

## **Attachment 1**

*The following background material on mature aged workers was used to assist in the development of the draft CPSU mature aged workers in the Australian Public Sector policy paper.*

### **Background**

The Federal Government as part of the Federal Budget papers in 2002 produced a report on the ageing population in Australia titled the *Intergenerational Report*. This report identified issues associated with an ageing population in Australia. It identified that there will be an increasing proportion of aged retirees whose aged pensions and health costs will need to be funded by a proportionally smaller workforce. The report raises the issue of the future need to potentially raise taxation revenue to fund the demand for aged pensions.

As a result of the ageing trend the Federal Government has been looking at methods to encourage employees to remain at work after minimum retirement age. Government focus to date has included social security initiatives, eg deferral of age pension payment whilst the person continues to work and an increased pension payment when the person ultimately retires (the Pension Bonus System).

In addition progressive changes to community superannuation arrangements, especially around superannuation guarantee, income and asset tests, and increasing minimum retirement ages for lump sum superannuation payments have and will continue to restrict access to the aged pension.

In the lead up to the last Federal Election, both major parties announced policies regarding mature aged workers which included encouraging retention and employment flexibility for mature aged workers.

The Australian Bureau of Statistics has a significant amount of material regarding the ageing population and mature aged workers; of particular relevance is the following:

*'Australia's population is continuing to age as a result of low fertility and increased life expectancy. The median age in Australia was 35 years in 2001 compared to 34 years in 1996. The proportion of people aged 65 years and over increased to 12.6% (2,388,563 people) in 2001, from 12.1% in 1996. The proportion of people aged 0-14 years decreased to 20.7% (3,934,011 people) in 2001, from 21.5% in 1996. The proportion of males and females in the population has remained stable, with slightly more females (50.7%) than males (49.3%)'.<sup>3</sup>*

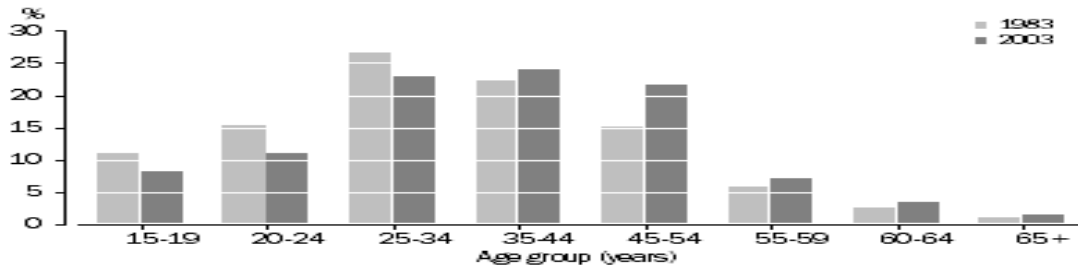
*'In regard to the workforce ABS identified that: In 2003, people aged 45-64 years made up almost a third (32%) of the labour force, compared to 23% in 1983. This increase not only reflects increased labour force participation over the period, but also larger numbers of people entering this age group as the 'baby boomers' age'.<sup>4</sup>*

### **LABOUR FORCE AGE PROFILE**

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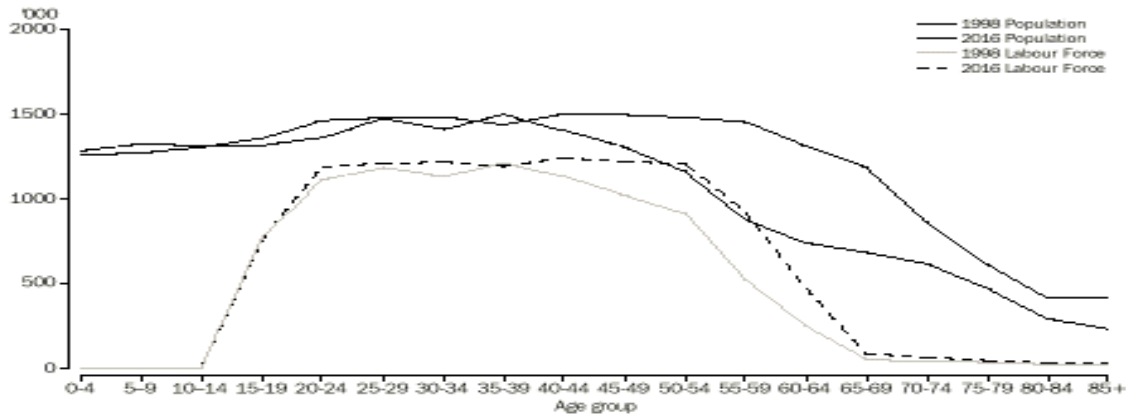
<sup>3</sup> ABS AusStats 2015.0 Census

<sup>4</sup> ABS AusStats 6105.0 ABS Year Book 2004



(a) Annual average of monthly original data.  
 Source: Labour Force, Australia, Detailed – Electronic Delivery, 6291.0.55.001.

