



EveryAGE Counts (<https://www.everyagecounts.org.au/>) is led by a broad-based national coalition (see the range of member organisations on our website) to tackle ageism. While ageism can affect anyone of any age, the particular focus of the EveryAGE Counts campaign is older people. Our campaign vision is a society where every person is valued, connected and respected regardless of age and functional ability.

We define ageism as stereotyping, discrimination and mistreatment based solely upon age. Ageism against older people comes from negative attitudes and beliefs about what it means to be older. It impacts on our confidence, quality of life, job prospects, health and control over life decisions.

Ageism is neither benign nor harmless. It is a pervasive but sometimes hidden form of discrimination with three key aspects:

- prejudicial attitudes towards older people, including some attitudes held by older people themselves;
- discriminatory practices against older people, for instance in employment, aged care or health care; and
- institutional practices and policies which perpetuate stereotypes and undermine dignity.

In ageism's 'benevolent' form (with positive intentions towards older people), narrow assumptions and stereotypes about older age can often lead to an overprotective, controlling response built into processes, systems and behaviours towards older people. This can undermine the dignity, capability and quality of life of older people, because it removes their sense of personal agency, control and independence over their own lives. They become treated more as dependent, small children than sovereign adults.

At the other extreme, a more 'malevolent' form of ageism can and does lead to neglect and abuse. It incorporates negativity and fear towards, and assigns diminished value to older life and impairment. The worst examples involve criminal activity and should be treated as such.

13 February 2020

Retirement Income Review Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

By Email: retirementincomereview@treasury.gov.au

Dear Retirement Income Review Secretariat

Introduction

EveryAGE Counts appreciates the opportunity to provide input to the important review of retirement incomes. We are a broad-based and rapidly growing coalition of organisations and individuals in the community coming together to shift social norms towards a world without ageism.

At the governance level, our Coalition Steering Group organisational members include the Age Discrimination Commissioner; COTA Australia; National Seniors; The Benevolent Society; the Australian Association of Gerontology (AAG); the Federation of Ethnic Communities Councils of Australia (FECCA); aged care peak organisation and providers Aged & Community Services (ACSA), Aboriginal Aged Care Services and ECH; Regional Australia Institute; Per Capita Australia; The Australian Centre for Social Innovation; United Workers Union; and *Your Life Choices*.

The Coalition Steering Group also includes the eminent individual members Dr Mike Rungie - Global Centre for Modern Ageing; Ms Jane Caro - social commentator, author, facilitator, broadcaster and more; Ms Sally Evans - Chair of LifeCircle, a Non-Exec Director of Rest Super, Primary Healthcare and Oceania Healthcare; A/Prof Kate O'Loughlin - Associate Professor Ageing, Work and Health Research Unit, The University of Sydney; and Dr Helen Creasey AM - Professor of geriatrics, Director Advisory Committee, Ageing and Alzheimer's Institute.

EveryAGE Counts Coalition Steering Group Co-Chairs are: Mr Robert Tickner AO – humanitarian advocate, former CEO Red Cross Australia and former Minister for Aboriginal and Torres Strait Islander Affairs; and Dr Kirsty Nowlan – Executive Director, The Benevolent Society.

We congratulate the Treasurer and the Minister for Superannuation, Financial Services and Financial Technology for their initiative to take a holistic view of the retirement incomes system, including considering the interaction between and integration of different pillars of the system and the implications for outcomes delivered under current arrangements.

However, a basic premise informing our contribution here is that, in order to adequately address your Terms of Reference, your review must widen its vision to include the operation of Australian labour markets and the rapidly shifting nature of jobs and earnings models. After all, for most people, it is their engagement (or otherwise) in paid work that sets the foundations for the type and adequacy of retirement savings and income available to them when they cease paid work.

In this light, our particular contribution to the Review is to ensure that the issue, operation and impact of ageism towards older people, in general and in specifically in employment, is included in your analysis and recommendations.

Ageism in employment and retirement incomes system sustainability

The prevalence and impact of systemic and structural ageism in employment in later working life is germane to any consideration of the design, operation, effectiveness and sustainability of the retirement incomes system.

