EXECUTIVE SUMMARY

Australia faces significant challenges in coming years from an ageing population as the large cohort of ‘baby boomers’ approach retirement. Increasing the relatively low employment participation of mature age people (aged 45 years and over in this report) in Australia is an effective means of meeting the economic challenges presented by this significant demographic change. This will help these workers fund their retirement, broaden the tax base and, most importantly, fully utilise the skills, experience and mentoring abilities of the mature age population. In response to these challenges, successive federal governments have introduced a number of policies and programs to increase the mature age employment rate, in areas such as re-training and re-skilling, Age Pension and superannuation reform, and Age Discrimination legislation. However, significant barriers to improving mature age employment still exist.

The first report for the Consultative Forum on Mature Age Participation prepared on behalf of the Forum by National Seniors Productive Ageing Centre (NSPAC) identified 14 barriers preventing mature age people participating in the workforce. The barriers cover diverse issues, including illness and injury, re-training, the tax transfer system, superannuation, and age discrimination. This report seeks to measure the prevalence of these barriers using results from the first nationally representative Survey of Barriers to Employment for Mature Age Australians of 3007 Australians aged 45-74 years. This report also analyses how the prevalence of these barriers differ by demographic and economic characteristics, examines the degree to which individual barriers interact, assesses the impact of barriers on hours lost to the Australian labour market and economy, and contrasts the findings of the survey with the views of employers in the 2010 DEEWR Survey of Employers.

Some key findings of the Survey include that illness, injury and disability (including physical and mental health) was reported as preventing one-fifth of the total population aged 45-74 from working or looking for work in the last 5 years, and flexible working arrangements would help 59% of non-employed ill people to be able to work.

Age discrimination during job search appears to be particularly prevalent, with 36% of job seekers reporting having experienced exclusion while looking for a job in the last 5 years and attributing it to their age, while 83% believe it to be an issue in Australia.

Care-giving responsibilities are reported as preventing around one-third of care-givers from working or working more hours; flexible work patterns would help 61% of non-employed carers and half of employed carers work or work more.

There appears to be significant unmet demand for workplace training, with over one-third of workers being unable to attend some form of training that they wanted to in the past 5 years.

Declines in superannuation balances in recent years have impacted on workforce participation, 40% of those not retired report that they will delay their retirement by an average six years. The
availability of tax-free superannuation after age 60 appears to be influencing around one-sixth of non-retired people to delay retirement. The attractiveness of leisure time is reported as the third most important reason for people deciding when to retire, with five-sixths stating it as a ‘very important’ or ‘somewhat important’ reason.

The report uses different methods of ranking the barriers. Measures of raw and adjusted prevalence rank superannuation, illness, injury and disability, and age discrimination highly, while tax transfer system and re-entry issues for very long term unemployed (VLTU) rank lower. Rankings based on the impact of the barriers on hours worked demonstrate that illness, injury and disability and flexible work arrangements for the ill and care-givers are also significant barriers.

The prevalence of the barriers varies significantly by socio-economic and demographic groups within the population. People with low income and low education appear to be particularly vulnerable to experiencing certain barriers. The older people within the surveyed cohort are more likely to be affected by illness, injury and disability, while the younger people within the cohort are more likely to experience care-giving responsibilities as a barrier while being more responsive to flexible work arrangements.

Experience of multiple barriers is also an issue among mature age people. Illness and age discrimination in particular appear to interact significantly with other barriers. For example, reported job search exclusion attributed to age is highest for the unemployed or very long-term unemployed and those experiencing a mismatch of skills and experience with industry or employer demands.

Projections of the impact of certain barriers on labour supply over time show that removal of the flexible workplace arrangements for care-givers and the ill barrier could lead to almost 450 000 potential employees by 2031, or just under 12.5 million hours per week. There is also significant potential unmet demand for hours worked by those not in the labour force (NILF) and, for women in particular, part-time workers. For males, for some barriers, the effects are stronger for the unemployed.

The results from the DEEWR Survey of Employers suggest that those organisations that currently employ mature age workers have more positive attitudes towards mature age workers themselves. However, although the sizeable majority of employers state there are minimal challenges of employing mature workers, a minority tended to agree with statements presenting a potentially negative view of mature age workers.

The first nationally representative survey of its kind has provided evidence of the prevalence and impact of barriers to mature age employment participation in Australia. The findings can be used to develop policies and programs to fully utilise from the skills and experience of older workers. Future research could seek to reconcile findings from mature age people and employers by directly comparing self-reported data from employees and employers, attempt to explore some barriers in greater detail and contrast the findings with those of younger Australians.