



**OLDER AND
SUCCESSFUL**



Ageing and work in regional Australia: Pathways for accelerating economic growth



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The RAI's Ageing and Work Data Tool is available at:

www.regionalaustralia.org.au/home/ageing-work-data-tool

Executive Summary

The conversation around older Australians has long been associated with costs and dependence. It's time to shift the conversation. The economic muscle of the 'silver economy' can be accessed with new policy approaches that lift the workforce participation of 55-64 year olds. This will in turn support our nation's regional economic performance.

Ageing is happening rapidly in our regions. In certain places, more than 20 per cent of the population is already over the age of 55. Most discussions around ageing paint older Australians as a homogenous block, and overwhelmingly focus on the expected increases in costs to healthcare services and the remaining workforce¹. Yet these are often issues related to the very oldest Australians.

While there is no doubt that an ageing population brings certain challenges, more and more Australians expect to live and work longer than previous generations. For regional economies, keeping their older workforce active and engaged can bring substantial local benefits. With the right strategies, regions can lift participation rates and boost spending power in local economies, even with an older age profile.

Achieving this requires policies that can respond to regional differences. Focusing on those aged from 55-64 years old, the Regional Australia Institute's (RAI) analysis demonstrates considerable differences in local participation rates across the country. Regions like Hume in Victoria and Murray in New South Wales outperform the national average, while others like the Far South Coast of New South Wales fall well below.

This variation also extends to the share of people working in full time or part time roles. In Geelong for example, for every 55-64 year old person employed part time, there are 1.5 employed full time. In Byron Bay the reverse is true, with part time workers outnumbering those in full time employment.

For many regions, lower participation rates among 55-64 year olds are a result of structurally low participation across all ages. Similarly, high incidences of part time employment can reflect a local economy that simply has a high proportion of part time jobs. But in a number of regions, 55-64 year olds make up a disproportionate share of workers not in the labour force. The resulting economic opportunity lost, can be substantial.

For many people, lifetime earning capacity peaks over 50 creating some serious economic muscle in older age groups' spending power. In Lismore, those aged between 55-64 years old make up 14 per cent of the total population but almost 20 per cent in income earned. Increasing the participation rate amongst older workers with this earning potential can deliver significant gains.

For example, on the Central Coast of New South Wales, a 3 per cent increase in 55-64 year olds in the participation rate could increase total local consumption power by \$33 million per annum. A similar increase in Victoria's Hume and Loddon Mallee regions could deliver \$80 million per annum.

Enabling greater workforce participation among older Australians will take a mix of policies that aim to empower older workers to stay in their jobs for longer, as well as making it easier for those out of work to take advantage of new opportunities.

To create better outcomes, the Organisation for Economic Co-operation and Development (OECD) recommends a policy package that improves the employability of older workers, addresses barriers on the side of employers, and strengthens financial incentives to remain in the workforce. The recently announced Career Transition Assistance Program trial, and Restart wage subsidy are examples of these kinds of approaches.

Ahead of wider reforms responding to Australia's ageing population as a whole, regions should be given flexibility to trial a range of new policy options to better engage people in the 55-64 year old age group in the economy. This will target early action to where the challenge is greatest and build the evidence required to support the implementation of new national policy approaches.

Regions have much to gain by lifting the workforce participation rate of their older population. As an important step towards developing new solutions, this discussion paper helps define how our ageing workforce is impacting different regions and the potential payoffs for regions able to take advantage of an underutilised section of the labour force.

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Introduction

This discussion paper highlights the economic impact of increasing the participation rate of older workers in regional Australia. Specifically looking at those between the ages of 55-64, it explores constraints on workforce participation and the impact of increases in participation rates across different regions on regional economies¹.

Ageing is happening rapidly in regions. In 2011 places like Clarence Valley NSW, Hepburn in Victoria and Bega Valley NSW, older Australians – those aged 55 and over– accounted for more than 35 per cent of the population. In 2016, this same demographic accounted for over 42 per cent of the local population (see figure 1). In fact, Australians over the age of 55 account for more than a quarter of the local population in over 340 regional Local Government Areas (LGA)ⁱⁱ.

The RAI's previous Talking Point – *An Ageing (regional) Australia and the Rise of the Super Boomer* – demonstrated that whether it be high rates of ageing in place or retirees migrating from metropolitan areas to regional settings, Australia's growing older population is a distinctly regional issueⁱⁱⁱ.

