

Retirement incomes policy needs to link to older worker sustainability policy

July 22 2013, by Veronica Sheen

In the pile of issues that politicians think will give them traction in the forthcoming election, Australia's ageing population it seems won't be one of them. Maybe it doesn't come up in the focus group research, or is not deemed relevant in the family-focussed marginal electorates. So far I haven't heard a word about it.

It certainly didn't figure in the Prime Minister's broad ranging National Press Club Speech last week. But if you are one of the legions of the demographic over 45, then you may wish to know where the parties stand on one of the most pertinent issues for your well being in later life: your income. And for most people this will depend on access to decent and well paid work well into your sixties. This isn't a hypothetical issue. The eligibility age for the means-tested age pension increases from 65 to 67 by 2023, affecting everyone born after July 1 1952. In addition, the preservation age for superannuation access increases from 55 to 60 years and affects everyone born after July 1 1960. Of course, what we finally draw from superannuation will depend on how much work we have and how well paid it is over our working lives.

These changes to retirement incomes policy are a response to Australia's ageing demographic affecting [taxation](#), social spending and [economic growth](#) as set out in the last Treasury Intergenerational Report. Currently around 13.5 per cent of the population are aged 65 and over, but by 2050 this age group will make up almost 23 per cent of the population. There will be just 2.7 people of working age (15-64) compared to five now, for each Australian aged 65 years and over.

A retirement incomes policy to require people to keep working well into their 60s however justified this may be from a fiscal perspective, isn't backed up by any policies to help [older workers](#) to do so. It is easy enough for politicians and others in comfortable salaried jobs to say that everyone should keep working on into later life, but for many it may not be so easy to achieve for a range of reasons. I am not arguing that their early retirement policies of old should be reinstated, or that earlier pension eligibility age be reinstated. But I argue that the adjustment to later life working ages needs to be backed up by policies that actually help people to achieve it – and particularly focusing on certain vulnerable groups for whom working into later life may be a very challenging proposition.

Working to 67 will be very hard for people in many types of manual occupations including nursing and care work, various skilled trades, as well as labouring jobs. There are high rates of musculo-skeletal injuries for people in these occupations and the work becomes progressively more difficult to accomplish as one ages. I have never heard a moment's discussion as to how people in such occupations can make a transition into work that they can actually keep doing into later life. This is one example of a serious flaw in a policy that assumes that everyone can simply keep going with an occupation chosen early in life. The real outcome is that such workers end on a disability pension although the Commonwealth Government has made this more difficult to obtain.

Furthermore, the intensification of work, and the related growth in employment insecurity as explored in the ACTU Inquiry into Insecure Work last year, also poses significant challenges for older workers. Work intensification simply means putting more pressure on workers to achieve performance targets and this can be a way of getting rid of slower workers who are also more likely to be older workers. As one woman who had quit a public sector administrative job explained to me:

We were monitored on an hourly basis against performance benchmarks and if we did not reach them you would receive an email so there was a lot of pressure. They were always watching over you. There were productivity bonuses for the office, they called it team work, but it was a real pressure cooker. In nine years the individual benchmarks were doubled. Most people really struggled on a daily basis to make it.

These practices are consistent with much of contemporary business strategy geared to continuous change in a fast-paced and competitive environment. Older workers within organisations may be seen as an impediment to these changes that businesses require "the dead wood" as the Australian Human Rights Commission documented in its report on age discrimination. But increased performance requirements can be a clever way of avoiding the claim of age discrimination - as we saw at Toyota last year.

The Treasury Intergenerational Report points out that there will be a diminishing ratio of working age to non-working age older population. But this doesn't mean that employers will necessarily look to employ more older workers. They still have options of off-shoring, importing workers, and technology substitution.

The need for multiple careers over the life course amid the swiftly changing contemporary economy and labour market has been well documented, but not much supporting policy has ever been implemented to assist in career transitions especially for disadvantaged workers and those in unsustainable occupations for later life. This is the unfinished business of retirement incomes policy.

Provided by Monash University

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