

NO.007

INVESTING IN EXPERIENCE

SPEECH TO THE BUSINESS LEADERS' MORNING TEA

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We are here today to acknowledge the enormous contribution made by older Australians -- to their families, their local communities and also our modern Australian society. We're also here to celebrate and promote the continuing contribution older Australians make to the workplace and the economy. I know I don't need to preach to anyone here today about the importance of older workers. I know all of you know just how critical they are and how much value they add to your businesses.

Enhancing mature participation is simply one of the most important issues facing our economy today. That's why the Government has introduced the Work Bonus which allows age pensioners to keep more of the money they earn from work. We recently announced a boost to the Work Bonus, which means that from 1 July this year hard working age pensioners will be able to earn up to \$6,500 each year without having their pensions affected. In particular, this boost to the Work Bonus will improve rewards for pensioners who undertake intermittent or occasional work.

We are also investing in practical measures to support older workers. In the election campaign, we announced \$30 million for the *Experience Plus* program, to significantly up-skill up to 7,500 mature age workers. This is on top of the \$43 million investment in re-training, re-skilling and careers advice that I announced when I released the 2010 Intergenerational Report. But of course, these are only the first steps in addressing an issue that is critically important for our long-term economic prosperity.

We understand that we'll need a sustained effort to implement and monitor policies in this area if we are to get the settings right. The reality is that if we are to continue to improve our mature age participation rates, then we are going to have to tackle a number of complex issues.

Some of the things we need to look at include:

- Recognising the skills of older workers, and encouraging further skill development
- Promoting healthy workplaces that support mature age workers
- Promoting age management in the workplace, allowing workers to make a phased transition to retirement; and
- Ensuring our retirement income policies provide the right incentives.

So, in addition to the suite of related measures I announced a year ago, I was keen to establish this Consultative Forum to advise us on what drives mature age employment. And most importantly, what more we can do to help. I'm pleased to say that group, led by Mr Everal Compton, has already begun its task, commissioning research and helping to arrange today's event.

One of the first issues to come up at the Forum was the need to create a full-time Age Discrimination Commissioner. The reality is that there's a real perception out there that some employers are reluctant to hire older people. The Government takes these issues seriously, which is why we have decided to appoint a full-time Age Discrimination Commissioner from 1 July 2011, following a recruitment process which is currently underway.

But while discrimination may be part of the problem, there's also a much bigger story.

So what do we know about mature age participation? For a start, we know that in amongst all the discussion about the ageing population challenge, what often gets missed is that mature age participation has actually been on the up. Buoyed by our strong and resilient economy, over the past decade the participation rate for 55-64 year olds has risen almost 15 percentage points, to reach 63 per cent. That's a great achievement, and I commend everyone in the room for that progress. Where we once lagged in almost all categories, Australia's mature age participation rates now exceed the OECD average over most age ranges for both males and females.

So the signs are encouraging. But there is so much more that we can do to unlock the economic potential of ageing Australians. For example, in New Zealand labour force participation rates for people aged 55-64 are around 76 per cent. In Australia that rate is only 63 per cent. If we could deliver a similar rate, we'd see 330,000 more workers giving us the value of their experience and know-how.

That is why I look at the issue of mature age participation as a great opportunity for our nation. An opportunity that can be unlocked if we look again at the way we support older Australians to make the choices that are right for them.

We must work harder to promote and maximise the opportunities and benefits older workers can bring. And that is why we are here today.

While Government action can assist, our success or failure in improving mature age participation will ultimately fall to the decisions and attitudes of Australia's business leaders. It is business that is best able to witness the benefits of drawing on the experience of its older workers. Older workers who hold not only the knowledge, but the skills and productivity, to ensure organisations are operating at their fullest potential.

Businesses know that retaining experience makes good business sense. They also know that in an increasingly competitive global marketplace, we have an opportunity to do more with what we have by keeping older Australians in the workplace. If Australia can identify and implement innovative strategies to welcome older workers into the workplace, we will be seizing a competitive advantage that will drive growth in the long term. Australia's mature age participation rate is already strong, but it needs to be at the top of the pack.

As I've said, I know everybody in this room is conscious of these realities. I want to encourage you that you can do even more. And what today's about is also encouraging you to encourage others. If you show leadership in your companies, others will follow – because you are leaders in your fields. You all have extensive first-hand experience of the power of organisational culture to alter the course of an organisation's future. And of course it is those courses, when combined, that map our economic and social progression.

From questions of work-life balance to the number of women in executive positions, organisations reflect the decisions and aspirations of their leaders - no more so than on questions of how to make the most of our older workers. The Government wants to do what it can to assist.

Ladies and Gentlemen, I am passionate about these issues, and there is always more that can be done. We've spoken today about mature age participation in the workplace. A critical issue, where good progress is being made. But I believe that we need to do more to recognise the potential of older Australians, in every area of policy-making.

Which is why today I'm pleased to announce that the Government is establishing an Advisory Panel on the Economic Potential of Senior Australians. This Panel will work throughout this year. It will also be chaired by Everaldo Compton, to ensure a close link with the work of the Consultative Forum. We will announce the full membership of the new Advisory Panel in coming weeks.

The Panel will complement the work of the Consultative Forum by looking at the broader range of economic opportunities presented by an ageing population. It will ensure that maximising the economic potential of older Australians is at the forefront of contemporary policy issues in this country. Issues like ensuring we identify opportunities that the NBN creates for older Australians, or the contribution older Australians can make in the shift to a low-carbon economy.

I want Everald and his new team to look beyond the usual story of an ageing population and help us look to new ways to embrace the opportunities that much larger, and more active, communities of older Australians will offer. Importantly, it will investigate not only how we as a society can get the most out of our older Australians, but also how we can ease their transitions. Transitions from the workforce into other productive endeavours – like supporting their families, mentoring, volunteering and community work.

As more and more people grapple with what to do in their later years, we want to make sure people are supported to make the decisions that meet their circumstances. This means making sure our policy framework is coherent. It means that we must constantly ask if there isn't more that government can do to create the active and engaging society that older Australians would choose to value and participate in.

The Panel's remit is quite broad. Importantly, it will look at participation in its broadest perspective to ask how Australia can best harness the life experiences and intellectual capital of senior Australians.

I know you understand how important this is – so I want to thank you again for coming today, and encourage you to lead on the issue, to the benefit of your businesses and the whole country.

Australia has a bright future – but it's one in which we are going to rely on each other more than ever before. That means we need to make sure every Australian can – and does – contribute to the economic life and social fabric of this country.

Thank you.