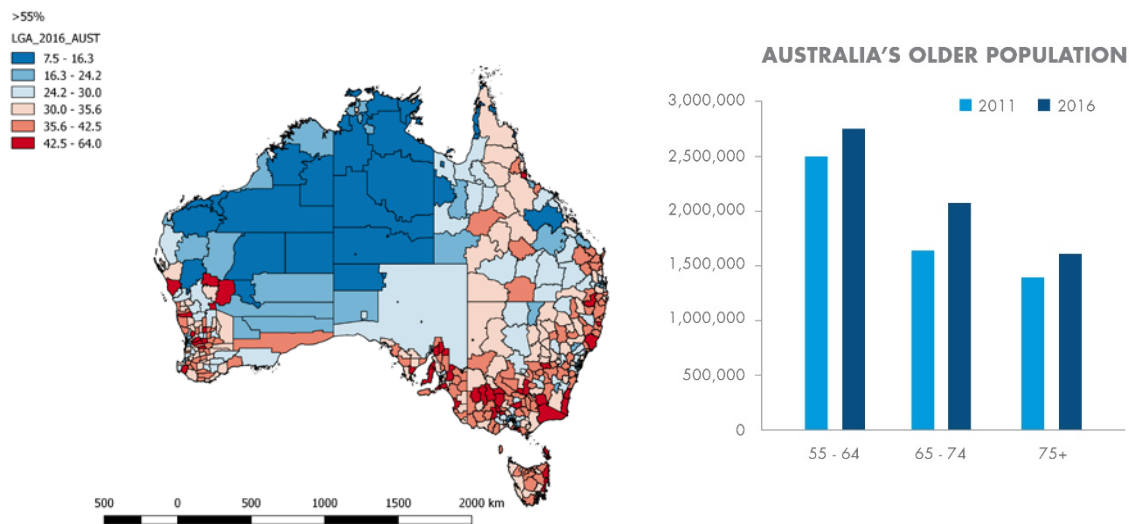


Figure 1: Proportion of population 55 years and older by LGA, ABS 2016 Census*

This is generally perceived as a threat. But, can rapidly ageing and already aged communities in regions achieve new growth and prosperity by harnessing the potential of older residents?

There are three pathways to economic growth in an ageing community – increases in older workforce participation, increases in older consumer consumption and increasing older migration. The youngest 'older Australians' are those between the ages of 55-64 and make up almost 12 per cent of the population (a significant share which is larger than those between the ages of 65-74 and 75 and older). This group of older workers has the potential to drive new growth through each of these three pathways.

¹ This report focuses specifically on the benefits of greater workforce participation of mature-age workers. For research into underlying causes of lower workforce engagement, see <http://www.tandfonline.com/doi/abs/10.1080/09585192.2011.559097> ; <http://onlinelibrary.wiley.com/doi/10.1111/1475-4932.12219/full> ; https://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf

They bring a mix of wealth, experience, and demand for services into regions. In doing so they can fill existing demand for employment and create new jobs. Proactive measures that address local barriers to fuller engagement in the workforce would allow older Australians in regions to have an even greater economic impact.

This discussion paper explores how regional economies can capture benefits from their maturing labour force, looking in detail at workforce participation and consumption. Focusing on these two aspects highlights the diversity of regions' ageing profiles and in turn demonstrates why public policy interventions will need to be flexible and tailored to specific regional circumstances to be effective.

This is the second paper in RAI's *Older and Successful* research agenda theme^{iv}. It continues a shift in the conversation away from seeing ageing predominantly as a health and aged care problem^v. Instead, it moves towards understanding how regions can take advantage of the potential of workers in their community, no matter their age. While further work will consider the service consumption and other economic opportunities related to ageing populations, the primary focus for this report is the question of labour force participation of regions' older workers and the impacts on the economy.

Living, Working Longer

There's no doubt an ageing population brings challenges. The location of age-specific services and supply of housing options are just a few examples. While these shouldn't be ignored, they relate much more to people in the later life stages of 75 years old and over. In comparison, groups like the baby boomer generation (currently aged between 52 and 70) continue to redefine our understanding of ageing by working longer and leading more active and engaging lives^{vi}.

In fact, longer life expectancy and the changing nature of work suggests that much of the anxiety surrounding Australia's older population is misplaced. The latest Australian Bureau of Statistics (ABS) survey on the retirement intentions of older Australians for example, emphasises that people are planning to work longer than ever before. The share of those intending to retire *after* 65 is increasing, while the share of people intending to work until the age of 70 at least has risen from just 8 per cent in 2005 to 23 per cent in 2015.^{vii}



Longer life expectancy has played a big part in this trend. The need to fund a longer life means people are staying in work for longer, while improvements in healthcare mean older Australians have the confidence to participate in the workforce and community for longer. This is emphasised in the 2015 Intergenerational Report, which projects that the participation rate for those over 65 will rise substantially from 12.9 per cent to 17.3 per cent by 2054^{viii}.

In parts of regional Australia, they're already there. In Broome WA the proportion of over 65 year olds in the labour force was 18.5 per cent in 2011. Across central Queensland in places like Longreach, Winton and Mount Isa it was over 20 per cent^{ix}.

Ageing has progressed in some regions to the point where the size of the population of working age already appears to have peaked. Eurobodalla LGA on the South Coast of NSW is one such place, where the peak in the population of working age occurred around 2010. Business owners wanting to grow in this kind of labour market will need to act creatively to engage and retain older workers, as there simply won't be many other workers around unless demographic trends change significantly.

Communities have also recognised the importance of engaging their older workforce to grow their economy^x, yet these efforts are not supported by wider policy interventions despite the inter-generational report placing the issue at the heart of our long term national policy concerns.

While this will become a common challenge across almost all of Australia's regions, it will have unique impacts on different regions depending on their size and the profile of their labour force. For example, certain regions will have high rates of older residents precisely because they are desirable locations to retire. Understanding the diversity in workforce engagement is a crucial starting point, but the challenge begins well before the age of 65. Looking at those between the ages of 55 and 64, it is obvious that any policy approach will need to be tailored to different regions' unique circumstances.

Regional Diversity in Workforce Engagement and Incomes

The opportunity for increased older workforce engagement differs from place to place. An examination of purely national figures hides the diversity in a regional context, including the extent to which older people are already participating in the workforce, the extent of part and full time work amongst those workers and the contribution that older workers make to total incomes in the region.

Across regional Australia the proportion of people aged between 55 and 64 in the workforce varies greatly (see figure 3).

While the national average participation rate is 59.8 per cent, in places like Hobart Tasmania, Barossa SA and Alice Springs NT, over 64 per cent of people between the ages of 55-64 are engaged in the workforce. In places like Fraser Coast QLD, Cessnock NSW, and Shoalhaven NSW, it's less than 50 per cent suggesting that a massive waste of talent and economic potential is occurring. These lower participation rates also have broader impacts on the potential for sustainable growth in many regional communities.

