

COUNCIL ON THE AGEING (AUSTRALIA)
1999 INTERNATIONAL YEAR OF OLDER PERSONS

MATURE AGE EMPLOYMENT

**INQUIRY INTO ISSUES SPECIFIC TO OLDER WORKERS SEEKING
EMPLOYMENT, OR ESTABLISHING A BUSINESS, FOLLOWING
UNEMPLOYMENT**

**A SUBMISSION TO THE HOUSE OF
REPRESENTATIVES STANDING COMMITTEE ON
EMPLOYMENT, EDUCATION, AND WORKPLACE
RELATIONS**

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THE WORK OF COUNCIL ON THE AGEING

The Council on the Ageing (COTA) is the peak consumer organisation dedicated to protecting and promoting the well-being of older people. It has the members, skills, knowledge base, and resources to support this role. The Council on the Ageing (Australia) has a number of functions including:

- policy analysis and policy development
- provision of information and advice to older people on Commonwealth policies and programs
- provision of information and advice to the Commonwealth Government about issues of importance to older people based on consultation with older people and research.

The Commonwealth Government provides financial support to assist COTA (Australia) in fulfilling its policy, consultation, representation and information dissemination roles.

At the State and Territory level, COTAs are involved in both service delivery to older people and policy work primarily focused on State issues. Individual members play an important role in maintaining the State-based organisations. Through their consumer base, State and Territory Councils on the Ageing provide the management structure for the Council on the Ageing (Australia) and thereby inform policy and priorities.

COTA (Australia)'s membership includes key national organisations which represent consumers and service providers. These organisations make a substantial contribution to the Council's policy development process.

COTA's membership is open to people over 50 years of age. While most members are over 60, our concerns cover issues including access to aged and community care services, health services, housing, employment and income of Australians over 50.

COTA has both individual members and organisational members which indirectly provide a very large membership base. Whether members or not, many older people, their carers and relatives as well as organisations come to COTA for information and advice and to alert us to problems they are experiencing with Government policies and programs.

Further information about COTA is available on our website: <http://www.cota.org.au>

Preparation of this submission

This submission was researched and written by Veronica Sheen, Council on the Ageing, National Policy Officer in consultation with the State and Territory COTAs, the COTA Board and the National Executive Director. The contributions of the following organisations have been greatly appreciated:

- Morgan and Banks, Ltd, who ran the focus group in Sydney
- Council on the Ageing (Victoria), Creative Transitions Program
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SUMMARY AND RECOMMENDATIONS

Mature age employment is a major policy priority area for the Council on the Ageing (COTA) in this International Year of Older Persons. We seek the Government's commitment to taking decisive action to improve the position of mature age people in the Australian labour market.

The main purposes of the submission are:

- To establish the case that mature age people are not receiving their fair share of employment in the Australian labour market
- To report on the outcomes of focus group research which was conducted with groups of mature age people in Sydney, Adelaide and Melbourne through the COTA network.
- To make recommendations to the Commonwealth on relevant policies and programs.

Major findings

The report establishes the case in the first instance, that in the past 25 years of restructuring in the Australian economy, mature age people have been significant losers as evidenced by their duration of unemployment and high rates of hidden unemployment and underemployment.

The main findings of the focus group research were that:

- Most mature age people need to work for financial reasons chiefly because they are still responsible for children and/or need to save for older age and retirement. Social reasons are an important but secondary consideration.
- Traditional concepts of retirement are becoming redundant. Mature age people wish to have opportunities to continue to make a contribution to society in some form.
- Job loss is a devastating experience for most and strong supports are needed to prevent a debilitating effect.
- Losing a job later in life means revising career directions and aspirations but this was a difficult task. Retraining, establishing a small business, and unpaid employment were all potential avenues but the problems involved should be recognised.
- Age discrimination was a major factor at work in the job search. Centrelink and the Job Network were given a low rating as potential sources of assistance.

COTA's main recommendations to the Commonwealth Government are that it:

1. Takes the lead in transforming employer and community attitudes to mature age people through education programs.
2. **Develops an explicit policy to reduce the average duration of unemployment for mature age unemployed people.**

- 3. Develops and funds specific policies, programs and strategies for mature age people seeking employment.**
4. Reviews current Centrelink and Job Network arrangements in providing assistance to mature age people.
- 5. Provides incentives for mature age people to undertake retraining.**
- 6. Develops support mechanisms for low risk small businesses for mature age people**
7. Addresses the financial impediments faced by mature age people who are not in paid employment.
- 8. Enacts Commonwealth age discrimination legislation.**

INTRODUCTION

The Council on the Ageing (COTA) welcomes this House of Representatives inquiry into *issues specific to older workers seeking employment or establishing a business, following unemployment*. Mature age employment was identified by COTA in 1998 as the key policy issue we wished to pursue for 1999, the International Year of Older Persons. We had already commenced a major report on the issue at the time that the Minister for Employment, Small Business and Workplace Relations, the Hon Peter Reith MP, referred this Inquiry to the House of Representatives Standing Committee on Employment, Education and Workplace Relations.

