
Chapter Seven

Part-time Work and Labour Market Programs

Introduction

7.1 This chapter initially examines the desirability of promoting part-time work as a stepping-stone for mature age workers in a gradual transition from work to retirement. In this regard, the Committee notes the example provided by some public sector employment policies for mature age workers, and also by the Australian Workers' Union's (AWU's) "Smart Hours" campaign.

7.2 Subsequently, the chapter also examines the range of government labour force programs and employment services designed to facilitate and encourage the participation of mature age workers in the workforce. It also considers the operation of the private sector 'Workingconnections' job matching service.

Part-time work for mature age workers

The benefits of part-time work

7.3 During the conduct of the inquiry, a number of parties argued that part-time work can be an integral step in the transition from work to retirement for mature age workers.

7.4 For example, in its written submission, ACCI cited a study of OECD countries by Delsen, Lei, Genevieve and Reday-Mulvey (eds). The study noted a large number of arguments in favour of increasing the availability of part-time work to mature age workers:

- a) Part-time work reduces work hours according to a graduated and agreed arrangement and constitutes a way of avoiding the 'pension shock';
- b) Part-time work provides a means of achieving greater flexibility and individualisation of working life by distributing work and free time more evenly over the latter part of the occupational cycle;
- c) Part-time work provides a 'soft' form of personnel reduction, a means of reducing growing exclusion of older employees from the labour force and, for management, cost-effective opportunities to retrain people with valuable corporate knowledge and precious technical skills; and

- d) Part-time work reduces retirement and unemployment costs not only by reducing the relative volume of benefits but also by lengthening the contribution period and by increasing the contribution base.¹

7.5 Similarly, the ABA indicated its support for the present three pillar structure of the Australian retirement system, but argued that there is scope for developing a fourth pillar, namely part-time work. The ABA argued that this would lead to a more effective amalgam of government provided benefits and superannuation and other savings to encourage greater workforce participation by persons aged over 55. The ABA also cited a number of examples where society could tap into the experience of mature age workers:

- a) Schools struggle to attract and retain mature age teachers (especially males), yet there are many skilled and experienced elderly people who could teach part-time (eg for one term a year or for two days a week);
- b) Manual workers often have difficulties as they get older due to physical problems. This should not preclude them from working within their industry in a role that is less physically demanding but still requires experience. It might be possible for elderly employees to be engaged in call centers and other communication outlets where their expertise and experience would be invaluable.²

The availability of part-time work for mature age workers

7.6 In its written submission, DEWR noted an increase in the availability of part-time work in awards and agreements:

- a) Awards: DEWR noted that award restrictions on the availability of part-time work have been removed through changes brought in by section 89A(4) of the *Workplace Relations Act 1996*. Section 89A(4) states that awards cannot contain provisions limiting the number or proportion of employees who can be employed in a particular type of employment or the setting of maximum or minimum hours of work for regular part-time employees. DEWR indicated that such provisions are being removed from awards during the award simplification process, which is largely complete – of 2,155 current awards (as at 28 February 2003) only 276 (13 per cent) still needed to be simplified. DEWR suggested that the availability of regular part-time work has been further enhanced by a 1997 change to the *Workplace Relations Act* obliging the Australian Industrial Relations Commission to ensure, where appropriate, that awards contain

1 Cited in *Submission 45*, ACCI, p. 7.

2 *Submission 41*, ABA, p. 2.

provisions enabling the employment of regular part-time employees (s.143(1C)(b)).

- b) Agreements: DEWR noted that there has been a steady increase in the proportion of federal certified agreements with provisions concerning part-time work. The DEWR Workplace Agreements Database shows that in 1997 some 15 per cent of agreements (covering 43 per cent of agreement-covered employees) had provisions relating to part-time work. In contrast, some 35 per cent of all current agreements (covering 72 per cent of all agreement-covered employees) have provisions on part-time work. Furthermore, DEWR noted that only a fairly small proportion of agreements totally replace the relevant award, therefore employees covered by an agreement which does not provide for part-time employment may still have access to such work through their award.³

7.7 In evidence to the Committee on 15 May 2003, Mr Matheson from DEWR commented that the increasing availability and take up of part-time work largely reflects the preference, particularly of women, to balance work and family and lifestyle considerations.⁴

7.8 DEWR expanded on this point in its response to questions on notice, arguing that most part-time workers are satisfied with the hours they are working. DEWR cited data from the ABS *Labour Force Survey* that showed that, in May 2003, almost three-quarters of part-time workers were satisfied with the hours they were currently working. Just over a quarter of part-time workers (25.7 per cent) would have preferred more hours, but only 9.5 per cent of part-time workers were available and looking for more part-time hours or full-time work.⁵

7.9 However, despite an increase in the availability of part-time work in awards and agreements, the Committee notes evidence that the available part-time positions may not be suitable for mature age workers.

