

Submission to the Willing to Work Inquiry

December 2015

National Seniors

Australia

About National Seniors Australia

National Seniors Australia is a not-for-profit organisation that gives voice to issues that affect Australians aged 50 years and over. It is the largest membership organisation of its type in Australia and is the fourth largest in the world.

We give our members a voice – we listen and represent our members' views to governments, business and the community on the issues of concern to the over 50s.

We keep our members informed – by providing news and information to our members through our Australia-wide branch network, comprehensive website, forums and meetings, bi-monthly lifestyle magazine and weekly e-newsletter.

We provide a world of opportunity – we offer members the chance to use their expertise, skills and life experience to make a difference by volunteering and making a difference to the lives of others.

We help our members save – we offer member rewards with discounts from thousands of businesses across Australia. We also offer exclusive travel discounts and more tours designed for the over 50s and provide our members with affordable, quality insurance to suit their needs.

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Recommendations

National workforce strategy

1. Develop a national ageing workforce strategy

Age-friendly workplaces

2. Promote age management (that is, the management of age-based diversity) in the workplace, including through job redesign and flexible working practices.
3. Establish a prestigious national Mature Age Workers' Employer Champion Award that recognises businesses which demonstrate best practice in employing, nurturing and retaining mature age workers.

Assistance for workers

4. Promote career planning to ensure that workers have the necessary education and skills required to retain or obtain work as they age.
5. Develop a tool to help identify if workers require new skills to reduce their risk of becoming unemployed in the future.
6. Provide tax incentives for mature age workers engaged in (re)training activities

Assistance for jobseekers

7. Provide targeted assistance for mature-age jobseekers to help them get back into the workforce.
8. Provide mature-age jobseekers with access to assistance to undertake intensive short-term education and training opportunities to upgrade skills or enter a new area of work.
9. Create an Apprenticeship and Traineeship program for mature age jobseekers to enable older jobseekers to secure employment opportunities in a new area of skilled work.
10. Create a subsidiary program of the New Enterprise Incentive Scheme (NEIS) for mature entrepreneurs which entitles recipients to the same level of financial assistance as other recipients
11. Adjust the Restart scheme to make it more attractive to employers and accessible to mature-age jobseekers.

Incentives to continue working

12. Retain and improve the Work Bonus incentive to allow older Australians to reap the social and economic benefits of workforce participation

Age discrimination

13. Amend state, territory and commonwealth workers compensation legislation to remove explicit and unreasonable age based restrictions on weekly compensation payments
14. Work with the insurance industry to align the qualifying age for income protection insurance with increases in the qualifying age for Age Pension.

Introduction

Australians live longer today than any previous generation in our nation's history and typically enjoy better health in later life than their parents and grandparents. In 2014, male life expectancy at birth increased to 80.3 years and female life expectancy increased to 84.4 years¹. The percentage of the population aged 65 years and over in Australia is projected to increase from 14 per cent in 2012 to over 25 per cent by 2062².

Greater life expectancy and improved health come with increased expectations and pressures for older people to participate longer in the workforce. While there are diverse social and economic pressures to participate in work, National Seniors believes that all Australians should be able to participate in work if they wish to do so.

Unfortunately, many workers face difficulties maintaining and gaining employment at a time when meaningful workforce participation can provide economic security, social connection and wellbeing benefits.

Even though workforce participation rates for older Australians have increased over the years and unemployment rates are relatively low, many have been discouraged from participating in the labour market because of the difficulties they face securing employment.

While some older workers exit the labour market because they have accumulated adequate income, investments and savings to support them in the future, others are not so fortunate. Some are forced to exit the labour market early because of ill health, disability or because of caring responsibilities. Others exit because they have become disillusioned after being constantly overlooked by employers.

Many of these older people would prefer to remain attached to the labour force in some capacity. These individuals require appropriate education and skills, flexible and appropriate work opportunities and supportive tax and transfer systems that facilitate and inspire workforce participation. Often older Australians are not able to access such opportunities and become discouraged from participating in the workforce altogether.

It is critical Australians continue to improve their chances of retaining and obtaining employment as they age. Many older workers, particularly those in low paid and low-skilled jobs, are at particular risk. They face the ever increasing risk of retrenchment yet have limited access to training and skill development opportunities to enable them to secure new employment should they lose their job. Opportunities for lifelong learning are essential to ensure that people can adapt to changing work conditions as they age.

Mature workers must also battle ingrained negative stereotypes about the productivity and capacity of older workers, which sees them overlooked for employment when competing against younger workers. It is disappointing, for example, employers view older people are

¹ Australian Bureau of Statistics (2015) *Deaths, Australia, 2014*, cat. no. 3302.0.

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/3302.0Main+Features12014?OpenDocument>

² Temple J. (2014) *Past, present and future of mature age labour force participation in Australia: How do regions differ?* Melbourne: National Seniors Productive Ageing Centre.

worth retaining in their current jobs, but not worth hiring as new employees³. This is why it is crucial to foster attitudinal change among employers to ensure that older workers are not viewed differently than other workers.

There is an economic and fiscal imperative to increasing participation rates amongst older Australians. Analysis has shown that increasing the participation rate of all people aged 55 and over would have increased the participation rate by six per cent and contributed an extra \$30 billion to the Australian economy in 2012⁴.

National Seniors argues that workers should be not be discouraged from participating in work as they age if this is their preference. National Seniors considers that workers should be supported to retain and obtain employment as they age, particularly those at risk of premature disengagement from the workforce. National Seniors believes that employers need to take the lead by making their workplaces age friendly and by ensuring that their hiring processes and training practices do not discriminate against older workers. National Seniors does not support recent assertions that older workers accept lower wages to retain or obtain employment as this is both discriminatory and disrespectful.

National Seniors welcomes the opportunity to make a submission to the Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability. This submission offers a number of key recommendations to support workforce participation among Australians as they age, ranging from activities to: promote age friendly workplaces; provide targeted assistance to mature-age work jobseekers; introduce and improve tax and transfer incentives; and remove policies contributing to age discrimination in the workplace.

The changing nature of the mature-age workforce

There are discernible trends in the way that mature-age workers engage with work. The past 20 years has seen significant increases in the proportion of older people participating in the labour force.

While participation rates have increased over time, participation in work continues to decline once people pass the age of 50. As Figure 1 shows, labour force participation rates decline for both men and women after the age of 50, with women withdrawing from the labour force much earlier than men.

While some are choosing to withdraw from the labour force because they have adequate income from investments and savings, others disengage from the labour market because of ill health, disability, caring responsibilities or because they have become disillusioned from being unable to find work.