In addition, COTA adopted mature age employment as the theme for its first national congress in Adelaide from the 7th to the 9th November 1999. COTA believes that mature age employment is an issue that must be taken much more seriously than it has in the past for the reasons we outline here.

We also note and welcome the active interest of the Minister for Aged Care the Hon Bronwyn Bishop MP in the issue of mature age employment.

Why Australia should be concerned about the workforce participation of people over 45.

COTA predicts that in the 21st century significant social, political and economic problems will emerge from the lack of labour force opportunities for people over 45 unless decisive action is taken now by Australian governments, business and the community. The problems likely to emerge will encompass:

Political: significant disaffection amongst people over 45 who have left the workforce unwillingly and who do not have the resources for a comfortable and long retirement. This disaffection may manifest in political unrest (the reaction to aged care reforms by people over 50 in 1997 and the rise of One Nation especially in rural areas where job loss has been most severe may already be a sign of what is to come).

Economic: there will be very large costs to governments particularly the Commonwealth, in terms of income support payments, health care costs, and community support if mature age employment is not addressed. There will also be a drain on Australia's human capital and losses in productivity.

Social: more and more people over 45, lacking income and assets (these are acquired mainly through paid employment) will be vulnerable to poverty and homelessness and dependent on institutional support.

It is in Australia's best interest to plan now for a mature age workforce into the next century.

Are mature age people disadvantaged in the labour market?

The story of the labour market position of older adults is not to be told in the official unemployment statistics which often make news headlines. The official unemployment rates for the beginning of 1999 are as follows.

AGE GROUPS	Unemployment rates %
15-19	20.3
20-24	12.8
25-34	7.7
35-44	5.7
45-54	5.2
55-59	6.2
60-64	4.8
Aged 15-64	8.2

ABS, Labour Force Survey, Cat. No. 6203, Jan 1999

The very high unemployment rates for young people 15 to 24 years old have for many years, been a spur to Government action. There has been no such spur for action in regard to older adults whose unemployment rates consistently appear much lower and hence are deemed not to be a problem.

There are a significant number of reports available which analyse statistics on mature age employment. For this submission, COTA has not endeavoured nor do we see a need to replicate the recent analysis of published statistics by Adriana VandenHeuvel of the National Institute of Labour Studies (NILS) in the report *Mature Age Workers: Are They a Disadvantaged Group in the Labour Market* (1999). In her report, she analyses:

- participation rates
- unemployment rates
- hidden unemployment
- long term unemployment
- part time employment and underemployment

COTA concurs with her view that official unemployment rates are a poor measure in terms of understanding the labour market position of mature age people. Other measures including hidden unemployment, unemployment duration and under-employment provide a much better view of the position.

The major points from the study are that:

- There is a significant problem of discouragement amongst mature age people. This means that they may not be looking for work and therefore not recorded as officially unemployed. The unemployment rate, taking discouragement into account, was 9.7 per cent for males and 12 per cent for females aged 55 to 59 in September 1998.
- The duration of unemployment spells increase with age so that unemployed people in older age groups are more likely to be long term unemployed than unemployed people in younger age groups. The average duration of unemployment for people over 55 was 104 weeks for males and 107 weeks for females in 1998 compared to an average duration for all males of 70 weeks and 52 weeks for females.
- Many mature age people are underemployed and need or want to work more hours.

In addition we wish to note a number of other factors which are pertinent to the discussion on the labour market position of mature age people.

The ABS survey of retirement and retirement intentions reveals a range of important information about the reasons for mature age people leaving the workforce (ABS, Cat. No. 6238, June 1998). The survey reveals that 54 per cent of males and 33 per cent of females between the ages of 45 and 64 retiring from full-time work in November 1997 were job losers rather than job leavers.

The major reasons for job loss were:

- *"own ill-health or injury"* cited by 37 per cent of males and 19 per cent of females retiring from full-time work aged between 45 to 64.
- *"retrenched"* cited by 15 per cent of males and 11 per cent of females retiring from full time work aged 45 to 64.

COTA has concerns that ill-health or injury is often a surrogate for social reasons for leaving workplaces where the older worker is neither valued nor encouraged, especially in the context of organisational restructuring and downsizing and in the context of the likelihood of very long spells of unemployment. There may also be an issue about negative work environments actually contributing to health problems for mature age people. A key message of the recent report of the Royal Australasian College of Physicians (1999, p 19) is that stress is a major cause of ill-health. The report specifically mentions the negative impacts on health created by unstable workplaces and powerlessness within the workplace. COTA believes mature age people are most at risk of developing health problems in these environments.

Of course, for some people, ill health and injury is an important reason for leaving a job. For some people whose work is physically arduous culminating in long term debility, leaving the workforce may be critical. However, issues remain as to whether or not they would retire if alternative employment options were available. It is likely that many mature age people believe that the options for alternative employment are extremely limited and that early retirement is seen as the only viable course of action.

