Already some organisations have introduced more flexible working arrangements to support the employment of older workers including Alcoa Kaal Australia Pty Ltd, ANZ Banking Group Ltd, Australia Post, the Department of Family and Community Services, Geoscience Australia, National Australia Bank and Westpac.[28] Flexible working arrangements introduced by these organisations include job sharing, parental care, purchased leave arrangements and part time work.

6.31 DEWR emphasised to the Committee that, along with these initiatives, there needs to be a change in employer culture to recognise the value of investing, retaining and retraining older staff.[29]

6.32 Some organisations are encouraging programs to assist their workers to stay healthy. Health and wellness programs adopted include the 10,000 steps a day initiative, fitness programs, providing health

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25 Bartlett H, transcript 20/05/2003, p 507; Australian Council of Trade Unions, sub 107, p 5.

26 Local Government Association of NSW, sub 89, p 9; Australian Industry Group, sub 110, pp 5-6.

27 Department of Employment and Workplace Relations, sub 164, pp 10-11.

28 Australian Public Service Commission, *Flexible working arrangements for older workers,* Canberra, 2003, pp 18-20, viewed 11/05/2004, <http://www.apsc.gov.au/publications03/ maturedewr.pdf>; Australian Financial Review, Hepworth A, *Older workers needed to avoid labour shortage*, 5 May 2004, p 10; The Age, O'Rourke J, Lang M & Nuefeld S, *Big firms get friendlier with families,* 18 January 2004.

29 Department of Employment and Workplace Relations, sub 164 pp 10-11.

services such as vaccinations, skin cancer screening and stress management seminars.[30]

6.33 Increasingly it is being recognised that older people's preference is to be serviced by staff of a similar age and experience, who are more likely to understand their viewpoint and issues. Recently reported examples of the recruitment of older people to service the needs of older customers include Westpac, which set a target of recruiting 900 older workers by 2005, Bunnings Warehouse which has recruited experienced tradesmen over the age of 50, Hertz and Australia Post. Centrelink employs older people to become personal advisers, providing career guidance and helping clients develop career plans.[31]

6.34 More people may stay in the work force longer and go on contributing to savings for later life if there is a general acceptance of phased retirement. FaCS explained the benefits of phased retirement:

> Phased or transitional retirement allows for a gradual transition from full-time work to no paid work, providing flexibility to accommodate other responsibilities or interests, for example, caring responsibilities and volunteering. There is also potential for retirement incomes to be supplemented by earnings for those people who can and wish to work beyond Age Pension age, perhaps on a part-time or casual basis.[32]

6.35 Evidence to the Committee shows that some organisations encourage phased retirement to help make the transition from working easier for the individual. Employees may phase in their retirement by working more flexible hours or by changing their roles in the workplace, perhaps shedding management responsibilities in order to focus on project or mentoring work. Phased retirement would give people time to adjust to the transition of working to retirement.[33]

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30 10,000 steps – one at a time, viewed 17/05/2004, < http://www.smartstate.qld.gov.au/smartstories/ss_project/ssproject_e1y.shtm>; Bannister L, Human Resources, *A healthy helping hand: Corporate health and fitness programs,* 24 February 2004, viewed 28/05/2004, <http://www.humanresourcesmagazine.com.au/articles/0B/0C01D90B.asp?Type=60&Category=881>; Work Solutions Group, Corporate Health Solutions, *Solutions for Human Resource Managers*, viewed 28/05/2004, <http://www.worksolutions.com.au/corphealth.htm>.

31 Centrelink, sub 78, pp 17-18; McCallum J, sub 132, p 3; The Sydney Morning Herald, Long C, *A wiser approach to older workers,* 5 May 2004.

32 Department of Family and Community Services, sub 90, p 16.

33 Council on the Ageing (Australia), sub 91, pp 24-25; Council on the Ageing (Australia), sub 157,p 8; COTA NT & National Seniors, sub 178, p 11; Lgov NSW, sub 89, p 9; Deans D, transcript 20/05/2003, p 510.

6.36 Phased retirement may assist in making people's retirement incomes last longer, enabling them to delay using their superannuation. To encourage phased retirement, the Australian Government has enabled superannuation to be accessed whilst working part time once a worker has reached preservation age, thus allowing people to supplement their retirement income by continuing their participation in the workforce.

6.37 The Council on the Ageing suggested to the Committee that phased retirement will become the norm rather than the exception over the coming years, with beneficial effects for both individuals and the community.[34]

6.38 As the population ages, it is expected that most people will make several career changes before they retire.[35] Significant structural change has already taken place in traditional industries over the past twenty years and mature workers have increasingly been required to embrace new technologies.