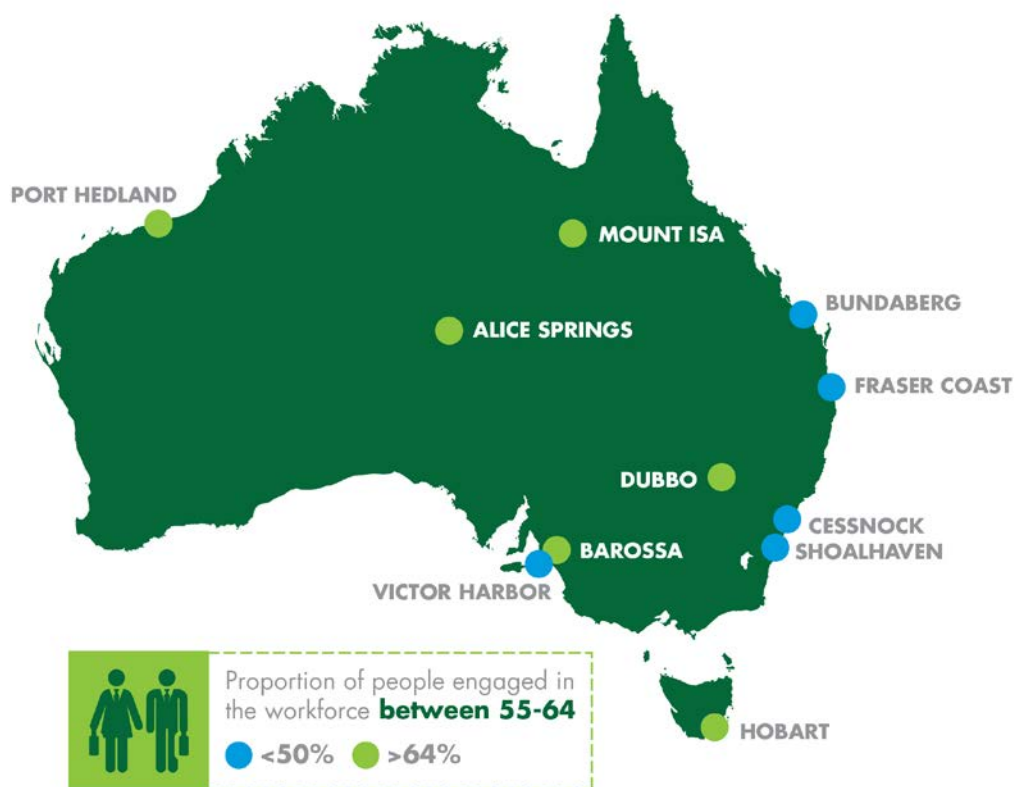


Figure 2: Participation rates of workers between the ages of 55-64 in selected regions, ABS 2011 Census of Population and Housing

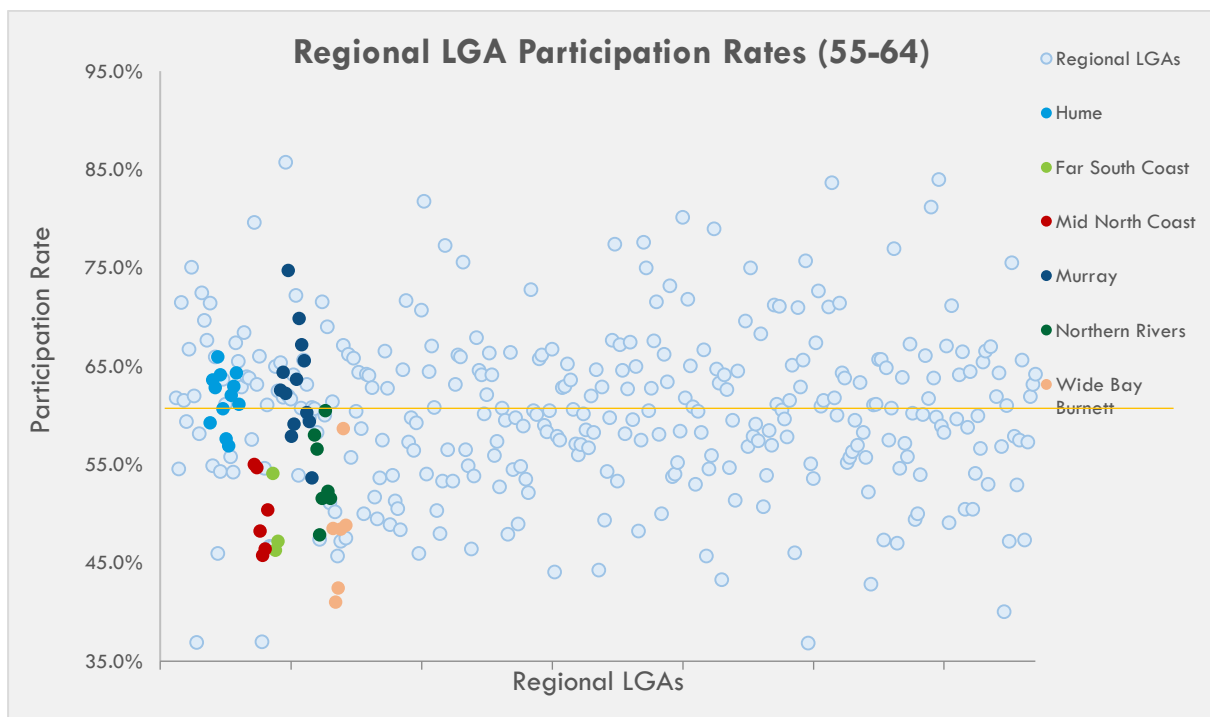


Figure 3: Regional LGA participation rate compared to national average (reference line), ABS 2011 Census of Population and Housing

There are some patterns to these differences in participation. Regions experiencing ‘ageing in place’ (an ageing existing population and little in migration of older people) tend to have higher overall participation. These are mostly inland areas such as the majority of LGAs within the Hume and Murray regions.