³ Headey, B., Freebairn, J., Mavromaras, K., Oguzoglu, U., and Warren, D. (2007) *Mature Age Employment: Who Works, Who Does Not, and Why? Policy Options For Increased Employment*. Melbourne Institute of Applied Economic and Social Research.

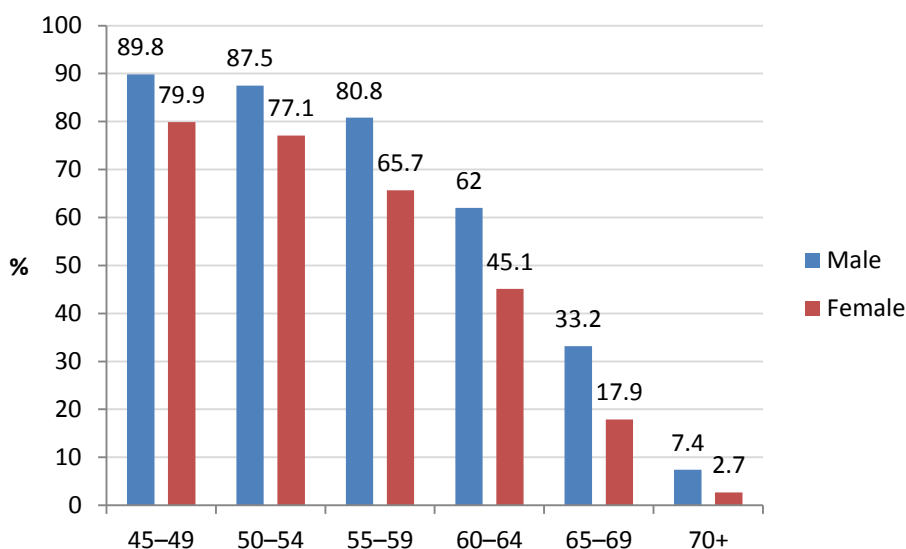
<https://www.melbourneinstitute.com/downloads/labour/4-06%20FINAL%20REPORT%20MATURE%20AGE%20EMPLOYMENT%20-%2025%20JULY%202007.pdf>

⁴ Chomik, R. and Piggott, J. (2012) *Mature-age labour force participation: Trends, barriers, incentives, and future potential*, Centre of Excellence in Population Ageing Research Briefing Paper 2012/01 http://www.cepar.edu.au/media/97250/participation_briefing_paper_final_with_logo.pdf

Australians become less likely to be employed on a full-time basis and more likely to be engaged in part-time work as they age⁵. Although some older workers are happy to work less than full time in jobs with flexible working hours, others would prefer or need to work more than what is currently available to them.

While the rate of underemployment generally declines with age, older workers have been shown to experience longer durations of underemployment than those who are much younger. In 2009, for example, 45 per cent of underemployed part-time workers aged 55 and over had insufficient work for one year or more. In comparison, only 21 per cent of people aged 15 to 19 had insufficient work for one year or more⁶.

Figure 1: Labour force participation rates by gender and age, Australia 2012⁷



There is also a discernible increase in the proportion of people who are self-employed in older age. An increase in self-employment has been shown among people aged 55 to 64⁸. It is no surprise that industries and occupations providing greater self-employment opportunities have greater rates of mature-age employment.

As people age, they tend to be employed in different industries and occupations. Males, for example, show a noticeable decline in the proportion employed in the Mining, Manufacturing and Construction industries and increased participation in the Agriculture, Forestry and Fisheries and Transport, Postal and Warehousing sectors when comparing younger and older cohorts.

⁵ Australian Law Reform Commission (Cth) (2013) *Access All Ages – Older Workers and Commonwealth Laws (ALRC Report 120): 2. Concepts and Context, Levels of mature age participation.*

<http://www.alrc.gov.au/publications/2-concepts-and-context/levels-mature-age-participation>

⁶ Australian Bureau of Statistics (2009) *Underemployed Workers*, cat. no. 6265.0

[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/0234F5869C8CAAC0CA2576D20013A485/\\$File/62650_sep%202009.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/0234F5869C8CAAC0CA2576D20013A485/$File/62650_sep%202009.pdf)

⁷ Temple (2014) *ibid.*

⁸ Chomik and Piggott (2012) *ibid.*

Females show a noticeable increase in the proportion employed as managers, clerical and administration workers and as labourers with decreased proportions employed as professionals and as technician and trades workers when comparing younger and older age cohorts⁹¹⁰.

It is important to acknowledge differences in the labour market between metropolitan and non-metropolitan areas. In non-metropolitan areas, the proportion of people employed in agriculture and in managerial roles increases in older cohorts compared to younger cohorts¹¹. Mature-age workers living in non-metropolitan areas are also more likely to be self-employed compared to those metropolitan areas¹².

Unemployment and labour force disengagement

The overriding concern facing mature-age workers is becoming unemployed. There are three significant consequences of becoming unemployed when you are an older worker. The first is that those who become unemployed are likely to remain unemployed. The second is that those who remain unemployed are likely to become discouraged from looking for work. The third is that once discouraged, older people exit the labour force and enter into early retirement when this may not be their preference.

Unemployment rates for mature-age workers are misleading. While the unemployment rate for mature age persons is relatively low, this statistic disguises the real extent of workforce disengagement among older Australians. What is concerning is the duration of unemployment among older jobseekers and the effect of this long-term unemployment on ongoing engagement in the labour force. Compared to younger jobseekers, a higher proportion of older jobseekers are long-term unemployed and are unemployed for longer periods of time.

In 2011, 36 per cent of males aged 55 to 64 were unemployed for over 12 months compared to only 21 per cent of males aged 15 to 24¹³. In terms of duration, the average for persons aged 45 and older was 62 weeks, compared to only 24 weeks for those aged 15 to 24 as at May 2012¹⁴. As these statistics clearly show, it is more difficult for a mature-age worker to reenter the workforce once unemployed compared to those who are younger.

The relatively long duration of unemployment contributes to other issues for mature age workers. Once unemployed, mature-age jobseekers are more likely to become disengaged from the labour force as a result of the difficulties finding work. While some older people exit the workforce early because they have the economic means to meet the costs of retirement, others are forced out of the workforce because they have been discouraged by the lack of employment opportunities available to them.

⁹ Temple (2014) *ibid*.

¹⁰ Temple (2014) *ibid*.

¹¹ Temple (2014) *ibid*.

¹² Temple (2014) *ibid*.

¹³ Chomik and Piggott (2012) *ibid*.

¹⁴ Australian Law Reform Commission (Cth) (2013) *ibid*.