6.39 Older people may need to rethink their career paths, and possibly move from one industry to another. Many may require training or retraining to give them the skills and confidence to seek work in different jobs. This also requires a change of attitude by employers:

> …employers need a bit of encouragement to do that and there might be some retraining needed, so we have been talking about the possibility of encouraging employers to retrain these very skilled workers to work in a different role.[36]

6.40 People aged 55 or over are far less likely to have used a computer than young people – indeed only 32% have. This places them at a disadvantage as many jobs now require computer literacy.[37] Professor Helen Bartlett explained to the Committee:

> It is very clear that if you are in a professional career there may be possibilities to adopt more flexible working as you age…But in other professions or in unskilled work, individuals will not necessarily have that choice.[38]

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34 Council on the Ageing (Australia), sub 91, p 25.

35 *Age Counts: An inquiry into issues specific to mature-age workers*, House of Representatives Standing Committee on Employment, Education and Workplace Relations, June 2000, pp 134-135.

36 Noble J, transcript 2/02/2004, p 710.

37 Australian Bureau of Statistics, *Use of internet by householder,* Catalogue no. 8147.0, Canberra, 2001, p 5.

38 Bartlett H, transcript 20/05/2003, p 505; see also Robinson C, Department of Employment and Training, *Employment Opportunities and Needs for the Future*,

6.41 If labour force participation is to be maintained and increased as the population ages, there will be pressure on people to acquire new work skills and abilities. An ageing population will need to engage in ongoing education and training to improve labour force competitiveness.

Lifelong learning for workforce participation

6.42 Evidence to the Committee stressed the role of lifelong learning in maintaining workforce participation. Lifelong learning fosters adaptability and responsiveness to change.[39]

6.43 The Australian Industry Group noted that there is considerable scope to increase the workforce participation of older people through innovations in education and training, such as:

- greater recognition by managers, individual workers and unions of the importance of life-long learning and its incorporation into the institutional arrangements governing work;
- improved access to more flexible learning arrangements – particularly through short courses relevant to job requirements and through more widespread use of e-learning; and
- improved procedures for more thorough recognition of prior learning and current competencies (including competencies and learning acquired or developed on-the-job).[40]

6.44 The Business Council of Australia recognises that lifelong learning is not entirely dependent on the employer, but on the interaction between the individual and his or her employer or organisation:

> Individuals must take responsibility for maintaining skills and training and their overall employability. At the same time business must encourage and support individuals in their efforts.[41]

6.45 Evidence presented to the Committee emphasises the need for employers to encourage the retraining of people and to provide

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presentation to the Skilling Australia Forum, Gold Coast, 10-12 September 2003, pp 20, 27, 28, viewed 19/07/2004, <http://www.skillingaustralia.com/skill_aust_forum/pdf/chris_robinson_notes.pdf>.

39 Lgov NSW, sub 89, p 11; Adult Learning Australia Inc, sub 100, p 1.

40 Australian Industry Group, sub 110, p 6.

41 *Age Can Work: A Business Guide for Supporting Older Workers*, Business Council of Australia, August 2003, p 7, viewed 19/07/2004, <http://www.bca.com.au/content.asp?newsID= 91720>

opportunities for life long learning so as to provide flexible, well trained, and motivated employees. [42]

> … a lot of [mature workers] are very articulate and will be able to contribute to society for a long time to come. They do not tend to get to the age of 60 or 65 and say 'It is time to hang up my hat.' That is where the educational aspects need to kick into gear to say, 'You are of worth. You can still contribute.'[43]

6.46 Mentoring programs are a means of contributing to a more skilled workforce.[44] Organisations such as Golden Circle and Wyong Shire Council have introduced mentoring so that mature-age workers can transfer knowledge to colleagues and foster intergenerational links with younger generations:

> …harnessing those people with mentoring programs – as business mentors and school mentors …we are harnessing those people and their worth within the community.[45]

6.47 Vocational Education and Training (VET) should have the potential to play a major role in lifelong learning, especially given its wide network of service outlets. Vocational Education and Training is delivered by around 4000 providers through secondary schools and Technical and Further Education (TAFE) institutes.[46]

6.48 However, the number of mature aged participants in the Vocational Education and Training scheme has been lower than other age groups, representing only 14% of participants in 2002. The Vocational Education and Training National Strategy, launched in 2003, in part aims address this through increased focus on enhancing the skills of mature age workers and increasing heir chance of achieving and/or maintaining involvement in the workforce. [47]

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42 Department of Family and Community Services, sub 90, p 13; Department of Employment and Workplace Relations, sub 164, p 11; Douglas K, transcript 7/03/2003, p 191; Council of the Ageing (Australia), sub 91, p 23-24; Flanagan K, transcript 7/02/2003, pp 17-18.