On the other hand, regions experiencing the fastest rate of ageing (characterised by a high share of older residents **and** high rates of in-migrating older residents) predominantly fall below the national average for overall participation. These are mostly coastal lifestyle communities such as the Far South Coast, Mid North Coast and the Northern Rivers in New South Wales and Wide Bay Burnett in Queensland. These places are where low older participation rates present a substantial challenge to sustainable economic growth.

Encouraging greater workforce participation among older workers will be more of a challenge for certain regions with structural economic difficulties. For example, Clarence Valley NSW and Lockyer Valley QLD have below average participation rates among 55-64 year olds, as well as low participations rates overall. However, in places such as Shellharbour NSW, Port Stephens NSW and Bass Coast VIC, participation rates of those aged between 15-54 remain above national average, while participation rates of 55-64 are well below the national average, indicating that it is the older workers in these regions in particular who have lower engagement levels.

Across regional LGAs there are also significant differences in the proportion employed in full and part time roles (see figure 4).

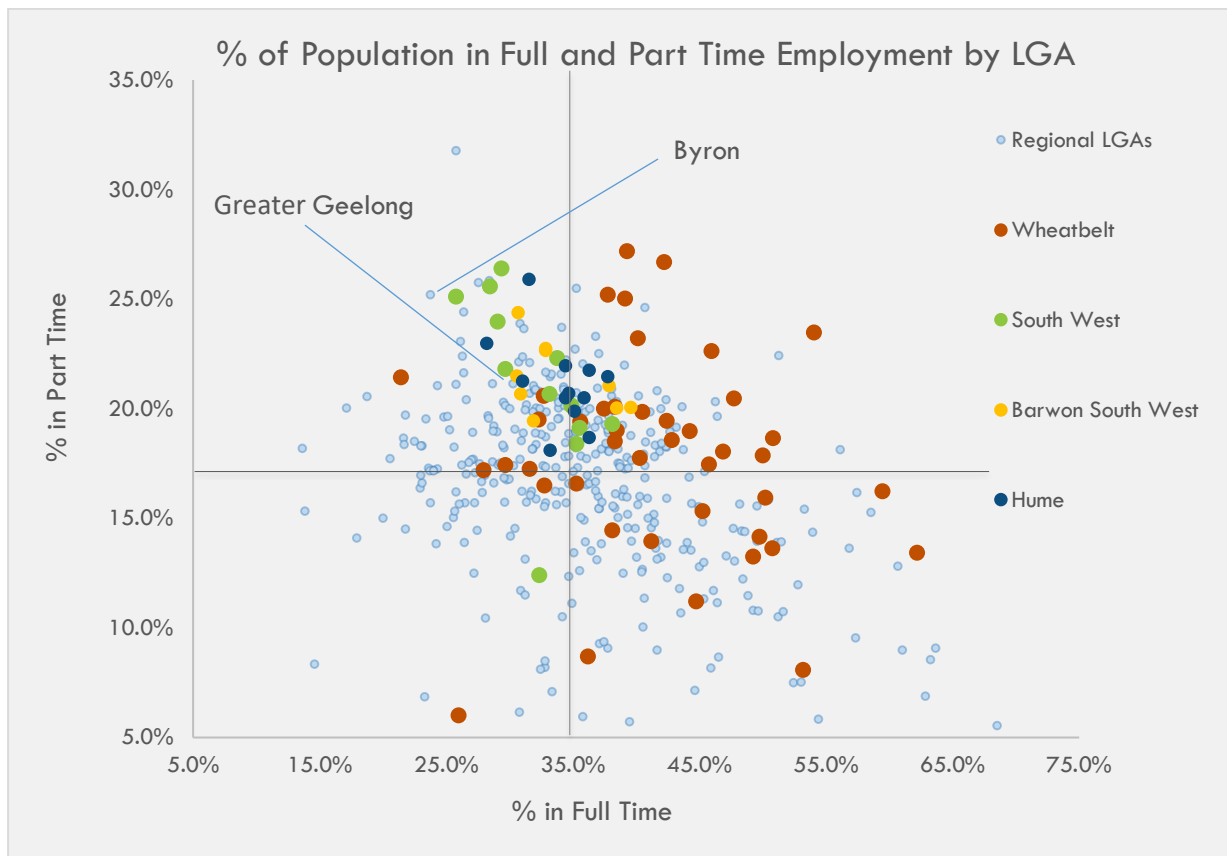


Figure 4: Proportion of people in selected regions by LGA employed in either full time or part time work with national regional averages indicated by reference lines, ABS 2011 Census of Population and Housing

Geelong in Victoria and Byron Bay NSW are examples of places that have comparable participation rates of 55-64 years olds at around 57 per cent. In Geelong though, for every 1 part time older worker there are 1.5 people employed in full time roles. In Byron the reverse is true, with part time workers outnumbering those in full time employment.

The makeup of local economies is a big contributor to this diversity. For example, part time work makes up a significant proportion of employment in Byron Bay across all ages. In regions like Yass Valley NSW and York WA though, the proportion of 55-64 year olds engaged in part time employment is higher than the rest of the workforce.

The availability of part time work in regions can often be an important factor in keeping an older workforce engaged. As Australians approach retirement age, the opportunity for more flexible working arrangements opens up new opportunities for older Australians who want to stay engaged in the workforce but scale down at the same time^{xi}. For many, the inability to scale down to a part time role often means having to drop out of the workforce completely^{xii}.