According to data from the Australian Bureau of Statistics about 10 per cent of people retire from work because they have been retrenched, dismissed or because there is no work available¹⁵. While 13 per cent of persons aged 55–69 not in the labour force said they would like to work¹⁶ as much as 60 per cent of people over the age of 55 who were not in the labour force were discouraged jobseekers. What is most striking in statistics about discouraged jobseekers is that 36 per cent of all discouraged job seekers did not actively look for work because they believed that employers considered them too old¹⁷.

For older workers unemployment sets off a cascade of disappointment and disillusionment that ultimately leads to disengagement from the labour market. Preventing the flow of older workers into early retirement requires strategies that address the underlying factors that act as barriers to employment.

Barriers to workforce participation

Many factors influence the ability of older Australians to obtain and retain suitable work.

Education, skills and training

Education, skills and training significantly improve an individual's chance of participating in the labour market. Research clearly shows that participation rates are lower among cohorts with lower levels of education. Individuals who do not possess a post-school qualification have been shown to be less likely to be in the workforce at older ages than those who do¹⁸. This is confirmed in international research, which shows that the gap in participation increases with age between education groups across most OECD countries¹⁹.

Unfortunately, older workers are less likely to possess formal qualifications, have lower levels of formal education and possess lower levels of literacy and numeracy than younger cohorts.

To exacerbate this situation, it has been found that older (and lower educated) workers are presented with significantly fewer opportunities to participate in training activities to improve their skills and their employment prospects by employers²⁰. This situation is compounded for

¹⁵ Australian Bureau of Statistics (2013) *Retirement and Retirement Intentions, Australia, July 2012 to June 2013*, cat. no. 6238.0
<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6238.0Main%20Features3July%202012%20to%20June%202013?opendocument&tabname=Summary&prodno=6238.0&issue=July%202012%20to%20June%202013&num=&view=>

¹⁶ Australian Law Reform Commission (Cth) (2013) *ibid.*

¹⁷ Australian Bureau of Statistics (2013) *Persons Not in the Labour Force, Australia, September 2012*, cat. no. 6220.0
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6220.0September%202012?OpenDocument>

¹⁸ Australian Law Reform Commission (Cth) (2013) *ibid.*

¹⁹ Borland, J. (2004) *Transitions to Retirement - A Review*, Melbourne Institute Working Paper No. 3/05
https://melbourneinstitute.com/downloads/labour/34_FinReport.pdf

²⁰ OECD (2006) *Boosting Jobs and Incomes – Chapter 3 General Policies to Improve Employment Opportunities for All*, OECD Employment Outlook 2006. <http://www.oecd.org/employment/emp/38569396.pdf>

those employed in jobs characterised by low earnings and poor employment security, which also receive less training²¹.

Older workers are likely to be discouraged from participating in training because of the cost of doing so²². Yet the evidence strongly suggests that workers maintaining and upgrading their skills during their working life are more productive and fare much better in the labour market. Not only does ongoing training support individuals to remain employed but this also improves wage growth and increases productivity²³.

Changing economic conditions

It is clear that the changing structure of the economy impacts on the capacity of older workers to engage in the workforce. Older workers have benefitted from the shift away from more physically demanding jobs associated with agriculture and manufacturing towards a greater demand for less physically arduous service sector jobs. This enables older workers to be attached to the labour market longer than before when there was greater reliance on more physically demanding industries.

Unfortunately, older workers are still overrepresented in industries and occupations undergoing significant restructuring and downsizing. Mature-age workers, particularly males, are often retrenched as these sectors decline²⁴. While some mature age workers are able to transition to other sectors, many struggle to find alternative employment once they have become retrenched. Mature-age workers are less likely to be employed than a worker aged 25 to 44 after becoming retrenched. As a result, workers aged 55 to 64 become more likely to exit the labour market²⁵.

Health, injury and disability

Ill health and disability continue to pose a major barrier to participation, contributing to disengagement from the labour market and early retirement. The main reason for being out of the labour force among Australian males aged 45 to 54 was listed as disability or illness²⁶. Workforce exit is likely to be high among workers employed in blue-collar jobs, as a result of poor health and the inability to meet the physical demands of these types of jobs²⁷.

Ill health appears to have greater impacts on males than females. As one study has shown, the likelihood of being employed reduces by 24 per cent among males and 17 per cent among females when an individual has a long-term health condition²⁸.

²¹ OECD (2006) *ibid*.

²² Spoehr, J., Barnett K. and Parnis. E.. (2009) *Experience Works: The Mature Age Employment Challenge*, Adelaide: The Australian Institute for Social Research/National Seniors Australia.

²³ OECD (2006) *ibid*.

²⁴ <http://www.alrc.gov.au/publications/2-concepts-and-context/levels-mature-age-participation>

²⁵ Borland (2005) *ibid*.

²⁶ Borland (2005) *ibid*.

²⁷ Australian Law Reform Commission (Cth) (2013) *ibid*.

²⁸ Poehl, J. and Cunningham, B. (2011) Labour Market Engagement of Mature-Age Workers. *Australian Journal of Labour Economics*, 14(3) 237-264. Retrieved from http://ceebi.curtin.edu.au/local/docs/CLME_poehl.pdf

Research has also shown that illness and disability are strongly associated with retirement²⁹. One-third of Australian men retired from work because of ill health or injury in 2007³⁰.

While improved health outcomes are likely to increase participation of the mature-age population in the future³¹, it is essential that workers health and wellbeing is promoted throughout their working lives to ensure that mature-age workers continue to participate in the workforce.

Case Study – Ill Health

I'm 69 and fit again. I was in full time employment last year until I was unfortunate enough to go to hospital and suffered complications with my legs. When they discharged me with these problems I had to find specialists and other hospitals to fix the problems. This took five months. I was a sales executive and the company I was working for replaced me as they were losing business.

I now face the problem of trying to find a job. The problem is that companies are interested because of my vast experience, but when they find how old I am they say sorry we have found someone with more experience.

This is of course rubbish, they just won't employ someone of my age, even though I have all the experience they need.

What can I or you do to get the Government to get these employers to look at senior people with all the experience they need!

I'm fit enough to work for up to another 10 years and quite frankly if I cannot get a position (I will do anything) I will go bankrupt as the pension is not enough to exist after I pay the monthly rent on the small unit that I live in.

Caring responsibilities

The requirement to care for dependents has significant impacts on participation. Five per cent of those out of the labour force are caring for an ill or disabled person. The majority of these carers are women³².

A large majority of the informal care provided for people with disability or for people aged 60 years and older is supplied by mature-age persons. Mature-age persons made up 62 per cent of carers in 2009, with the majority of these being women.