**AGE STRUCTURE OF THE POPULATION AND THE LABOUR FORCE – 1998 AND 2016**

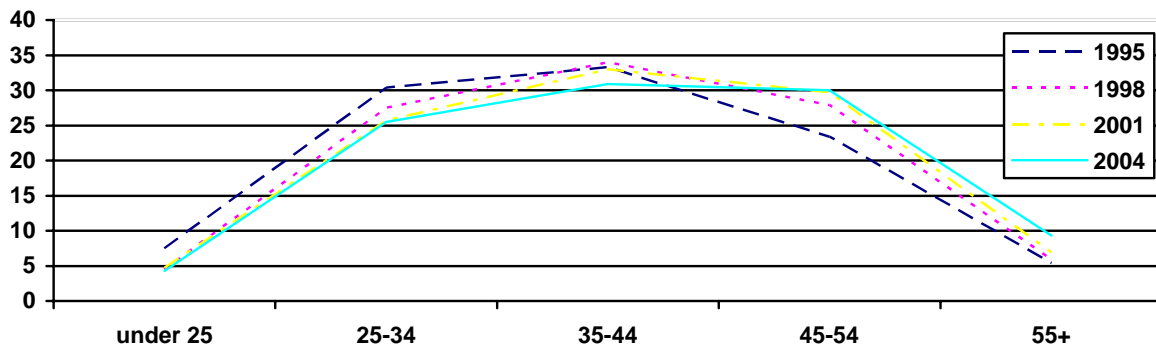


Source: Population Projections, 1997 to 2051 (Cat. No. 3222.0) and unpublished data, Labour Force Projections

**The Australian Public Sector**

Although detailed data is only available for the APS, long term Statutory Authorities (eg HIC) and Government Business Enterprises and Government Companies (eg Telstra and Australia Post) would have similar age demographics.

The APS workforce is also ageing. The following table identifies the movement in the proportion of APS employees by age over the last 12 years.<sup>5</sup>



Based on the above table between 1995 and 2004 employees:

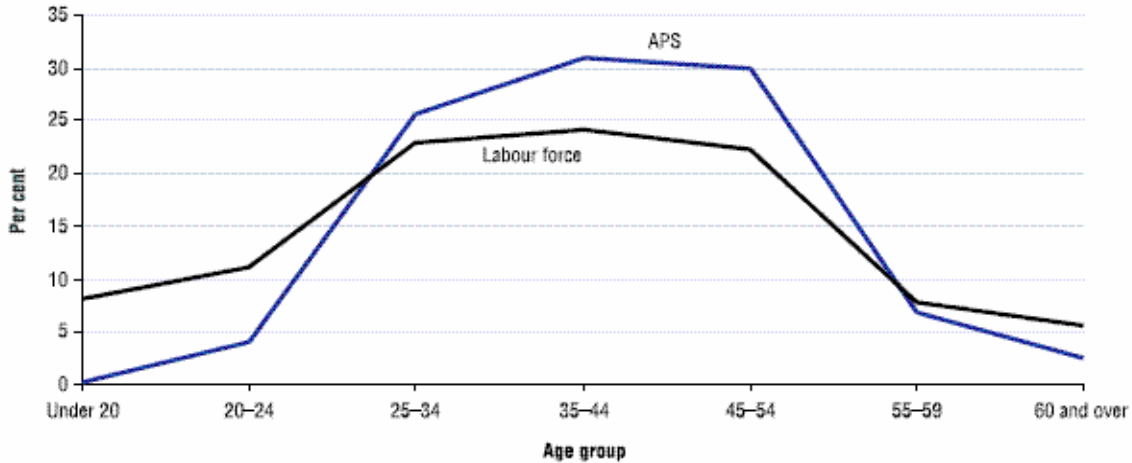
- under the age of 25 dropped from 7.5% of total APS employees to 4.3%,
- employees aged 25-34 dropped from 30.4% to 25.5%,
- employees aged 35-44 dropped from 33.3% to 30.9%

<sup>5</sup> APS State of the Service Report 2003 – 04.