Finally there is significant diversity in the contribution of older workers to regional income. In dollar terms, the older workforce share of incomes can be substantial. Whether working full time or part time, older workers are a significant part of most regional economies. Better pay also comes with experience meaning earning capacity often peaks over 50. This translates into serious economic muscle.

But some older workforces bring more muscle than others. In Port Hedland WA, 55-64 year olds make up 8 per cent of the total population and roughly 10 per cent of total income earned. In Lismore NSW, the same group makes up 14 per cent of the total population but almost 20 per cent of income earned. As a result, the average older worker makes a far bigger impact on the economy in Lismore than in the Pilbara.

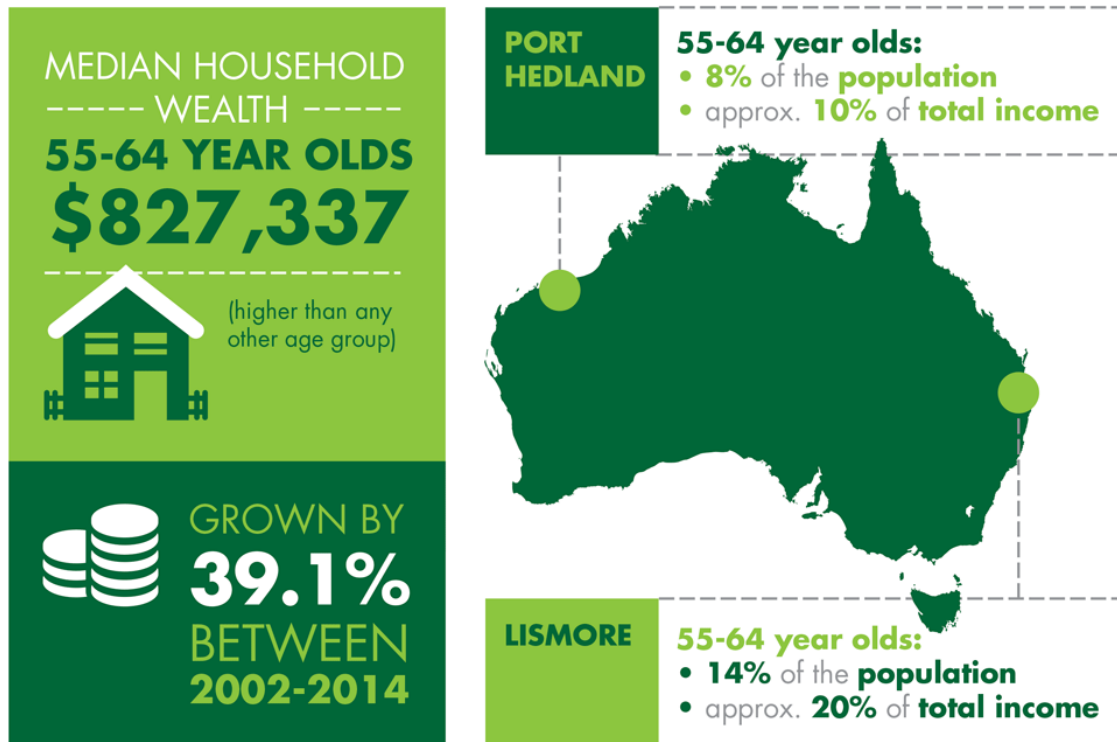


Figure 5: Median household wealth by age, 2016 Household, Income and Labour Dynamics in Australia (HILDA) Survey, ABS 2011 Census of Population and Housing

Good understanding of these differing circumstances is very important in developing effective labour force policy. For regions with low participation rates like the Bass Coast in Victoria or the Lockyer Valley QLD, the focus will be to increase workforce engagement in general. For those with high participation rates but also a high incidence of part time employment like Augusta-Margaret River WA and Busselton WA, the policy focus will need to be more targeted towards addressing underemployment.

Not Small Numbers

Raising workforce engagement among older workers is an effective measure to offset many of the potentially negative economic impacts of an ageing population^{xiii} - it reduces the dependency on those still active in the labour force and mitigates the fiscal costs of longer life expectancy^{xiv}.

An increase in employment means people have more money in their pocket to spend on goods and services, in turn growing local businesses who can employ more people. This virtuous cycle is key to economic growth.

As the incomes of older residents become more significant, increasing their participation in the labour market becomes critical for a regional economy.

For example, on the Central Coast in New South Wales, a 3 per cent increase in participation rate could increase total local consumption power by approximately \$33 million per annum. A similar increase in the Hume and Loddon Mallee regions in Victoria could deliver \$80 million in added consumer power**.

Gains from older residents migrating into regions can also be a source of considerable growth. On average, households between the ages of 55-64 spend an estimated \$62,608 per year^{xv}. In places like Bega NSW for example, an extra 1.5 times more households between the ages of 55 and 64 could generate close to an extra \$86 million a year in local spending. In the Sunshine Coast QLD, where there is a substantially larger population of 55-64 year olds, this relative increase could generate over an estimated \$500 million a year.

Those areas that are able to attract and engage 55-64 year olds in the higher income brackets will benefit the most from this trend.

Some regional communities are already taking advantage of this potential market (see case study below)^{xvi}

Orbost: Age Friendly Town

The regional town of Orbost, Victoria, has identified attracting older residents to its doorstep as a viable strategy for growth. Identifying the potential for their health and social services sector, the town acknowledges the potential of older residents as a significant source of employment and economic growth.

Access to health services, environmental amenities, affordability, an active community and proximity to the coast means Orbost could leverage its competitive advantage to attract retirees.