In addition, the ABS survey finds that significant numbers of mature age people are retiring due to retrenchment. This fact in itself shows the involuntary nature of much early retirement amongst mature age people.

Voluntary job leavers constituted 46 per cent of males and 67 per cent of females retiring from full-time work in November 1997. The major reasons for job leaving were:

- *"reached appropriate age for retirement/too old"*, *"reached compulsory retirement age (in that job)"*, *"early retirement package, eligible for superannuation or service benefit"* cited by 33.7 per cent of males and 24.3 per cent of females retiring from full-time work aged 45-64.
- *"to look after family, house or someone else"* cited by 13 per cent of females aged 45 to 64 and retiring from full-time work.

These reasons also reveal tensions for mature age people around the leaving of jobs. Relatively few mature age people leave jobs for conventional “reached retirement age” reasons – only about one third of males and one quarter of females. A very small proportion of men and a negligible number of women leave because they can obtain superannuation or service pensions particularly after the age of 55. This means the majority of mature age people are losing and leaving jobs for reasons unrelated to retirement age provisions.

It is significant that caring responsibilities are nominated by 13 per cent of women as the reason for retiring from full-time employment. The 1994 report *Women as Carers* (Office of Women's Affairs Victoria, 1994) showed that the majority of carers (other than carers of children) are women. Caring responsibilities often fall most heavily on middle-aged women with ageing parents or disabled spouses. In the context of limited and declining community supports such women are most at risk of being compelled to leave the work force. This has major implications for the capacity of such women to save for their own old age and often results in a decline in their own health. These outcomes of course have major cost implications for the community.

COTA's analysis of early retirement amongst older people is confirmed in a study funded by the Association of Superannuation Funds of Australia (ASFA) (Cornish, 1997).

Key findings of the study based on Australian Bureau of Statistics data included the following:

- ***The extent to which early retirement had been initiated by factors beyond individual control - 81 per cent of men and 64 per cent of women who retired early over the period 1992 to 1996 did so for "induced" reasons such as employment problems, health problems (both of self and others) and compulsory retirement policies.***
- *The importance of employment problems in inducing early retirement, particularly amongst men. The survey indicated that of those who had retired early over the period from 1992 to 1996, 50 per cent of men and 31 per cent of women demonstrated evidence of significant employment problems prior to their retirement (Cornish, 1997, pii)*

Why has the labour market deteriorated for mature age people?

The erosion of workforce opportunities for people over 45 is a sign that there is serious failure in the labour market. This failure is due to many factors including:

- stereotyping of mature age people as less adaptable than young people in a change culture
- marketing images concentrated on youth leading to the “invisibility” of older people
- focus of Government employment policies on youth
- industry restructuring in which older people have been targeted for redundancy and retrenchment.

It is important to recognise, however, that the specific problems faced by mature age people in the workforce are part of the broader problem of high unemployment in Australia (and other comparable countries) that has existed since the mid 1970s. High levels of unemployment are associated with massive programs of restructuring in the Australian

economy which has resulted in both winners and losers. Mature age people have often been significant losers in this process.

Mature age employment issues will most effectively be addressed over the long term by consistent employment growth. A greater consonance between labour market supply and demand will create the conditions in which employers will be forced to review their present preferences for younger workers. When they do, they will be pleasantly surprised to find the immense pool of skills, creativity and adaptability of mature age workers.

Nevertheless, full employment may be some way off for the Australian economy and until this occurs, the task is to ensure that mature age people are able to obtain their fair share of existing employment opportunities. Those who do miss out should be supported to ensure that the financial and social disadvantages of exclusion from paid employment are minimised. Most importantly, the duration of unemployment for mature age people should be reduced. Therefore the focus of this report is on those issues that can be addressed at the micro-economic level to ensure that mature age people are treated in a fair and equitable manner in the labour market and to reduce their average duration of unemployment.

The purpose of this submission

COTA believes that close analysis of a wide range of labour force and other social statistics provide a strong case that mature age people do not receive a fair share of jobs in the labour market. Having established the statistical evidence, it is important then to look at the solutions to the problem.

COTA felt that the most valuable contribution that we could make to this Inquiry was to discuss the issues with mature age people themselves and to report on their views of their situation with a special focus on what assistance and other public policy interventions would be most useful to them. Because COTA has access to a membership base and has strong links to the community we decided to use our own networks to bring together groups of mature age people for this purpose.

This submission is developed from focus group discussions with three groups of mature age people who are no longer in paid employment, in Sydney, Melbourne and Adelaide. Altogether around 30 people were engaged in the focus groups. We do not claim that this is a representative sample, however, we believe their views provide valuable material for this Inquiry.

The core issues for the focus group discussions were:

- the meaning of work
- the meaning of retirement
- their experience in the last two years of employment
- future work expectations including the role of training, small business and unpaid work in changing careers
- job search experiences
- solutions

1. WHAT DOES WORK MEAN TO MATURE AGE PEOPLE?

There is a strong belief that paid employment is less important to mature age people than younger people who are starting out in life or raising young families and paying mortgages.

