



Submission to the Senate Select Committee on Job Security

Prepared by

COTA Australia

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COTA Australia

COTA Australia is the national consumer peak body for older Australians. Its members include State and Territory COTAs (Councils on the Ageing) in each of the eight States and Territories of Australia. COTA Australia and the State and Territory COTAs have around 40,000 individual members and supporters and more than 1,000 seniors' organisation members, which jointly directly represent over 500,000 older Australians.

COTA Australia's focus is on national policy issues from the perspective of older people as citizens and consumers and we seek to promote, improve and protect the circumstances and wellbeing of older people in Australia. Information about, and the views of, our constituents and members are gathered through a wide variety of consultative and engagement mechanisms and processes.

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Contents

COTA Australia	2
Summary	5
Policy recommendations	8
1. The vision: equity and security in employment for older people	11
2. The reality: Many older people have a precarious grip on employment	12
3. Many older people – especially those working part time – lost their jobs in the COVID recession	15
4. How older people become trapped in precarious employment, long-term unemployment, and forced retirement	16
5. Policies to improve employment and income security for older people	23

Table of Figures

Figure 1: Workforce participation rate (women).....	11
Figure 2: Workforce participation (men)	11
Figure 3: A higher proportion of younger and older workers are part time or casual	14
Figure 4: Percentage of people employed in March who were not employed by May, by age in 2017–2019 and 2020	15
Figure 5: Employment gains and losses over the last year.....	16
Figure 6: Newstart Allowance recipients by age and payment duration (2019)	17
Figure 7: Older workers have lower qualifications and are more likely to work part-time	18
Figure 8: Entry-level jobs are diminishing, along with hours worked in those jobs	19
Figure 9: Reasons for retirement for people retiring between 2013 and 2019 (per cent).....	20
Figure 10: Percentage of people retiring from 2013 to 2019, by age and reason for retirement	21
Figure 11: Percentage of people retiring involuntarily from 2013 to 2019, by wealth level.....	22

Introduction

COTA Australia welcomed the establishment of the Senate Select Committee on Job Security and appreciates the opportunity to present this submission, with a specific focus on mature age and older workers. It is not commonly appreciated that many older people in the workforce are especially vulnerable to insecure work and its many negative implications. This submission sets out that vulnerability and present recommendations on what should be done to address it, including taking stronger action against age discrimination and ageism.

Summary

Older people are making a growing – and much needed – contribution to the workforce, but too many are denied a secure transition to retirement

By 2050, almost one third of Australia's population will be over 60. We need to constantly challenge the persistent view of an ageing population as a 'burden'. Older people will continue to contribute to our economic and social life, if we allow them to:

- A three percentage-point increase in participation among workers aged 55 and over would boost GDP by 1.6% a year, or \$33 billion in current dollars.

For this to happen, the labour market will have to be more welcoming of older workers and more responsive to their aspirations and needs.

- Older workers want a secure income and many want flexibility in hours of work. Over a third (38%) of older workers planning their retirement propose to transition to part time employment.

There is a clash between this vision for the future and the reality in which older people are often excluded from employment and rendered invisible through 'forced retirement'.

- Like many young people, older workers seeking part time employment or more flexible work arrangements are forced to trade this off against job and income security.

Once older workers lose their 'career job', they are more vulnerable to job insecurity, long-term unemployment and poverty

Older men who lose a career (long term, 'permanent') job are more likely to become stuck in unemployment or in precarious employment, since they are likely to have forged a career in a particular industry using particular skills (e.g. printing). This makes them more vulnerable to industry restructuring.

- *Older women* are much less likely to have had a career job in the first place, as their careers were interrupted by care for children, family members with a disability, or older family members needing care.

Once unemployed, older people take much longer to regain employment.

- Half of unemployed people aged 55–64 years spend over 44 weeks searching for work, twice the median duration of unemployment for those aged 35-44 years (22 weeks).
- Among recipients of unemployment payments aged 50 years and over, 61% relied on them for two years or more, compared with 49% of recipients of all ages. Almost a third (31%) were on unemployment payments for five years or more.

Prolonged unemployment, and unemployment payments of just \$44 a day, significantly increase the risk of poverty and homelessness.

- Among people aged 50 or over receiving Newstart Allowance, more than half (56%) are expected to receive income support for some or all of every year for the rest of their lives.
- The number of people aged 65 and over who are homeless grew by 30 per cent between 2011 and 2016.

Precarious employment is not just a problem for young people

Precarious employment – jobs that don't provide a decent, predictable income – also disproportionately affects older workers:

- Among employees aged 45 and over, 16% are casuals and 30% are part time, compared with 15% and 25% respectively among those aged 25-44 years;
- Part time employment need not be under-paid or precarious. Yet half of all part time jobs are casual (with no leave entitlements or guaranteed paid hours), and 40% only offer 1 to 19 hours a week.
- People employed as casuals are over 60% more likely than those in fulltime permanent jobs to be forced to retire involuntarily.

Many older people lost their jobs in the recession

- The COVID recession exposed the precarity of casual employment. Casual workers accounted for around two-thirds of those who lost their jobs.
- During the trough of the recession between February and May 2020, 12% of employees aged 55 or over lost or left their jobs, compared with 5% over the same period in previous years.

Between March 2020 (just before the recession) and February 2021, overall employment almost recovered to its previous level, but for older workers the recovery has been uneven.

- While the number of fulltime jobs held by people aged 55-64 years rose by 5%, they still had 5% less part time jobs, and 25% more older workers were unemployed.

Older workers' employment options are often constrained by their qualifications

Older people's 'room for manoeuvre' in the labour market is often constrained by lower educational qualifications.

- Among people aged 60-64 years, 54% lack post-school qualifications compared with 43% of all people aged 15-64.

This means they rely more on entry-level jobs, which are a diminishing share of overall employment.

- Over the last decade since the Global Financial Crisis, the share of entry-level jobs shrunk from 27% to 25%, while the proportion of entry-level jobs that are part time has grown from 39% to 43%. It is likely that most of these are casual jobs.

Age discrimination in employment is widespread and many are forced to retire early

Layered on top of these risk factors is another that entrenches joblessness while concealing it - age discrimination and the expectation that older unemployed people will 'retreat into retirement'.

- Instead of respecting and making good use of the experience and wisdom of age, we treat older workers as disposable commodities.
- A recent survey of employers found that one in five (20%) would not be willing to employ a person aged 50 years or over. The real proportion is probably higher.

Among baby-boomers who retired between 2013 and 2019, one third did so involuntarily.

- Around one-third of involuntary retirements were due to loss of a job, half were due to ill health, and around one sixth were due to caring responsibilities.
- People forced to retire early often have to draw on their retirement savings well before they planned, undermining their financial independence and freedoms in retirement, and increasing their reliance on income support.

Policy recommendations

1. Improve opportunities for career guidance and training for older workers by:

- Improving referral pathways for mature age job seekers to the Career Transition Assistance (CTA) program;
- Promoting uptake of CTA, including through an advertising campaign, Centrelink communications to mature age Jobseeker Payment applicants, irrespective of when they commence receiving payments;
- Introducing a skills check interview for mature age workers entering the jobactive and Disability Employment Services programs;
- Guaranteeing ongoing uncapped funding for CTA so that it is available in all regions.

2. Encourage employment of older people through wage subsidies, by:

- Extending the JobMaker program to recipients of unemployment payments regardless of age;
- Restoring and uncapping funding for the Restart Wage Subsidy outside the Employment Fund, and reviewing its effectiveness to meet the needs of older unemployed Australians and employers;
- Trialling the extension of Restart wage subsidies and CTA assistance to older workers at risk of job loss.

