

Submission from the Women's Equity Think Tank (WETTANK)

on Age Discrimination

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Terms of Reference

Review into Commonwealth legal barriers to older persons participating in the workforce or other productive work

Introduction

The following submission does not cover many of the detailed terms of reference but seeks to set the problems of participation by older Australians into a wider framework by looking through a gendered lens. This approach recognises the inquiry by the ALRC is limited to looking at the legal barriers facing older people who want to continue making a formal social and/or economic contribution. However, there are basic questions to answer about the meaning of participation via either paid or unpaid 'work' in our western style society.

Background

Defining what is work and therefore who is a member of the workforce is surprisingly unclear for such a commonplace concept. The assumption of the current Federal government is that having a (paid) job is one of the recognised hallmarks of being a contributing citizen of the community. The terms of reference and some of the initial initiatives in this area had a very strong emphasis on the economic benefits of extending the participation of older people. The higher the workforce participation rate, the greater the potential growth in GDP is and presumably other economic measures.

While there are implicit assumptions that there are social benefits from paid work for the workers themselves and maybe for the wider society, the constant emphasis on the economic growth somewhat diminishes the Government case. There is far too little emphasis on the broader contributions that can be made by older people: their pleasure in sharing skills and knowledge, the benefits of age diversity, history and experience for organisations, and the valuing of sharing one's know how.

The social contributions made by many in the paid workforce are far too often undervalued as though pay negates commitment and only unpaid contributions can be seen to have non monetary value. For many people, who they are and how they value themselves is very tied up with their paid work identities. Ideally, we should all have multiple links across our lives eg with family, friends, communities of place and

interest, and organised groups. However, evidence suggests that paid work is too often the dominant primary source of identity. While men and women often create different sets of links, increasing numbers of women use their jobs as their main source of identify and satisfaction. This limited view needs attention as it often creates problems if the job just stops.

The population and size of the changes

The following data directly quote the ABS and show both that the population changes are substantial and that gender is a major changing factor.

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2071.0main+features752012-2013>

The 65–69 years age group is on a cusp between two of the major influences on population ageing, increasing life expectancy and the ageing of the Baby Boomers. Increasing life expectancy, due to declining death rates over the last twenty years for both males and females in most age groups is having its effect on numbers in all the older age groups. The proportional effect of this is greatest on the two oldest age groups, 80–84 years and 85 years and over. Beginning from a low base, these age groups have respectively increased their proportion of the older population by 22% and 66% since 1991, and by 29% and 114% since 1971.

Notable in the history of older people in Australia is the difference in the experiences of men and women, beginning with their representation in the population. Women outnumber men substantially in the aged population, forming 54% of all aged 65 years and over, and 66% of those in the 85 years and over group.

However, from 1981 the gap between the number of males and females has been reducing in most 5–year age groups, and since 1986 in the oldest age group, 85 years and over. This is reflected in the greater recent decline in the standardised death rates for men than for women, although men's death rates still remain higher.

According to the 2011 Census, there were 3 million people aged 65 years and older resident in Australia, 1.4 million men, and 1.6 million women. Over half of this population were aged 65–74 years, 58% of the men and 51% of the women aged 65 years and over.

The following data also show the bulk of the ageing population is relatively healthy, or, at least, is not seriously in need of care. This type of data, together with other studies, suggest that engaging these age groups is feasible on many levels.

In 2011, 537,300 older people, 19%, were identified as having a profound or severe disability. Among people in the 65–69 and 70–74 age groups, less than one in ten and around one in ten people respectively reported a profound or severe disability. This increased to 17% for the 75–79 years age group, rising to 68% for the 90 years and over age group, 58% for men and 72% for women. Older women (22%) generally had a higher rate of profound or severe disability than older men (16%).

Defining participation

Therefore how we define participation and manage different life options may become less obvious when we sort out what is meant by 'contributions'. Are these just the economic value of the work done, the money earned or dollar value of output? Or are they the sum of the skills contributed, the quality of the product, the benefits to the wider society or the pleasures and rewards of helping others that go beyond payment? It is here that using a gendered lens may raise more issues than solutions.

Working for pay is relatively clearly defined: an activity (or presence) that is rewarded by a payment. Ergo, the ABS defines workers as those who are contributing as little as one paid hour a fortnight. There is some confusion if the work is in a family business but no confusion that making your family dinner, or feeding guests, or contributing to a local ceremony unpaid would put you in the workforce. So even if these tasks occupied a similar time space and had some measurable value to the provider or recipients, they do not qualify as paid work.

The problems are not clarified when the language of working life and retirement come into the picture. The image is one built mainly on a male post industrial revolution view of the worker who leaves home to go to waged work, has leisure out of the job hours and eventually 'retires' to presumably pursue full time leisure. The western model of this probably started with Bismarck in the late nineteenth century introducing an aged pension in Germany.

The movement of more women into paid work and questions about the roles of women and men during the second wave of feminism raised many questions about unpaid work, domestic labour and the contributions these tasks make to communal well being. The volunteering of women was once seen as their prime social, if not economic, contribution. Older people, if retired, were also encouraged to contribute some volunteer time as a means of filling their time and contributing to community well being. These divisions are no longer adequate for expected population and social changes.

The idea of retirement

Despite it being the 21st century, we still retain some of these archaic divides and assumptions which underpin concepts like paid work and leisure. Despite the difference in life spans, 'retirement' is still assumed to happen around 65 or maybe 67, despite a possible 25 years plus, most of which we remain able to contribute time and skills.