This belief leads to the situation in which mature age people are:

- *not a priority in employment policy*
- *viewed as a soft target in the context of organisational downsizing and restructuring*
- *regarded by the community as not wanting or needing to work and thus having less entitlement to a place in paid employment.*

COTA sought to examine the assumption that employment is less important to mature age people than younger people.

Financial pressures

The participants agreed that the importance of paid employment was determined to a significant degree by their financial circumstances. It was noted that many mature age people still have families to support and mortgages to service.

The financial circumstances varied widely across the participants. For some, lack of paid employment was cushioned in the short term by redundancy packages. However, even those people were concerned that financial pressures could mount over time if paid employment was not found within a reasonable time frame.

For others, lack of paid employment meant significant hardship and serious concerns about the future. They spoke of the difficulty of managing without a job – the compounding debt, the difficulty in maintaining a reasonable standard of living and always being in catch-up mode. All spoke of the need for very tight budgeting and their lack of freedom to do things such as take courses and undertake home improvements. Some had to buy essential items using consumer credit and struggled to make repayments.

A point was made that for those whose primary source of income was derived from the interest from savings, paid employment was important because of low interest rates.

Financial issues for women

A number of women reported that they had had limited opportunities for work when they were younger, and only in later life did the opportunities for obtaining worthwhile employment emerge. Work was especially important where there was no partner in later life.

Many had worked in jobs that had offered no superannuation until more recent years and they had made a late dash to pick up some superannuation benefits. Working as long as possible was important for this reason.

Social factors

Social factors emerged as a very strong reason as to why mature age people wished for paid employment. There was a strong feeling that once they did not have paid employment they you began to feel invisible. Paid employment was important in terms of social acceptance and a feeling that you had a role in society. The participants wished to make a contribution and to be appreciated for their skills. The identity and status that comes with paid work was an important issue.

In addition there was a societal emphasis on employment as a measure of individual worth. Some people spoke about other people's anxiety about their unemployment which translated into subtle pressure.

Work had a particularly important role for people who are lonely – including people losing partners through death and divorce in older age groups. Many people over 60 are living alone so a job can provides a structure in their lives.

Mental stimulation and structuring of time

The participants reported that work was important in terms of providing mental and intellectual stimulation

Employment also had an important role in structuring time. The participants reported experiences of boredom in struggling to get through the days without paid work.

Guilt about taking jobs from young people

Some mature age people reported feeling guilty that they may be taking jobs that young people might fill. While recognising it was not logical to feel guilty because young people can't replace their skills, they felt under some social pressure. There was discussion of how debilitating it is for young people not to have work.

However, in discussing this issue in some depth, all agreed that giving up a job was unlikely to create a job for a young person. In addition, while young people's needs for employment was recognised, a major consideration for mature age people is that they are expected to fund a large part of their own retirement needs and minimise dependency on government income support and services. Many still had immediate financial needs such as children in education or a mortgage.

Participants saw themselves as being in an unwinnable situation. They saw a contradiction in Government policy. On the one hand it is only designed to assist young people and yet there are heavy demands being placed on older Australians to look after their own needs.

It was pointed out that there is a lot of contradictory policy and practice occurring:

- older people not wanted in the workforce
- but expected to pay for all retirement needs
- expected to use up any assets including superannuation before they can get government assistance

Summary

There are a number of distinct messages from the discussions:

1. *Most mature age people need to work for financial reasons. Many still have significant financial obligations as a result of:*
 - *later life child bearing: for example a couple, between the ages of 35 and 40 having two children, are likely to have responsibility for those children until they are in their late 50s to early 60s.*
 - *second families: high rates of divorce and reformed families create significant financial pressures for some people trying to support an existing family and start a second family.*
 - *family breakdown has resulted in the need for some grandparents to take on the responsibility of raising and supporting grandchildren.*
 - *the increased duration of dependency of teenage and adult children due to higher rates of participation in higher education: adult children may be considered a dependent on their parents until they are 25 for the purposes of Austudy and Newstart Allowance entitlement. It is commonplace for people in their 50s and 60s to have dependent adult children.*
 - *servicing of home mortgages: it should not be assumed that the vast majority of Australians have paid off a home mortgage by the time they are 50. Many people suffer financial set backs throughout their lives such as unemployment, business failure or illness which compromises their capacity to pay off a home at a younger age.*
 - *the need to save for retirement: increasingly mature age people are concerned about their income needs in retirement. Employment for as long as possible is viewed as critical to having an adequate income in retirement.*
2. *Social factors, mental stimulation and structuring of time are extremely important for mature age people in terms of wishing to maintain employment.*
3. *While mature age people recognise the problem for young people in employment, they have very strong employment claims of their own.*

2. RETIREMENT: WHEN, HOW, IF?

There is a strong expectation in society that if you are in your late fifties or sixties that you should be looking towards your retirement. There is also a persistent stereotype of a working life of some forty or so years followed immediately by a period of non-activity in retirement. It is important to understand how current generations approaching the traditional retirement age feel about these various expectations and stereotypes.