43 Burgess E, transcript 24/02/2003, p 113.

44 Deans D, transcript 20/05/2003, p 510.

45 Burgess E, transcript 24/02/2003, p113; McCallum J, sub 132, p 6.

46 Australian National Training Authority, *VET – What is it*, viewed 2/06/2004, <http://www.anta.gov.au/vetWhat.asp>.

47 Australian National Training Authority, *VET – What is it*, viewed 2/06/2004, <http://www.anta.gov.au/vetWhat.asp>; Australian National Training Authority, *Increasing the Vocational Education and Training Participation and Achievement of Mature Age Workers*, Ideas for Action, viewed 8/08/2004, <http://www.anta.gov.au/images/publications/mature.pdf>, p 3; Australian Bureau of Statistics, 2004 Year Book,

6.49 The importance of lifelong learning is also acknowledged by the Senate Employment, Workplace Relations and Education Committee. In March, 2004 this Committee commenced an inquiry into future policies to support life long learning of Australia's ageing population. The Committee is scheduled to table the report in November, 2004.

New employment opportunities

6.50 The Committee notes that while there is general acceptance of the need to increase workforce participation, less attention is being given to valuing work related to older people. There is still much scope for new business and employment opportunities servicing the needs and preferences of older people. Future employment opportunities will not just be related to the aged-care sector. Indeed there is already growing demand for products and services tailored to meet the needs of the older population. [48]

6.51 Businesses and governments are expected to concentrate on improving existing services and programs which seniors use and value. These include primary health care, hospitals, pharmaceuticals, employment services, utilities, public transport, residential care, social support, in-home therapy, housing and community care. [49]

6.52 Future services to meet the needs of older people include:

- personalised home and lifestyle services from medical, diet, natural therapy and massage specialists;
- multilingual translators for aged care providers
- accommodation and entertainment specifically designed for seniors;
- financial advisors for superannuation and other investments
- travel and educational tours; and
- education and lifelong learning providers.[50]

Education and Training, Vocational Education and Training (VET), 2004, Catalogue No 1301.0.

48 Bartlett H, transcript 20/05/2003, pp 503-504; Reeve P, transcript 20/05/2003, p 512.

49 Mason B, CPA Australia, *Business opportunities in the non-profit sector – an aged care perspective*, Edition 1 2004 CPA Australia's Public Sector News, viewed 19/07/2004, <http://www.cpaaustralia.com.au/01_information_centre/26_tbl/1_26_0_0_tbl_index.asp>; NSW Department of Health, sub 160, p 12.

50 Mason B, CPA Australia, *Business opportunities in the non-profit sector – an aged care perspective*, Edition 1 2004 CPA Australia's Public Sector News, viewed 19/07/2004, <http://www.cpaaustralia.com.au/01_information_centre/26_tbl/1_26_0_0_tbl_index.

6.53 The projected shortfall of informal carers, as noted in chapter 2, may also open up niche business and employment opportunities. Some families may prefer to purchase support services from private suppliers, rather than access government controlled services provided through CACPs and HACC funding.

Supporting workforce participation through corporate social responsibility

6.54 The Australian Government's Community Business Partnership encourages corporate social responsibility activities and public accountability for the outcomes of such activities through Triple Bottom Line (TBL) reporting. The Committee notes that the Partnership has a leadership role in:

- …encouraging companies to identify and generate opportunities for people with disabilities, older workers and parents returning to the workforce … tak[ing] forward a national approach to triple line reporting…[51]

6.55 The Department of Family and Community Services, (FaCS) in 2003, undertook the first TBL report of its kind for an Australian Government agency. The Committee notes that while in this report FaCS records having already put in place flexible working arrangements and an Indigenous recruitment and retention strategy, the Department has since published the *FaCS Mature Workers' Strategy*.[52]

6.56 The Committee also notes that Standards Australia has developed a world-first standard to provide a framework for organisations to establish and maintain a corporate social responsibility program. Australian Standard *AS 8003-2003, Corporate governance – Corporate social responsibility*, is equally applicable to public and private

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asp>; NSW Department of Health, sub 160, p 12; Burgess E, transcript 24/02/2003, pp 105-06.

