



COMBINED PENSIONERS AND SUPERANNUANTS
ASSOCIATION OF NEW SOUTH WALES INC.

Level 3, 25 Cooper Street
Surry Hills NSW 2010

Telephone: (02) 9281 3588
Facsimile: (02) 9281 9716
Country callers: 1800-451 488
TTY: (02) 9281 3893
Email: cpsa@cpsa.org.au
Website: <http://www.cpsa.org.au>

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SUBMISSION

Inquiry into Employment: Increasing Participation in Paid Work

Introduction:

Combined Pensioners and Superannuants Association of NSW (CPSA) was founded in 1931. CPSA is a non-profit, non-party-political membership association which represents pensioners of all ages, superannuants and low-income retirees. CPSA has 130 branches and 7 affiliate organisations with a combined membership of approximately 12,500. In turn, it is represented by peak organisations such as the Australian Pensioners' and Superannuants' Federation (APSF) and the Council of Social Services NSW (NCOSS). It is affiliated to the National Coalition Against Poverty, Carers Coalition and other umbrella groups.

Policy Statement:

CPSA recognises the right of citizens to choose to remain in, or seek paid employment beyond the Age Pension age at 65. However, we believe the terms of reference of this Inquiry are flawed. The Inquiry should be examining why people in the 40-65 age bracket find it difficult to obtain work compared to their younger colleagues. It then should make recommendations on how to get them back into the workforce.

CPSA wishes to strongly affirm the rights of those citizens who wish, or indeed must, enter into retirement at age 65. That is, they must be entitled to receive a pension (based on the current Centrelink Assets and Income Tests) if they no longer wish to participate in the paid workforce. While we also affirm the rights of over 65 year olds to stay in the workforce, we believe this is not the main issue in terms of the unemployment problem in Australia today.

Rationale:

It is well known by CPSA, if apparently not by government, that citizens employed in physically, mentally or emotionally onerous jobs are absolutely craving for retirement, sometimes even earlier than the statutory age of 65.

Citizens who have reached their working life limit through actual physical injury or mental and/or emotional exhaustion or other illness must have at their disposal the absolute right to paid retirement no later than at age 65 and earlier for those special cases. The rationale being that the body, mind or psyche having arrived at a state of frailty where that person is unable to continue in employment, then if Australia is to remain a caring society, those people must retain an inalienable right to an Age Pension.

Commentary:

Beyond its recognition of the right of older people to choose, CPISA questions the validity of the concept of encouraging paid employment beyond the age of 65 given the 'lean and mean' society within which we all live and myopic concern for the 'bottom line' to the exclusion of all else.

CPISA perceives the above described 'lean and mean' society as having created an epidemic of losses of permanent jobs and the burgeoning of low paid, part-time or casual jobs with accompanying loss of employment particularly in the 40 to 65 year old bracket. Figures cited in the Women's Electoral Lobby 2001 Federal Election document illustrated where society is heading job wise:

"Full-time jobs comprised only 25 percent of all new jobs added in the 1990s; a growth rate one quarter of that in the 1980s. Over the 1990s, permanent employment increased 5.3 percent compared with a 63 percent increase in the number of casual jobs (Borland et al.,2001: 10)."¹

CPISA contends that the provision of jobs for unemployed 40 to 65 year olds does indeed need particular attention – perhaps more so than employment for the over 65 year old age bracket.

In the above context – which is the real world in Australia – it seems to CPISA inappropriate to be discussing the paid employment of the over 56s when unemployment exists in the 40 to 65 year old bracket and for that matter, for younger Australians.

Also given the predatory behaviour of the insurance industry in recent years - also driven by its 'bottom line' to the exclusion of all fairness, CPISA is concerned about work insurance for older people. This is due to frailties imposed by age, after all, not all jobs are 'safe' as recently alluded to by the Prime Minister in his attempt to gild the lily on this subject.

¹ <http://www.wel.org.au/election2001/vote/employmt.shtml>

CPSA's alternatives:

The Federal Government needs to embark on a long term project to create a greater number of permanent full time jobs than is currently the case. This would be at odds with trends in globalisation. Globalisation tends to create low paid, temporary jobs such as contract employment in Australia's white collar sector, sweatshop labour in South East Asia (for example, Indonesian workers in Nike and Adidas shoe factories) and bonded labour in countries like Pakistan and India. Nonetheless, in order for Australian households to avoid the poverty line, permanent full time work must become a Commonwealth priority. The alternative will be unemployment and a growing class of working poor – with all the attendant social problems.

It is here contended that the Government may achieve the above aims by re-entering previously vacated job creation through public enterprises, the institution of better labour standards through more reasonable limits to working hours. The new jobs thus created might then in part, provide tax income to fund future retirements.

More tax income would also be forthcoming should Federal Governments – particularly the incumbent one – pursue the 'big end of town' for its fair share of the tax payout.

CPSA condemns the lax taxing of high-income receivers and corporate bodies and the many handouts – quit apart from 'loopholes' – to wealthier citizens. We quote as examples the grossly iniquitous first baby bonus and the escalating subsidies to the wealthiest subscribers of private health insurance and the tax breaks recently introduced to the wealthiest of superannuants.

We look very askance and in abhorrence at the government rental market where rich individuals and corporations are renting the use of government structures and land for an appalling pittance.

We furthermore condemn the government's practice of participating in so-called 'currency exchanges' better described as virtual gambling exercises using taxpayers' funds.

The alternatives the government should be following are those described immediately above and not pushing older people into the workforce where they may not wish, or indeed be unable, to go.

Recommendations:

- That the Age Pension age remain obtainable at 65 years maximum

- That the Federal Government target employers and government agencies with a view to employing more people in the 40 to 65 age bracket
- That the Federal Government formulate strategies to keep those over 65 year olds who want to work in the workforce
- That the Federal Government should create more permanent full time jobs with a view to seeing them outstrip the growth in casual jobs