This is what our groups had to say.

There was not a vast interest in the state called “retirement”. Hence this section is relatively short. Retirement emerged as a redundant concept in the discussions and participants generally disliked the term as it implied a “do-nothing” state.

No-one indicated that they were prepared for retirement – “no such thing as retirement” was the unison message. For some people, especially in their early fifties, retirement was not even remotely in their thinking.

Most envisaged that there would be a flow on from paid employment to some other form of making a contribution to society and ongoing activity. All agreed that retirement should be a gradual evolving process. There was agreement that retirement should be a matter for individual choice dependent on health. Financial considerations were mentioned as being relevant.

The participants felt that we needed to turn around the idea of retirement as a period of non-activity. Retirement should be seen less as a cut off point than it has been in the past.

Summary

The groups contradicted the stereotypes and models that currently pertain to retirement. They indicate a disdain for the concept of retirement and wish to see it buried. This does not mean to say that they do not see a tapering off of economic activity but they do see ongoing participation and contribution as being vital to their well-being as they grow older.

3. LAST TWO YEARS OF EMPLOYMENT

COTA has serious concerns that mature age people have been targeted for redundancy and are often not given appropriate support in coping with job loss. We have also been concerned that there has been insufficient attention to the needs of mature age employees in terms of protecting themselves from redundancy and prevention of problems.

We asked participants to outline their experiences in their last two years of employment, what did happen and what should have happened.

Working life

For many participants the last two years of employment had been a positive experience full of challenge and high levels of involvement in their work. Many commented that their work and social lives were intertwined. The end of the job thus meant the end of many of their social contacts. One person commented that their former colleagues were embarrassed about the situation and did not foster a continuing relationship.

As a result, the transition to unemployment was difficult especially when retrenchment had been hasty and unexpected.

A positive experience was related where the man had control over the leaving process, had a chance for a proper farewell and dignity could be retained. The retention of friendships developed at work, he felt, was in this case more likely.

One participant was a victim of deliberate policy in a state government public service of replacing older workers with younger ones. Retrenchment was largely non-negotiable. If you did not take a package, it would be less generous in the future and you would be side-lined anyway. There was no real choice to stay on in employment.

Another participant had been with one employer for 19 years and wished to remain. However, the employer was not prepared to invest in any information technology training for her and she was forced to leave because she did not have skills in the new technology.

Varied experiences were reported. For some the last two years had been dreadful, so finishing was a great relief. For others, leaving work was totalling devastating.

Most reported on strong feelings of grief in leaving their jobs regardless of the circumstances. What was very important to everyone was having choices and being prepared for the absence of employment. However, even the best laid plans did not prevent a great shock on leaving a job.

Employment agencies providing supports and somewhere for the person to go on a regular basis were important. An appropriate setting to grieve over the loss of a job was necessary. It was important that appropriate counselling was available as otherwise there would be ongoing emotional difficulties that would effect their capacities to get on with their lives, find another job or an alternative, satisfying activity.

Summary

Job loss can be a debilitating and traumatic experience for mature age people who have had a long attachment to the workforce and often a particular organisation or business.

Appropriate support services, including counselling are needed for mature age people losing jobs.

In addition greater consideration is needed regarding the prevention of problems for mature age people in jobs. This could be through ongoing training and retraining while still in employment. Mature age people in jobs need to be aware of the risks they face and be well-equipped to protect themselves in the event of organisational downsizing.

4. FUTURE EXPECTATIONS ABOUT WORK

The end of a major long term job and the problems in automatically finding another similar job often lead to a reassessment of employment goals and a re-appraisal of strategies to achieve these goals.

For public policy, it is important to gain an understanding of how mature age people see their own position in order to develop an appropriate platform of assistance.

Also it is important to explore the relevance of the traditional avenues that are often suggested for mature age people – training, small business, and unpaid work.

Hope versus reality

There was a wide range of expectations amongst participants regarding future work prospects. They saw a difference between hope and reality and that they did not necessarily match.

Many believed that they would not find a similar job in terms of pay and security. Age discrimination was noted as a factor, as was length of time out of the workforce, which would affect their prospects.

There was agreement that for the long term they may need to make a job for themselves rather than expect someone to employ you. However this would not be an option if financial resources were not available.

Most saw themselves at the present time as “working to find work”.

Changing careers

The task of changing career paths was seen as a relatively difficult one.

Many agreed that it was often difficult to sell themselves in an industry outside the one their experience was in. Sometimes technical skills were not readily transferable.

One gentleman who finished employment recently said that he would now not want to go back to his former employment. He would be looking for a job with less stress and less responsibility. A major problem he faced was in deciding on what he wanted to do with his life. He felt he didn't know what his options are and that there had been no information presented to him on possible alternatives.