- employees aged 45-54 increased from 23.4% to 30.0%
- employees aged 55 and over increased from 5.4 to 9.3%

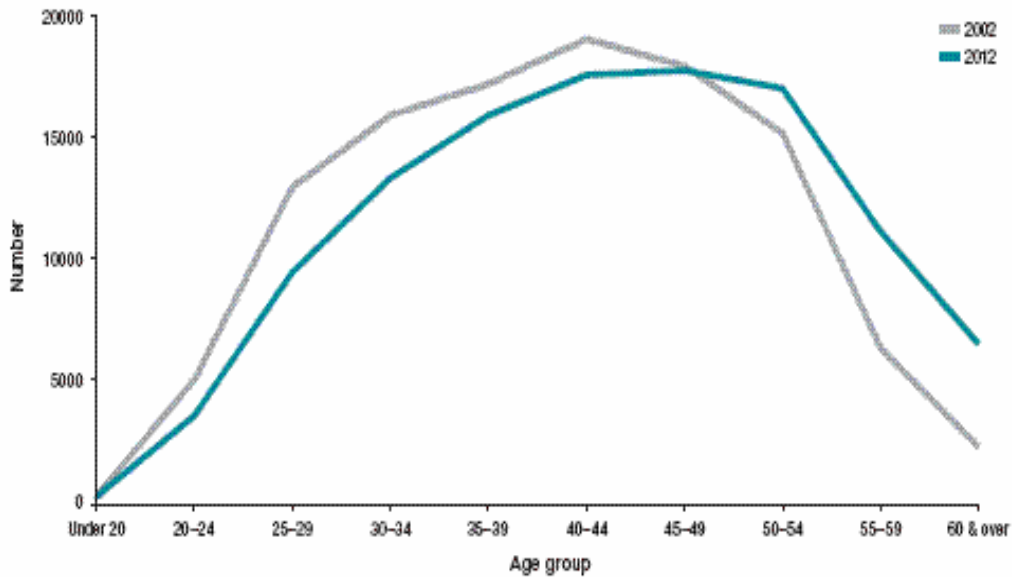
The first table below <sup>6</sup> shows the age profile in the APS compared with the general labour force. The second table below <sup>7</sup> identifies what is predicted to be the age profile in the APS in 2012.