There is a vast body of research and commentary on the existence, nature, sources and impact of ageism and age discrimination in employment¹. Our purpose in this brief contribution is to draw out the financial and retirement system implications of this rather than once again lay out the case demonstrating the problem. However, we wish to highlight just two key pieces of evidence of ageism in employment:

¹ For example see:

- Australian Human Rights Commission, *Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*, (Australian Human Rights Commission 2016)
- Australian HR Institute (AHRI) and Australian Human Rights Commission, *Employing Older Workers*, (Australian Human Rights Commission and AHRI, October 2018)
- <https://thenewdaily.com.au/finance/finance-news/2020/02/12/linkedin-ageism-employment/>

- EveryAGE Counts foundational Australian research² identified employment as the most important and pressing setting in which ageism must be addressed, based on representative survey response; and
- using data from Israel and 32 OECD countries, in 2018 Axelrad, Milul and Lusky³, demonstrated that
 - the high unemployment rate of young people stems mainly from the characteristics of the labour market and less from their personal attributes, while the unemployment of older individuals is more related to their specific characteristics, such as higher salary expectations, higher labour costs and *stereotypes about being less productive* [our emphasis], and
 - while a country's growth rate is the main factor that determines youth unemployment, the difficulties faced by unemployed older workers when searching for a job are more a function of their age than the overall business environment.

The human right to work (and to fair working conditions), supported in national legislation and Australia's international treaty commitments, does not diminish with age. Australians have the right to participate in work for as long as they choose. Yet ageism and age discrimination undermine this right and deny many older people economic security and the personal benefits of work — dignity, independence, a sense of purpose and social connectedness.

While older employees have lower rates of unemployment than younger workers, when they lose their job, on average, it takes them much longer to get a new one⁴. There are more Newstart recipients aged 55–64 (173,196 Dec 2018) than any other age group⁵ and furthermore, the rate of underemployment is also high for older workers, especially older women and older migrant men from culturally and linguistically diverse backgrounds.⁶

The sustainability of the retirement incomes system within the context of an ageing society not only requires a major shift towards creation of an equitable, non-discriminatory employment environment for people in the later ages of traditional working life spans, but also a renovation and update of our norms about what now constitutes the age span of working life. As people live longer lives, many (but importantly, not all) will choose to, need to and be capable of working at older ages than in the past. Employment culture, structure and practices must adjust to accept, include and welcome people at older ages as legitimately belonging in the workforce.

An important aspect of the adjustment needed to support older workers continuing in work, (and protecting and continuing their savings for retirement) includes recognising and responding to the

² The Benevolent Society, *The Drivers of Ageism*, Summary Report 2017 p9

³ Hila Axelrad, Miki Malul, Israel Luski "Unemployment among younger and older individuals: does conventional data about unemployment tell us the whole story?" in *Journal for Labour Market Research*, 2018; 52(1): 3. Published online 2018 Mar 8. doi: [10.1186/s12651-018-0237-9](https://doi.org/10.1186/s12651-018-0237-9)

⁴ "In November 2015, the average duration of unemployment for mature age people was 68 weeks, compared with 30 weeks for 15–24 year olds and 49 weeks for 25–54 year olds." Australian Human Rights Commission, *Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*, Factsheet Older Australians, Australian Human Rights Commission 2016

⁵ Figures supplied to The Benevolent Society by Commonwealth Department of Social Services, Dec 2018 and shared with EveryAGE Counts

⁶ Jinjing Li, Alan Duncan, Riyana Miranti, *Underemployment Among Mature Age Workers in Australia*. National Centre for Economic Modelling (NATSEM), University of Canberra. 2013

strong link between health and workforce participation of older Australians. Poor health, in particular as a result of chronic health conditions is a barrier to workforce participation and is a leading cause of premature and involuntary retirement. The AHRC's *Willing to Work National Inquiry* found that there is a clear impetus for all stakeholders to facilitate longer, healthier working lives and that improving health and wellbeing is fundamental to improving workforce participation of older Australians.