It was agreed by the groups that the longer you are out of work the more you lose confidence. Even though they are just the same in terms of skills- there is a feeling that skills have eroded. A question was posed - does ageing itself undermine confidence? And what does that mean in terms of social attitudes towards ageing which mature age people have internalised leading to self-questioning.

There was a consensus that there is a need to educate employers about the skills of older workers.

A broader question was posed: is experience worth anything in the present job market?

It was agreed that more mature, sophisticated employers are more likely to value the mature age worker. They will have the view that “it is good to have a few grey hairs around”.

A worker for COTA Victoria reported that she had ran a workshop on mature age employment for employers at a conference recently. She noted that there was low turn out indicating lack of interest, but that for those that did turn out they said they didn't know much about the issue and were pleased they had gained some information.

It was agreed that older people had been badly affected by business practice that sought to minimise workforces.

Retraining

Problems relating to retraining were noted in the following areas.

Employers were criticised as not being prepared to give time off for training and were not prepared to invest in older workers. Employers are less likely to pay for training for an older employee. This sets up a vicious cycle, deskilling that person and making them vulnerable to redundancy. Participants felt that older people need to be given an opportunity to become skilled in computer technology.

One woman reported that she had been a medical receptionist for twenty years but was made redundant because she was not skilled in new technology and her employer had not been prepared to provide such training.

It was felt more research needs to be done on suitable employment opportunities for mature age people and there needs to be better linking between training and workforce opportunities

Participants expressed concern that there was no **recognition of prior learning** in the job market. They are overlooked because they do not have the right “piece of paper” (a formal qualification). For some their frustration was that their overseas qualifications were not recognised in Australia.

Older people were disadvantaged compared to younger people in the job market because they had not had opportunities for education in their early years. They were now being penalised although they had both experience and a great deal of practical know-how in doing a job.

Costs and the length of time for retraining were a major barrier for many people.

People recalled the NEAT (National Employment and Training) scheme of the 1970's. It was abolished because it was said to be serving the needs of middle class women.

One woman in her early fifties discussed her situation in which she had run a business for 20 years and had gone back to university for retraining. She commented that the retraining seemed to be a long drawn out process and it was difficult to then establish a career from it.

Establishing a small business

One man in the groups had taken the option of sinking his retrenchment money into a small business. He said that it was very difficult for many mature age people to take this option from several points of view:

- The high level of risk involved and lack of time ahead to recover any losses given that a retrenchment package would probably be the last significant amount of money ever to be obtained.
- The high level of small business failure due to lack of capitalisation and or business and management skills.
- The problems in establishing a small retail business – the most common form of small business - in competition with large businesses and the development of shopping centres dominated by a relatively fixed number of large, chain store retailers.

While he had not lost all his funds, the business had not grown at a desirable rate to make it worth continuing.

Some people were doing some consultancy work which didn't pay very well but it provided a front for them while they were looking for a "real" job.

The role of unpaid work

The groups noted that older people were welcomed as volunteers but felt that there was an attitude that they were too old for the paid workforce. There was a concern that Centrelink/Job Network gives up on finding jobs for older workers and offers only voluntary work.

However the benefits of voluntary work were seen as significant.

Unemployment for one man meant that he lacked motivation to socialise "what can I talk about?". Voluntary work was seen to invigorate social contact again and alleviate boredom while benefiting community organisations. It improved self-esteem and provided stimulation. It was also useful in the transition period after losing a job.

Voluntary work could be an important route back to paid employment. The group felt that if voluntary work was relevant, it would be seen by the employer as just as valuable as paid employment.

However, the group felt that voluntary work needs to be meaningful, varied and valid. It needs to offer structure and respect as well as opportunities for training and multiskilling.

However the costs in terms of travel and meals needs to be recognised. Other reservations were a suspicion that the government was using volunteering to save money and that sometimes volunteers were replacing paid employees.

Summary

Getting back to work and changing career paths can be a difficult task. Retraining, opening a small business and unpaid work can all be avenues that may lead to other forms of employment. However, all these options are not without their difficulties.

Retraining was desired by many but the costs and time involved was seen as prohibitive and outcomes were uncertain. Mature age people in the groups felt that any training needed to be closely linked to definite employment options.

Small business held some promise but was fraught with very great economic risks for the mature age person. They would have no capacity to recover from any set back in the future.

Unpaid work could be an excellent avenue for keeping up work skills, learning new skills and making contacts. However, the work had to be meaningful and enable reskilling.

5. JOB SEARCH EXPERIENCES

What does it mean to be a mature age person in the job market? How effective is current assistance? What can be done to assist? These were some of the questions we put to our participants.

Looking for work

Most agreed that their high level of experience and age were major issues in terms of outcomes of job search. A few did not feel this was the case. Some reported on the difficulties that were encountered when the person interviewing/employing was younger and less experienced than themselves. The difficulties of selling skills outside a particular industry sector was mentioned as a barrier.

The lack of responses to job applications from employers was a major concern. No responses were received from most employers. On inquiry, employers said they had been overwhelmed with applications. Non-specialised, generalist jobs were highly sought after.