3. Ensure employment services are personalised and responsive to the needs of older unemployed workers by:

- Implementing the Employment Services Expert Advisory Panel's proposals to increase resources, reduce caseloads, and personalise support for people unemployed long-term (many of whom are older workers);
- Making activity requirements more flexible for older unemployed workers, including by removing Work for the Dole requirements, halving default job search requirements (compared with those applying to people under 50 years), and providing more scope for older workers to offset job search requirements with participation in training;
- Ensuring that older workers are only referred to 'digital services' where they have the capability to use them, and can opt out in favour of face-to-face services at any time;
- Guaranteeing access to paid work experience, training, and other supports to overcome barriers to employment, for people unemployed long-term so they are not 'parked' in the system.

4. Improve matching of older workers to suitable job vacancies by:

- Establishing a roundtable including online recruitment platforms, employer representatives, employment service providers, and representatives of mature-age workers to evaluate the impact of online recruitment algorithms on the employment of older workers and people unemployed long-term, and explore technical solutions to improve matching of those jobseekers with suitable positions;
- Working with public and private recruitment platforms to match older job seekers with jobs where employers actively seek mature age employees and jobseekers identify as such;
- Seeking formal advice from the Australian Solicitor General or similar authority on the ability for job advertisements to identify preferences for mature-age workers, without opening up opportunities for discrimination.

5. Ensure that unemployed workers can cover the essentials and search for jobs, by:

- Increasing JobSeeker and related payments (including Austudy Payment) substantially – by at least \$75 a week - so they are much closer to pension levels;
- Increasing maximum rates of Rent Assistance by at least 40%.

6. Combat age discrimination in employment by:

- Progressively introducing a legislated positive duty for employers to eliminate age-based and other forms of discrimination as far as possible;
- Strengthening the enforcement of anti-discrimination legislation through a more proactive approach by regulators, rather than waiting for those affected to complain;
- Requiring employers to report regularly and publicly on the age as well as gender profile of their workforce;
- Conducting or funding a regular survey of the experiences of employers, employment services and mature age workers to assess trends in age and other forms of discrimination.

7. Open up more opportunities for secure part-time employment with predictable hours by:

- Reviewing workplace laws and Awards to assess their impact on secure and insecure forms of part-time employment, with a particular emphasis on older and younger workers and women re-entering the paid workforce, and publishing the evidence;
- Reviewing international experience to learn from best practice in the regulation of part time employment and paid working hours;
- Running test cases in the Fair Work Commission or adjusting the National Employment Standards to encourage permanent part-time employment with predictable hours, and to discourage casualisation;

- Running test cases in the Fair Work Commission or adjusting the National Employment Standards to give fulltime workers a right to reduced working hours without loss of job security as part of their transition to retirement or caring roles;
- Developing a clear objective legislative definition of casual employment in consultation with unions, employers and community representatives, and adjusting industrial regulation so that 'regular casual' employees have a right to transition to permanent employment after a reasonable period.

1. The vision: equity and security in employment for older people

From 2000 to 2015, the share of the population aged 65 or more rose from 12% to 15%, an increase of 1.2 million older people. By 2050, almost one third of Australia’s population will be over 60.¹

It’s wrong to view an ageing population as a ‘burden’. Men aged 65 can expect to live another 20 years and women another 22 years, in good health for much of this time.² Older people will continue to contribute to our economic and social life, unless we don’t allow them to.

Over the last three decades, the broader group of older people aged 55 years or more have dramatically lifted their participation in the paid workforce (Figure 1). From 2000 to 2015, the number of men over 49 in the workforce grew by 300,000 and the number of women by 500,000.³

Figure 1: Workforce participation rate (women)

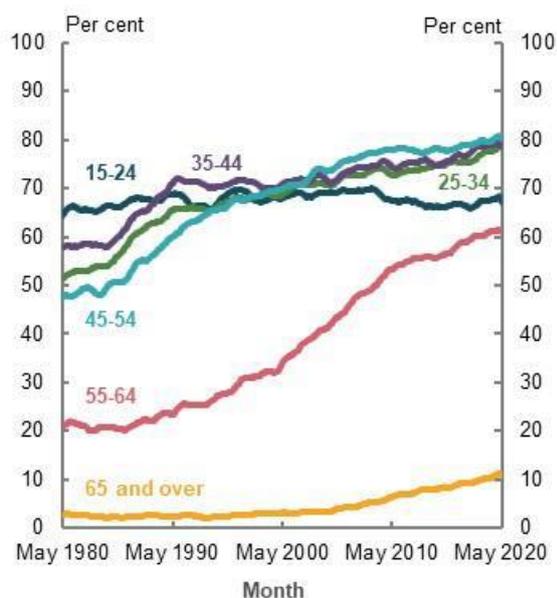
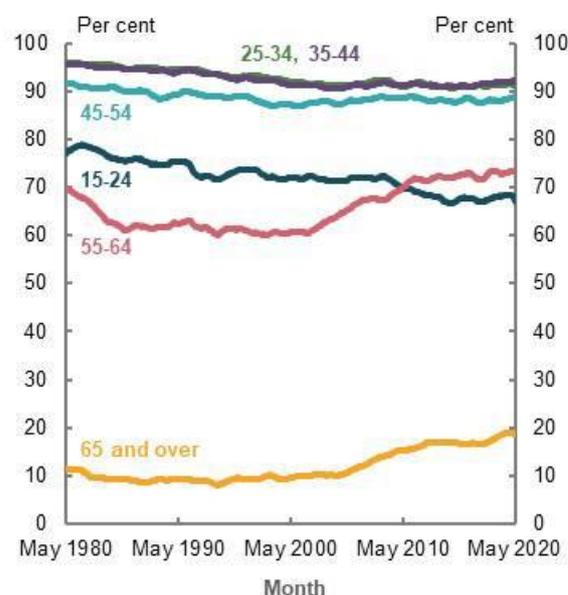


Figure 2: Workforce participation (men)



Source: Retirement Income Review Report (2019). Canberra.

A three percentage-point increase in workforce participation among people aged 55 and over would boost GDP by 1.6% a year, or \$33 billion in current dollars.⁴ For this to occur, the labour market will have to be much more welcoming of older workers, and much more responsive to their aspirations

¹ CEPAR 2019, *Maximising Potential: Findings from the Mature Workers in Organisations Survey*. UNSW Sydney

² CEPAR 2019, *ibid*.

³ Temple J & McDonald P (2018), *Population ageing and the labour force: 2000–2015 and 2015–2030*. Australasian Journal on Ageing, Vol 36 No 4 December 2017, pp 264–270.

⁴ Deloitte Access Economics (2012), [Increasing participation among older workers: The grey army advances](#). Canberra.

and needs. Older workers want to be respected by managers and fellow workers. They want fulfilling work with decent pay, and flexibility in the hours and intensity of work.⁵

Over a third (38%) of older workers planning their retirement propose to transition to part time employment (on average from the age of 61 years), compared to 34% who plan to work fulltime until retirement.⁶

There is a clash between this vision of the future labour market and the present reality in which older people are often excluded from employment altogether once they lose their career job - if they had one. Like many young people, those seeking part time employment or more flexible work arrangements must trade this off against job and income security.

2. The reality: Many older people have a precarious grip on employment

Australia has a dual labour market: a primary one with 'career' jobs (mostly higher-skilled and fulltime) and a secondary one with more precarious jobs (mostly entry-level with shorter and less predictable weekly hours). We define precarious employment here as jobs with inadequate or unpredictable paid working hours that don't provide a decent, predictable income.