Orbost is learning from the experiences of others by actively engaging with case studies of similar approaches. For example, since the 1990s, rural towns in parts of America actively pursued the 'retiree market' to help stimulate their local economy and attract new people to the area. Orbost is looking at what contributed to their success and what they can incorporate into their own strategies.

Economic modelling suggests that for every 50 residents over 65 who migrate to Orbost, 6.8 full time equivalent new job positions are created.

Effective Strategies Work on both Demand and Supply

But these kinds of gains will not come without focus and effort on behalf of regions and governments. Achieving these potential gains will require regions to influence the supply of workers and also the demand from employees.

Firstly on the supply side, increasing employment opportunities for older workers. Research has shown that mature age workers face a raft of barriers to entry or re-entry into the labour force. Age discrimination, technological change and less secure work is leaving a growing number of older workers without the skills that employers are after as well as limited opportunity to obtain them^{xvii}. New residents in an area may also lack the networks needed to connect with local opportunities. These kinds of barriers need to be overcome and innovative approaches tested if regions are to take full advantage of an older workforce.

This means ensuring mature age workers have up-to-date skills and qualifications as well as greater access to employment services for their specific region. Programs that match relevant skills training to local industry needs will be important in securing more sustainable work for those looking to remain engaged in the workforce^{xviii}.

Mature Age Business Syndicate

TAFE South Australia has developed a pilot project – the Mature Age Business Syndicate (MABS) – aimed at encouraging mature age entrepreneurship in Victor Harbour on the Fleurieu Peninsula. The Syndicate provides support and teaches new skills to older Australians to help them start businesses of their own.

TAFE SA's Tim Hutchinson notes Fleurieu's higher than average older population means there is a wealth of knowledge and experience in the region, with many older residents keen to pursue their own business ideas, but lacking skills necessary to start and run a small start-up.

The program supports and connects would-be mature age entrepreneurs by providing training and skills development to help participants build confidence in starting, running and maintaining new businesses. This includes developing better understanding around risk, business decision points, as well as marketing.

Leveraging support off community organisations and networks like the University of the Third Age, rotary clubs and local government, the pilot program initially attracted about 20 participants and has developed 3 new businesses, with 2 more expected to start up soon.

TAFE SA is now looking into adapting the MABS model cross regionally.

It will also mean strengthening financial incentives to ensure that working beyond retirement remains an attractive option. For example, changes to the Work Bonus Scheme and superannuation preservation age could be strengthened to reflect the desire many older Australians express to work beyond the traditional age of retirement^{xix}

Secondly, to capture older spending power locally, regions will need to ensure that local businesses are attuned to older consumers. As consumers reach this age, there is a shift away from material goods into spending on services. Most businesses have yet to fully appreciate this market – either by underestimating how much they spend or failing to see value in tailoring their approach to older consumers^{xx}.

Employers can also play a role in encouraging longer working lives. Lack of flexible work arrangements for workers approaching retirement often creates a trade-off between staying on full time or dropping out of the labour force altogether^{xxi}. Allowing for options that keep people in work, in a reduced or alternative capacity, can not only extend an employee's working life, but also has the dual benefit of increasing the gains of training older workers who are likely to stay with the business for longer.

Overcoming these perceptions must be a priority across regional Australia where local businesses are often the major drivers of jobs and growth. Big companies like Amazon already have dedicated parts of the business to target this market. If local businesses are slow to align themselves to this group, much of this added spending is likely to flow out of the regions to metropolitan areas or other countries.

A Comprehensive Approach to Activating the Silver Economy

The conversation around Australia's ageing population has been dominated by gloomy talk of a health and aged care crisis. Only recently has the policy environment shifted towards a more comprehensive approach. This is vital, ageing is not a future risk, it's here right now and Australia and its regions need to respond to the opportunities of longer and healthier lives^{xxii}.

As well as the existing Restart wage subsidy for businesses hiring unemployed people over 50^{xxiii}, the Commonwealth Government announced a range of initiatives to improve the employment prospects of mature age workers in its 2017 budget. These include the Career Transition Assistance Program to help older workers reskill to match demand in the local job market, a National Work Experience Program, and a Pathway to Work program encouraging businesses to employ a more diverse range of jobseekers^{xxiv}.

So far, our approach to the ageing issue and particularly to workforce engagement has been to enact uniform national policies. But, the demographic diversity of Australia's older population – where they live and how they work – means that passive, one size fits all policy cannot be effective for regions. Instead, a proactive policy framework that takes into account this diversity as well as wider issues affecting workforce engagement in later life is required.

As well as the current policies outlined above, the following Silver Workers Activation Policy Framework outlines policy instruments that can work better to engage older Australians in regions across the country. This framework is inspired by international evidence and experience and is focused on policies that improve the employability of workers, tackle employment barriers in the business community, and strengthen financial incentives to carry on working. It draws on international evidence about the kinds of changes that can have a material impact on older workforce engagement^{xxvxxvi}.

Table 1: Silver Workers Activation Policy Framework

Strengthen Employability of Workers

<p>National Policy Options</p>	<ol style="list-style-type: none"> 1. Increase access to Recognition of Prior Learning (RPL) accreditation for workers who have already gained skills, experience and knowledge through previous courses or work experience to expedite completion of new qualifications/accreditation. 2. Dedicated program for mature workers for training and skills development, including job matching services to meet local industry demand.
<p>Focus Regions</p>	<p>Regions where high unemployment and high participation rates coexist (i.e. not employed but still part of the labour force and looking for work) will benefit most from these changes.</p> <p>Places like Cairns, Dubbo, and Gold Coast each have participation rates of 55-64 year olds above the national average, yet a significant share of this group is unemployed. This suggests an older workforce that is still engaged, but unable to find employment either because they need more suitable skills or because there is limited supply of jobs available in the area.</p> <p>Improved training, education and job matching schemes are likely to strengthen the chances of finding suitable employment for older workers who are still looking to remain engaged in the workforce.</p>