One gentleman talked about applying for jobs in the area of his former employment but made no progress. His next strategy was to apply for lower level jobs. However, again this led to rejections on the basis of his being over-qualified and too experienced for base grade jobs.

Over time, further problems evolved because their work experience was not up to date. Recency of work experience was noted as an important factor.

Negative job search experiences led to reduced self-esteem and frustration. References did not seem to assist much.

There was a feeling that the age barrier is moving down. Age discrimination can start kicking in the late 30s and early 40s. Thirty was often considered too old. One woman reported that she had no difficulty getting interviews but she could see as soon as she came through the door, barriers were put up because of her age.

Government agencies

Few of the people involved in the discussions had had contact with Government agencies in the context of their recent unemployment and job search.

For many, the Government was not seen as relevant or having anything to offer. For those from a private sector background, there was no culture of dealing with the Government.

One long term unemployed man in his early fifties discussed the problems he experienced in obtaining assistance for retraining. He could not get funds for retraining unless he had a letter from an employer guaranteeing that he would be employed after finishing the training. As a person over 50, he felt that his agency undertaking his case management agency had no interest in him. He had effectively been “parked”.

Another long term unemployed person in his early fifties reported on the problems in the Government's "mutual obligation" policy. He was eligible for intensive assistance with a case manager through an agency of his choice in the Job Network. He commented that there was a conspicuous lack of transparency about his own rights and entitlements. He said that there were important accountability issues involved that were not presented to him up front: that he had a right to negotiate with the agency about his activities, that the agency should be active in referring him to possible employment, that he had a right to change to another agency if its performance was not satisfactory.

For those that did not receive a Newstart Allowance, Government agencies had no interest in providing any assistance.

Summary

Overall, job search was a difficult process for most of the people in the groups. Age combined with a high level of experience provided for a difficult mixture in convincing employers that they were a suitable candidate.

Government agencies were not an option of assistance for most, but for those who were compelled to use the Job Network system a number of serious problems were reported in the following areas:

- *Lack of commitment to assisting mature age people*
- *Unrealistic requirements for unemployed people to fulfill in order to obtain funds for training*
- *Lack of definition of responsibility of case manager to the client*
- *No assistance proffered to those who were not receiving Newstart Allowance.*

6. WHAT IS NEEDED? – WHAT WOULD HELP?

Mature age people experience the day-to-day issues of being out of work and looking for work. COTA believes they should be consulted about what they believe would assist them. Here is what they told us.

Employers

- Changing the mindset “out there” about mature age employees was the most pressing need.
- Employer attitudes need to change. They need education about mature age employees.
- Employers should look at their staffing structure and have a policy to maintain expertise. **Education is essential.**

Government

- Outplacement services and support networks are important especially immediately following retrenchment. People need a supportive environment to grieve.
- An agency that specialises in the over 45s would be useful.
- One option would be to provide incentives for employment agencies to focus on mature age unemployed eg paying a consultant for finding a job
- Specific initiatives for older unemployed are needed. Government needs to show leadership. A marketing campaign to promote skills and benefits. The Government should also listen to older people and become pro-active on their behalf.
- The social security income test needs to be revised to create more incentives for people to up part time work opportunities. The income test was seen as a serious barrier to obtaining employment for some people. “You need to make a lot in order to make it worthwhile to work”.
- Options around tapered retirement need to be explored.

Community

- Groups such as COTA and DOME (Don’t Overlook Mature Expertise) can be instrumental in applying pressure to government. They can use the media to promote the issue.
- An organisation specialising in the needs of older workers would be useful.

- There is a role for consciousness raising – like feminism in the 1970s. We need to all work on our unconscious attitudes to ageing and older people, including our attitudes to ourselves.

Self

- Individuals may need to compromise on what they expect and want out of work. The need to be a salesman for yourself was emphasised.
- Lobbying and informing local members, politicians and the media about the plight of mature age people in the workforce.
- Self-employment a possibility for some.
- Short term contract work would suit many older people who had skills that could be easily slotted in to an organisation. Some older people need less income so do not necessarily need or want a full time job.

7. CONCLUSION: GOVERNMENT POLICY DIRECTIONS

In our discussions with mature age people, COTA has gained a picture of the many dilemmas and issues they face in trying to find a place in the paid work force.

In this section of the report, COTA develops a series of recommendations based on the discussions above and our own existing policy development work. The recommendations are directed to the Commonwealth Government for action.

The Council on the Ageing recommends that the Commonwealth Government:

1. Takes the lead in transforming employer and community attitudes to mature age people through education programs.

COTA believes that the Commonwealth Government can take a leadership role in educating business and the community about mature age workers. It can also lead by resourcing the policies, programs and strategies which will underpin this process of re-education.