Government has a crucial role in broadly making the case for wellbeing to business and individuals. EveryAGE Counts supports the recommendations of the *Willing to Work National Inquiry* and urges that action be taken in two main areas:

- targeted, proactive health strategies to curb adverse trends in disease risk factors such as obesity, poor nutrition and physical inactivity. The workplace is a key avenue for delivering preventative health strategies; and
- workplace adjustments and the availability of flexible work arrangements.

Organisational support is a crucial influence on the ability of a person with a chronic health condition to stay in the workforce⁷.

At the macro level, ageism towards older people in employment runs directly counter to and undermines the viability of public policy agendas designed to support retirement incomes system sustainability; for example, increasing the age at which people can first access the Age Pension and settings to enable the economy to respond to labour demand in the context of population ageing.

More broadly, labour market engagement by older employees is integral to the '3Ps' driving economic growth – population, productivity and participation – which are central frames used by both the Productivity Commission and Treasury in its *Intergenerational Reports*. Older people are acknowledged as crucial players in all three of these drivers yet ageism in employment stymies their capacity to contribute.

Ageism and retirement incomes adequacy

At the individual level, any interruption to earnings later in working life – particularly for low income, low wealth people – can derail their retirement income trajectory at a time when certainty and predictability are crucial.

The financial implications of both unemployment and underemployment in later life and in post-retirement, can be dire, potentially leading people to:

- struggle to exist on the unacceptably low Newstart Allowance for extended periods;
- deplete personal savings and reduce financial assets for retirement;
- accept a reduction in their lifetime superannuation contributions and other personal retirement savings capacity later in working life;
- unwillingly leave the workforce (involuntary retirement) and draw down on their superannuation much earlier than they had intended⁸; and/or
- shift to eventual greater reliance on the public Age Pension than anticipated.

⁷ *Willing to Work National Inquiry*, Australian Human Rights Commission, 2015, p. 122

⁸ Productivity Commission, *Superannuation Policy for Post-Retirement*, Productivity Commission Research Paper July 2015 Pp 54-55

In addition, the nature of home ownership is changing significantly in the face of tight housing markets and high property prices. It is well recognised, including in your own consultation paper, that outright home ownership (a major form of private saving in Australia) is a key underpinning assumption of the current retirement incomes system – sometimes even referred to as the fourth pillar of the system.

However, increasingly, people in later working life and even when entering retirement are continuing to carry a mortgage.⁹ When long term unemployment or underemployment strikes in later life, and the person/family is still carrying a mortgage, eventual home ownership and even basic housing security can come under threat, with a limited potential timespan available in paid work to recoup lost earnings and secure housing. Once again, older unemployed people may access retirement savings early or devote them in entirety to secure their home, rationally recognising that with diminished or no private savings or home ownership in retirement, reliance on the public Age Pension is likely to result in poverty and a very low standard of living¹⁰.

EveryAGE Counts argues that it is both possible and crucially necessary to address the ‘adequacy’ component in your Review through the ageism lens, focusing on at least four key issues:

- the emergence of Newstart Allowance payments as a new form of ‘retirement’ income payment for many older unemployed people who have little realistic chance of re-entering paid employment within the current culture of age discrimination in the workforce;
- the structural financial gender imbalance in retirement that sees women predominate among those older people with the lowest wealth and incomes¹¹;
- the undermining of broader population support for a taxpayer funded Age Pension and tax concession regimes in the superannuation system by the prevalence of the (competing but equally corrosive) ‘ageing society burden’ and ‘rich baby boomer’ narratives;
- the existence of social norms around the idea that all older lives are intrinsically very narrow, enclosed and in decline, and therefore ‘by nature’ should be frugal, low consumption and low cost in most aspects other than perhaps health care and aged care.

We argue that Newstart Allowance is increasingly playing the role of at best, an inadequate transition-to-retirement payment and at worst, a punitive, inadequate first stage retirement income payment for many older people too young for the Age Pension, but locked out of reemployment partly by ageist norms in our society and workplaces. Using this frame, the boundary between Newstart Allowance and the pillars of the retirement incomes system is extremely porous.