²⁹ Choi, C. and Yu, P. (2015) *Health Status, Socio-economic Conditions and Retirement Decisions*. Centre of Excellence in Population Ageing Research Working Paper 2015/16
http://www.cepar.edu.au/media/154469/16_health_satus_socio-economic_conditions_and_retirement_decisions.pdf

³⁰ Spoehr, Barnett and Parnis (2009) *ibid*.

³¹ Chomik and Piggott (2012) *ibid*.

³² Borland (2005) *ibid*.

Caring for young children is also a barrier to participation workers with young grandchildren. This primarily affects women, who exit from or decrease their engagement in work to provide a significant amount of childcare for grandchildren³³.

Disincentives to work and incentives to retire

Some older people are discouraged from participating in work because of disincentives to do so. The presence of income support, for example, can discourage participation if the rules act as a disincentive. Evidence clearly shows that countries with higher implicit taxes on continued work have a lower average age of retirement³⁴.

Higher marginal tax rates affecting those on the Age Pension are believed to present a disincentive to combining work and retirement in Australia³⁵. As a National Seniors survey found, one in five pensioners turned down part-time employment to avoid any impact on pension entitlements³⁶.

In New Zealand, the pension is not impacted if pensioners undertake paid work, with income taxed at standard rates. The potential impact on participation is not insignificant with 11 per cent of people aged 65 and over participating in work in New Zealand, compared to only 6 per cent in Australia³⁷.

The accumulation of wealth is an important mechanism triggering exit from the labour force. It is no surprise that those holding generous superannuation coverage have been found to retire earlier³⁸.

While economic considerations clearly have an important impact on workforce participation in later life, other factors impact on labour market participation. Job satisfaction is viewed as being a particularly important in ongoing labour market attachment³⁹. Evidence also suggests that participation in the labour market amongst mature-aged persons is positively influenced by a partner's labour market participation⁴⁰.

Ageism and discrimination

Another important barrier to workforce participation among older people is ageism and discrimination. Ageism acts as a major barrier to the participation of older workers. Ageism categorises young people as lacking the maturity and experience to be effective employees. Ironically, this same ageism disregards the maturity and experience of older workers and incorrectly equates ageing with diminished capacity.

³³ Australian Law Reform Commission (Cth) (2013) *ibid*.

³⁴ Poehl and Cunningham (2011) *ibid*.

³⁵ Poehl and Cunningham (2011) *ibid*.

³⁶ National Seniors Australia (2008) *Sustainable Pension Reform*, Submission to the Australian Government's Pension Review. <http://nationalseniors.com.au/sites/default/files/081001-NationalSeniors-Sustainable-Pension-Reform-Submission.pdf>

³⁷ Headey, *et al.* (2007) *ibid*.

³⁸ Poehl and Cunningham (2011) *ibid*.

³⁹ Choi and Yu (2015) *ibid*.

⁴⁰ Poehl and Cunningham (2011) *ibid*.

It has been argued that older people are discriminated against because employers believe their skills are outdated, they are harder to train, less adaptable, will not fit into a younger workforce, and have potential health problems⁴¹.

Even in cases where an older worker may experience changes in their physical capacities this can be offset by modifications to work practices. It is increasingly recognised, for example, that workplaces need to introduce innovative practices and technologies to improve workplace health and safety outcomes for all employees. In this regard, declining physical strength can be accommodated by using suitable equipment or through job re-design⁴².

Recommendations

National workforce strategy

1. Develop a national ageing workforce strategy

National Seniors recommends the state, territory and commonwealth governments work together to develop a national strategy to address workforce ageing issues.

The strategy should:

- promote workplaces that are a multigenerational and considerate of the need to respect and encourage age diversity.
- acknowledge that employees need to adapt to the ongoing structural changes occurring within in the economy as they age.
- acknowledge that the process of ageing poses challenges and opportunities for the economy and for individual employers.
- offer practical solutions to assist employees and employers to take advantage of the opportunities brought about by changes to the economy and to the age structure of the workforce.
- include funding for practical research which assists employers and employees to adapt to the changing economy e.g. by identifying the future skills needs of the economy/sectors and identifying those employees who need to develop new skills etc.

National Seniors believes that a number of the specific recommendations set out within this submission could be incorporated with a national strategy.

⁴¹ Borland (2005) *ibid*.

⁴² Spoehr, Barnett and Parnis (2009) *ibid*.

Age-friendly workplaces

2. Promote age management (that is, the management of age-based diversity) in the workplace, including through job redesign and flexible working practices.

Australia's ageing population has significant implications for businesses and the economy. Due to the large cohort of baby boomers being close to retirement age, it is critical for employers to utilise age management strategies to attract, manage and retain mature age workers. Many employers could benefit from practical advice and tools to assist in the implementation of sound age management initiatives in order to avoid the premature exit of mature age employees from the labour market.

National Seniors has developed an age management toolkit for employers, which provides a 'one-stop-shop' of comprehensive and practical information for employers, supervisors, managers and HR professionals, to successfully initiate, implement and evaluate effective age management strategies with the aim of recruiting and retaining mature age staff. The toolkit is designed for individual tailoring according to specific sectors, industries, organisation size, workforce profiles and goals⁴³.

Promoting job redesign and supporting flexible working practices are two key age-management strategies that can assist an organization to retain mature age staff. National Seniors believes that peak employer and industry groups could promote the active use of age management strategies by businesses across Australia to support the employment of older Australians.

3. Establish a prestigious national Mature Age Workers' Employer Champion Award that recognises businesses which demonstrate best practice in employing, nurturing and retaining mature age workers.

Attitudinal change is critical to ensuring that the over-50s are seen not as a burden but as productive and valuable members of the workforce.

While thousands of businesses are committed to employing older Australians, the contribution of many of these businesses goes largely unknown. While many older employees may recognise the valuable support of their employer, acknowledgement within the wider community is needed to demonstrate best practice and to foster a wider culture that supports and sustains mature age employment.

By reviving the Mature Age Workers' Employer Champion Awards, or developing a similar award, astute businesses can lead the way in adapting to an ageing workforce and driving attitudinal change. Award criteria could cover recruitment practices such as training, education and career development opportunities, built environments, and alternative work options such as flexible hours, job-sharing and phased retirement.

⁴³ Williams, R. (2014) *Age management toolkit for employers*, National Seniors Productive Ageing Centre. <http://www.nationalseniors.com.au/be-informed/research/age-management-toolkit>

Assistance for workers

4. Promote career planning to ensure that workers have the necessary education and skills required to retain or obtain work as they age.