7.10 In its written submission, the WA Department of Education and Training noted research it has conducted into the changing nature of the workplace, and its implications for mature age workers. It noted that most part-time jobs created in recent years have tended to be transient and unsuitable for mature age workers:

- a) Over the 6-year period to 2002, 54 per cent of all jobs growth in WA was in part-time jobs in service industries;
- b) These part-time jobs were more likely to be offered to the 'more vulnerable segments of the labour market' – women, young people

3 *Submission 29*, DEWR, pp. 14-15.

4 *Committee Hansard*, 15 May 2003, pp. 282, 285-286.

5 DEWR response to questions on notice, 1 July 2003.

and migrants – and offered less job security, and lower pay and conditions;

- c) There is evidence that service industries, particularly the retail sector, offer fewer formal training opportunities for their workers.⁶

7.11 Similarly, the Institute of Actuaries of Australia (IAA) argued in its written submission that while there are plenty of opportunities for part-time work, many part-time positions are of a piecework nature or are highly intensive, where younger and more active workers tend to be favoured.⁷

7.12 The Committee also notes the following case study provided by Dr Parkinson of ARPA(SA) in the hearing on 8 May 2003 on the difficulty a member of ARPA(SA) encountered in obtaining part-time work:

If I can give an example, one of our members, with whom I had a long conversation in preparing for this hearing, is a former senior police officer who for a number of reasons took retirement at the age of 59. He is very tense about the fact that within the police force there is a whole list of unsolved murders in this state and they are not being dealt with, simply because the resources are not there to review the cases. He would desperately like to go back, three days a week, and sit there and sift through the evidence of all those murder cases—put a new set of eyes over them—and put his findings back to the operational people. He has made that suggestion but, unfortunately, the way the force is structured, it is not possible for them to re-employ him in a position that would allow him to do that for three days a week.⁸

7.13 Dr Parkinson further submitted that there is a culture in Australia against part-time work, and that many employers regard part-time workers as less valuable than full-time workers. However, Dr Parkinson argued that from his experience in running a small business, part-time workers are generally of greater value relative to their salary than full-time workers.⁹

7.14 In this regard, the Committee wishes to note an interesting point raised by Mr McArthur from the Association of Independent Retirees – Whyalla and Districts Branch in the hearing on 9 May 2003.

7.15 Mr McArthur suggested that many people have reached the top of their profession by the time they are nearing retirement age, and that many would like to take a step back at work and occupy a lower position for a few years before retiring fully. However, Mr McArthur, who cited his own experience as a school principal,

6 *Submission 37*, WA Department of Education and Training, p. 2.

7 *Submission 47*, IAA, p. 12.

8 *Committee Hansard*, 9 May 2003, p. 182.

9 *Committee Hansard*, 9 May 2003, p. 182.

argued that in many instances, social pressures prevent mature age workers from such a scaling-down of work commitments.

7.16 Accordingly, Mr McArthur suggested that the transition from work to retirement does not necessarily demand continuous enhancement of skills. It may also require a shift in public attitudes to support individuals taking a backward step in an organisation and undertaking part-time work.¹⁰

Promoting part-time work for mature age workers

7.17 Given the arguments in favour of part-time work for mature age workers, the Committee notes recommendations to promote the availability of part-time work for mature age workers.

7.18 In its written submission, the ABA made a number of recommendations that could promote the greater availability of part-time work for mature age workers:

- a) Employers could consider identifying positions which should be kept available for older employees and used for job-sharing or part-time employment;
- b) In appropriate industries, employers could use “work from home” arrangements to encourage men and women, especially with family responsibilities, to remain in the workforce;
- c) The government could provide tax incentives to employers to ensure that older employees are given opportunities for retraining so that they can stay in the workforce longer; and
- d) State governments could reduce or remove payroll tax on remuneration for older employees.