Precarious employment is not just a problem for young people. Along with young people, workers aged 45 years and over are more likely to experience it than those in the middle-age group (25-45 years).⁷ They are also more likely to be excluded from employment altogether, or stuck in prolonged unemployment.

The idea that older workers' labour market position is precarious may seem counter-intuitive. Labour force participation among older workers is rising, older men (at least) have had more time to establish stable careers, and people with career jobs are staying in them longer.⁸ The last point is revealing: *once older workers lose their career job or begin the transition to retirement, they are vulnerable to unemployment and precarious employment.* Once they enter unemployment or low paid employment, workers over 40 years old are more likely to be stuck there.⁹

⁵ CEPAR (2019), *Maximising Potential: Findings from the Mature Workers in Australia Survey Report*. CEPAR Industry Report. Sydney; Taylor P et al (2018), *Retaining Australian older workers – a guide to good practice*. CSIRO-Monash Superannuation Research Cluster. Melbourne.

⁶ ABS (2019), *Retirement and Retirement Intentions, Australia*.

⁷ We would normally define 'older workers' as those aged 50 years or more, but much of the available labour market data groups older workers in age brackets beginning with 45 years (e.g. 45-55 years).

⁸ For example, the proportion of fulltime employees changing jobs within the last 12 months declined from 13% to 12% from 2005 to 2015, with the largest fall occurring after the GFC in 2008. (Treasury 2017, *Analysis of wage growth*. Canberra).

⁹ For men, persistence in low-paid employment from year to year is 4.9 percentage points higher for 40–54 year olds than 21–29 year-olds. For women, it is 2.1 percentage points higher. Persistence in unemployment is 12 percentage points higher for older men and 8 percentage points higher for older women. See Fok Y et al (2015), *The Low-Pay No-Pay Cycle: Are There Systematic Differences across Demographic Groups?* Oxford Bulletin of Economics and Statistics, Vol 77, No 6 pp872-896.

A thumbnail sketch of the primary and secondary labour markets

The *primary labour market* of fulltime permanent jobs mainly consists of people who are middle-aged, male, and hold post-school qualifications. They are likely to work in the same job for longer.

The *secondary labour market* of less secure, mainly part time jobs mainly consists of new entrants and re-entrants to the labour market, who are more likely to be younger, older, female, or a new migrant. They are likely to change jobs more frequently.

Movement from the secondary to primary labour market often depends on higher qualifications and 'good connections', as career structures joining the two have frayed.

Older men (those aged 50 years and over) have longer careers, so those with post-secondary qualifications are more likely to belong to the primary labour market *in their current jobs*. They joined the labour force at a time when even entry-level jobs were more likely to be permanent and career structures were more robust. However, once they lose their 'career job', they are more likely than younger workers to face prolonged unemployment or be forced out of the labour market.

Older women come from a generation where they were expected to raise children full or part time rather than put their career first, so are less likely to have a stable career behind them. For many, this pattern is repeated in mature age when they are called upon to care for older family members. They are more likely than men to be stuck in the secondary labour market.

People from more disadvantaged communities including Aboriginal and Torres Strait Islander communities, regions with high unemployment, and people with disability, are also more likely to have missed out on career employment.

Precarious employment by age: what the evidence shows

In the following analysis we examine trends in part time and casual employment, especially in lower-paid occupations, as a proxy for precarious employment since detailed age breakdowns of other forms of precarious employment are not readily available.¹⁰ Of all jobs, one-third (33%) are part time and 22% are casual, with much overlap between the two.¹¹

Part time employment is not, of itself, precarious. Many older workers rely on part time employment as they transition to retirement and one of our key recommendations is to improve the security of part time jobs.

Nevertheless, of all part time jobs half (47%) are casual (61% for males and 42% for females).¹² While some prefer casual employment due to the 25% pay loading, casual workers generally lack paid leave entitlements. This is especially important for older workers with a chronic illness or caring responsibilities. Further, among people without paid leave, around two thirds (64%) are not guaranteed regular paid working hours from one pay cycle to the next.¹³ That means their income is insecure, they have less control over paid working hours, and risk being trapped in the secondary labour market.¹⁴

¹⁰ Fixed term employment, labour hire arrangements and self employment are often considered precarious.

¹¹ ABS (2020), *Characteristics of Employment, Australia*, August 2020.

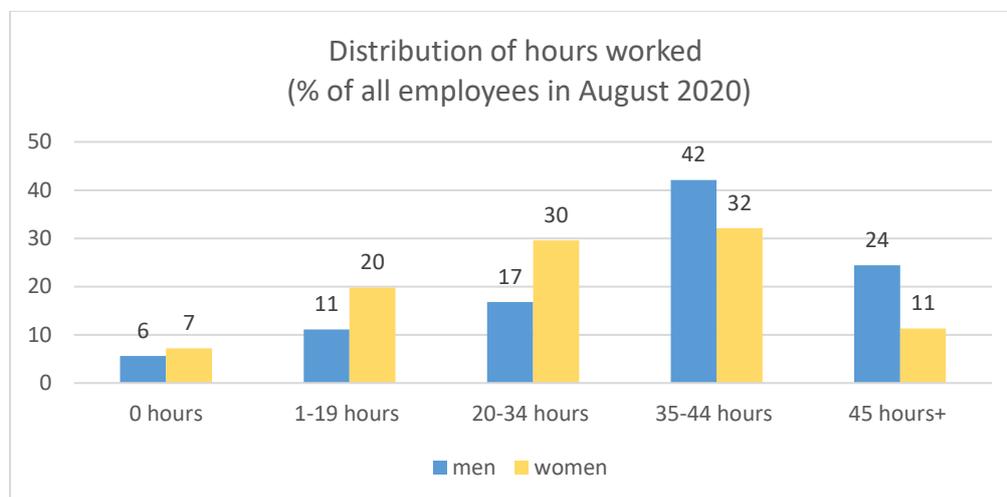
¹² In contrast, only 10% of fulltime jobs are casual. ABS (2020), *Characteristics of employment*, August 2020.

¹³ Lack of paid leave entitlements is a common definition of casual employment. ABS (2020), *ibid*.

¹⁴ Watson I (2013), *Bridges or Traps? Casualisation and labour market transitions in Australia*. Journal of Industrial Relations, Vol 55 No 1 pp6-25.

Further, 40% of part time employees (13% of all employees) are only employed for 1-19 hours a week (Figure 2). Unless the work is highly paid, or the family has other income sources, this puts people at risk of financial hardship. Among part time workers aged 45-54 years in 2008, 26% were underemployed (wanted more paid hours) along with 15% of part time workers aged 55-64 years.¹⁵

