

Submission by:

**Employment Resource Centre  
Elsternwick/Caulfield South Uniting Church to**

House of Representatives Standing Committee on  
Employment, Education and Workplace Relations  
Inquiry into:

**"Issues Specific to Workers Over 45 years of Age  
Seeking Employment or Establishing a Business  
following Unemployment".**

- It is undeniable that Australian workers over 45 face serious difficulties in finding and retaining employment.***

Ref 1. National Institute of Labor Studies, Dr Adriana Vanden Heuvel, has found that over 200 000 Australian workers over 45 were unemployed, including those ignored in the official figures because they have given up the search for work. AGE 9-11-99.

Ref 2. Research by Drake Management Consulting in which 500 senior executives and HR managers nationwide were questioned about their age preferences. The results according to DMC's national manager, Chris Meddows Taylor were much worse than initially anticipated. "While we have known that ageism is a problem in organisations we were unaware just how deep-rooted the problem is. We have always recognised that ageism is a problem in some industries. However, what we now find, it is endemic across the entire workplace- with just a handful of exceptions." Shockingly none of the 500 respondents would choose to employ managers and executives in their fifties.

Ref 3. The same Drake Management Survey tragically found that the fifty-something's were the most likely to get the boot, with up to 65% of companies saying this group would be the first to go when retrenching. Oct 1999.

**The experience of our UCA Employment Resource Centre confirms these problems for older workers and there is little doubt that these difficulties increase exponentially with increasing time out of the workforce despite the best efforts by individuals to upgrade their skills to meet employer job specifications. These difficulties seem to relate equally to men and women whether full time or part time work is being sought.**

- It is undeniable that Australia faces serious problems if it does not reverse this trend to 'Early Retirement'.***

Ref 4. The Productivity Commission, August 1999, "12% of the workforce is now aged 65 or over and will reach 20% by 2030." It said that it is important to reverse the trend to early retirement, which increases the cost to the community of caring for the elderly. AGE 19-9-99.

Ref 5. Bureau of Statistics predicts that between 1996 and 2016 the over 55 labor force will double and those aged over 45 will account for **82% of workforce growth**. AGE 9.11.99.

Ref 6. A Federal government paper "Employment for Future Workers" contrasts employer discrimination against older workers with the demographic reality that future workforce growth will be overwhelmingly among those older workers. AGE 9-11-99

Ref 7. Dr Vince Fitzgerald in a study "Rethinking Work and Retirement" points to early retirement raising important issues for public policy makers who have to account for services to the aged. AGE 18.10.99.

- ***It seems undeniable that attitudes by both employees and employers are significant factors in this early-retirement syndrome.***

Ref 8. Allen Consulting Group found 'Negative employer attitudes' to older employees was one of several factors encouraging earlier retirement where greater use of part time or project based work could benefit companies and the national economy. It found the average male retirement age was 58 and that 70% of men retired too early and did so involuntarily. Sunday AGE 17-10-99.

Ref 9. The Minister for Aged Care, Mrs Bronwyn Bishop, urges employers to change their attitudes to older workers and to award jobs "**on the basis of individual ability and capacity, not age**".

Inaugural Conference of the National Council of the Ageing Nov.99.

Ref 10.. Worker productivity declines a little with age but this is offset by an improvement in quality of work, amenability to retraining and a greater loyalty, reliability and work ethic than their younger colleagues. Employers tend to believe that older women returning to work tend to lack confidence and initiative. AGE 9.11.99

Ref 11. Dr Vince Fitzgerald, again, "Not all the causes for early retirement can be put to the employers- for many it is a mis-understanding by employees of how long superannuation will provide for future needs and how an extra 2 years employment can extend superannuation savings by as much as 7 years".

Ref. 12. National Seniors Association convention in Canberra told that 'employers continue to discriminate against them'. A report funded by Victorian Government stated older workers cost a company less because they stayed in a job longer, saving money by later replacement, recruiting and training costs. They also cost less in absenteeism and work injury claims. Jobs East representative Ms Rolland said 'Employers have a perception that older workers are not just less capable but they actually cost more... **they don't cost more, they actually cost less and are just as capable.** AGE 15-10-99.