Figure 2.13: Age profile of ongoing APS staff and labour force, 2004



Source: APSED and ABS

Figure 5: Projected age profile 2012, and actual age profile 2002

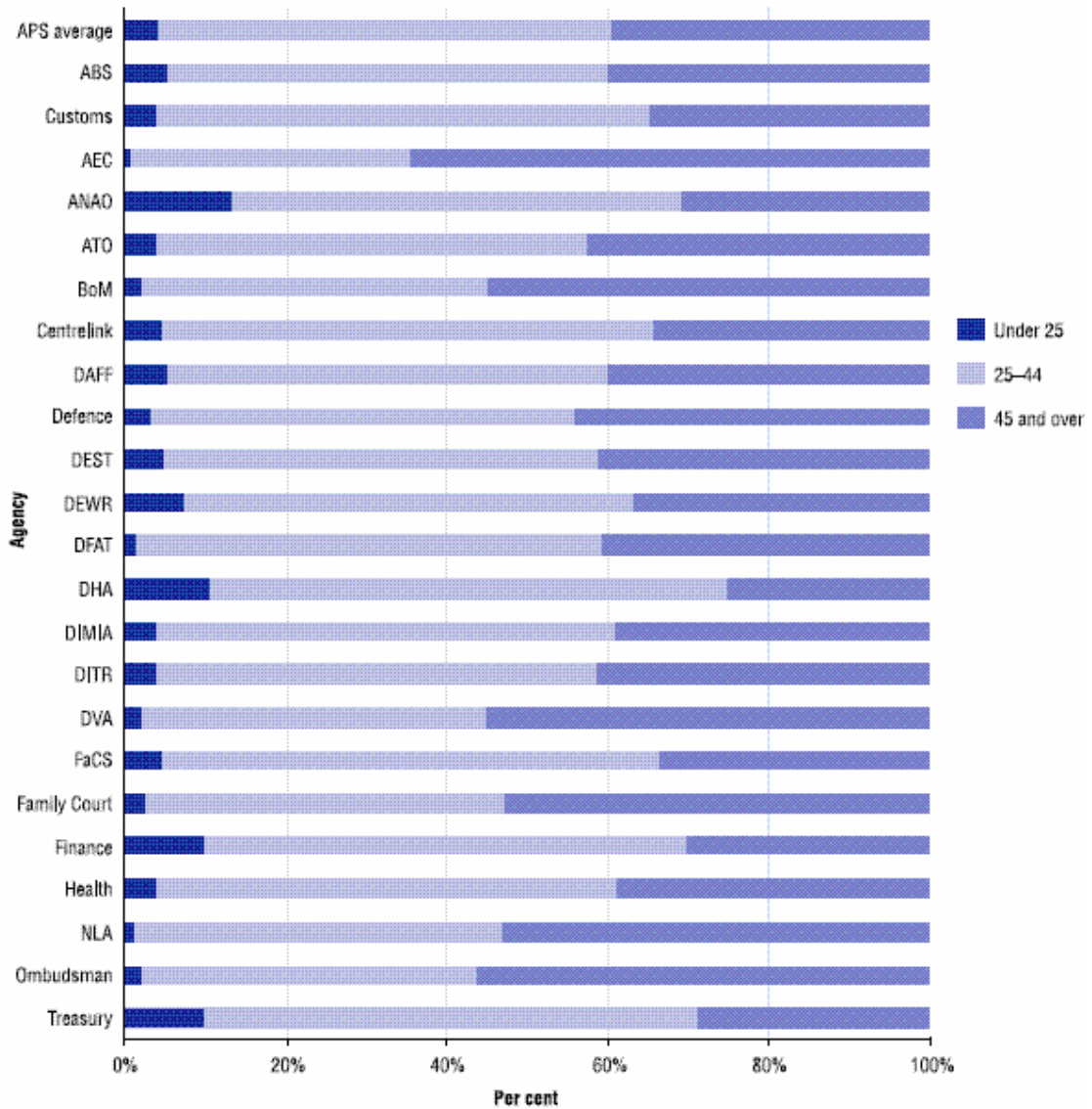


<sup>6</sup> APS State of the Service Report 2003 – 04.

<sup>7</sup> APS Management Advisory Committee Organisation Renewal table based on APS State of the Service Report 2001 – 02 and Australian Government Actuary projections.

The proportion of mature aged workers as a proportion of an agencies workforce varies considerably. The following table<sup>8</sup> identifies the proportions of staff by age in a range of agencies.

Figure 2.14: Ongoing staff in selected agencies by age group, June 2004



Source: APSED

<sup>8</sup> APS State of the service Report 2003 – 04

## **Attachment 2**

### **Sample of clause from Certified Agreements which identify mature aged workers**

#### **Innovative Clauses to support Mature Aged Workers**

Based on the results of a recent search through the Wagenet website it would appear that there has been a small increase in certified agreements over the last 12 months that identify mature aged workers or retirement arrangements. Not including the 700 or so CEPU / ETU agreements in Victoria which specify a quota for employment of mature aged electricians, the bulk of these agreements are ones within our sector and where we are a respondent in Commonwealth, ACT and NT Government agencies.

Outside of our coverage areas the Higher Education and Local Government sectors appear to have a range of initiatives. Other than the CEPU / ETU pattern clauses only a small number of private sector agreements were identified that established any innovative clauses to deal with mature aged workers.

Samples of clauses related to mature aged workers are reproduced below.

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#### **Northern Territory Public Sector (AG838400), Northern Territory Public Sector Fire and Rescue Service (AG839851), and Prison Officers (NTPS) (AG839022)**

25.2 Mature age employment initiatives.

The parties acknowledge that mature aged workers are a valuable resource to the Public Sector and that the ageing of the workforce nationally means that the Public Sector must have employment arrangements which encourage this group of workers to remain in or return to employment.

25.3 During the life of this agreement, the parties agree to examine, through the PSCC Equity, Diversity & Flexibility Standing Committee, and where practicable and feasible, implement strategies or initiatives that assist in the successful recruitment and retention of mature aged workers. Such strategies and initiatives might include, but not be limited to:

25.3(a) the impact of current superannuation arrangements on the retention of mature aged workers in the workforce;

25.3(b) flexible work options that better match the work and life aspirations of mature aged workers, such as phased retirement or alternative forms of leave;

25.3(c) bridging programs which facilitate the return of mature aged workers to employment; and

25.3(d) arrangements that allow mature aged employees to reduce their working responsibilities without having to cease employment.

#### **Dept of Prime Minister and Cabinet (AG837061)**

## MATURE AGED WORKERS SUPPORT

101. The employer is committed to further develop targeted strategies that support the attraction and retention of mature aged workers. This Agreement provides for working arrangements that assist older workers re-enter or remain in the workforce through:

- \* phased retirement through part-time work or reduction in work level;
- \* job-sharing;
- \* home-based work;
- \* flextime and span of hours;
- \* purchased leave;
- \* family leave;
- \* leave without pay;
- \* Long Service Leave; and
- \* non-ongoing or contract employment.

102. The employer will provide information to employees about their options and employees will take the responsibility of initiating discussions with their managers on issues around work and life balance.