Figure 2: Two in four part-time workers have less than 20 paid hours a week

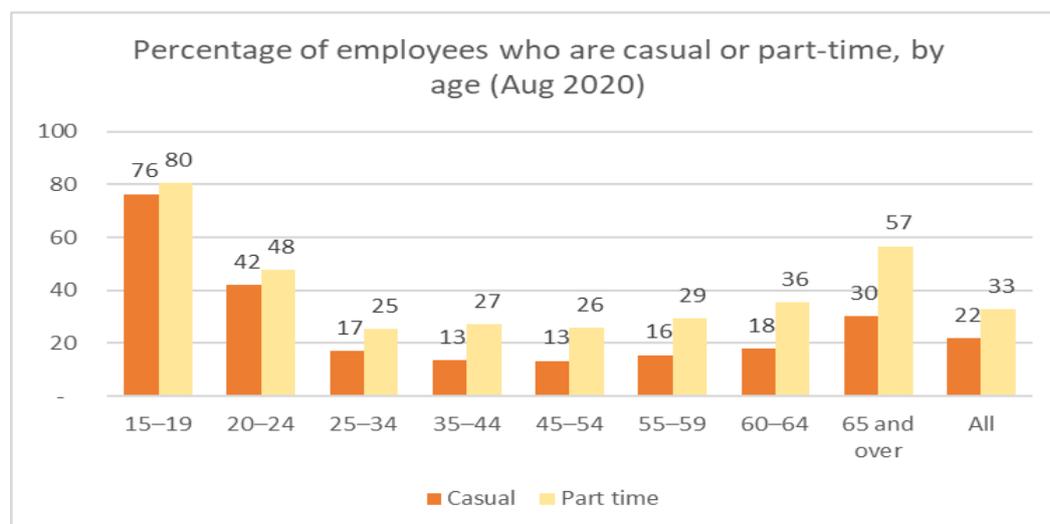


Source: ABS 2021, [Insights into hours worked](#), December 2020.

Note: Among both female and male part time employees, 40% are employed for 1-19 hours and 60% for 20-34 hours (excluding those with zero hours).

When we compare the incidence of both casual and part time employment by age we find a ‘U’ shaped pattern, with both younger and older workers more likely to be engaged in these ‘non-standard’ forms of employment (Figure 3).

Figure 3: A higher proportion of younger and older workers are part time or casual



Source: ABS (2020), *Characteristics of employment*, August 2020

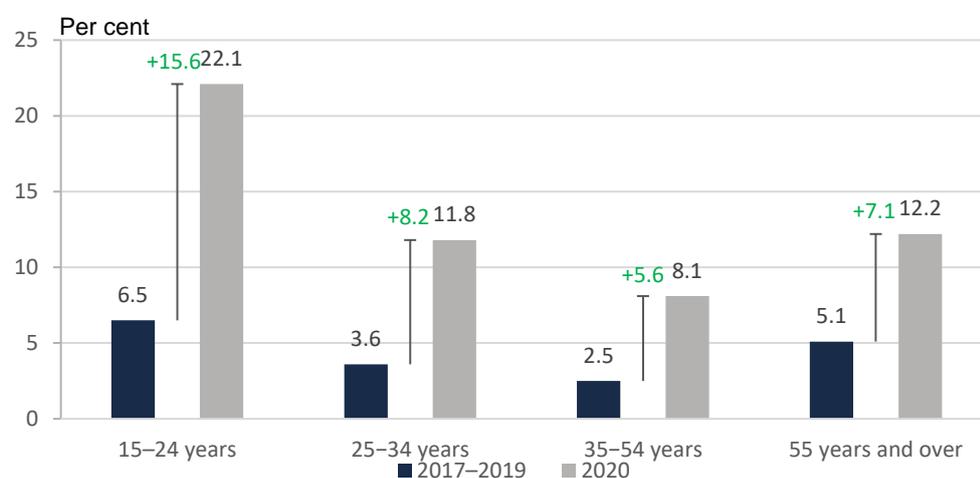
¹⁵ Yuen K & Smith O (2019), *Insights into underemployment*. Research Report 2/19, Fair Work Commission. Melbourne.

3. Many older people – especially those working part time – lost their jobs in the COVID recession

The COVID recession revealed the precarity of casual employment. Casual workers accounted for around two-thirds of people who lost their jobs.¹⁶

The age distribution of those who lost their jobs between March and May 2020 has a similar ‘U’ shaped pattern to casual and part time employment generally (Figure 4). In ‘normal’ years (2017-19 in the graph), young people and older people are more likely to leave or lose their jobs in the short term (in the next two months) than middle-aged workers. During the recession, this pattern of job losses was amplified, with three times as many young people and twice as many older people than usual losing or leaving their jobs.

Figure 4: Percentage of people employed in March who were not employed by May, by age in 2017–2019 and 2020



Source: Yuen K & Cumming P (2021), *Labour market transitions of workers during COVID-19*, Fair Work Commission Research report 21/3.

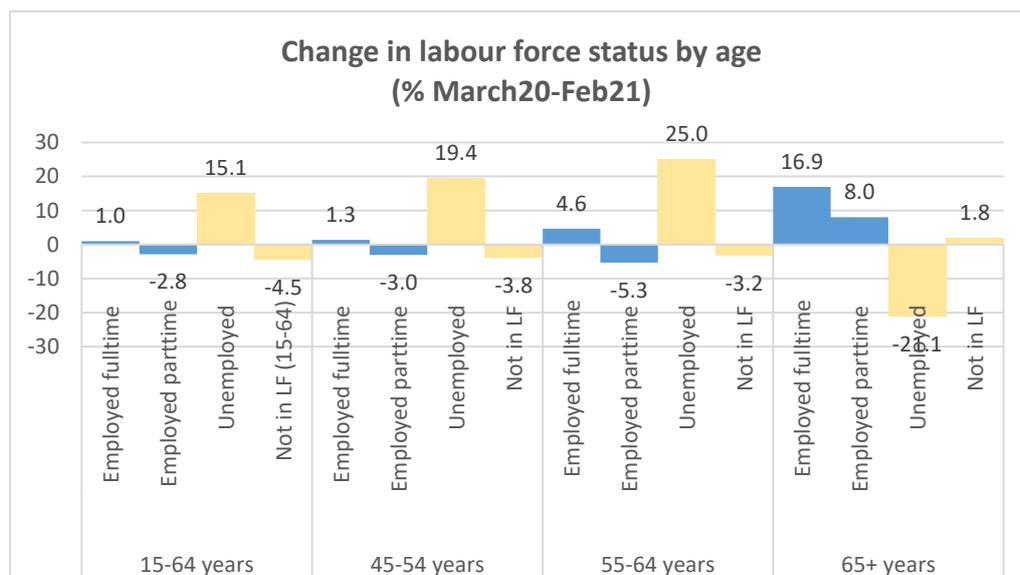
Figure 5 shows overall employment gains and losses over the 11 months from March 2020 (pre-recession) to February 2021.

Among people aged 45 to 64 years, fulltime employment rebounded more strongly than for all workers aged 15-64, but part time job losses and unemployment were more pronounced in this mature age cohort. Among people over 65 years, full and part time employment rebounded more strongly and unemployment fell, but off a much lower base since 85% were already retired.

Older workers’ labour market participation held up relatively strongly (possibly due to higher levels of labour market withdrawal among younger women with children), but the recession underscored the vulnerability of older part time workers to unemployment.

¹⁶ ABS [Insights into casual employment, occupation and industry](#), 23 December 2020.

Figure 5: Employment gains and losses over the last year



Source: ABS (2021), *Labour Force, detailed*, February 2021.

Note: Increase or decrease in percentage of people with different labour market status, by age.

Not in LF: Not in the paid labour force.

4. How older people become trapped in precarious employment, long-term unemployment, and forced retirement

Older people increasingly prefer to transition to retirement gradually through part-time employment. This may already be an option for people in higher-skilled career jobs (such as the minority of academics with tenure), but Australia lacks a strong tradition of flexible, secure part-time employment.

As discussed, half of part-time positions are casual jobs. This means that older people who pursue a part-time pathway to retirement often have to sacrifice employment security for flexible working hours. They then find themselves in the secondary labour market alongside women caring for young children and young people combining full-time education and part-time employment.

Older workers face three elevated risks that propel them into insecure employment or out of the labour force altogether.