Career planning does is not just something for school leavers and university graduates but is vitally important throughout life. Career planning provides an understanding of work options, expands occupational choice, increases employability and job mobility, improves salary and extends an individual's working life. Unfortunately, as a recent National Seniors Productive Ageing Centre survey has shown, 50 per cent of mature-age workers do not view career planning as important for quality of life as they get older and only 40 per cent had actively undertaken career planning in the past⁴⁴.

There are a number of benefits of career planning ⁴⁵:

- Supports informed decision making
- Promotes skills development
- Increases mature-age workforce participation
- Equips workers for the global economy

National Seniors believes that career planning should be promoted throughout a person's life to give them the best chance of retaining and obtaining employment.

National Seniors recommends that career planning tools be developed to support workers to improve their employment choices. National Seniors recommends that work be undertaken to develop career planning tools to help workers to understand what education and skills they need to improve their ongoing employability based on demand for these skills.

Career planning alone will not suffice to equip workers to meet changing workplace conditions. Tax incentives and other supports will be required to assist workers so that they can engage in education and training opportunities. Employers will be critical in this regard, as they will need to provide workplaces that support training and lifelong learning.

5. Develop a tool to help identify if workers require new skills to reduce their risk of becoming unemployed in the future.

There is risk that mature-age workers will lack the capacity to find new employment if they lose their job because their skills have become outdated⁴⁶. While most interventions target people after they have been unemployed it is likely that these interventions come too late for many mature-age workers. As the research has shown, older jobseekers have greater difficulties reentering the workforce once they become unemployed or retrenched and spend a greater length of time unemployed than other cohorts.

⁴⁴ Lourey E. (2015) *Prevalence of career planning among mature age Australians*. Melbourne: National Seniors Productive Ageing Centre.

⁴⁵ Lourey E. (2015) *Ibid.*

⁴⁶ OECD (2006) *ibid.*

National Seniors believes that we must assist workers before they become unemployed to improve their chances of retaining or obtaining employment. In order to do this effectively we recommend developing a tool that helps workers to identify what they need to improve their chances of retaining and obtaining employment. The tool could identify if a worker needs to upgrade their education and skills and match individuals with the education, skills and supports needed to strengthen their employment prospects in the future.

This will require the development of an assessment tool to gauge a mature age worker's situation, which is based on existing evidence about the factors contributing to unemployment.

For example, it is acknowledged in both the Australian and international research literature that educational attainment is positively correlated with labour force participation⁴⁷. As such, a mature age worker's educational attainment should be included as a factor to determine the overall level of risk. Other relevant factors would include profession, age, skills, work experience, health, disability, superannuation income, English proficiency, assets etc. The tool would need to be updated regularly reflect changing demand for particular skills and professions.

Employers should be encouraged to get employees to use the tool as part of best practice. Employees would fill out an online survey, which could be accessible through the myskills website. Ideally the tool would offer workers identified as high risk with information about the kinds of education and skills required and information about opportunities to upgrade these education and skills.

6. Provide tax incentives for mature age workers engaged in (re)training activities

National Seniors strongly advocates the widening of the eligibility criteria for work-related self-education expenses for mature age Australians to include training undertaken in order to secure employment or upgrade current employment skills.

Research undertaken by the National Seniors Productive Ageing Centre has found that barriers relating to skills, retraining and experience have a significant impact on mature age job seekers. The Consultative Forum on Mature Age Participation rated these barriers to labour force participation amongst the highest being faced by mature age Australians. Yet research in Australia has also found that mature age Australians face a lack of appropriate training opportunities to upgrade their skills. Not only are existing programs often inappropriate for older people but significant costs can also be faced⁴⁸.

Mature age Australians, whether unemployed, underemployed or working, who seek to reskill themselves proactively to ensure their employability must do so entirely at their own cost, unless they meet the very narrow criteria for Government funded training. However, taxpayers are only able to claim a tax deduction for self-education expenses if those expenses relate to the work being undertaken at the time.

⁴⁷ Borland (2005) *ibid*.

⁴⁸ Spoehr, Barnett and Parnis (2009) *ibid*.

Tax subsidies or grant schemes for firms have the potential to raise employers' investments in training, but such schemes should be carefully designed in order to avoid waste of public resources and also ensure that they reach their targets⁴⁹.

Case study – Retraining

I am 69 and healthy and active. Last September I resigned my part-time job after seven years of working in administration to move to be close to family.

As I was not yet ready to leave the workforce and wanted to be involved in a field to help others I enrolled at the local TAFE and successfully qualified with a Certificate III in Aged Care. I was hoping that, with a qualification in a much needed field, I should not have difficulty getting part-time employment at my new location.

Since arriving I have applied for several advertised positions in aged care, always with the same result "not successful". I have applied a second time for advertised vacancies at one employer, and sent a second updated application to another employer - always the same response. Part of the application process requires a Driver Licence or a Passport, both of which show date of birth. I have been doing volunteer work at two of the organisations which have rejected my job applications.

I am very disappointed. I would not have studied at my own expense if I was not willing to work and I would really like to make a contribution and reduce my need for the Aged Pension. I imagine that there are many people in my position - wanting to work, and being denied the opportunity.

Assistance for mature-age jobseekers

7. Provide targeted assistance for mature-age jobseekers to help them get back into the workforce.

Mature age workers face greater barriers to reengagement in the workforce once unemployed. Mature-age workers require specific attention to ensure that they do not become discouraged and disengaged from the workforce.

Unfortunately, mature age workers are treated much the same as any other jobseeker when accessing assistance from Centrelink and through *jobactive* providers. Assistance is often generic and inappropriate and fails to take into account the specific circumstances of individual jobseekers.

Any training and assistance offered to mature-age candidates through a *jobactive* provider should be tailored to the needs of individual candidates so as not to require mature jobseekers to undertake superfluous tasks, such as resume writing, when these skills are adequate. Making older people jump through hoops to meet eligibility requirements does nothing to help them find a job. Assistance should be targeted at addressing specific barriers faced by individuals, whether these are skills based barriers or personal barriers.

⁴⁹ OECD (2006) *ibid*.

While there is some specific assistance to mature-age jobseekers from wage subsidies to employers, support provided to mature-age jobseekers could be better tailored to meet their specific needs.

National Seniors believes that there is a strong case for the development of targeted approach to supporting mature-age job seekers. This requires the packaging of a range of existing allowances, payments and subsidies for mature age jobseekers into a specific mature-age jobseeker support programme. While we acknowledge the recent change from Jobs Services Australia to *jobactive*, these reforms do not go far enough to meet the specific needs of mature-age workers because they do not fundamentally change the type of assistance available.