51 Community Business Partnership, viewed 14/04/2004, <http://www.facs.gov.au/internet/ facsinternet.nsf/aboutfacs/programs/esp-welreform_whatshappening_ pmcbp.htm>.

52 Department of Family and Community Services, *Triple bottom line report: Our commitment to social, environmental and economic performance,* 2003, Canberra, viewed 23/04/2004, <http://www.facs.gov.au/tblreport_2002-03/_lib/pdf/tbl02_03.pdf>, p 3.; *FaCS Mature Age Workers' Strategy,* viewed 5/05/2004, <http://www.facs.gov.au/internet/ facsinternet.nsf/VIA/matureworkers>. Westpac also undertakes a form of triple bottom line reporting in its Social Impact Report, viewed 12/05/2004, <http://www.westpac. com.au/internet/publish.nsf/Content/WISPSI+Downloads>, p 16.

organisations, government departments and not-for-profit organisations. The International Standards Organisation (ISO) is also considering a corporate social responsibility standard.[53]

6.57 The Committee considers that these developments – corporate social responsibility and associated reporting through triple bottom line reporting and/or standards – have considerable potential to foster an environment conducive to better, and more appropriate employment opportunities for older people. However, there is a need for more explicit connections between the two approaches. Organisations should:

- develop indicators for and report on improving employment opportunities for older people within their own organisations; and
- extend corporate social responsibility activities to assisting with improving employment opportunities for older people more generally.

6.58 The Committee concludes that, in taking forward a national agenda for triple bottom line reporting, the Prime Minister's CBP, in promoting a culture of corporate and individual social responsibility, should encourage corporate social responsibility and associated reporting through triple bottom line reporting or through complying with corporate social responsibility standards.

Voluntary work - unpaid work

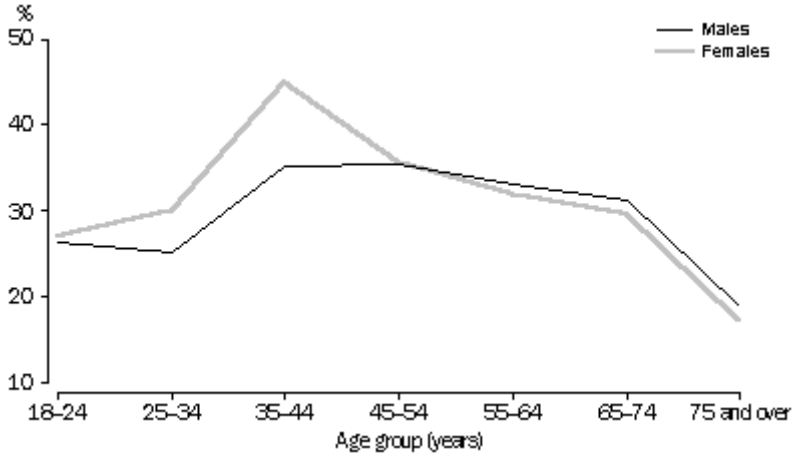
6.59 The Committee heard wide-ranging evidence about the increasing importance being placed on volunteering and the associated benefits to individuals, communities, businesses, other employer organisations and the economy. The evidence also throws light on the evolving nature of the relationship between paid work and volunteer work.

6.60 In 2000, there were around 4.4 million adult volunteers – 32% of the population over 18 years. Volunteer rates varied across age groups. The highest rate of volunteering was among people aged 35-44 years

53 Standards Australia, *AS 8003-2003: Corporate Governance – Corporate Social Responsibility*, viewed 23/05/2004, <http://www.standards.com.au/catalogue/script/Details.asp?DocN=AS871065609029>; BSD Global.com, *Business and Sustainable Development: A Global Guide,* viewed 21/05/2004, <http://www.bsdglobal.com/issues/sr.asp>; United States Council for International Business, *ISO to Debate International Standard on Corporate Responsibility,* viewed 3/05/2004, <http://www.uscib.org/index.asp?documentID=2847>.