Government policy sets Newstart Allowance at a very low rate as an incentive for an unemployed person to seek and gain employment. There is widespread community condemnation that the rate of Newstart Allowance consigns all its recipients to poverty. While the efficacy, fairness and humanity of the rate of the Allowance itself is debatable in regard to all unemployed people, it is particularly problematic when applied to older unemployed people for the reasons outlined above in this submission.

⁹ AHURI “Examining the impacts of growing mortgage debt amongst older Australians” Policy Evidence Summary based on *AHURI Final Report No. 319* August 2019

¹⁰ Warwick Smith, David Heatherington, *The adequacy of the Age Pension in Australia: an assessment of pensioner living standards*. Per Capita,

¹¹ For data and recommendations see: The Senate Economics References Committee, ‘A husband is not a retirement plan’ *Achieving economic security for women in retirement*. Australian Parliament, April 2016

A comprehensive look at ‘adequacy’ of retirement incomes in the review must include Newstart Allowance.

The intersection between sexism and ageism also has a powerful impact on the adequacy of retirement incomes of women, especially those who are single and do not own their own home. Women are more likely to have lower superannuation savings than men, due to factors such as broken work patterns to undertake caring responsibilities, the lack of compulsory superannuation payments by employers for a new parent taking parental leave and the persistence of unequal pay.¹² Women are more likely to be in the private rental market¹³, with the related deep concern that older women are the fastest growing group experiencing homelessness.¹⁴

In the context of falling rates of outright home ownership in retirement and given that women ‘accumulate poverty’ over the life course, there are specific concerns around the adequacy of retirement incomes available to them. This is further exacerbated for those women who ‘retire into’ Newstart Allowance.

The Retirement Incomes Review must explore all systemic design and distribution options to redress the structural gender imbalance in retirement incomes within its consideration of adequacy.

At the level of hearts and minds, EveryAGE Counts is especially aware of the need for broad public and intergenerational support for a viable and adequate retirement incomes system. Broad support for the system is undermined by two dominant and conflicting narratives around older people, both of which are corrosive and neither of which reflect reality for most older people. Contemporary ageism in Australia rests heavily on these two sets of stereotypes.

The first stereotype is older people economically and socially draining our society (giving rise to the prominent ‘burden narrative’). This alarmist narrative has the potential to give rise to public pressure to redefine ‘adequacy’ in a downward direction, especially for the Age Pension, in the misplaced belief that ‘we just can’t afford all these old people’.

The second stereotype is the affluent, selfish Baby Boomer living a glamorous life and draining the public purse at the same time. When this narrative takes hold it can give permission to broader society to generalise, and resent and resist tax dollars (in expenditure or foregone revenue through tax concessions) going towards an entire age group of people who, it is believed, do not need the support.

Both these narratives ignore the reality of wide economic diversity among older people and the tapered and targeted nature of public support that flows to them.

Exploration of adequacy in the review will need to be precise, evidence-based and avoid economic stereotypes and generalisations about older people now, and into the future. The review team, and the government going forward, will need to frame communication in ways that reach all parts of the

¹²David Hetherington, Warwick Smith, Not So Super, For Women. Per Capita and Australian Services Union, August 2017

¹³ CEPAR, Housing in an ageing Australia: Nest and nest egg? CEPAR Research Brief, November 2019, P45

¹⁴ Australian Human Rights Commission, Older Women’s Risk of Homelessness: background paper. April 2019 P15

community with accurate, long term, balanced information about the system as it impacts on and benefits different population cohorts now and in the future.

Related to the above argument, is our concern that narrow stereotypes often underpin public perceptions and public policy around what an older life is, can and deserves to be. This arises out of a complex mix of the following:

- a snapshot approach that rests on the view that the ‘productive’ members of society (largely understood narrowly as currently within paid employment and contributing to taxation) should only support the ‘unproductive’ members of society to the extent of achieving basic living standards. The ongoing acceptance of the very low level of Newstart Allowance demonstrates this. The higher, but still frugal standard of living afforded by the Age Pension recognises to some extent that current older people were once contributors in the ‘productive’ group, but are viewed as no longer so; and
- a common view that all older people (over approximately 65 years) are in decline and only desire and are capable of simple, restrained lives involving little cost.