7.19 The Committee also notes the progressive employment policies for part-time workers being implemented by public sector agencies, and being pursued by the AWU through its “Smart Hours” campaign. These examples are discussed below.

Public sector employment policies

7.20 In June 2002, the Queensland Department of Industrial Relations (DIR) released its *Workforce demographics toolkit: Framework and strategies for an ageing workforce*. The toolkit is designed to encourage and assist Queensland public sector agencies to facilitate progressive transition from work to retirement for public service employees. Suggested strategies cover a range of flexible work practices, including part-time employment and job sharing.

10 *Committee Hansard*, 9 May 2003, pp. 202-205.

7.21 The Queensland DIR also intends to develop proposals for the effective implementation of phased retirement incentive options in Queensland public service agencies. This could include financial incentives which assist employees manage the impact of superannuation and taxation on their pre and post-retirement incomes – subject to a cost-benefit analysis, an examination of relevant legislation and Government approval.¹¹

7.22 The Queensland DIR also lists a number of family friendly measures which could be used to benefit mature age workers:

- a) Flexible starting and finishing times.
- b) Banked time to allow extra paid time off.
- c) Permanent part-time positions.
- d) Job-sharing where two or more employees make a voluntary arrangement. Job sharing arrangements can lead to lower absenteeism, as one employee can cover for the other if he or she is ill or on leave.
- e) Telecommuting to allow an employee to work from home. In many cases telecommuting improves productivity, as employees are able to complete tasks without distractions.
- f) Purchased leave, such as the 48/52 system which allows employees to negotiate an extra four weeks of unpaid leave per year, but without imposing an extra financial burden on the employer.¹²

7.23 The Queensland Department of Families also noted in its written submission that it is gathering information on succession planning within the department to ensure the passing on of knowledge and experience by employees nearing retirement. One option being explored by the department is for officers to ‘ease out’ of the workforce gradually. However, for many officers, this is not an attractive financial option as it would have a significant impact on their final superannuation payment (due to the lower salary on exit).¹³

The AWU’s “Smart Hours” campaign

7.24 In its submission, the AWU noted that at its biennial National Conference in 2003, the union adopted its so-called “Smart Hours” campaign. Under the “Smart Hours” proposal, an employee (aged over 50 with 10 years service) wishing to retire must give 12 months notice in order to commence a four staged retirement plan:

11 *Submission 23*, Queensland DIR, pp. 2-3.

12 *Submission 23*, Queensland DIR, pp. 4-5.

13 *Submission 9*, Queensland Department of Families, p. 1.

- a) First 3 months the employee trains his or her replacement;
- b) Second 3 months no more night shifts;
- c) Third 3 months the employee works Monday to Friday; and
- d) Final 3 months the employee enrolls in training programs relevant to their interest, and they get retirement and financial advice.

7.25 In its submission, the AWU indicated that this campaign is in response to the AWU's experience that too often workers approaching the end of their working life suffer a tumultuous transition from work to retirement. The AWU stated its belief that workers doing shift work or working long hours need time to adapt before retiring. Accordingly, the AWU is seeking to put a clause in every work agreement to meet the above priorities.¹⁴

Government labour force programs

7.26 In its written submission, DEWR indicated that it has a number of labour force programs and employment services designed to encourage and facilitate the participation of mature age workers in the workforce. These include Job Network services, the Active Participation Model, and Australians Working Together – an initiative to support mature age employment. These programs are examined below.¹⁵

Job Network

7.27 Job Network is a national network of around 200 private, community and government organisations responsible for finding jobs for unemployed people, particularly the long-term unemployed. Job Network is designed to provide flexible assistance tailored to the individual job seeker. Just under 20 per cent of all commencements in Job Network are of mature age.

7.28 Job Network members can meet employer demands for skilled labour in a number of ways. By listing job vacancies on JobSearch (www.jobsearch.gov.au), as well as searching their own job seeker registers, Job Network members may be able to locate job seekers who already possess the required skills or experience. In addition, intensive assistance providers may choose to address shortages of candidates with lower level skills through the provision of training to their clients. The payment structure for intensive assistance encourages major upgrading of skills by recognising educational outcomes.

