Chapter 7

Australia

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Abstract Although Australian women's labour force participation has increased sharply since the turn of the century, there is a dichotomy between their participation at the pre pension threshold of 65 and after. Women's gender segregation in low waged occupations is institutionalised through the neoliberal policy of individual enterprise agreements, reinforcing gender wage gaps. In combination, the gendered health effects of caregiving, disrupted careers and the experience of precarity shorten working lives, limiting wages and retirement incomes, ultimately impacting on women's economic status and class. Some gender responsive initiatives through the courts have been instituted supporting flexibility requests to employers applied to workers over 50 and employment entitlements by workers employed as casuals. Yet the lack of proactive 'joined up' gender and age policies across multidimensional domains enables the contradiction between public policies of women's extending working lives and reality to persist.

Keywords Older women • Workforce • Inequality • Retirement • Policy

Introduction

The Australian resources and commodities sectors have experienced recent downturns, largely due to reduced Chinese demand for Australian exports. Similar to other advanced economies, Australia's economy has restructured over the past 30 years and there has been a shift in employment from manufacturing sectors to services sectors, particularly health and social assistance. Often policies related to extended working lives are developed in response to political circumstances and tend to be inconsistent and unsystematic.

Since 2002 successive Australian Intergenerational Reports (IGRs) have called for increased older workforce participation to bolster productivity and reduce fiscal gaps attributed to the 'burden' of dependency. The Australian government's most

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recent 2015 IGR rationalised extending the pension age to 70 by 2035 to combat future intergenerational inequity (Commonwealth of Australia 2015). The Report invokes intergenerational equity principles, so that ‘future generations will not only have to fund their own government services, they will be funding the services used by Australians today’. It also asserts intrinsic neoliberal principles of contracting government debt in order to move to a budgetary ‘surplus’ in 2019–20.

On 4th September 2018, Prime Minister Scott Morrison retracted this policy the week after his replacement of Prime Minister Turnbull. The new Prime Minister explained that pension deferral was ‘no longer necessary’ as the net operating balance will move into a projected surplus of Aus \$7.6 billion in 2019–20 (Budget 2017–2018). The policy change did not address underlying barriers limiting extended working lives, for instance age discrimination in recruitment and a lack of proactive coordinated government policies, but instead framed the debate purely in economic terms.

Australian national data show that age related reasons for retirement are the main reason for ceasing final employment, ‘reached retirement age/eligible for superannuation/pension’ has been cited by 36% of men and 22% of women. The average age of recent retirees (those who have retired in the last five years) was 62.9 years, 63.6 years for men and 62.1 years for women, these ages are well below the potential pension eligibility age of 67 in 2025 (ABS 2017a).

The Australian Gender Lens of Extended Working Lives

Older women’s labour force participation has increased sharply since the turn of the century. In 2000, women’s labour force participation aged 60–64 was 20%, which more than doubled to 46% in 2015. Much of this increase is cohort driven, associated with cultural changes related to gender roles and the higher levels of educational attainment. The far higher male rate increased at a lower rate, from 46% in 2000 to 64% in 2015 (Temple and McDonald 2017). Yet there is a dichotomy between labour force participation increases at pre pension ages and the pension threshold beyond 65.

Despite the abolition of mandatory retirement, the pension eligibility age is linked with the traditional tripartite lifecourse stages of education, work and retirement. A ‘structural lag’ (White Riley et al. 1994) exists between legislation and the extension of working lives beyond pension ages. The current pension age is set at 67 increasing six monthly every two years from 65 in 2017 to 67 in 2023. Women’s labour force participation after 65 increased to ten per cent in 2015, trebling from a low base of three per cent in 1995 (ABS 2018). Male labour force participation rates commenced from the base of ten per cent that women achieved in 2015, to 18% in 2015. Men over 65 were almost twice as likely to participate in the labour force than older women and were also more likely to be working full-time (47.5% of men, compared to 24.2% of women) (ABS 2018).

OECD policymakers have proposed extending working lives as an economic policy response to the perceived urgency of countering the burgeoning welfare costs of the demographic ‘tsunami’ (Amalberti et al. 2016). Yet in the Australian context age and gender implications of extended working life policy require support for women extending their working lives beyond the standardised lifecourse stage of pension eligibility.

Australian Retirement Incomes

Australian retirement incomes are built on tripartite pillars: The first pillar is mainly wages income, together with savings and investment returns. The second pillar of publicly funded pensions, established in 1909, is based on a means-tested income support system. The majority of Australians (70%) receive a part pension after eligibility criteria are met. The third pillar of Australian retirement incomes, the Superannuation Guarantee, instituted in 1992, is built on the privatised compulsory employer contribution to an employee’s superannuation account, currently 9.5% and scheduled to increase to 12% by 2026.