Reduce Barriers to Employment on the Employer Side

<p>National Policy Options</p>	<ol style="list-style-type: none"> 1. Continued Funding of the Restart Wage Subsidy. 2. Promote and advocate for businesses to begin implementing flexible work schemes and other age-friendly workplace policies to encourage longer working lives.
<p>Focus Regions</p>	<p>Regions with low participation rates and high rates of unemployed looking for work will benefit most from these changes.</p> <p>Places like Glenorchy, Bega Valley, and Southern Downs, all have participation rates lower than the national average as well as almost half the share of unemployed looking for part time work.</p>

Strengthening Incentives to Carry on Working

National Policy Options	<ol style="list-style-type: none"> 1. Strengthen the Work Bonus Scheme: increasing the tax-free lump sum payment for people who have deferred claiming the Age Pension and stayed in paid work. 2. Relax superannuation provisions for older and low-income workers. 3. Extend income protection insurance age limits as recommended by the Australian Human Rights Commission.
Focus Regions	<p>Regions with very low participation rates between the ages of 55-64 will benefit most from these changes.</p> <p>Places like Fraser Coast, Eurobodalla, and Port Macquarie all have participation rates roughly 10 percentage points below the national average.</p>

These policies are mostly recognised as strong options for a national framework, but they need to be implemented effectively.

Given that regional areas are running ahead of the country as a whole in terms of ageing and their diversity means that a blanket approach is unlikely to work, governments should consider tackling this problem through a coordinated set of trials.

As a precursor to wider reforms as ageing accelerates in Australia as a whole, regions should be given the flexibility to trial a combination of these national policy options in association with local older workforce and business engagement strategies. This will have the dual benefit of acting early where the challenge is greatest and building knowledge to underpin national policy settings that can support significant national change.

The evidence above provides a guide for how this might work in different regions. For example, across the Far South Coast of New South Wales places exhibit lower participation rates than the national average in combination with higher unemployment rates and a higher incidence of part time workers for those between the ages of 55-64.

A bespoke policy package to address this region could include trialling an increased Work Bonus Scheme, improved access to training and skilling programs coupled with more intensive job placement, as well the Government's existing wage subsidy for businesses. An improvement in the participation rate for this region by 5 per cent has the potential to deliver almost 400 jobs and \$32 million in extra income per annum.

In any region, local leadership can play a huge role in implementing these types of initiatives. A policy trial supported by local effort has the best prospects of success and paving the way for wider reforms. Encouraging local businesses to hire older workers, engaging with community based organisations to offer job skills and training to support older workers searching for jobs, and finding vacancies to facilitate work experience placements are all actions that local leaders can make to foster a more active older labour force in support of government efforts to provide better incentives and support to older workers and their employers.

Appendix A: Policy Background

Strengthen Employability of Workers

Increase access to Recognition of Prior Learning (RPL) accreditation for workers who have already gained skills, experience and knowledge through previous courses or work experience to expedite completion of new qualifications/accreditation.

The Human Rights Commission's (HRC) 2016 Willing to Work inquiry noted that RPL is an attractive option for older people, and that an effective RPL process supports the development of individualised and flexible training options. The inquiry however, found that older people with relevant skills and experience are less likely to be offered RPL assessments than younger people.

The HRC notes that improving the RPL process by making it more accessible, consistent and effective should be a priority for reducing barriers to skills training currently faced by older people. As such it recommends reviewing RPL at the national level to establish specific ways to achieve clearer and more effective approach to RPL that would support older people to undertake skills training.

https://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf

The OECD also supports strengthening RPL measures, with countries such as Spain and Italy for example, undertaking steps to improve access to RPL to strengthen the employability of workers. Making RPL more accessible can be especially effective for small businesses which often do not have the resource for training and skilling for employees.

<https://www.oecd.org/els/emp/Older%20Workers%20Italy-MOD.pdf>

<https://www.oecd.org/els/emp/Older%20Workers-SPAIN-MOD.pdf>

https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/te-02-17-364-en-n.pdf

Dedicated program for mature workers for training and skills development, including job matching services to meet local industry demand.

The Government's 2017 Budget announcement of the Career Transition Assistance Program aims to support older workers developing in-demand skills. The program will be trialled in five regions around Australia before being rolled out nationally in 2020. It will deliver a short intensive course consisting of skills assessments, exploration of suitable occupations, and matched skilling to local industry demand.

<https://www.employment.gov.au/career-transition-assistance-program>

Effective implementation of this program will be vital to its success. Previous research has found the Vocational and Educational system is well placed to deliver what can be described 'encore career programs'. However, there is a need to enhance the capacity of TAFE programs to deliver services to older workers and students. Previous research has found that while there is considerable enthusiasm for providing such services, there remains limited resources to implement them. The National Centre for Vocational Education and Research has suggested implementing a model similar to Plus 50 – a US based program for training older workers through a network of community colleges – as an effective method.

<https://www.ncver.edu.au/data/assets/file/0016/9511/reskilling-for-encore-careers-2457.pdf>

Reduce Barriers to Employment on the Employer Side

Continued Funding of the Restart Wage Subsidy

Reforms to the Restart wage subsidy program have improved flexibility for employers and created a more attractive program for businesses. Continued funding into the future for the Restart wage subsidy will be crucial, however the OECD has recommended that wage subsidies can be less effective on sustainable employment when targeted on the basis of age alone. Older workers are a very diverse group, ensuring that Restart does not become a blunt tool will be important. http://www.keepeek.com/Digital-Asset-Management/oecd/employment/live-longer-work-longer_9789264035881-en#page115

For example, older workers risk prolonged periods of unemployment due to age related bias in recruitment processes. Trials that prioritise long-term unemployed older workers, or those with a lower skill base, may benefit these workers that face higher barriers to entry. <http://business.curtin.edu.au/wp-content/uploads/sites/5/2017/05/ajle-vol-19-no-3-borland.pdf>

Promote and advocate for businesses to begin implementing flexible work schemes and other age-friendly workplace policies to encourage longer working lives.