If mature-age jobseekers become unemployed, they should be able to access assistance that gets them back into the workforce or gives them access to education and training to support this endeavour. Mature-age workers should know where to go for help and what help is available, and be able to get that help as quickly as possible.

Aside from having assistance to find work through *jobactive* and income support through the Newstart Allowance, mature age jobseekers should be offered the following options:

- Assistance to undertake intensive short-term education and training to upgrade skills or enter a new area of work.
- Access to apprenticeship and traineeship opportunities to enable older jobseekers to secure employment in a new area of skilled work.
- Support to develop a self-employment opportunity.
- Access to wage subsidies that are attractive to employers.

Mature-age jobseekers should be provided with an initial assessment to ascertain if dedicated assistance is suitable. During this period, jobseekers would still be actively looking for work and provided with access to Newstart Allowance provided they met the eligibility requirements.

Mature-age jobseekers should be made aware of the incentives and wage subsidies on offer to employers so they can actively use this to promote themselves to employers.

Case Study – Assistance for mature-age jobseeker

For the last year I have looked for work. I am an experienced, qualified senior executive secretary. I was made redundant from the company where I had been working for nearly seven years and after two years on the pension decided that I really wanted to go back to work both for my sanity, as I miss working and of course financially.

I registered with several employment agencies. Nothing came my way. I went to seek help and advice at Centrelink – and went to talk to people at the ORG group. Neither of these organisations were able to help me. Centrelink does not have facilities to help pensioners/retirees to find a job and ORG told me they do not deal with that age group either.

So, where do we go? Who is there to help us find a job when we are not only able and capable to perform tasks but also have invaluable experience? I live in a region where there are lots of industries, hospitals, businesses. ORG told me that if I wanted to work I would have to travel to the city which seems incredible in view of the variety of businesses in my region.

There are too many of us around who want to work and who are ignored. We need agencies, support to help us gain employment. Discrimination starts here.

8. Provide mature-age jobseekers with access to assistance to undertake intensive short-term education and training opportunities to upgrade skills or enter a new area of work.

National Seniors believes that mature-age jobseekers should be able to upgrade their skills by undertaking intensive short-term education and training if they need to. National Seniors recommends that mature-age jobseekers should be able to access financial assistance to undertake retraining provided they meet income and asset test requirements.

Dedicated study often has limited appeal for older workers. It can be difficult for a mature-age person to justify the risk of taking time out of employment and taking on debt to invest in the development of skills when the returns of this investment are unknown and they have family responsibilities, existing financial commitments and shortened time frames for paying back loans⁵⁰. Yet there is a clear need for some mature-age workers to participate in intensive education and training to upgrade or change their skillset to ensure they can gain employment.

Currently, mature age jobseekers wishing to upgrade their education and skills have access to the same support as other Australians to participate in education and training. Individuals can apply for financial help while undertaking full-time study through the Austudy Allowance and can use the Higher Education Loan Programme (HELP) to pay for the upfront fees associated with various study.

The extension of HELP to cover higher level Vocational Education and Training (VET) courses, such as diplomas, provides an opportunity to assist those wanting to upgrade their skills and qualifications. National Seniors acknowledges that there have been administrative problems with VET FEE-HELP and supports any moves to cap fees and reduce the exploitation of potential students. It is essential that mature-age workers continue to have the option of VET FEE-HELP available to enable them to upgrade or acquire new skills.

National Seniors recommends that mature-age jobseekers be able to access Austudy Allowance as a means of providing financial assistance while undertaking intensive study. Unfortunately, some mature-age jobseekers may not be eligible for Austudy Allowance because of previous study. Because an individual cannot receive Austudy Allowance if they

⁵⁰ OECD (2006) *ibid*.

have undertaken study at the same level in the previous 10 years⁵¹ some mature-age individuals might not be able to receive financial assistance to undertake further study. This may disadvantage mature-age jobseekers needing to move into a new career if their existing qualifications have become redundant.

Case Study - Retraining

I am 67, 68 in December, with severe insulin dependent diabetes and other medical conditions. I cannot and do not receive enough income from the pension alone.

I am considering going back to work, as a counsellor in private practice. To do this I need to complete a new qualification, even though I have been a counsellor and a financial counsellor with a number of agencies and studied counselling as part of my Clinical Pastoral Education about thirty years ago.

My new course will take me about eighteen months, maybe less. I am possibly one of the more lucky ones; many older people need to go back to work - to whatever they can get!

9. Create an Apprenticeship and Traineeship program for mature age jobseekers to enable older jobseekers to secure employment opportunities in a new area of skilled work.

Being able to develop new skills whilst participating in paid employment is a useful strategy for older workers who may be looking for new opportunities after a setback or redundancy. Apprenticeships and traineeships offer one way of achieving a work/skills balance because they include paid employment, on-the-job training, and formal training that leads to a recognised qualification⁵². This is critical because education, training and re-skilling is most effective when it is linked to local labour markets and the needs of economy⁵³.

National Seniors recommends that adequate incentives be provided to employers to take on mature age jobseekers as apprentices and trainees. This could be done by increasing the value of the existing Mature Age Worker Commencement and Completion Initiatives for apprenticeships and traineeships.

⁵¹ Department of Social Services (Cth) (2015) *3.3.4.80 Austudy & Impact of Previous Study*, Guide to Social Security Law, Version 1.217. <http://guides.dss.gov.au/guide-social-security-law/3/3/4/80>

⁵² Hargreaves, J. and Blomberg, D. (2015) *Adult trade apprentices: exploring the significance of recognition of prior learning and skill sets for earlier completion*, Adelaide: National Centre for Vocational Education Research [NVCER]. <http://www.ncver.edu.au/wps/wcm/connect/624723ff-730a-4718-98d8-a344a7ab1cb2/Adult-trade-apprentices-2815.pdf?MOD=AJPERES&CACHEID=624723ff-730a-4718-98d8-a344a7ab1cb2>

⁵³ Spoehr, Barnett and Parnis (2009) *ibid.*

While age restrictions for apprenticeships and traineeships have been removed⁵⁴ and uptake is increasing amongst mature-age jobseekers⁵⁵, there is still a relatively low uptake of apprenticeships and traineeships among mature jobseekers.

The decision to pursue an apprenticeship or traineeship poses significant risks for a mature age jobseeker because of the low wages attached to these positions. It also poses risks for employers who must balance labour needs and training capacity with the costs of employment. Yet despite these inherent risks mature-age apprentices and trainees offer benefits to employers.

A mature-age candidate is likely to possess transferrable skills and experience that will make them a competent candidate. A mature-age candidate will also likely be more reliable and willing to stick it through. Data indicates, for example, that a greater proportion of mature age apprentices complete their training than those in much younger age groups⁵⁶. This indicates that an investment in a new mature age apprentice may create more stable returns for an employer.