First, older workers who lose a career job are more likely to become stuck in unemployment or the secondary labour market. Often, this is due to industry restructuring, including the shift from manufacturing to services. For example, many older men have pursued a career specialising in a particular occupation (such as printing) where employment has diminished. For them, reinventing a career in mature age is difficult.

Due to withdrawal from the paid workforce to care for children or family members with a disability, many older women have not managed to break into the primary labour market in the first place.

Second, older people's 'room for manoeuvre' in the labour market is limited, in many cases, by lower formal qualifications.

Third, layered over the top of these two risk factors is another that entrenches joblessness while concealing it: age discrimination and the expectation that older unemployed workers who cannot find employment quickly will retreat into retirement. Instead of respecting and making good use of the experience and wisdom of age we too often treat older workers as disposable commodities.

The labour market vulnerability of older workers is less visible because it is masked by forced early retirement.

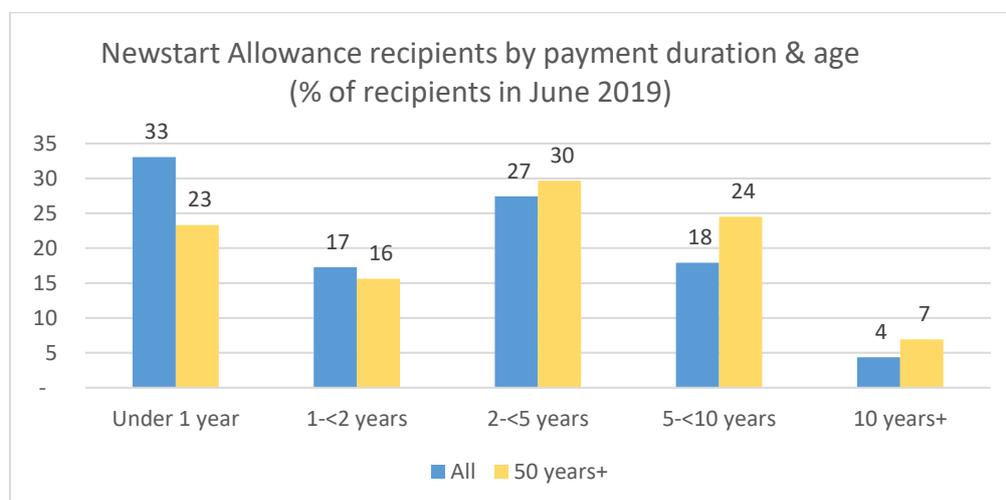
Once they become unemployed, older people are more likely to be stuck on income support long-term

Unemployed people aged 55–64 years spend a median period of 44 weeks looking for work until they find a job, twice that (22 weeks) of those aged 35–44 years.¹⁷

Jobseeker Payment (formerly Newstart Allowance) is our main unemployment payment for adults. Before COVID in 2019, over one third (35%) of recipients of unemployment payments (Newstart Allowance and Youth Allowance Other) were aged 50 years or over.

They were much more likely than younger unemployed people to be stuck on unemployment payments long-term. Among recipients of unemployment payments aged 50 years and over, 61% received it for two years or more, compared with 49% of recipients of all ages. Almost one third (31%) were on unemployment payments for five years or more (Figure 6).

Figure 6: Newstart Allowance recipients by age and payment duration (2019)



Sources: Department of Social Services (2019), *Quarterly Demographic Statistics*, June 2019; Senate Education and Employment Committee, Supplementary Budget Estimates – 24 October 2019, *Answer to Question number: SQ19-000478*.

Many older unemployed people transition directly from unemployment payments to the Age Pension. Among new Age Pension recipients, half (47%) were previously long-term recipients of income support, mainly Disability Support Pension, Newstart Allowance or Carer Payment.¹⁸

¹⁷ ABS (2021), *Labour Force – Detailed*, February 2021.

¹⁸ Retirement Income Review (2020), *Report*. Canberra.

Among people aged 50 or over receiving Newstart Allowance in 2017, 56% were expected to receive income support for some or all of every year for the rest of their lives.¹⁹

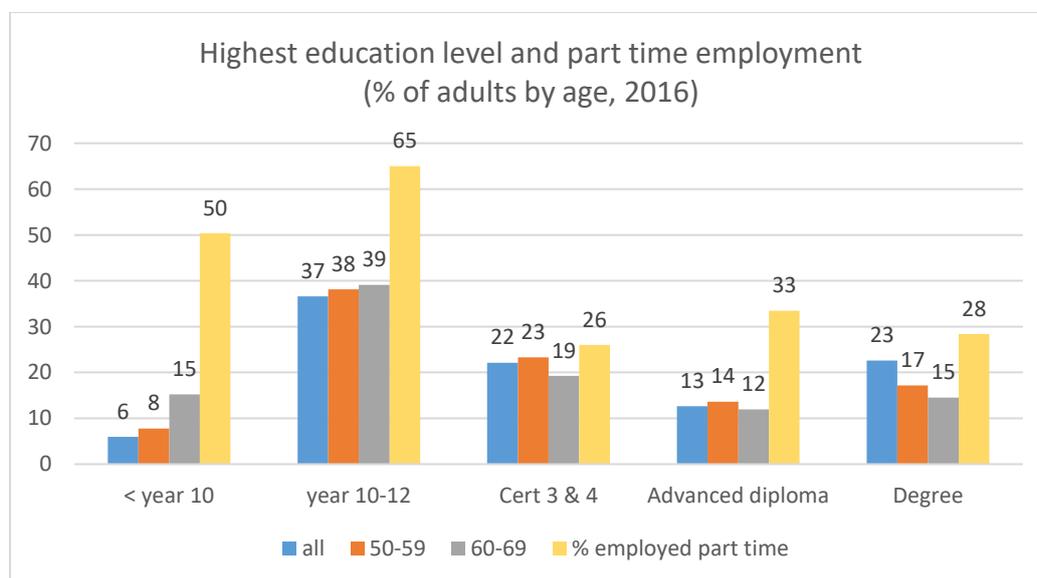
The share of unemployment payment recipients aged 50 years and over has increased over the past decade, due to ‘welfare to work’ policies that diverted older women and people with disabilities from pension payments, and the failure of those policies to ensure that older unemployed workers secured employment. In 2019:

- A majority (55%) of older Newstart recipients were women, reflecting the progressive increase in the pension age for women from 60 to 65 years that commenced in 1996.
- Most (55%) of older Newstart recipients were assessed with a disability (partial work capacity), reflecting the progressive tightening of eligibility for the Disability Support pension from 2007.²⁰

Older people with limited qualifications are at risk as secure entry-level jobs diminish

One reason for higher rates of part time employment among older people is their lower average educational qualifications, reflecting lower educational attainments at the time they completed school. People aged 50-69 years are much more likely to have finished schooling before Year 12 and much less likely to hold a degree (Figure 7). People without post-school qualifications are around twice as likely to be employed part time, and more likely to be casual workers.