These points get to the heart of ageist norms in our society and are counterproductive to a realistic, life course approach that recognises and values the contributions made at all life stages. They also are outdated, not keeping pace with the broad community conversation that has begun about the nature of retirement for the majority who have a desire to be productive in ways they can’t yet quite imagine. This may be by participating in a conventional job or inventing their own. There are already large numbers of older people inventing their own work, with older people the fastest growing cohort of entrepreneurs¹⁵ and engaging strongly with the gig economy. We need to learn from these early inventive experiences and co-design employment and retirement incomes policy taking account of these new forms of work. To support this learning, we need better data about these new working arrangements.

EveryAGE Counts encourages the review to question assumptions that base adequacy calculations on generalisations across all older people (for example regarding home ownership) and stereotypes of what an older life looks like and how it can and should be lived.

Conclusion

In summary, unmasking and addressing ageism in our society and ageist norms in employment is core business for the Retirement Incomes Review, recognising that:

- work environments that remain hostile to older employees lead to a significant problem not only for fairness and income adequacy for many individuals in retirement, but also for the sustainability of the retirement incomes system as a whole; and
- settings within a retirement incomes system that unintentionally or unconsciously accept and reinforce negative, narrowing and damaging assumptions and stereotypes about later life diminish the rights and wellbeing of older people and harm the social cohesion and values of our society as a whole.

EveryAGE Counts’ strongly encourages the Retirement Incomes Review to promote our proposals for strengthening age inclusion in employment, including:

- removal of discriminatory barriers facing older employees and job-seekers;

¹⁵ Dr Ruth Williams, Melbourne School of Population and Global Health, University of Melbourne, <https://pursuit.unimelb.edu.au/articles/seniorpreneur-we-need-you>

- support for strong age discrimination laws and processes;
- implementation of inclusionary practices in recruitment, workforce development, workplace adjustment, flexible working arrangements, career transitions and retention;
- changing workplace cultures that are hostile to older workers through public education, influencing organisational policies and practices, and advocating for consistent and sustained leadership at all levels of organisations;
- fostering intergenerational solidarity and assisting the expanded number of generations within the workforce to thrive, through
 - embedding intergenerational cooperation and sharing as ‘business as usual’
 - innovation in products, services, business models and work practices to suit a multigenerational workforce, and
 - leadership that promotes healthy, diverse, age-integrated workplaces;
- responding to the link between health and workforce participation and the need to address healthy ageing across the entire life course, with an emphasis on prevention and reduction of chronic conditions;
- supporting mass participation in genuine life-long learning and the maintenance of personal work capabilities, through advocating for strengthening of
 - educational strategies, structures and processes
 - individual and workplace learning habits, and
 - age-positive social norms and expectations.

More specifically we call on the Review to recommend action on the following priorities:

- Public and workplace education and information campaigns
 - challenging myths, stereotypes and negative attitudes about older people in the workforce
 - increasing awareness of ageism and aged based discrimination and their impacts, and the options for recourse;
- Sustained federal government investment in existing initiatives such as the *More Choices for a Longer Life Package*
 - evaluating and amplifying successful strategies
 - incorporating learnings and valuable strategies from relevant Test, Try, Learn projects
 - targeting trials of integrated policy initiatives in regional, rural and remote areas responding to specific challenges in local economies
 - designing employment initiatives to address cohort needs such as for women at risk of homelessness;
- Establishment of a network of shared value partnerships with a focus on ending ageism towards older employees;
- Establishment of a Work and Ageing Clearinghouse to
 - collect and share data and research
 - disseminate success stories, better practice examples and resources.

Once again, thank you for the opportunity to share our views with you. We are of course very willing to discuss this in further detail with you in person.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Robert Tickner', with a horizontal line underneath.

Robert Tickner
Co-Chair
EveryAGE Counts Campaign

A handwritten signature in black ink, appearing to read 'Kirsty Nowlan', with a long horizontal line extending to the right.

Kirsty Nowlan
Co-Chair
EveryAGE Counts Campaign