Not everyone is likely to be in a position to accept the relatively low wages offered during apprenticeships and traineeships, especially in the first years of indenture. Nevertheless mature-age workers should not be overlooked when designing employment incentives and wage subsidies.

Despite the fact that mature age apprentices and trainees provide life experience and lower completion risks to an employer, a lack of incentives and differences in pay rates conspire to undermine an employer's ability to employ a mature-age jobseeker, especially in constrained economic conditions.

Analysis of pay rates using the Fair Work Pay Calculator show that an individual employed under a traineeship who has left school one year prior to commencement would be paid \$433.40 per week under the award, whereas someone who is mature age (who left school 5 years ago or more) would have to be paid \$579.70 per week. This equates to a difference over the year of \$7,592 between a young person who has just left school and someone who is mature aged. While employers are currently eligible for a commencement and completion incentive for employing an apprentice or trainee who is 45 or over totaling \$1,500, an employer would still be \$6,092 better off taking on a much younger trainee.

⁵⁴ NVCER (2012) *Overview of the Australian apprenticeship and traineeship system*, NVCER Report 1.

<http://www.australianapprenticeships.gov.au/sites/prod.australianapprenticeships.gov.au/files/publication-documents/NVCERReport1.pdf>

⁵⁵ People aged 45 and over made up only 2.5 per cent of apprenticeship commencements in 2004 compared 11.9 per cent in 2013

⁵⁶ NVCER (2015) *Australian vocational education and training statistics: apprentices and trainees 2015 – March quarter*, Adelaide, NVCER.

<http://www.ncver.edu.au/wps/wcm/connect/71cf541e-a041-4473-8189-6c62bbfd6bc9/2015-apprentices-and-trainees-mar-qtr-2820.pdf?MOD=AJPERES&CACHEID=71cf541e-a041-4473-8189-6c62bbfd6bc9>

10. Create a subsidiary program of the New Enterprise Incentive Scheme (NEIS) for mature entrepreneurs which entitles recipients to the same level of financial assistance as other recipients

The proportion of people over 55 who are self-employed has risen dramatically over the past 25 years. The number of people age over 55 who are self-employed is now on par with the number aged from 35 to 44 and 45 to 54 when it was roughly one-third less some 25 years ago. Self-employment may be a response to difficulty finding employment⁵⁷.

There are many older Australians with vast knowledge and experience who are keen to use this knowledge and experience to start their own business. As entrepreneurs, they have the advantage of developed networks; industry experience; technical and managerial skills; and a strong financial base. These individuals may have interesting and viable business ideas but lack some of the basic skills required to run a small business, be unaware of the opportunities available to support them to develop their own business or be wary of the risks involved in starting their own business.

National Seniors recommends that mature-age entrepreneurs have access to a modified version of the existing NEIS programme to enable them to develop a self-employment opportunity.

There are a number of positive social and economic benefits for seniors participating in creating and maintaining their own business, such as being able to continue to participate in the workforce. Seniors can be deterred from reaping these benefits because of the complex administrative procedures required to start a business and the lack of capital. Education and training is required to help seniors start and maintain self-employment.

While the NEIS scheme is available to anyone over 18, targeted assistance for seniors is only available to NEIS recipients over 50 who are classified as Non-Allowee Mature Age (NAMA). NEIS recipients classified as NAMA are not eligible for the NEIS Allowance but must have the financial capacity to support themselves during the 15 month NEIS assistance period, which includes an intensive seven week training period in which a recipient studies a Certificate IV in Small Business and help to develop their business plan⁵⁸.

“Senior entrepreneurs” who do not have the financial capacity to support themselves during the initial stages of starting a business should have access to targeted support and training through the NEIS scheme, which recognises and builds upon the unique skills and knowledge possessed by older workers.

11. Adjust the Restart scheme to make it more attractive to employers and accessible to mature-age jobseekers.

In the 2014-15 Budget, the federal government announced a new incentive scheme to encourage employers to take on mature-age workers. The scheme provided employers with payments of up to \$10,000 if they employed a person over the age of 50 for a period of 24 months. An employer is eligible for the scheme if a potential employee has been unemployed for 6 months or longer and registered with a *jobactive* or Disability Employment

⁵⁷ Spoehr, Barnett and Parnis (2009) *ibid*.

⁵⁸ Greater Melbourne Employment and Training Services (2012) *New Enterprise Incentive Scheme: An Australian Government Initiative*. http://www.gramets.com.au/neis_nama.pdf

Services or Community Development Programme provider. Original Budget projections estimated that 32,000 individual workers would benefit from the scheme annually⁵⁹.

In the 2015-16 Budget the scheme was amended so that employers only needed to employ a mature-age worker for a period of 12 months. Unfortunately less than 2,200 individuals have benefitted from the program so far (as of 17 September 2015)⁶⁰. While the scheme has failed to meet its targets this is largely a product of the way scheme was administered.

To improve take-up, Government should reduce the requirement that a potential employee be unemployed for six months or more. This would ensure that a greater number of potential candidates are available and that jobseekers do not languish for long periods of unemployment, which further reduces their chances of gaining employment.

More resources should also be directed at promoting the Restart scheme to the business community. This campaign could provide an opportunity to promote the benefits of employing older Australians.

Government should investigate if there are any mechanisms in place, used to deliver the incentive to employers, which are having a negative impact on uptake. It is possible, for example, that *jobactive* provider may be reluctant to put older jobseekers forward for a job as a result of the way that the subsidy is administered through a provider⁶¹.

There is one aspect of the Restart programme that should be addressed. While it is important that the Restart programme tackles the very real problem of gaining employment facing mature-age jobseekers, it is important that the subsidy include some provision to offer training.

Because this programme has no requirements to provide formal training, it may undermine the skill development and future employability of mature age workers. Given how generous the subsidy is, it is possible that an employer might be attracted to the scheme but fail to offer training and skill development to further enhance the employability of the candidate. It is important, therefore, that the scheme involves some provision for training or, failing this, that the incentives offered for training and skill development be available in addition to the scheme.