The divide between pre and post retirement has been retained and exacerbated by the growth of the superannuation industry which has a vested interest in making people save. Suggesting implicitly and explicitly that people could only enjoy their presumable third age of leisure if they sacrificed enough savings earlier, undermines the discussions of alternate patterns of paid work and other engagement. Hard work

and hard savings were seen to be feeders into some blissful enjoy yourself older age utopia.

These types of campaigns make it harder to have serious political discussions about the best ways of redistributing time and financial resources. The industry fights hard to retain the extraordinarily generous tax concessions that benefit higher income earners and extending the compulsion to save. Discussions of life cycle time out funding options, like Singapore, are too hard.

The focus is on accumulating funds for one's presumed retirement. There is little space for discussions of redistributing paid work over the various life stages in ways that recognise both partners may want to put time into child rearing, maybe further qualifications or even some form of sabbatical time out before usual 'retirement' time.

Financial planners seem to see time out of paid work eg for child rearing, as seriously problematic because of lost ability to make super contributions. While broader policy issues such as retirement incomes' tax concessions are outside the terms of reference, they are included here as examples of the barriers that may make sensible changes to workforce participation for older people more difficult.

Changing the debate parameters

A life cycle approach

I am proposing a life cycle approach to both employment and other forms of engagement outside the domestic sphere. This would be based on budgeting time as well as money over the life course and would allow people to decide how they wanted to balance their different contributions. This may include planning more active engagement in paid work when older, after earlier use of their skills and time to fulfil unpaid familial, creative and communal roles earlier, maybe with part time jobs.

We should recognise that maybe a lifetime allocation of 35 years full time equivalent paid work can be redistributed over maybe 55 to 60 years of competent adulthood. This assumes we start around 20 and finish around 75/80. This allows time out for child rearing, elder care, community engagement and other forms of contributions and extended part time, flexible paid work. .

Rethinking unpaid contributions

Genuine voluntary contributions with individual or social value need to be recognised as legitimate ways of engaging people, as long as the contributions are genuinely voluntary. The permeable barriers between the paid workforce and 'other productive work' need to be addressed. There are many activities that are socially valued that do not attract pay that could be recognised and supported. This raises issues about wider access to forms of income support and how the provision of public income

support could include payments for those who chose to put their time into socially valued contributions. It also raises issues for adequate income in later life.

Making unpaid social contributions may suit people who want to engage in areas that are not covered in current paid work. This may include creative endeavours, non commercial care for the environment, cultural maintenance and sharing of skills and stories, community building, social support, informal; education and other contributions. Many of these do not fund paid workers but contribute to social well being. This requires some rethinking as we tend not to worry if someone is prepared to pay for something of little value, but are more judgmental about recognising the value of unpaid activities.

Questions of intra family contributions of care, eg for children or other family members, raise many issues. While there are carer payments already, there are also levels of needed care and support that fall below the qualifying levels, but may be socially useful. The tensions arise here between sharing family incomes and resources and state contributions. These needs further discussion, but should be on any serious change agenda.

Abolish the formal divide between part time and full time work

There is an acute need to review the current quite artificial distinctions made between part time and full time workers. Part time is officially less than 35 hours and full time anything from then on. So 34 hours is part time and 35 hours full time. The range of full time work hours is absurdly wide and the distinction made between official part timers and full timers absurd. It often fails to recognise part time worker productivity because of the focus on hours. Disposing of the barrier would also make it harder to discriminate against those who are not defined as full time and therefore assumed to be serious workers.

The ageing of our population is accompanied by changes in technology which offer increased options for offsite working. These changes should make flexibility of hours and location much easier. Then it is possible to encourage reductions of the current emphasis on being there (presentism) and set hours, as these are also much less useful in estimating the real value of work done. Such changes in work practices and circumstances should make integration of diverse patterns of contributions more feasible. The changing population ratios and other changes listed above offer good reasons for changing these limiting cultures and assumptions, as well as legal barriers that create a clear divide between working age and retirement.

Other specific issues raised

The following recommendations relate to some specific problems listed below:.

- a. **Changes to superannuation law:**

- Allow people to continue contributing for as long as they are earning, particularly if they are low income earners.
- Alternatively, and maybe preferably, develop a voucher system for older workers that would allow low income earners over 60 with little super to continue contributing to their retirement, maybe by an aged pension supplement
- Offer such vouchers to those who contribute unpaid work that is valuable to boost their post employment incomes.

The government should recognise the pleas for no changes to super by the super industry, as primarily self interested. The market links of the system already makes payouts uncertain so change to tax regimes is much less of a threat as it does not undermine payouts but pay ins. The whole superannuation system is biased against low income earners, as the tax advantages flow to higher income earners.

It will be mainly women without partners who will find that they have little or no superannuation savings and will want to earn extra as they depend on the basic pension level. Those with a paid off home or in public housing will manage, but those in private rental market will need to supplement their income. .

b. family assistance, child support, social security law and relevant government programs

Abolish age related payments for adults. Recommend entitlement to a decent basic income (at least at age pension levels) for those who cannot find or have difficulties achieving appropriate employment. This should encourage movement between paid and unpaid activities by allowing an adequate area of additional earnings and taper. This should not be age related and could replace age pensions and DSP. It could also cover approved voluntary unpaid workers as proposed above.

c. employment law and discrimination

Tighten age discrimination penalties and shift the presumption of proof to the employer. Fix discrimination in insurance law, including limiting the use of actuarial statistical predictions for assessing odds including in compensation laws,