### **Dept of Communication, Information Technology and the Arts (AG835099)**

#### MATURE AGED WORKERS

The Department values the extensive skills, expertise and corporate knowledge held by older workers. In an effort to support older workers to remain in the workforce past minimum retiring age the Department will develop a strategy, in line with policies being developed to maintain employment for older workers in the Australian workforce, to encourage better access to, or use of, the available flexible employment conditions.

### **Leo Welsh P/L (AG834497)**

#### 7.14 Mature Aged Workers

The parties to this agreement shall ensure that all mature aged workers (notionally over the age of 45) shall not be discriminated against when seeking or maintaining employment with the company.

### **Department of the Treasury (AG836932)**

#### 6.6 Management and Retention of Mature Aged Workers

1) In consultation with the WRC, Treasury will examine the issues relating to management of mature aged employees, including, as appropriate, the findings and recommendations contained in the Management Advisory Committee report on Organisational Renewal.

2) Without limiting the scope of this matter, proposals will relate to addressing the particular issues that confront employees as they approach retirement age. Treasury will examine the following:

- advice on superannuation and financial matters;
- use of part-time employment and home-based work;
- succession planning;
- greater choice, including the option to move to a lower classification.

**National Archives (AG836636)**

80 Mature aged workers

80.1 In light of the aging profile of the National Archives, the Archives, employees and their representatives agree to develop policies and/or awareness raising strategies over the life of this agreement about the aging workforce (including through the WRC). The aim will be to promote the retention of such employees or where relevant assist the transition toward retirement (e.g. access to part-time employment and job sharing) in a manner that promotes the interests of the employee and the Archives. The focus of such an approach will also be to facilitate the transfer of corporate and intellectual knowledge of these employees to others in the organisation through mentoring, and coaching and other strategies.

**Dept of Agriculture, Fisheries and Forestry (AG828666)**

21. Mature Age Employees

21.1 It is acknowledged that with the continued ageing of the Australian workforce management and work practices should be geared to optimise the contribution of mature-aged workers, and encouraging those who are making a valuable contribution to stay longer in the workforce. Strategies to achieve this may include:

- \* more flexible working arrangements, such as part-time work and phased retirement;
- \* more creative use of their skills (e.g. mentoring, skills transfer) and different roles with the opportunity, where desired and appropriate, to phase out managerial responsibilities);
- \* More active management of leave to encourage use of recreation and long-service leave so that employees maintain a healthy work/life balance and level of enthusiasm;
- \* encouragement to take sabbaticals and other development opportunities to maintain drive and expertise.

21.2 A report will be provided to the NCC, within 12 months of certification of this agreement, regarding the implementation and effectiveness of the Department's strategies associated with Mature Age employees.

**Curtin University of Technology (AG823136)**

47 RETIREMENT MANAGEMENT

47.1 The parties will establish appropriate working parties involving union, staff and management representatives to explore options for assisting the development of an effective retirement strategy.

47.2 Staff who nominate a date of retirement not less than three years later may apply to work their period on a fractional time basis as a means to assist in transitional arrangements.

47.3 Where such an application is approved the University will continue to pay the superannuable contributions necessary to ensure that the staff member's superannuable benefit is not diminished as a result of utilising the provisions of this clause.

**ARPANZA (AG835217)**

57 SUCCESSION MANAGEMENT

57.1 The CEO of ARPANZA recognises the importance of succession management in maintaining critical core knowledge and specialised skill base amongst its staff noting that the Agency is

becoming more reliant on its mature-aged workforce. In order to address these issues, the CEO of ARPANSA will develop a business case for workforce planning including mechanisms for succession management and knowledge transfer.

## 58 RETENTION OF MATURE-AGED EMPLOYEES

58.1 In line with policies developed by Central Agencies to maintain employment for mature-aged employees ARPANSA will examine strategies aimed at retaining the services of its very experienced workforce beyond an age where they might otherwise seek to retire.

### **DEPARTMENT OF ENVIRONMENT AND HERITAGE AG8335213** WORKFORCE PLANNING

81. DEH is committed to improving its workforce planning strategies, and re-examining priorities as necessary, to better align resources and workloads, including succession planning strategies. DEH will explore implementation of organisational renewal strategies for mature age workers.

82. In keeping with DEH's support for flexible working arrangements, it is acknowledged that these arrangements are particularly suitable for use by mature-aged employees nearing retirement. Employees are encouraged to explore these flexibilities as a means of extending their working lives. Subject to operational requirements, supervisors are encouraged to favourably consider flexible working arrangements as a means of retaining mature workers who might otherwise be considering retirement.