⁵⁹ Commonwealth Government (2014) *Restart: Assistance for mature age job seekers*, Budget 2014-15. http://www.budget.gov.au/2014-15/content/glossy/welfare/html/welfare_07.htm

⁶⁰ Abetz, E. (2015) *Restart delivering for older workers and businesses*, Media Release 17 Sep. 2015. Minister's Media Centre: Employment Portfolio. <https://ministers.employment.gov.au/abetz/restart-delivering-older-workers-and-businesses>

⁶¹ Under *jobactive* Deed between the Australian Government and providers, government does not pay the Restart subsidy directly to an employer. A *jobactive* provider must pay the subsidy directly to the employer and then submit a claim for reimbursement through the Department of Employment's IT Systems in accordance with clause 89.2 and 89.3. There are legitimate questions as to whether this might unintentionally create a situation where provider might be hesitant to offer up mature age jobseekers for job opportunities if there is a delay in payment from the Commonwealth. Department of Employment (Cth) (2015) *Final jobactive Deed 2015-2020*. https://docs.employment.gov.au/system/files/doc/other/final_jobactive_deed_2015-2020.pdf

Incentives to continue working

12. Retain and improve the Work Bonus incentive to allow older Australians to reap the social and economic benefits of workforce participation

The Work Bonus increases the amount of money an eligible pensioner can earn from employment before it affects the Age Pension. Pensioners can earn up to \$250 per fortnight without impacting the Age Pension income test and can accrue this up to a maximum of \$6,500 to offset larger income payments. This incentive encourages workforce participation by reducing the impact of income tests on Age Pension entitlements⁶².

National Seniors supports the retention of the Work Bonus incentive and recommends that this be improved to ensure that older Australians reap the social and economic benefits of participating in work.

Workforce participation has a number of social and economic benefits for older Australians. While these benefits are not universally shared, they include immediate and long economic benefits as well as physical and psychological benefits from participating in the social interactions offered through work participation.

The Work Bonus incentive reduces the barrier to participation in work for older Australians but could be improved to make it more accessible.

The Work Bonus is not currently available for people who are self-employed, yet there is clear evidence that self-employment becomes increasingly prevalent among older Australians remaining in the workforce⁶³. National Seniors would argue, therefore, that the Work Bonus should be extended to those who are self-employed in order to act as a realistic incentive for workforce participation for older Australians. An expansion of the scheme to encompass self-employed age pensioners would act as an incentive for them to continue working and, potentially, to start microbusinesses.

In addition, National Seniors proposes that the level of the Work Bonus be fixed as a proportion of an employment based index, e.g. 10 per cent of Male Total Average Weekly Earnings (\$148.45 per week at May 2015⁶⁴), and adjusted annually. This would ensure that it realistically keeps pace with income and reinforces the perception that the Work Bonus is an employment incentive.

⁶² Department of Social Security (2015). 'Work Bonus' Accessed 26 November 2015

<https://www.dss.gov.au/our-responsibilities/seniors/programs-services/work-bonus>

⁶³ Poehl, J. and Cunningham (2011) 'Labour market engagement of mature-age workers' in *Australian Journal of Labour Economics*. 14, 3. pp. 237.

⁶⁴ Australian Bureau of Statistics (2015) *Average Weekly Earnings, Australia, May 2015*. Cat. No. 6302.0 Accessed 2 December 2015 <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0/>

Age discrimination

13. Amend state, territory and commonwealth workers compensation legislation to remove explicit and unreasonable age based restrictions on weekly compensation payments

Workers who want to continue to work as they age should not be discriminated from doing so on the basis of age. There is no evidence that older workers are more prone to injury and are therefore a greater risk or burden on compensation schemes. In fact data suggests that older workers are less prone to work-related injuries and illnesses⁶⁵.

Yet many of the various state, territory and commonwealth workers compensation schemes include retirement provisions that treat people differently based on their age and have the potential to force individuals to retire early, when this may not be their preference.

National Seniors believes that age limits for income replacement cover are discriminatory and at odds with government's aspiration to have individuals work longer. National Seniors recommends that workers compensation legislation be, at the very least, changed to align with the changes to the Age Pension age, as has been done in the Northern Territory. Ideally all state, territory and commonwealth workers compensation legislation should remove age restrictions on replacement income and replace this with capped limits on the period or amount of payment available regardless of age. Doing so would bring legislation into line with Queensland and Western Australia, which do not have any retirement provisions or age restrictions in their respective legislation⁶⁶.

National Seniors urges the Commonwealth Government to show leadership in this regard by amending its workers compensation legislation. Australians over the age of 65 who are covered under the Comcare scheme, for example, are not eligible for weekly incapacity benefits if they are injured at work. Without access to replacement income anyone under the Comcare scheme who is injured over 65 could be forced to retire.

In Tasmania, if a worker injures themselves after 64 they will only be able to claim income payments for 12 months from the date of the injury. In comparison, claims made before the age of 64 are payable up to a maximum of nine years up to the age of 65. While the Act provides for compensation to continue if the worker would have continued to work beyond 65⁶⁷, this is subject to Tribunal approval and unclear how this would be calculated.

⁶⁵ Australian Human Rights Commission (2012) *Review of the Safety, Rehabilitation and Compensation Act 1988*, Australian Human Rights Commission submission to the review committee, Department of Education, Employment and Workplace Relations. <https://www.humanrights.gov.au/review-safety-rehabilitation-and-compensation-act-1988>

⁶⁶ Safe Work Australia (Cth) (2013) *Comparison of Workers' Compensation Arrangements in Australia and New Zealand*. <http://www.safeworkaustralia.gov.au/sites/SWA/about/Publications/Documents/782/ComparisonWorkersCompensationArrangements2013.pdf>

⁶⁷ WorkCover Tasmania (2014) *A Guide to Workers Compensation in Tasmania*. Tasmanian Government.

Case Study – Workers Compensation

I am 67 years of age. Prior to my 65th birthday, I was employed as a community care worker and in aged care administration. After moving north I have applied to quite a few aged care employers without success except one, which hasn't as yet provided any paid work. Most of my applications have not been acknowledged. I am of the opinion that the main reason for lack of interest is Workers Compensation laws in Tasmania which inhibit employment of people over 65 years. From my own experience I know that the industry always needs carers and male carers are not in great numbers.

14. Work with the insurance industry to align the qualifying age for income protection insurance with increases in the qualifying age for Age Pension.

Private insurance cover providing income protection for workers is an important safeguard against financial hardship in the case of injury or illness. This form of income protection is particularly important for people who are self-employed or run a small business, a situation that is more prevalent among older populations.

Income protection insurance policies differ in terms of age limits for claims. Age limits vary between 60 to 65. Changes to the Age Pension age between July 2017 and July 2023 will increase the eligibility age progressively to 67. This will result in a gap in coverage for people who have no choice but continue to work until they are eligible for the Age Pension. It is important that older people have access to income protection up to the Age Pension age to ensure that there is coverage in the case of injury or illness.

National Seniors recommends that the state, territory and commonwealth government's work with the insurance industry to align the qualifying age for income protection insurance with increases in the qualifying age for the Age Pension.