7.29 However, consistent with public employment services in other industrialised countries, DEWR noted in its written submission that Job Network largely services the less-skilled segment of the Australian jobs market. Job Network, therefore, is not

14 *Submission 35*, AWU, p. 3.

15 *Submission 29*, DEWR, pp. 11-13.

able to directly address shortages in highly skilled or professional vocations, or to fill jobs requiring extensive training or formal qualifications.¹⁶

7.30 This point was raised by the NSW Committee on Ageing in its report *Too Young to Go – A Review of Good Practice in the Employment of Mature Workers*. It noted that mature age job seekers are in fact under represented amongst people using Job Network services, and amongst people having success using Job Network services, although the employment outcomes of the network for mature age workers are improving.¹⁷

7.31 Similarly, Workingconnections noted that the government's employment support mainly reaches people who do not come from a high-earning, professional background. As a result, the training available to them is often too basic. As stated by Ms Johnston in the hearing on 8 May 2003:

There is an awful lot of training done that gets nowhere. People come onto my database, we ask for their software skills and they say, 'I've got MYOB.' They have done three months MYOB training at a TAFE course or something, but it is totally useless out in the workplace because they have had no business experience with it. A lot of training is done because it fills the boxes, but it does not actually relate to the practical experience that makes people employable.¹⁸

The Active Participation Model

7.32 DEWR indicated in its written submission that from July 2003, the Active Participation Model (APM), provided under the new Job Network Service contract, will provide even more help to those most in need:

- a) Those who are most disadvantaged in the labour market will receive intensive support services from the date they are unemployed.¹⁹
- b) A single provider will work with each job seeker, whereas previously job seekers would have to register with a number of providers. In addition, job seekers will be given an account which will enable them to purchase a wider range of services together with approximately \$800, which can be used for taxi or bus fares to help them find work.²⁰

16 *Submission 29*, DEWR, p. 19

17 NSW Committee on Ageing, *Too Young to Go – A Review of Good Practice in the Employment of Mature Workers*, p. 94.

18 *Committee Hansard*, 8 May 2003, p. 130.

19 *Submission 29*, DEWR, p. 12.

20 *Committee Hansard*, 15 May 2003, p. 279.

- c) The APM will provide better linkages to complementary employment and training opportunities outside Job Network. Arrangements will be put in place whereby Job Network members can refer job seekers to complementary programs. DEWR is also establishing Memoranda of Understanding with state governments; as a result there will be stronger linkages between DEWR and state employment programs.²¹

Australians Working Together

7.33 The Australians Working Together (AWT) program introduces a number of services and incentives aimed specifically at helping job seekers aged over 50. They include:

- extra support and information about available services, including financial advice;
- Training Accounts – up to \$800 in value for eligible job seekers to undertake accredited, work-related training; and
- Training Credits for completing Work for the Dole and community work requirements.

7.34 Also under the AWT program, older job seekers have immediate access to Job Search Training, without first having to be unemployed for three months, as well as access to the Personal Support Program which assists people with severe or multiple obstacles to getting a job.

7.35 Transition to Work services are also available for people over 50, including those not on income support, who have been out of the workforce for two years or more or who are starting work for the first time.²²

7.36 The Committee also notes evidence from Ms McNally and Mr Matheson representing DEWR in the hearing on 15 May 2003 that DEWR is currently conducting joint workshops throughout Australia in conjunction with the COTA National Seniors Partnership to educate mature age workers about the changing nature of the labour market. This program of workshops was initially announced in Australians Working Together, and included four pilot workshops in 2001-02. A further fifteen workshops were held in 2002-03.²³

21 *Submission 29*, DEWR, p. 12.

22 *Submission 29*, DEWR, p. 12.

23 *Committee Hansard*, 15 May 2003, p. 278. See also DEWR responses to questions on notice, 1 July 2003.