### **DEPARTMENT OF DEFENCE AG831147** C5 Phased retirement

61. In an environment where Australia's median age is increasing, it is acknowledged that Defence is becoming more reliant on its mature-aged workers.

62. In keeping with Defence's support for flexible working arrangements, it is acknowledged that these arrangements are particularly suitable for use by mature-aged employees nearing retirement. Employees are encouraged to explore these flexibilities as a means of extending their working lives. Supervisors are encouraged to favourably consider flexible working arrangements as a means of retaining mature workers who might otherwise be considering retirement.

63. Details on the operation of Defence's flexible working arrangements can be found in Part G - Balancing Work & Life.

64. Throughout the life of this Agreement, Defence will explore strategies to facilitate phased retirement, including superannuation considerations, and report back to the NWRC.

### **DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES AG828666** 21. Mature Age Employees

21.1 It is acknowledged that with the continued ageing of the Australian workforce management and work practices should be geared to optimise the contribution of mature-aged workers, and encouraging those who are making a valuable contribution to stay longer in the workforce. Strategies to achieve this may include:

- \* more flexible working arrangements, such as part-time work and phased retirement;
- \* more creative use of their skills (e.g. mentoring, skills transfer) and different roles with the

opportunity, where desired and appropriate, to phase out managerial responsibilities);

\* More active management of leave to encourage use of recreation and long-service leave so that employees maintain a healthy work/life balance and level of enthusiasm;

\* encouragement to take sabbaticals and other development opportunities to maintain drive and expertise.

21.2 A report will be provided to the NCC, within 12 months of certification of this agreement, regarding the implementation and effectiveness of the Department's strategies associated with Mature Age employees.

### **ACT GOVERNMENT AND AGENCIES CERTIFIED AGREEMENTS eg (AG837602, AG837293)**

#### **38. Mature Age Employment Strategy**

38.1 The parties acknowledge the importance of a diverse workforce in the Agency, including the continuing participation, where mutually convenient, of mature age employees.

38.2 The parties also acknowledge that a Mature Age Employment Strategy Working Group is preparing an issues paper for the consideration of Government. The outcomes from the issues paper relating to the ACTPS will be referred to the Joint Council for consideration.

38.3 Any outcomes of the issues paper endorsed by the Joint Council will be referred to the Management Council for information and to relevant Chief Executives for implementation.

38.4 The Agency will inform the JUMCC of any outcomes endorsed by the Joint Council.

### **DEPARTMENT OF HEALTH AND AGEING (AG836828)**

#### **125 Supporting Mature Age Staff**

The department values the extensive skills, expertise and corporate knowledge held by mature age staff. Departmental Guidelines detail the Department's approach to supporting mature age staff.

### **MACQUARIE UNIVERSITY (AG838681)**

#### **6.04 TRANSFER TO A PRE-RETIREMENT CONTRACT**

6.04.01 A continuing staff member may be employed on a fixed term when there is a declaration that the staff member intends to retire within 5 years. The staff member would retain the same salary and conditions of employment enjoyed as a continuing staff member but would not receive a separation benefit or redundancy package when the term finished. There would also be no intention of re-employment, although appointment in an honorary Academic capacity would be available.

6.04.02 A decision to transfer to fixed-term employment should be approached with the same planning as a decision on retirement or Voluntary Redundancy, with the assistance of the independent financial advice available through Human Resources.

6.04.03 If a staff member decides to proceed, a letter indicating the intended date of retirement and the willingness to transfer to a fixed-term contract expiring on that date should be provided to the

Head. If necessary, the Head will consult with the staff member to arrive at a mutually agreed date and a formal letter of offer will be issued by Human Resources.

**EDITH COWAN UNIVERSITY (AG8399240)**

**13. END OF CAREER ARRANGEMENTS**

**13.1 Intent**

The parties are committed to providing a range of strategic initiatives, which allow staffing flexibility for the University and enable employees to accommodate their differing circumstances as they near the end of their careers with the University, including the arrangement prescribed in sub clauses 13.2 to 13.9.

13.2 This clause shall apply to a full-time employee or part-time employee whose appointment is at least 50% of full-time employee equivalent.

13.3 An employee who qualifies in sub-clause 13.2 may voluntarily seek to convert to a fixed-term contract part-time appointment of at least 50% of a full-time equivalent for a period of between one (1) and three (3) years, as a transitional arrangement prior to retiring from the University. Alternatively, a full-time employee may elect to have a full-time appointment converted to a part-year appointment (eg. six (6) months full-time work in each twelve (12) month period would equate to 50% employment).