(Figure 6.3) however the median hours worked by volunteers tended to increase with age to peak at 2.5 hours per week for ages 65-74.[54]

Figure 6.3: Voluntary work in Australia in 2000, showing age and sex



Source: ABS Voluntary Work Australia June 2001 (Cat No. 4441.0)

6.61 The most common types of volunteer activity that Australians aged 65 and over, took part in were: fundraising/sales (51.9%); clerical/ administration /recruitment (38.9%); and management/committee work/co-ordination (38.9%). Volunteering can be a way of updating skills and gaining the confidence and connections to re-enter the workforce. Sometimes, a volunteer position leads to paid employment.[55]

6.62 The work of volunteers contributes to both social capital and the economy – a contribution that is now being measured more systematically. The economic value of volunteer work was estimated to be $8.9 billion in 1999-2000.[56]

6.63 Over recent years, an increasing number of organisations, both private and public, have encouraged the involvement of volunteers in their activities through volunteering programs. Volunteer work

54 Department of Family and Community Services, sub 156, p 24; Australian Bureau of Statistics, Year Book Australia 2002, *Income and Welfare Voluntary work in 2000*, Catalogue no 1301.0, 2002, Canberra.

55 Australian Bureau of Statistics, *Voluntary Work Australia,* 2000, Catalogue no 4441.0, 20 June 2001, Canberra, p 29; Recreation Training Queensland, *Volunteer your time and gain some valuable experience,* viewed 26/05/2004, <http://www.rtq.com.au/CareersGuide/ getexp-volunteer_body.html>.

56 Mayer P, *The Wider Economic Value of Social Capital and Volunteering in South Australia,* November 2003, p 1, viewed 28/05/2004, <http://www.ofv.sa.gov.au/pdfs/mayer_report.pdf >; Australian Bureau of Statistics, Media Release, *Non-profit institutions contribute 3.3% to GDP*, 28 November 2002, 1 p.

provides organisations with additional resources which may be used to support ongoing activities or to undertake activities not possible within budget resources.[57]

6.64 Some organisations are encouraging their own paid staff to be involved in corporate social responsibility programs with the aim of assisting people or groups in the community. Westpac, the ANZ Bank and the Department of Family and Community Services encourage their staff to take be active in such programs.[58]

6.65 The Australian Government funds programs to assist volunteers and volunteer organisations including Voluntary Work Initiative; Participation through Volunteering (Australians Working Together); National Skills Program for Volunteers; Volunteer Management Program; Volunteer Small Equipment Grants 2004; Indigenous Community Volunteers and Volunteering Australia.[59]

6.66 The Volunteer Management Program funds Volunteer Resource Centres across Australia to provide volunteer matching services and training of volunteers. In 2002-03, a total of 19,399 volunteers were referred to 26 member organisations including 17 regional agencies. Under the program 6,701 training hours were provided. In 2004-05, FaCS is increasing the number if Volunteer Resource Centres to 27 at a total cost of $1.649 million. [60]

6.67 The Indigenous Community Volunteers (ICV), a program under the Department of Employment and Workplace Relations, provides avenues for corporate social responsibility or individual volunteering. The scheme links skilled volunteers with Indigenous communities and organisations to encourage skills transfer and the development of

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57 Volunteering Australia, website, viewed 21/07/2004, <http://www.volunteeringaustralia.org/sheets/corporate.html>

58 Westpac, *Westpac in the Community,* viewed 27/04/2004, <http://www.westpac.com.au/internet/publish.nsf/Content/WIWC+Our+Community+Involvement>; ANZ website, viewed 27/04/2004, <http://www.anz.com/aus/careers/Wheretobe.asp>; Department of Family and Community Services, *Triple bottom line report: Our commitment to social, environmental and economic performance,* 2003, Canberra, viewed 23/04/2004, pp 26-28, <http://www.facs.gov.au/tblreport_2002-03/_lib/pdf/tbl02_03.pdf>.

59 Department of Family and Community Services, sub 156, p 25-26; Department of Family and Community Services, *Volunteering*, viewed 14/07/2004, <http://www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/programs/communities-volunteering.htm>

60 Department of Family and Community Services, *Annual Report 2002-03 Volume 1,* p 128, viewed 14/07/2004, < http://www.facs.gov.au/annreport_2002-03/_lib/pdf/facs_ar_full.pdf>. Department of Family and Community Services, Family and Community Services Portfolio, Budget Related Papers No 1.8, Commonwealth of Australia 2004, pp 166, 177.

longer term strategic relationships between communities and the private sector.[61]

6.68 The Committee was made aware of concerns that volunteers may be exploited, or exposed to liability and safety problems.

6.69 Professor Byles explained that:

> There is a need to consider current financing, accreditation and liability issues as they impact on the quality and quantity of volunteer resources across the community.[62]

6.70 Other organisations stated that difficulties getting insurance for older volunteers can limit volunteering activities.[63] Volunteers should not be seen as replacing paid workers or constituting a threat to the job security of paid workers. Volunteering is not a substitute for paid work.