Reform of government labour force programs

7.37 In its written submission, the COTA National Seniors Partnership recommend that the government's labour market programs need to be developed specifically for mature workers encompassing:

- Referral to appropriate services and training;
- Career advice;
- Assistance with job searches;
- Information technology training;
- Transition to retirement programs;
- Education about the labour force in the 21st century;
- Specialisation in the Job Network for dealing with mature workers – this should include specialised providers who are mandated to share information on best practice for mature age employment issues; and
- Better resources for Australians Working Together initiatives including the Transition to Work Program and the Prime Minister's Business Community Partnerships.²⁴

7.38 Similarly, in its written submission, the ICA noted that while there are a number of programs which focus on retraining, they are often aimed at the long-term unemployed and do not recognise the increased difficulty experienced by mature age workers when seeking employment. The ICA suggested that any break in employment prior to retraining can often lead to effective retirement due to discouragement and attitude change. Accordingly, the ICA recommended that the Government develop programs which enable older unemployed persons to re-skill in a timely manner and not following extended periods of unemployment which lead to loss of existing skills and act as a deterrent to potential employers.²⁵

7.39 This point was also raised by the ABA in its written submission. The ABA argued that government funded programs should place greater emphasis on encouraging existing mature age employees to be retained and retrained, rather than encouraging employers to dispense with older employees who may then qualify for retraining under the government's programs.²⁶

7.40 Finally, the Committee also notes the evidence of Dr Linklater from the NSW Committee on Ageing on the success of the NSW Mature Workers Program, which has a 70 per cent success rate in placing people in employment or education programs at an average cost of less than \$420. She suggested that this program has been successful simply because it informs people of their employment choices. Dr

24 *Submission 31*, COTA National Seniors Partnership, pp. 7-10.

25 *Submission 36*, ICA, p. 2.

26 *Submission 41*, ABA, p. 14.

Linklater noted that many older people simply do not know what employment options and employment assistance are available to them.²⁷

The Workingconnections job matching service

7.41 The Committee received a submission from Ms Johnson on behalf of Workingconnections, which is the job-matching service of the ARPA Over 50s Association Ltd. The Workingconnections service has been running for approximately a year, and is based on a small membership fee for both employers and mature job seekers.²⁸ Ms Johnston herself works part-time, two days a week for Workingconnections. She is the only staff member.²⁹

7.42 In the hearing on 8 May 2003, Ms Johnston indicated that Workingconnections currently has 275 mature people actively looking for work, and is generally placing one-or-a-bit people per week. Over 85 per cent of the people on the Workingconnections database are professionals who have been made redundant, of whom 80 per cent are men. Workingconnections also has 110 employers signed on.³⁰

7.43 In the hearing on 8 May 2003, Ms Johnston cited the story of a man on the database. In the Committee's opinion, it provides a human face to the job search for many mature age workers:

One fellow was in executive recruitment. He was even headhunted internationally and brought to Australia by a large consultancy that changed its direction three months later, and he found himself out on the street. He took a mortgage on his house and trained himself in quite an expensive training program in IT over two years, just to graduate as the IT business fell apart. He was 50 and, being an intelligent pragmatist, he looked around and said, 'I'm unlikely ever to find full-time work again,' and he set about doing a couple of things. He set about defining what it was that he really loved doing, and he has established a small and slowly growing business of training people in their homes to use IT and become IT literate. He also realised that he had to bring in income in other ways, so he looked at what he had been good at over his lifetime. He had come out of executive recruitment, so he said, 'I know what makes a good resume,' and he now brings in some income by writing resumes and job applications for people. His first degree was in maths, so he does some maths tutoring. He brings in some money by subediting on contract, because that was something he had already been doing.

He is an extraordinary fellow. He will do anything. He says, 'I never know who I'm going to meet.' He applies for jobs like washing cars. He has his

27 *Committee Hansard*, 5 May 2003, p. 81.

28 *Submission* 18, Workingconnections, p. 1.

29 *Committee Hansard*, 8 May 2003, p. 125.

30 *Committee Hansard*, 8 May 2003, p. 124.

chauffeur's licence, so he chauffeurs a couple of days a week because, he says, 'I never know what bigwig is going to be in the back of my stretch limo who might be the conduit to a job for me.' He supports his wife, who makes and sells jewellery. They go around markets together. He brings in a livelihood but it is hard work and very insecure. He pays his mortgage but there is no provision in any of his casual jobs for superannuation or to even think about retirement income.

7.44 The Committee wishes to place on record its recognition of the work being done by organisations such as Workingconnections, and their importance to society.