13.4 The University shall continue to pay the employer contribution at the pre-conversion rate over the fixed period to maintain the employee's superannuation contribution.

13.5 The employee may elect to continue paying pre-tax employee contributions to superannuation fund over the fixed period.

13.6 Long service and annual recreation leave entitlements shall accrue on a pro-rata basis as at the commencement date of the fixed-term appointment. At the end of the fixed-term, all entitlements shall be paid pro-rata to reflect total equivalent full-time years of service.

An employee may defer the taking of all or part of his or her long service leave entitlement upon entering into an arrangement under this clause.

13.7 An employee is expected to work over the normal range of duties for their classification during the period of part-time work. Duties should be agreed as part of the fixed-term contract prior to the commencement of the part-time appointment.

13.8 Approval of an employee's move from full-time to part-time employment is subject to:

(a) the agreement being effected as a variation to the employee's contract of employment (in the case of a fixed-term employee, this clause will not authorise an extension beyond the current contract period);

(b) the employee signing the contract which commits him or her to ceasing their employment with the University at the completion, or prior to the completion, of the stated period of part-time employment;

(c) cost savings for the University; and

(d) the endorsement of the Head of the Work Unit.

13.9 The University recommends that an employee seeking to enter such an arrangement obtain

financial advice regarding the impact of the arrangement on the employee's superannuation entitlement.

**PROFESSIONAL SERVICES REVIEW CA 2003-05 (AG820796)**

101 Supporting older workers: PSR values the extensive skills, expertise and corporate knowledge held by older workers. In an effort to support older workers to remain in the workforce past the minimum retiring age, PSR will develop a strategy to encourage better access to, and use of, the available flexible employment conditions.

**DEPT OF THE HOUSE OF REPS CA 2004 - 2005 (AG831403)**

Flexible employment options for older workers

17.3 A key challenge for the Department is to persuade older staff to remain in employment. This issue was raised in the Management Advisory Committee's Organisation Renewal Report. Variable employment, part-year employment and phased retirement have been introduced for this purpose.

**DEPT OF FAMILY AND COMMUNITY SERVICES CA 2002 - 2004 (AG816049)**

11. RETAINING THE SERVICES OF OLDER FACS EMPLOYEES

11.1 In line with policies being developed to maintain employment for older workers in the Australian workforce, it is agreed that FaCS should aim to become a model APS employer by developing a strategy to retain the services of its very experienced employees beyond an age where they might otherwise seek to retire.

11.2 FaCS will consult its employees and their representatives, including the union, about the proposed framework for the strategy, its development and proposals for its implementation.

11.3 The target date for introduction of the strategy is the end of October 2002.

**4) DEPT OF AGRICULTURE, FISHERIES AND FORESTRY CA 2003 – 2006 (AG828666)**

21. Mature Age Employees

21.1 It is acknowledged that with the continued ageing of the Australian workforce management and work practices should be geared to optimise the contribution of mature-aged workers, and encouraging those who are making a valuable contribution to stay longer in the workforce. Strategies to achieve this may include:

- \* more flexible working arrangements, such as part-time work and phased retirement;
- \* more creative use of their skills (e.g. mentoring, skills transfer) and different roles with the opportunity, where desired and appropriate, to phase out managerial responsibilities);
- \* More active management of leave to encourage use of recreation and long-service leave so that employees maintain a healthy work/life balance and level of enthusiasm;
- \* encouragement to take sabbaticals and other development opportunities to maintain drive and expertise.

21.2 A report will be provided to the NCC, within 12 months of certification of this

agreement, regarding the implementation and effectiveness of the Department's strategies associated with Mature Age employees

## **UNIVERSITY OF TASMANIA – AG812629**

### 21. EMPLOYMENT FLEXIBILITY

#### 21.1 General

The University provides a range of employment flexibility measures designed to endeavour to meet both its own needs and the needs of employees. The measures are contained within this Agreement and also in the Human Resources Manual. They include secondments, exchanges, job sharing, and conversion from full-time to part-time and back, and change of employment fraction.

#### 21.2 Averaged part-time employment

An employee employed part-time may elect to:

(a) be employed part-time such that the employment fraction is a rolling twelve month average of any mixture of full time service, part time service (which may include a mixture of different service fractions) and periods during which no service is required. Fixed term employment may, subject to Clause 17, be offered on the same basis, for either the whole or a portion of the fixed term employment; and

(b) receive salary on the basis of the average service fraction that is projected for the relevant twelve months, or other period, of the appointment.