A cumulative, intersecting ‘deaccumulation’ trajectory of gendered age relations is structured within the retirement incomes system, based in women’s low wages, and resulting in low superannuation balances and greater reliance on pensions than men (Brooke 2017). This ‘deaccumulation’ trajectory convoys the gender gap in wages of 22.4% in 2017 (The Workplace Gender Equality Agency (WGEA 2017a) to greater reliance on pensions to the superannuation gender gap of 17.7% (WGEA 2017b).

Pillar 1: Wages Income

The gender wage gap is widest at the ages 45–54 when women earn on average under 20% of the male wage, calibrating age gender intersectionalities across the lifecourse. Women’s lower wages are a consequence of broken career trajectories of ‘productionist’ relations, related to women’s productivity in the paid workforce, due to their ‘reproductive’ responsibilities of childbirth and caregiving (McDowell 2014). Additionally the majority of low paid wage earners work in highly feminised service industries, such as in the caring professions, hospitality, retail, and cleaning (Clare 2017). Historically, female dominated occupations such as care work have attracted lower wages than male dominated occupations, structuring gender segregation of unequal wages.

Neoliberal policies of the individualisation of enterprise agreements and the shift from collective bargaining has created institutional gender wage gaps. The Work Choices policy legislation introduced by the Howard Liberal Party government in

2006 entailed a shift to individualised workplace agreements from collective bargaining. The gender wage gap is higher for employees on individual enterprise agreements (15.7%) compared with those on award rates or on collective agreements (13.1%) (WGEA 2018). In 2018, a situation of partial deregulation prevailed; 59% of the Australian workforce is on award rates or collective agreements, while 37% of employees have individual agreements, and are reliant on negotiations with their employers to set their wages (WGEA 2018). Full-time workers were more likely to set their pay by negotiation and more likely to state that they have been successful in obtaining a pay increase. Significantly, women under 40 were more likely to initiate the negotiation of a pay increase than women over 40. This suggests that age and gender intersectionality privileged younger women in negotiation of wages. The Fair Work Commission was established with the power to set industrial agreements under the Commonwealth's Fair Work Act 2009 however individual enterprise agreements form a major industrial relations instrument.

Pillar 2: Government Benefits

Policies, which lower pension increases, are benchmarking pensions to the Consumer Price Index, replacing the current Male Total Average Weekly Earnings (MTAWE). In January 2017, more than 330,000 Age Pensioners had their Age Pension entitlements cut, with at least 100,000 of this group losing all Age Pension entitlements. Housing has been described as a latent 'fourth pillar' of retirement incomes, which assumes that most people will be living in their own homes in retirement, whether on a pension or superannuation. Significantly, home ownership is not taken into account as an asset within assessments of pension eligibility, which disadvantages female non-homeowners, particularly those who are low income, divorced and widowed, indicating intersections in gender and class inequalities.

Eligibility for Disability Support Benefits (DSPs) which applies to people with permanent medical and mental health disabilities are subject to work tests, in order to increase the group classified as having the capacity to work to 15 h or more per week (Department of Social Services 2018). This restriction targets the beneficiary group with the greatest reliance on household income derived from pension transfer payments. The government funded National Disability Insurance Scheme (NDIS) is creating a managed market for disability services in Australia for people aged under 65 based in privatised services. This limits the potential target group of older people with disabilities by age.

Pillar 3: The Superannuation Guarantee

The Superannuation Guarantee has instituted the privatisation of retirement incomes by cost shifting from publicly funded pensions to income support by private employers. Average superannuation balances at the time of retirement in 2015–16 were Aus \$270,710 for men and Aus \$157,050 for women, 58.7% of the male balance. The median superannuation balance is significantly lower, at Aus \$110,000 for men and only Aus \$36,000 for women, reflecting the substantial proportion of men and women who have nil, or very little, superannuation (Clare 2017). Age and gender intersectionality show increases in the superannuation gender gap of 52.8% at ages 60–64 to 77.6% at ages 75–79 (Clare 2017). This shortfall is exacerbated by women's greater longevity.

A policy countering women's low superannuation balances was proposed recently by the Australian Labor Party opposition. In September 2018, the Australian Labor Party proposed that if elected it would compensate women for 18 weeks paid parental leave away from the workforce through government superannuation contributions. This pledge would apply to 167,000 women and cost Aus \$400 million 'to make the economic security of women a priority at the next general Election' ('The Age' newspaper, September 19th 2018).

Government Employment Policies

Financial Incentives

The Work Bonus incentive to remain working after pension age enables a sliding scale of work hours to be combined with the pension and a tax-free income threshold. This will extend coverage to self-employed members from mid-2019. The Age Pension is paid to 2.41 million Australians. However, just 156,000 took advantage of the Work Bonus that allows them to keep more of their pension while working, indicating that this measure of delaying full retirement is underutilised. Given older women's significantly lower workforce participation after 65 and earlier retirement ages than men, and greater longevity, this financial incentive is a minor step in countering gender inequalities.