The lack of flexible work arrangements available to mature-age workers is a key issue for older workers wishing to transition into retirement without fully exiting the labour force. Lack of access to flexible work can often become a barrier to further participation, as many face the choice of continuing work in a full-time role or dropping out completely. In particular, the Willing to Work Inquiry also found that increasing access to flexible working arrangements would help to keep people with caring responsibilities connected to the workforce. https://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf

A number of larger businesses have incorporated flexible working conditions into their workplace, while other countries such as France have implemented a promotional campaign – the Active Ageing Awards – identifying and rewarding good practices in retention and hiring older workers. http://www.keepeek.com/Digital-Asset-Management/oecd/social-issues-migration-health/ageing-and-employment-policies-france-2014_9789264207523-en#page127

Strengthen Incentives to Carry on Working

Strengthen Work Bonus Scheme

The Work Bonus Scheme applies to those over the age of 65 and is aimed at encouraging older workers to remain in work for a longer period. The scheme increases the amount an eligible pensioner can earn from employment before it affects their pension rate. Currently the first \$250 of fortnight earnings are exempt from the pension income means test. Increasing this exemption amount would make continuing on in work beyond the traditional retirement age more attractive.

Similar approaches have been taken in countries such as France and Denmark and have brought some success – particularly in improving up-take of the scheme- such as the French example documented by the OECD.

<https://www.oecd.org/els/emp/Older%20Workers%20France.pdf>

<https://www.oecd.org/els/emp/Assessment-and-key-recommendations-denmark.pdf>

Relax superannuation provisions for older and low-income workers

Currently people aged 65 to 74 years who want to contribute to their super must have worked for at least 40 hours over 30 consecutive days. <https://www.ato.gov.au/Super/Self-managed-super-funds/Contributions-and-rollovers/Contributions-you-can-accept/>. For much older workers looking to work part-time, but less than the required period this can act as a disincentive.

Removing the need for people aged 65 to 74 to satisfy a work test in order to make super contributions would mitigate against this disincentive and support older workers. <https://theconversation.com/super-changes-in-budget-are-a-step-forward-in-addressing-equity-58722>

Additionally the Productivity Commission has suggested gradually raising the preservation age to 65, encouraging people to work for longer. The Productivity Commission outlines that the preservation age should be linked to life expectancy and would provide a financial incentive to stay in the workforce for longer. However, this will have little, if any impact on the workforce participation of individuals who retire involuntarily. <http://www.pc.gov.au/research/completed/superannuation-post-retirement/super-post-retirement-volume1.pdf>.

As such, peak bodies such as the Australian Council of Social Services has argued for flexibility in allowing access to super for those who have retired involuntarily. http://www.acoss.org.au/wp-content/uploads/2015/08/ACOSS-submission-to-retirement-incomes-review_Tax-Talks-4_Final.pdf

Extend income protection insurance age limits as recommended by Australian Human Rights Commission

The 2016 Human Rights Commission inquiry – *Willing To Work* – exploring employment discrimination against older Australians and those with a disability, highlighted that lack of access to income protection insurance beyond the age of 65 was a disincentive to employment for older Australians due to financial insecurity.

https://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf

The Australian Law Reform Commission has also emphasised a range of measures through which to extend income insurance on the basis of age. <http://www.alrc.gov.au/publications/access-all-ages-report120/recommendations>

Appendix B: Key Figures by Selected Regions and Potential Policy Priorities.

Type	Region	Participation Rate 55-64	Employed Full Time	Employed Part Time	Improve Employability	Reduce Barriers on the Side of Employers	Strengthen Incentives to Continue Working
National Averages		59.8%	35.5%	18.2%			
Regions with high proportion of older residents	Wheatbelt	62.9%	38.5%	17.9%			
	Murrylands & Riverland	57.5%	32.9%	18.3%	✓		✓
	Murray	61.0%	35.5%	18.9%	✓		
	Hume	61.7%	34.6%	20.7%			
	Loddon Mallee	59.9%	34.3%	19.3%	✓		
Regions with high proportion of older resident in migration	Peel	54.1%	29.7%	17.6%		✓	✓
	South West	60.7%	32.7%	21.0%	✓		
	Central Coast	55.5%	31.0%	18.4%			✓
	Barossa	63.0%	37.4%	20.0%	✓		
	Grampians	59.1%	32.9%	20.0%	✓		
	Barwon South West	59.8%	32.3%	21.2%	✓		
Regions with combined high proportion of older residents and older in-migration	Far South Coast	48.5%	23.3%	19.0%	✓		
	Mid North Coast	50.5%	25.4%	18.7%		✓	✓
	Gippsland	57.2%	30.1%	20.5%		✓	✓
	Yorke & Mid North	53.6%	29.7%	18.1%	✓	✓	✓
	Northern Rivers	53.1%	26.3%	20.0%		✓	✓
	Wide Bay Burnett	46.8%	25.5%	15.0%		✓	✓
	Sunshine Coast	56.3%	28.6%	21.1%		✓	✓

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*Population statistics updated to reflect 2016 ABS Census of Population and Housing, workforce figures sourced from available 2011 ABS Census of Population and Housing.

**Estimated increase in consumer power calculated using ABS average weekly earnings.