Ref 13. Prof. Terry Seedsman, Western University. "Productivity does not necessarily decline with age". Australian Journal on Ageing. Report Sunday AGE 19.9.99

**OBSERVATIONS and ADVOCATIONS by Elsternwick UCA  
employment Resource Centre.**

1. Older workers because of their life experiences have 'relationship skills' which they are often not aware of themselves and which employers and perhaps more particularly employment agencies tend to overlook or under value. These can be expressed most aptly perhaps in the sense of 'being able to get along with others'.

These skills are particularly valuable in tasks where there are direct relationships with the public or in work or project teams within enterprises. Ultimately, says Mr Meddows Taylor of Drake, our most seasoned veterans bring distinct assets to an organisation: experience, knowledge, wisdom, personal stability, confidence and an alternative perspective to that of the young and callow.

More mature workers often apply a more critical perception to ways of reaching a desired end point than younger employees—they apply that principle of the attitude of the old bull among the young bulls story.

These attributes and the similar cost and performance advantages in the references above which are brought by more mature employees to the work force, are not demonstrable in the normal 'Resume' and appear not to be given any value in the selection of job candidates for interview.

Moreover, where two candidates with equality of skills and experience present themselves for selection, but one is 35 and the other 50, the younger person seems to be always chosen. It is of course the employers right to do so.

**How might these employer attitudes be changed?**

One could speculate that such changes in attitude could be achieved by employers re-evaluating the pros and cons of retaining employees longer in their workforce, re-evaluations that take into account the direct financial as well as the intrinsic factors to be considered.

As the whole community ages, perhaps current prejudices against the mature workers will change gradually by the sheer force of the demographic pattern that employment growth can be met only from the mature sector, but Government may not be able to risk the crippling social consequences if reliance is simply left to such incremental change.

The current ageism attitudes in most organisations must be changed. Senior executives and human resource managers will have to be convinced of the inherent advantages of employing older workers. Drake research shows that 86% of senior workers are more than happy to take up training opportunities offered to them. Other studies also show that older people can and do learn new ways. Such changes in human relations management are possible through re-education of managers. The Australian Institute of Management and Australian Human Resources Institute in conjunction with educational authorities and Government should take a leading role in this. It is significant, again referring to the Drake study, that the Education sector is the only one where maturity is valued ahead of youth - with almost 95% of organisations in this sector stating a preference for employees between 41 and 50.

There is another aspect of age discrimination of which employers should be made aware and that is that 'Grey power' will become an increasingly vibrant and influential force which could be applied against employers seen to be not giving mature employees a fair go.

The ERC also advocates that more direct ways to encourage employers to retain employees longer should be investigated. Schemes for example that set guidelines for certain proportions of mature employees to total employees with accompanying incentives to employers - perhaps training subsidies or tax incentives for achievement of stipulated targets on an industry basis. Such schemes are used in several overseas countries to ensure educational opportunity or employment of particular minorities but such schemes can suffer from abuse and should only be contemplated as a last resort.

The ERC also believes there is need for more direct encouragement for mature aged employees to take up further education or training. Subsidised retraining is currently limited to unemployed people receiving benefits. People excluded from benefit have to use their own limited financial resources on retraining schemes and risk failure to eventually overcome age discrimination. Such retraining is not cheap. Where such unemployed persons take up re-training to meet employer's work specifications, it should be possible for these costs to be subsidised and on obtaining employment, for them to recover the full cost of their retraining. Employers should also have a strong voice in the type of retraining courses provided for mature aged employees in the TAFE system and where a mature aged applicant for employment fails selection on the basis of inadequate level of skill required for the job, that applicant be offered a subsidised retraining course.

In Ref 11. Dr Vince Fitzgerald points to the fact that many employees under estimate the amount of superannuation needed to carry them through their retirement years . This is an important aspect of retirement within the control of those employees who retire voluntarily or accept 'voluntary departure packages'. Through public education and union programmes, employees need to be made aware of the importance of saving through superannuation, that every extra year of employment makes a significant increase to the longevity of superannuation coverage and that government pensions may not always be there.

Finally it seems clear that age discrimination is very difficult to prove and the situation seems to demand more stringent criteria to reduce its clear application by employers , even though it is often apparently to the detriment of their enterprises. We offer no solutions in this area but merely observe that the Anti Discrimination Act appears toothless in this regard.

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Convenor  
15-11-1999.