In the 2016–17, Budget the government initiated the Low Income Superannuation Tax Offset (LISTO). According to The Australian Association of Superannuation Funds (ASFA) approximately 3.1 million people will benefit from receiving the LISTO in 2017–18. It estimates that about 63% of the beneficiaries will be women (Clare 2017). However, this payment disadvantages low-income women who currently do not participate in the workforce.

Flexible Employment

A key issue for policymakers is how people in later careers can provide care for growing numbers of older people unable to be fully independent due to their frailty. Among people aged 45–64 years, significantly more women than men are primary caregivers (70% versus 30%) and caregivers in general (59% versus 41%) (ABS 2015). Flexibilisation of working time within casual employment relations can further marginalise older women.

The Fair Work Act 2009 provides employees over 55 and other groups with a legal ‘right to request’ flexible working arrangements (*e.g.* hours of work, changes to start and finish times, patterns of work such as split shifts or job sharing). Employers can only refuse these requests on reasonable business grounds (Fair Work Commission 2018). While the ‘right to request’ flexible work is ‘enshrined’ in legislation, it has been underutilised. For example, a survey of 2000 Queensland large organisations found that flexible reduction of working hours was only adopted by one third and was most strongly correlated with expectations of a loss of staff to retirement by large, mainly public sector employers (Taylor et al. 2016). Recent legislation, however, aims to strengthen requests for flexibility, however, gender breakdowns of requests are unavailable. On 24th September 2018 the Full Bench of the Fair Work Commission agreed on a new clause so that employers will be obliged to discuss the request with employees and try to reach agreement ‘that will reasonably accommodate the employees circumstances’. The Commission responded to ‘significant unmet need’ for workforce flexibility where ‘a quarter of employees weren’t happy with their working arrangements’.

Education and Training

Women’s extended employment is associated with higher levels of educational attainment. Women aged 55–64 are less likely to have post school qualifications than men (54.6–63.4%) respectively which decreases at ages 65–74 (42.8–56.6%) (ABS 2017b). A study based on a nationally representative sample of 3000 people aged 45 to 74 revealed that those most likely to experience unmet demand for training were women, related to reducing risks of unemployment and under employment (Adair et al. 2016). The 45 and Up Study in New South Wales recruited 267,151 participants aged 45 years or older. Data from men and women aged 65 years or over at the baseline and first follow up showed that the odds of doing paid work increased with higher education level, and decreased by age, poorer physical function, and having health conditions. The association between education and work participation at 65 years or over was stronger among women than men. Education strengthened women’s attachment to the labour market, allowing them to improve financial security by working for longer and higher educational qualifications had

a ‘health protective’ effect (O’Loughlin et al. 2017a). However, proactive gendered education policies were not evident.

Health Policies

The relationship between health and extended working lives revealed by Australian national data indicates that apart from reaching ‘retirement age’, the second main reason given by persons for ceasing their last job was ‘own sickness, injury or disability’ (21% of men and 12% of women) (ABS 2017a). Women were more likely to give family and caregiving reasons than men. They also retire from work earlier than men retire and are consequently less likely to retire for age related health reasons. Health status is influenced by many factors including caregiving and occupational health. A sample of 1,261 men and women aged 60 to 64 completed a sub study of the New South Wales 45 and Up Study. Around a third (32.5%) of the sample were involved in some type of caregiving. Compared to non-carers, carers reported lower workforce participation (45.8% versus 54.7% for non-carers) as well as poorer health, more mobility difficulties, lower quality of life and lower self-rated SES (O’Loughlin et al. 2017a, b). Significant differences were not found by gender. The longitudinal nationally representative Household and Income and Labour Dynamics in Australia Survey (HILDA) (2002–2011) compared the impacts on health and wellbeing of treatment groups aged 45 and over that made transitions into and out of work with control groups remaining in employment. A significantly higher proportion of treatment groups reported poor health in transitions from working to not working (Gong and Kendig 2017). With health status a key factor ‘pushing’ people out of work, jobs that require higher qualifications tend to involve fewer risks of acquiring a disability, meaning that people can work for longer.

Older Worker Policies

The Australian government instituted ‘Restart’ in 2014, a government subsidy paid to employers to employ a person who has been unemployed and on income security for at least six months. The subsidy has been underutilised, particularly by women. Employer subsidies within firms do not guarantee workforce capability and enable skills transferability within the mainstream labour market. Assisting displaced workers find a new job requires well designed active labour market policies, which include assistance with employment services, training initiatives linked with jobs and publicly subsidised work experience programmes (Brooke 2008). A new multipronged programme ‘More Choices for a Longer Life’ package in the 2017 Federal Budget commencing in 2019 aims to institute measures including countering ageism, job subsidies, reskilling programmes, job placement and economic incentives. This

more integrated programme yet to be evaluated may potentially provide future ‘best practice’.

