



**Australian
Human Rights
Commission**

Age Discrimination Commissioner
The Hon Dr Kay Patterson AO

23 January 2018

Mr Stephen Palethorpe
Secretary
Senate Select Committee on the Future of Work and Workers
PO Box 6100
Parliament House
Canberra ACT 2600

By email: futureofwork.sen@aph.gov.au

Dear Mr Palethorpe

Please find attached a brief submission to the Inquiry into the Future of Work and Workers. The purpose of this submission is to bring to the Committee's attention our 2016 report, *Willing to Work: National Inquiry into Employment Discrimination against Older Australians and Australians with Disability* and to highlight the importance of considering older workers in this debate about the future of work.

Yours sincerely

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Age Discrimination Commissioner

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Future of Work and Workers Inquiry Submission by the Age Discrimination Commissioner, Australian Human Rights Commission

The right to work is a fundamental human right, but one that far too many older people in Australia do not enjoy.

The future of work for older Australians will be impacted by a number of factors, including changes in life expectancy, demographic profiles, the dependency ratio and technology.

In 2016 the Australian Human Rights Commission released its report, *Willing to Work: National Inquiry into Employment Discrimination against Older Australians and Australians with Disability*. People of all ages experience discrimination, and discrimination in employment is not exclusively experienced by older people or those with disability. However the Inquiry's Terms of Reference required us to focus on employment discrimination experienced by Australians in these groups.

The Inquiry found that too many people are shut out of work because of underlying assumptions, stereotypes or myths associated with their age. These beliefs lead to discriminatory behaviours during recruitment, in the workplace and in decisions about training, promotion and retirement, voluntary and involuntary. The cost and impact of this is high, for individuals and for our economy.

People who are willing to work but are denied the opportunity are also denied the personal and social benefits—of dignity, independence, a sense of purpose and the social connectedness—that work brings.

Discrimination has an impact on the health of individuals, their career and job opportunities, their financial situation and their families.

It also has consequences for workplaces. These include higher absenteeism, lower or lost productivity, higher staff turnover and increased recruitment costs, as well as lost business opportunities from abandoning experience and corporate knowledge.

From a broader economic perspective, employment discrimination is also a huge waste of human capital. There have been a number of reports in recent years on this topic, but as an indication, a 2016 report by PwC (*PwC Golden Age Index: How well are OECD economies harnessing the power of an older workforce*, Australian edition, June 2016) found the top three countries worldwide for workforce participation by people 55–69 were:

- Iceland (96.5%)
- New Zealand (82.2%)
- Sweden (78.2%)

Australia ranked 16th with 62.8% participation. PwC calculate that if we were to raise our older workforce participation rate to that of Sweden, Australian GDP could be around 4.7% higher, equivalent to around US\$69 billion at 2014 GDP values (A\$87.9 billion January 2018).

Higher workforce participation also reduces the need to provide welfare support and furthers social inclusion and equity objectives. Older workers bring great benefits to the workforce, such as experience, commitment, productivity, resilience and many specific skills. Numerous studies have shown these benefits, although negative stereotypes continue.

Having a goal to increase participation by older workers is not sustainable unless there is work available for older Australians—work that is suited to their skills (after supported retraining if needed), capacity, health and needs.

Many initiatives have focused on individuals, but in fact this is not a useful strategy unless systemic problems and the organisation of work itself are also examined. Barriers to entry for older workers include lack of flexibility, policies that encourage early retirement, unhealthy workplace design and negative work environments.

The Willing to Work Inquiry followed Australia's first national prevalence survey of age discrimination in the workplace which was conducted by the Australian Human Rights Commission in 2015. That survey revealed more than a quarter of Australians aged 50 years and over had experienced age discrimination in the workplace during the past two years. One third were aware of other people in the same age range experiencing discrimination because of their age. Of great concern, a third of those who had experienced age discrimination gave up looking for work. These findings were reinforced in 2017 research conducted by the University of South Australia's Centre for Workplace Excellence, which found that almost a third of Australians perceived some form of age-related discrimination while employed or looking for work in the last 12 months—starting as early as 45 years of age.

It is unthinkable that people who lose their jobs in their 50s may live up to another forty years without paid employment.

The Inquiry drew on multiple sources of evidence and found that employment discrimination against older people is systemic and acts as a significant barrier to workforce participation. It requires response at multiple levels.

At the individual level, attitudes and beliefs need to change. Attitudes can be changed; we know that well focused and sustained community education and awareness campaigns have changed entrenched attitudes and behaviours, for example, reducing smoking, wearing seat belts and using sunscreen.

The Inquiry also learned that the operation of some government policies are creating disincentives to workforce participation, and that programs and subsidies to encourage businesses to employ older workers have only limited impact.

Most workers at mid-life need a retraining opportunity so that they can secure an available job in a growth industry. The current gap in reskilling opportunities for mid-life workers, particularly those in declining sectors like manufacturing, condemns many able and experienced workers to years of poverty on benefits.

The Inquiry's recommendations are cognisant of the realities of the needs of the national economy now and through future decades. They are designed to foster a broad national approach, supported by clear leadership, cross portfolio action and collaborative engagement with employers and employees.

The Inquiry recommends a range of practical strategies and new systematic monitoring of progress and outcomes. These changes are to be underpinned by community education and awareness, supported by accessible information and the removal of policy barriers.

We know that the solutions we propose are realistic. They are evidence based and already in place in some workplaces.

Broadly speaking, the Willing to Work report contains over 30 recommendations relating to older Australians in the areas of government policies, existing workplace systems and employer practices, together with less formal suggestions for employers and businesses.

The full report can be downloaded from the Commission website:
(<https://www.humanrights.gov.au/our-work/age-discrimination/projects/willing-work-national-inquiry-employment-discrimination-against>)

The Inquiry also produced a document showcasing employers who have implemented diversity and inclusion programs and are achieving positive results. <https://www.humanrights.gov.au/our-work/disability-rights/publications/willing-work-good-practice-examples-employers-2016>

It is essential to encourage Australians to work for longer, to improve their skills and employability and to remove the barriers to later-life employment.

We trust this information is useful to the Select Committee on the Future of Work and Workers.