## **MONASH UNIVERSITY ENTERPRISE AGREEMENT – AG807919**

### 35. Fractional Appointment Scheme for Retirement Planning Purposes

35.1 Academic or general staff who wish to reduce their time commitment during the latter part of their careers at the University may wish to apply for the voluntary fractional employment scheme detailed below.

35.2 Participation in the scheme is voluntary.

35.3 Staff in continuing employment are eligible to participate in the scheme when they are within five years or less of being eligible to receive a retirement benefit from their superannuation scheme. Staff need not be full-time (1.0) to be eligible.

35.4 Fractional appointments are to be limited to fractions of not less than 0.3 and not more than 0.8 of full-time.

35.5 Eligible staff members will transfer to a fixed-term appointment with the University paying a subsidy to maintain employer SSAU and TESS contributions (or equivalent State Superannuation provisions) at the rate applicable for the former substantive continuing appointment.

35.6 The staff member will make superannuation staff member contributions at the level appropriate to his/her new fraction of appointment. The University will also provide a subsidy payment sufficient to ensure the retention of superannuation benefits appropriate to the former substantive continuing appointment.

As approved by TGC 1.6 7.2005. 7 November 2005

35.7 The workload and pattern would be determined by the Head of Administrative Unit and approved by the Head of Administrative Unit, according to a role and responsibilities, agreed between the Head and the staff member, appropriate to the fraction of full-time appointment.

35.8 Further reductions in fraction, within the specified limits, may be agreed at any time, to a new fraction of not less than 0.3.

35.9 Annual leave, sick leave and long service leave will accrue at the new fractional rate with adjustment of entitlement to provide fully for prior service. The fraction of appointment may be adjusted for a period to facilitate clearing any excess annual and long service leave credits.

35.10 Staff will transfer to a fixed-term fractional contract of no greater than five years in length. Further fixed-term contracts may follow.

35.11 The Deputy Vice-Chancellor, on the recommendation of the Dean or equivalent, may approve a request for early retirement with supplementary payment based on an appropriate scheme being available and any benefit normally being determined against the former substantive appointment with the retirement benefit reduced by supplementary payments made under this scheme.

35.12 Staff who transfer to a fixed term contract in accordance with this provision shall be ineligible for conversion as provided in clause 15 of this Agreement.

35.13 Nothing in this clause shall affect the entitlements of a staff member whose employment was governed by any similar scheme, entered into prior to the certification of this Agreement, except that such staff members shall also be ineligible for conversion as provided in clause 15 of this Agreement.

## **AUSTRALIAN CATHOLIC UNIVERSITY LTD – AG812306**

### **2.11 PRE-RETIREMENT CONTRACTS**

2.11.1 Subject to a mutually agreed retirement date being determined between the University and the staff member, a staff member over the age of 50 years shall be offered the opportunity to reduce their salary and workload/fraction to 0.75 of the full-time equivalent for a period of 3 to 5 years.

2.11.2 The University and the staff member shall continue contributions to their respective superannuation schemes based on the staff members full-time salary rate.

2.11.3 The staff member shall enter into an employment contract with the University, which shall outline all conditions and obligations of both the University and the staff member pertaining to this clause.

2.11.4 The entering into of a pre-retirement contract by the staff member shall be entirely voluntary.

### **2.12 DEFERRED SALARY SCHEME**

2.12.1 With the written agreement of the University, a staff member may elect to receive, over a four-year period, 80% of the salary that they would otherwise be entitled to receive whilst maintaining their normal workload level according to their fraction of employment.

2.12.2 On completion of the 4th year, the employee will be entitled to twelve months self-funded leave at an amount equal to that foregone as salary in the past four years without interest and after deduction of appropriate income tax.

2.12.3 The self-funded leave must be taken in full at the end of the period of it being financed. In the event that the staff member cannot or does not take the self funded leave within three months of it accruing, the total amount accrued will be refunded to the staff member in full, after tax and without interest.

2.12.4 Leave taken under this scheme will count as service on a pro-rata basis for all purposes.

2.12.5 An employee may withdraw from this scheme prior to completing a four-year period at any time by written notice. The staff member will receive a lump sum payment of salary foregone to that time but will not be entitled to an equivalent absence from duty. Adjustments will be made to the staff member's service record for leave and other purposes.

2.12.6 Employees will be entitled to a payout of the accumulated total less tax and without interest if they cease employment prior to expiration of the scheme.

2.12.7 Participation in the scheme is entirely voluntary

3.4.16 As part of a three to five year pre-retirement contract between a staff member and the University, a staff member who is 50 years of age or older may elect to convert a minimum of half of their untaken long service leave into superannuation contributions to be paid into the staff member's superannuation account subject to conditions as determined by the superannuation fund.

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