Figure 7: Older workers have lower qualifications and are more likely to work part-time



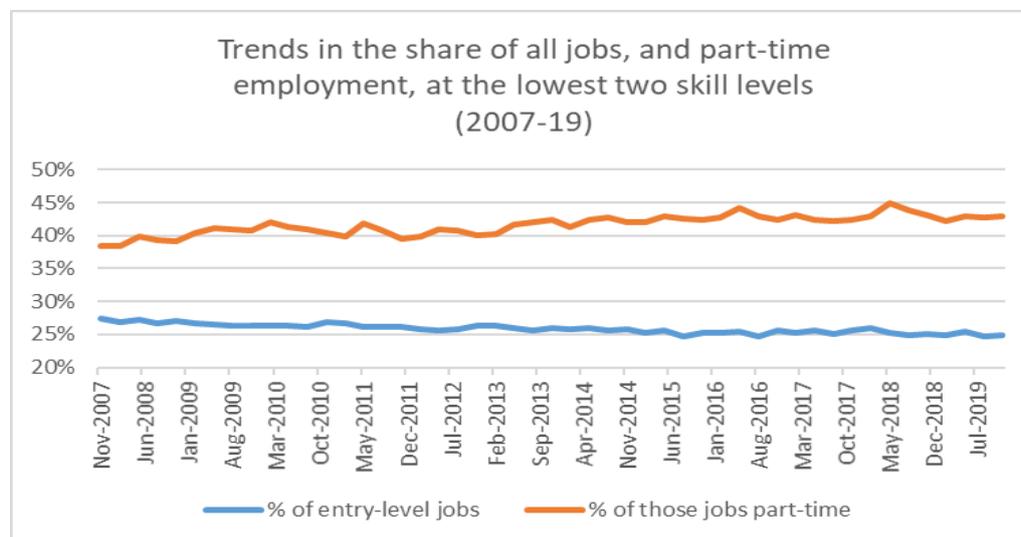
Source: ABS 2016 census tablebuilder.

¹⁹ COTA Australia (2018), [Mature age employment](#); Department of Social Services (2018), *Try, Test and Learn Fund – Older Newstart Allowance recipients*. Canberra.

²⁰ Senate Education and Employment Committee (2019), *Supplementary Budget Estimates – 24 October 2019, Answer to Question number SQ19-000478*. Canberra.

Over the past decade since the Global Financial Crisis, growth in paid working hours has shifted away from entry-level jobs. This is a long-standing trend in wealthy nations.²¹ The share of entry-level jobs has shrunk from 27.3% to 24.9%, and the proportion of those jobs that are part time has grown from 38.5% to 42.9% (Figure 8).

Figure 8: Entry-level jobs are diminishing, along with hours worked in those jobs



Source: ACOSS & Jobs Australia (2020), *Faces of unemployment*; ABS (2020), *Labour force, detailed*.

Note: 'Entry level' refers to the following categories: labourers, sales, machinery operators and drivers.

Age discrimination in employment is widespread and entrenched

Age discrimination is a major barrier to secure employment for older people. We see ageism in the attitudes of employers to older workers, in reduced access to employment, in lack of access to appropriate training and professional development.²²

In a survey of employers in 2017, almost a third (30%) stated they had an age above which they were reluctant to recruit workers - in most cases (68% of these employers) 50 years or more. More than half (56%) did not have a transition-to-retirement strategy in place.²³

Among respondents to COTAs *State of the (Older) Nation* survey:

- Almost half (46%) felt less valued by society now than when they were younger;
- One in ten had experienced age discrimination in their workplace and almost two in ten (18%) while seeking employment;
- Only 18% of those discriminated against in their workplace took any action, and often this was to resign or leave the role;

²¹ Autor D & Reynolds E (2020), *The Nature of Work after the COVID Crisis: Too Few Low-Wage Jobs*. Brookings Institution, Washington.

²² Australian Human Rights Commission (2016), *Willing to work - National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*. Sydney.

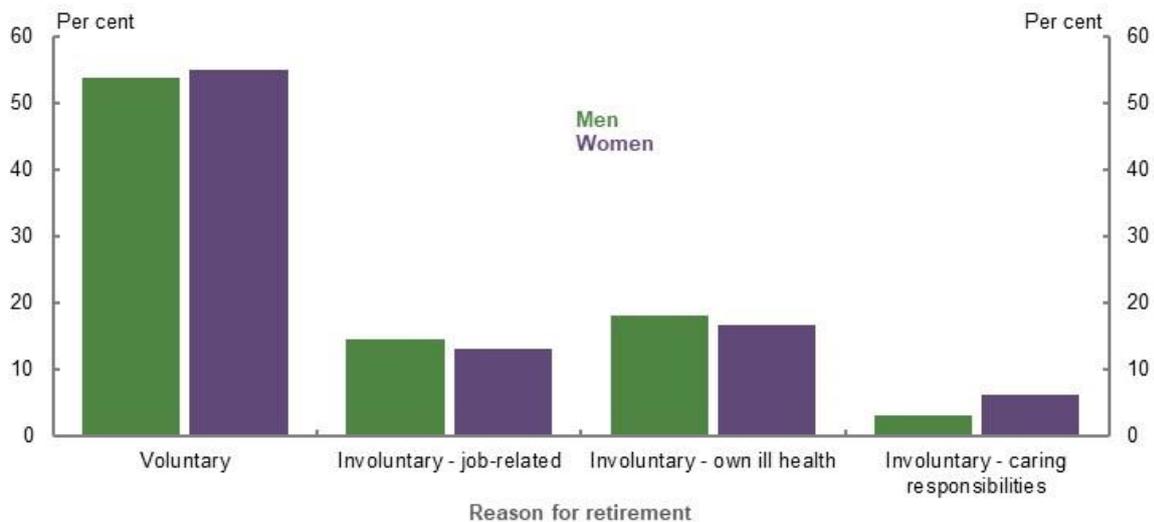
²³ Australian Human Rights Commission and Australian Human Resources Institute (2018), *Employing older workers - research report*. Sydney)

- One fifth (19%) of those who said they had suffered workplace discrimination were forced to retire. On average this was five years earlier than planned.²⁴

One third of older workers are forced to retire

Around one third of retirements among baby-boomers between 2013 and 2019 were involuntary (Figure 9). Approximately one third of involuntary retirements were for employment-related reasons (e.g. retrenchment), half were due to ill health, and around one sixth were due to caring responsibilities (higher in the case of women).

Figure 9: Reasons for retirement for people retiring between 2013 and 2019 (per cent)



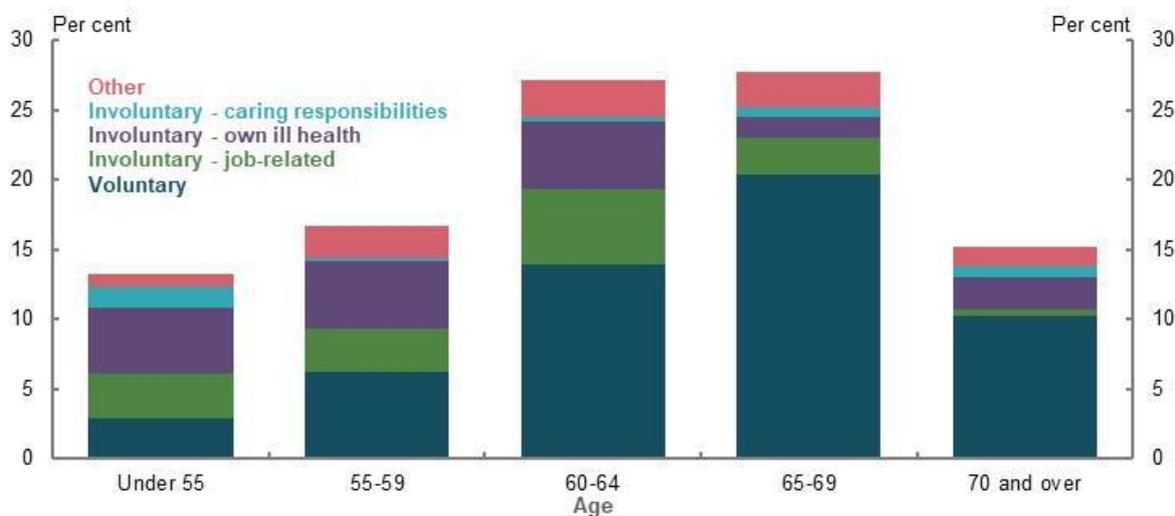
Source: Retirement Income Review (2020), Report.