6.71 The Aged-care Rights Service also cautioned against organisations exploiting volunteers by placing unrealistic expectations in them:

> … there is a tendency to load volunteer workers with unreasonable responsibilities, to expect more with greater personal liabilities. [64]

6.72 These difficulties have been recognised by volunteering Australia has developed a set of National Standards. These provide a best practice guide to ensure volunteer's rights are protected and that they work in a safe and healthy environment:

> The National Standards have been written with the explicit intention of protecting the volunteer, the volunteer-involving organisation and customer of the organisation.[65]

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61 Department of Employment and Workplace Relations, 2004-05 Budget, *Budget Fact Sheet Indigenous Community Volunteers*, viewed 21/05/2004, <http://www.dewr.gov.au/ministersandmediacentre/budget2004/factsheets/budgetfactsheeticv.doc>. Examples of projects include: the Horticulture project that have led to accredited training jobs; pottery project that has resulted in increased sales revenues; and community benefits from a sport and recreation project.

62 Byles J, sub 103, p 4.

63 The Country Women's Association of Australia, sub 121, p 1; The Aged-care Rights Service, sub 87, p 45; National Rural Health Alliance Inc, sub 131, p 26; University of the Third Age, City of Melbourne Incorporated, sub 44, pp 7-8.

64 The Aged-care Rights Service, sub 87, p 44.

65 Volunteering Australia, viewed 20/07/2004, <http://www.volunteeringaustralia.org/>, and <http://www.volunteeringaustralia.org/punlications/stndards.html>.

Summing up

6.73 The challenge of maintaining productivity and living standards in the context of a diminishing number of adults of working age is not to be underestimated. Equally important is valuing the skills and experience of older Australians and enabling them to contribute to the wealth of their families, communities and the nation through paid employment and unpaid volunteering.

6.74 Many older Australians will prefer to continue in the workforce and their participation should be encouraged and facilitated. Improving opportunities for continued workforce participation by older Australians must be a shared responsibility, one in which industry, business, and public sector employers play a more proactive role.

6.75 The Committee considers, however, that there is a need for further research and analysis to test the assumptions around the extent to which increased participation of older people could offset the effects of population ageing. Research is also needed to gain a better understanding of how older workers can participate in ways that provide them with quality employment opportunities.

6.76 The Committee commends the growing involvement of employer organisations. The Prime Minister's Community Business Partnership has the potential to significantly influence their involvement and to encourage employer organisations to take a wider perspective than their own workforce needs. The Committee concludes that the Prime Minister's Community Business Partnership should explicitly advocate improving employment opportunities for older people as a component of corporate social responsibility and triple bottom line reporting by Australian employer organisation.

6.77 The Committee considers that major employer organisations including government departments should voluntarily demonstrate their commitment to the employment of older people (within their own organisations and through engagement with the community) through adopting triple bottom line reporting or achieving Australian Standard AS 8003-2003 with an explicit focus on the employment of older people.

Conclusion 9

6.78 **The Committee concludes that the Prime Minister's Community Business Partnership should explicitly advocate improving employment opportunities for older people as a component of corporate social responsibility and triple bottom line reporting by Australian employer organisations.**

Conclusion 10

6.79 **The Committee concludes that government agencies should voluntarily demonstrate their commitment to the employment of older people by :**

- **developing indicators for and reporting on improving employment opportunities for older people within their own organisations; and**
- **extending their corporate social responsibility activities to improving employment opportunities for older people more generally.**

6.80 While some industries and professions are moving to value work which services the needs of older people, others are lagging. The undervaluing of understanding the processes of ageing and caring for frail elderly is of continuing concern.

6.81 There is no doubt that many older Australians will wish to volunteer their skills and experience to support community activities, service provision, business and other organisations. The work of volunteers contributes to both social capital and the economy – a contribution that is now being more systematically measured. Volunteering can also be a way of updating skills and gaining the confidence and connections to re-enter the workforce. The Committee is concerned that these contributions are not adequately recognised by governments at all levels when weighing up the costs of population ageing.

6.82 The Committee concludes that there may be a need to guard against creating expectations that older people will, in effect, become a secondary workforce, unpaid and without protections. Successful use of volunteers requires sustained investment in managing

participation, protecting rights including through indemnity insurance, and continuing to grow their skills and capacities.

6.83 The Committee welcomes the recently announced Productivity Commission inquiry into the implications of population ageing including the implications for unpaid work such as caring and volunteering.