There needs to be education which addresses:

- **the benefits to the workforce of having a balance of older and younger workers where diversity and difference are valued**
- **the benefits of retaining the skills and competencies of older workers**
- **the costs of losing those skills and competencies**
- **the costs and limitations of having a predominantly young work force.**

In addition, education is required in the area of human resource management:

- **Employers should be encouraged and educated to provide ongoing training for mature age workers.**
- **Employers need to be made aware of the benefits of phased retirement and maintenance of the skills of the older workforce.**

2. Develops an explicit policy to reduce the average duration of unemployment for mature age unemployed people.

COTA seeks:

- **The Commonwealth's commitment to reduce the average duration of unemployment of mature age unemployed people. Long term unemployment is highly undesirable for all age groups. However a short term goal for the Government should be to reduce the average duration of unemployment for mature age people to that of the average for all age groups with a view to eliminating long term unemployment for all groups altogether in the medium term. The policy recommendations below would assist this task.**

3. Develops specific policies, programs and strategies for mature age people seeking employment.

This report has noted that the Government has specific policies and programs in place for young people but none for mature age people. This anomaly should be addressed.

COTA seeks:

- Funding for a program similar to the **Mature Workers Program** in New South Wales which specialises in providing assistance to people over the age of 40 *who find themselves unemployed late in their careers, those interested in new careers, and those entering the labour market for the first time or after a long interval.*

The program provides employment assistance through job search skills, training, finding suitable vacancies and facilitating placements with employers. It also provides opportunities for Accredited Training which seeks to upgrade skills of workers who are unemployed or facing unemployment, or to retrain unemployed mature people in new skills in growth industries/occupations. (Information provided by New South Wales Department of Education and Training).

Employment policy for mature age people needs to be marked by a high level of sensitivity to the diverse needs in this age group. The principles which should underpin employment policy for mature age people should be:

- **Opportunity and choice:** employment policy needs to provide encouragement and opportunities for mature age people who wish to participate in the labour force but should support those who do not or cannot.
- **Flexibility:** it is also important that there be opportunities for people to change the nature and extent of their labour force participation as they age. Options include moving from full-time to part-time work or moving to a different type of employment.
- **Appropriateness:** the nature of assistance provided to mature age people should be appropriate to their experience and maturity. Hence programs which people in younger age groups are encouraged to participate in, may not be appropriate for people in this age group. Any program should ensure that older people can retain their dignity.

4. Reviews current Centrelink and Job Network arrangements in providing assistance to mature age people.

COTA seeks:

- **Greater levels of awareness in Centrelink and the Job Network about the specific needs of mature age people looking for work and the specific needs of particular groups such as people from a non-English speaking background.**
 - **Active programs to prioritise mature age people within the Job Network.**
 - **Clearer definition of the rights to assistance that mature age people have in the Job Network.**
 - **Greater levels of assistance for mature age jobless and under-employed people not in receipt of a Newstart Allowance.**
 - **Specific employment service provider agencies to handle mature age people in the Job Network should be funded in the next round of tenders. These providers should be distributed widely to ensure that mature age people throughout Australia have access to their services.**
5. Provides incentives for mature age people to undertake retraining.
 - **Cost and time barriers to undertaking further training must be addressed for mature age people.**
 - **Training in information technology is urgently needed.**
 - **Training should be linked to tangible job opportunities especially in growth areas of the economy.**
 - **Opportunities for life long learning should be actively cultivated within the community and with employers at large.**
 - **Recognition of prior learning should be adopted in training programs for mature age people**

6. Develop support mechanisms for low risk small businesses for mature age people

COTA views small business as a relatively limited option for many mature age people due to the high level of financial risk involved. However, it will be an option for some especially when a business can be developed with relatively low levels of capitalisation.

Short term contract work can also be an important avenue of employment for mature age people because of their high level of skills and flexibility.

The Government can assist mature age people in a variety of ways by:

- **Providing small business training and advisory services.**

- **Allowing the individual to remain on income support payments in the establishment phase of the business.**
 - **Providing tax incentives and small business development grants.**
 - **Providing a framework for a mature age person to become an independent contractor for a particular industry sector whereby no capitalisation is required at all.**
7. Addresses the financial impediments faced by mature age people who are not in paid employment through income support measures.

A significant number of issues emerged in the course of discussions regarding income support arrangements for mature age people outside paid employment.

COTA is seeking:

- **Newstart Allowance for mature age people should be increased to the level of the Age Pension. Newstart Allowance is an inadequate income given the average duration of unemployment for a mature age person.**
 - **The Government's policy of requiring people over the age of 55 to tap into superannuation funds after 9 months of receiving a Newstart Allowance or other income support payment should be abolished.**
 - **The income test for income support payments should be eased and made more flexible to enable mature age people to obtain part-time and casual employment.**
8. Enact Commonwealth age discrimination legislation.

It is a matter of urgency that the Commonwealth put in place age discrimination legislation. Australian States and Territories mostly have some form of legislation which prohibits age discrimination in employment but there is none that covers the Commonwealth jurisdiction. This means that age discrimination is not unlawful.

COTA seeks:

- **Strong and enforceable Commonwealth age discrimination legislation covering all discrimination issues in employment to complement that in the States and Territories.**

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