Among the 56% of people who retired below pension age (65 years), involuntary retirement was common, including (Figure 10):

- around three quarters of the 13% retiring before 55 years of age;
- just under half of the 16% retiring between 55-59 years;
- just over one third of the 27% retiring between 60-64 years.

²⁴ COTA (2018), *State of the (Older) Nation report*.

Figure 10: Percentage of people retiring from 2013 to 2019, by age and reason for retirement



Source: Retirement Income Review (2020), Report. Canberra.

The evidence indicates that people who retired involuntarily were more likely to be precariously employed, which undermines the quality of their working life, their health and income security:

‘involuntary workforce transitions were mainly driven by vulnerable employment history and current work conditions.’

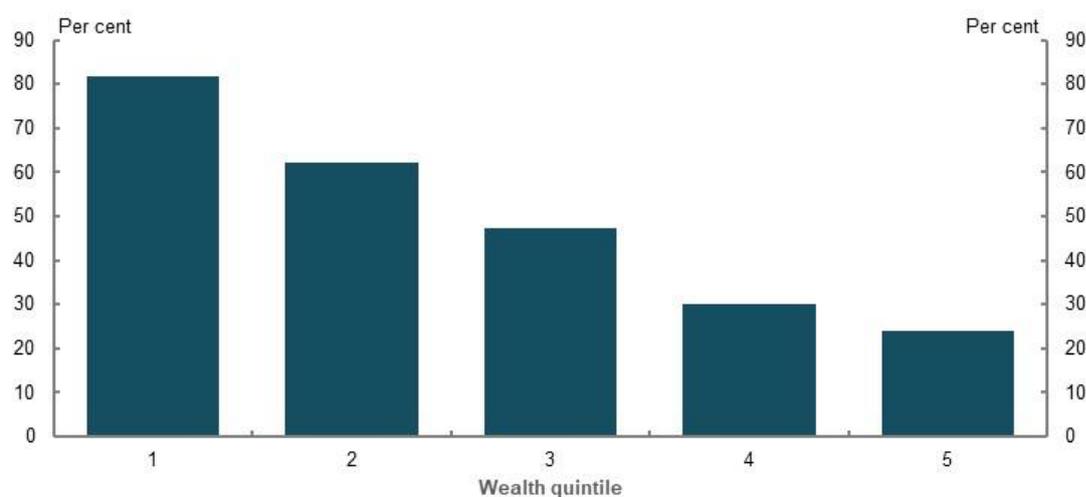
‘older workers are often forced into precarious employment with the consequent cycle of fewer job opportunities, little training and lack of income security, exposure to discrimination, harassment and workplace bullying, non-portability of leave entitlements, as well as a reduced capacity to exercise autonomy in how the work is done, resulting damage to health and wellbeing.’²⁵

Older people forced to retire early have to draw down on their retirement savings well before they planned, undermining their financial independence and freedoms in retirement, and increasing their reliance on income support.

People retiring involuntarily had much less financial resources those who chose to retire (Figure 11). Worryingly, 80% of people in the lowest 20% of households by wealth and 60% of those in the second-lowest 20% retired early. They were likely to be people with low lifetime incomes and a higher incidence of chronic illness or disability.

²⁵ People employed as casuals were over 60% more likely than those in fulltime permanent jobs to retire involuntarily, while those employed part time were over 20% more likely. Gong H & He X (2019), [Factors Predicting Voluntary and Involuntary Workforce Transitions at Mature Ages: Evidence from HILDA in Australia](#). International Journal of Environmental Research and Public Health. Vol 16 No 19 pp44, 46.

Figure 11: Percentage of people retiring involuntarily from 2013 to 2019, by wealth level



Source: Retirement Income Review (2020), *Report*. Canberra.

Note: Wealth is measured over the five years before retirement.

Forced early retirement raises the risk of poverty and homelessness

Among respondents to COTAs State of the (Older) Nation survey, those in a financially vulnerable position were more likely to want more paid work, including people with:

- annual income below \$30,000 (48%);
- children in the household (43%);
- a disability (41%);
- renting (35%).²⁶

It is not surprising that early retirees face a higher risk of poverty.

- Among men aged less than 64 who retired in 2013-18, 26% were in poverty compared with 14% among those retiring at 64-67 years.²⁷
- Early retirees were also less likely to own their homes: 31% were renting privately compared with 14% of later retirees.
- Among older women, 16% of both early and later retirees were in poverty, while 17% of women who retired early rented their homes compared with 9% of those who retired later.

In the worst case scenario, older people forced out of the labour market too early may lose their homes.

In November 2019, one out of every seven homeless people were over 55 years. The number of people aged 65 and over who are homeless grew by 30 per cent between 2011 and 2016.²⁸ For

²⁶ COTA (2018), *State of the (Older) Nation report*.

²⁷ Melbourne Institute (2020), [Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 18](#). Melbourne.

²⁸ Australian Housing and Urban Research Institute (2019), *An effective homelessness services system for older Australians*.

many, this was their first experience of homelessness, due to unexpected factors such as relationship breakdown, death of a partner, eviction from rental housing, or failing health.

Older women are the fastest growing group of homeless people. Contributing factors include lower wages for women, time out of the workforce to raise children, and inadequate income support payments.²⁹

5. Policies to improve employment and income security for older people

Improve choice and resilience in the labour market through career guidance

Insecure employment and unemployment are associated with lower educational qualifications. Older workers are more likely to report that they lack access to training:

- 39% of workers aged 55-64 compared with 23% of younger workers agree that ‘workers of all ages are not given training to maintain and upgrade their skills’.³⁰

The government’s Career Transition Assistance program offers professional career advice for older unemployed workers, but many are unaware of it.

Recommendation 1:

Improve opportunities for career guidance and training for older workers by:

- Improving referral pathways for mature age job seekers to the Career Transition Assistance (CTA) program;
- Promoting uptake of CTA, including through an advertising campaign, Centrelink communications to mature age Jobseeker Payment applicants, irrespective of when they commence receiving payments;
- Introducing a skills check interview for mature age workers entering the jobactive and Disability Employment Services programs;
- Guaranteeing ongoing uncapped funding for CTA so that it is available in all regions.

Encourage employment of older people by changing employer incentives

The government has introduced the Jobmaker wage subsidy program to encourage employers to take on young unemployed workers. By targeting young people only, this programs risks displacing older workers from employment.

Wage subsidy schemes in place before Jobmaker have significantly improved the employment prospects of people who were unemployed, but they are too small in scale to make a difference:

- When dedicated funding for wage subsidies for unemployed people was removed in 2019, shifting responsibility to employment service providers to use the jobactive Employment Fund to pay for them, the number of wage subsidies halved.

²⁹ Patterson K (2019), *Retirement Income Review - Response by the Age Discrimination Commissioner*, Australian Human Rights Commission. Sydney.

³⁰ CEPAR (2019), *Maximising Potential: Findings from the Mature Workers in Organisations Survey*. Sydney.