The experience of age discrimination in recruitment was reported in the ‘Willing to Work’ report (Australian Human Rights Commission 2016). Yet public policy reports have bifurcated discrimination based on age and discrimination based on gender. ‘Willing to Work’ subsumes women as a sub group with the foreground focus on age, rather than interconnecting age and gender discrimination. There is a hiatus in ‘joined up’ age and gender policies supporting extended working lives. An analysis of data from the Attitudes to Ageing in Australia Study (2015–2016) found that workers over 55 years were perceived to be more likely to be made redundant, less likely to be promoted and more likely to have difficulty adapting to change (O’Loughlin et al. 2017b). Yet nuanced forms of gender and age discrimination persist, such as exclusion from social relationships and deployment to undervalued work roles. Even positive stereotypes can ascribe attributes and perpetuate gendered and ageist discrimination. A gender focus in age discrimination government policy is yet to be implemented.

Working Conditions and Precarity

The Australian labour market demonstrates under both employment and work intensification and long working hours. In 2015, the OECD average proportion of workers in part-time employment was 17 per cent (defined by the OECD as people usually working fewer than 30 h per week in their main job) compared with Australia of 24% (OECD 2016). The OECD ranks Australia 10th out of 38 for the proportion of its workers (13%) working ‘very long hours’ (55 h or more per week defined by the OECD) (OECD 2016). According to the Household and Income Labour Dynamics of Australia (HILDA) survey overemployed workers report lower levels of satisfaction and mental health than well matched workers (Australian Institute of Health and Welfare (AIHW) 2017: 9). The (HILDA) Survey over a nine year follow up period (Waves 2 and 11) found that older workers who held poor quality jobs for most of the follow up period declined in their self-rated physical and mental health relative to voluntary retirees. Extended working lives mean that people will be ‘exposed’ to work for longer, and this exposure will occur at a life stage characterised by declining health (AIHW 2017).

The ‘precarariat’ is subject to employment insecurity through employment conditions without entitlements and inadequate protection against arbitrary dismissal. The overall proportion of casual male employees increased from 21.0% to 23.1% 2007–2017 and the proportion of casual female employees increased from 26.2% to 27.1% (3). The mean probability of job loss among full-time casual employees is almost 20 among males, and more than 15 among females (AIHW 2017). The comparable proportions among full-time permanent employees are about half this (10% and 8% respectively). As employment security declines and hours of work and

earnings become less predictable, lower capacity to negotiate at work will engender poorer health and wellbeing (Elton et al. 2007).

Policies that improve working conditions for precarious workers

Active rather than passive employment creation policies are required which compensate for gendered interrupted career trajectories by supporting skills training and job placements designed to accommodate caregiving. Countervailing legal pathways however are emerging. Countering precarity requires future court decisions to strengthen non-standard working arrangements, 'casual' entitlements and to enshrine job security. A landmark case in the Federal Court in August 2018 found that a truck driver was not a 'casual' employee under employment law, because of his regular and continuous pattern of work during more than two years. This has opened the way for unions to claim entitlements for previously 'casual' workers.

Conclusion

Overall, the debate over women's extended working life has been largely invisible in the media and discussions of late career flexibility overshadowed by childcare. Gender responsive policies target childcare cost reductions earlier in women's lifecourse rather than supporting the income security of older women. The National Foundation for Australian Women, an advocacy organisation which reviews the effects of the Budget on women, including older women, propose that women's low superannuation balance is a key policy issue for the 2019 election. This policy has gained traction with the Labor opposition which has recognised that compensation is needed for women's' unequal access to financial security in retirement.

Government policies should address age and gender intersectionalities in order to challenge systemic inequalities. Inequalities between men and women's superannuation incomes in retirement has emerged as a future general election issue, while gender wage gaps across working lives is an emerging policy issue. Health effects of caregiving, reduced working time in the labour force and the experience of precarity limit women's secure incomes and affordable housing in retirement. The 'deaccumulation' cascade from low wages requires industrial relations protections to avert reliance on pensions and boost superannuation. Proactive gender responsive policies are lacking across health, education and employment to extend working lives that ultimately influence economic security and class. Combating disadvantage to support women's lower educational attainment requires governments to intercede with skills training aligned with economic development. Policies that contest the current inequalities of gendered careers should involve stakeholders in government, employers, unions and older women's own advocacy. Without coordinated institutional strategies, supporting gender responsive policies the reality of extended working lives will remain only an aspiration.

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