- From January to August 2019 just 3,600 Restart wage subsidies for older unemployed people were paid to employers, half the 7,300 paid over the same period the year before.³¹

Recommendation 2:

Encourage employment of older people through wage subsidies, by:

- Extending the JobMaker program to recipients of unemployment payments regardless of age;
- Restoring and uncapping funding for the Restart Wage Subsidy outside the Employment Fund, and reviewing its effectiveness to meet the needs of older unemployed Australians and employers;
- Trialling the extension of Restart wage subsidies and CTA assistance to older workers at risk of job loss.

Improve job search assistance, training and income support for older workers who are unemployed

Publicly-funded employment services can reduce both unemployment and casualisation by improving the matching of jobseekers with suitable jobs and strengthening their skills and work experience.

The effectiveness of the jobactive employment program is compromised by high caseloads (over 140 for each consultant), limited investment in wage subsidies and training, and an over-emphasis on enforcing compliance with job search requirements rather than positive employment assistance.³²

Recommendation 3:

Ensure employment services are personalised and responsive to the needs of older unemployed workers by:

- Implementing the Employment Services Expert Panel's proposal to increase resources, reduce caseloads, and personalise support for people unemployed long-term (many of whom are older workers);
- Making activity requirements more flexible for older unemployed workers, including by removing Work for the Dole requirements, halving default job search requirements (compared with those applying to people under 50 years), and providing more scope for older workers to offset job search requirements with participation in training;
- Ensuring that older workers are only referred to 'digital services' where they have the capability to use them, and can opt out in favour of face-to-face services at any time;
- Guaranteeing access to paid work experience, training, and other supports to overcome barriers to employment, for people unemployed long-term so they are not 'parked' in the system.

³¹ ACOSS (2020), *Submission to Senate Economics Committee inquiry into the Economic Recovery Package (JobMaker Hiring Credit) Amendment Bill 2020*. Sydney.

³² Employment Services Expert Advisory Panel (2019), [I want to work](#) - Employment Services 2020 report. Canberra; Senate Education and Employment References Committee (2019), [Jobactive: failing those it is intended to serve](#). Canberra; Bowman D & Randrianarisoa A (2018), *Missing the mark: employer perspectives on employment services and mature age jobseekers in Australia*, Brotherhood of St Laurence. Melbourne.

Much recruitment to jobs now takes place online. This has the potential to improve the visibility of older workers to prospective employers and the efficiency with which they are matched, but it also increases the risk of discrimination against older workers through recruitment algorithms.

Recommendation 4:

Improve matching of older workers to suitable job vacancies by:

- Establishing a roundtable including online platforms, employer representatives, employment service providers, and representatives of mature-age workers to evaluate the impact of online recruitment algorithms on employment of older workers and people unemployed long-term, and explore technical solutions to improve the matching of those jobseekers with suitable positions;
- working with public and private recruitment platforms to match older job seekers with jobs where employers actively seek mature age employees and jobseekers identify as such;
- Seeking formal advice from the Australian Solicitor General or similar authority on the ability for job advertisements to identify preferences for mature-age workers, without opening up opportunities for discrimination.

The recent \$25 a week increase in unemployment payments leaves them \$50 a week below what unemployed people previously received (including the \$75 per week Coronavirus Supplement), and \$150 a week below pension levels. Unemployed people struggle to cover essential expenses such as food, housing and transport and search effectively for jobs.³³

Recommendation 5:

Ensure that unemployed workers can cover the essentials and search for jobs, by:

- Increasing JobSeeker and related payments (including Austudy Payment) substantially – by at least \$75 a week - so they are much closer to pension levels;
- Increasing maximum rates of Rent Assistance by at least 40%.

Combat age discrimination in employment

Age discrimination legislation is largely ineffective as it places the full onus of proof on individuals, employers are often circumspect in their discrimination, and few cases are brought and resolved positively.

- From the commencement of Australia's age discrimination laws in the 1990s through to the end of 2017, there were only 108 individual cases relating to age discrimination at work.³⁴

A more proactive, systematic approach is needed:

³³ COTA Australia (2019), *Submission to the Senate Standing Committee on Community Affairs - Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*.

³⁴ O'Loughlin K et al (2017), *Age discrimination in the workplace: The more things change...* Australasian Journal on Ageing, Vol 376 No 2 pp98–101.

- Under the Victorian Equal Opportunity Act 2010, organisations have a positive duty to eliminate discrimination, sexual harassment and victimisation as far as possible. This means that positive action should be taken to prevent these behaviours, regardless of whether someone has made a complaint.³⁵

Recommendation 6:

Combat age discrimination in employment by:

- Progressively introducing a legislated positive duty for employers to eliminate age-based and other forms of discrimination as far as possible.
- Strengthening the enforcement of anti-discrimination legislation through a more proactive approach by regulators, rather than waiting for those affected to complain.
- Requiring employers to report regularly and publicly on the age as well as gender profile of their workforce.
- Conducting or funding a regular survey of the experiences of employers, employment services and mature age workers to assess trends in age and other forms of discrimination.

Open up more secure pathways to retirement

Despite a decade of discussion of the need to promote employment participation among older people, employment practices have not adjusted:

- Almost two thirds (63%) of workers aged 55-64 report that their employer does not 'offer phased retirement programs'.³⁶

It is unlikely that more secure pathways to retirement will be available, beyond a minority of highly-skilled older workers, unless we move away from the present secondary labour market model in part time and entry-level employment. Young workers entering paid employment, older workers preparing for retirement, and people with caring responsibilities should not have to trade off income security for part-time or flexible working hours.

Australia has the third-highest rate of part time employment in the OECD, after the Netherlands and Switzerland.³⁷ Permanent part time employment has been growing, especially among women, but as discussed around half of part time jobs are casual jobs. Policies should encourage more secure forms of part time employment, and facilitate the movement of workers between fulltime and part time positions, and from casual to ongoing employment.³⁸

For example, the Netherlands has the highest share of part time employment in the OECD but most of those jobs are permanent, with equivalent pay and working conditions to fulltime employees. Its advisory body on government policies recently recommended changes in employment regulation to

³⁵ Victorian Equal Opportunity and Human Rights Commission (2021), [Equal Opportunity Act](#). Melbourne.

³⁶ CEPAR (2019), *Maximising Potential: Findings from the Mature Workers in Organisations Survey*. Sydney.

³⁷ OECD *labour market statistics*. Paris.

³⁸ Fagan C et al (2013), *In search of good quality part-time employment*. Conditions of Work and Employment Series No 43, International Labour Organisation, Geneva.

improve certainty and security for workers by bridging the gaps between so-called ‘flex jobs’ (which often lack predictable hours) and permanent employment.³⁹

Recommendation 7:

Open up more opportunities for secure part-time employment with predictable hours by:

- Reviewing workplace laws and Awards to assess their impact on secure and insecure forms of part-time employment, with a particular emphasis on older and younger workers and women re-entering the paid workforce, and publishing the evidence;
- Reviewing international experience to learn from best practice in the regulation of part time employment and paid working hours;
- Running test cases in the Fair Work Commission or adjusting the National Employment Standards to encourage permanent part-time employment with predictable hours, and to discourage casualisation;
- Running test cases in the Fair Work Commission or adjusting the National Employment Standards to give fulltime workers a right to reduced working hours without loss of job security as part of their transition to retirement or caring roles.
- Developing a clear objective legislative definition of casual employment in consultation with unions, employers and community representatives, and adjusting industrial regulation so that ‘regular casual’ employees have a right to transition to permanent employment after a reasonable period.

³⁹ Netherlands Scientific Council for Government Policy (WRR) 2020, *Better work: society’s new mission*. The Hague.