



# PSA Submission on the Older Workers Employment Action Plan

to the Office for Seniors

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## About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 80,000 members. We are a democratic and bicultural organisation representing people working in the Public Service including for departments, Crown agents and other crown entities, and state-owned enterprises; local authorities; tertiary education institutions; and non-governmental organisations working in the health, social services and community sectors.

People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

We are committed to advancing the Tiriti o Waitangi of partnership, protection and participation through our work. Te Rūnanga o Ngā Toa Āwhina is the Māori arm of the PSA membership. The PSA is affiliated to Te Kauae Kaimahi the New Zealand Council of Trade Unions, Public Services International and UniGlobal.

## This submission

This submission responds to the relevant questions in the consultation draft and seeks to provide feedback through a public and community services lens. Our overarching view is that **older workers have significant knowledge and experience and it is important that this is valued.**

References to *public and community services* in this submission should be read to include the core public service, community public service, state sector, District Health Boards and local government.

## PSA response to the consultation questions

### What do older workers need and want?

What do you think older workers need or want in their work environment? How do these needs or wants differ from those of workers of other ages?

Older workers largely want the same things from a work environment as workers of other age groups but there are some aspects of work organisation and support that may be particularly important, including:

- **flexibility at work** (including reduction of hours, flexibility for leave, and remote working);
- **age-friendly work spaces** (appropriate equipment, lighting, accessibility);
- **support for transition planning** towards leaving paid employment (financial planning, advance care planning, power of attorney, etc.); and
- **ongoing training in terms of the use of technology** in the workplace.

Many of these aspects are outlined in more detail in the Human Rights Commission's *Valuing Experience a practical guide to recruiting and retaining older workers* (HRC, 2008).<sup>1</sup>

**The PSA advocates for strong worker voice in the workplace. Older workers and their representatives should be involved in co-developing and co-designing strategies, policies and practices that meet their current and future needs in the workplace.**

As much of this work will fall on human resource departments, consideration could be given to better equipping that workforce to support older workers through specialist staff. Our experience is that there is a lack of knowledge and expertise in human resource departments to enable them to support diversity and inclusion in their workplaces effectively.

Following her visit to New Zealand last year, UN independent expert on the human rights of older persons, Rosa Kornfeld-Matte, found that **'with declining home ownership rates, the number of persons facing material hardship will increase'**. This is something that while a concern to all people, puts our older population at risk and is likely to cause more anxiety amongst older workers, especially when other factors relating to financial circumstances, such as nutrition and poor housing, may force older workers to compromise on essentials.

As outlined in the discussion document (p. 8), a third of workers aged over 65 work in paid employment because of financial necessity rather than preference and this will likely increase as more workers reach 'retirement' age with either a substantial mortgage to pay off or very high rental expenses; or indeed, the complexity of both where they have needed to relocate for work.

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<sup>1</sup> Human Rights Commission. (2008). *Valuing Experience a practical guide to recruiting and retaining older workers*. [https://www.hrc.co.nz/files/2114/2422/2719/Valuing\\_Experience.pdf](https://www.hrc.co.nz/files/2114/2422/2719/Valuing_Experience.pdf)

We consider that people who have already worked for a large proportion of their lives should be able to leave paid employment when they are ready to not just when they can afford to. **We strongly support the UN's independent expert's advice to government to 'start to reinvest in affordable housing to address the growing housing needs of older persons'.**

### How are the needs or wants of older workers different based on other characteristics, such as gender, ethnicity or disability status?

Not all older workers will have the same needs and priorities. Intersectionality between age and gender, ethnicity and disability status having compounding effects. For instance, gender wealth disparity compounds with age, and given the existing pay gap between men and women in New Zealand (10.8%),<sup>2</sup> women will likely need to remain in the workforce for longer. A few years ago the average woman had \$60,000 less than the average man in retirement savings at the time of retirement, and on average lives longer. Although it is an issue for younger workers, ensuring employer contributions to super continue through parental leave gaps in careers would go a long way to mitigate this and would have to start now to benefit the older workers of the future.

The PSA supports the action plans intention to undertake research to better understand these differences. However, gathering and analysing the information is only a first step in addressing the issues themselves. Our view is that **discrimination in the world of work is longstanding and meaningful action is needed as soon as possible to address this.** The action plan should include timeframes for undertaking research and planning next steps to amend these inequities.

**The action plan should have more consideration for different worldviews, including Te Ao Māori.**

The government's *Better Later Life He Oranga Kaumātua 2019-2034* strategy refers to the need to consider diversity and this should be applied in all related strategies.

### What are the social, economic and wellbeing impacts of labour market disadvantage on older workers as individuals?

Ageism is widespread and has harmful effects on the health of older adults who may be overlooked for employment or promotion opportunities because of their age. Age discrimination in the workplace can have long-term effects on well-being and evidence suggests that age-based discrimination is most acutely experienced by women. Financial strain caused by lack of opportunities in employment and other forms of age discrimination can increase depressive symptoms.<sup>3</sup>

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<sup>2</sup> Wade, A. (2021). *New Zealand's gender pay gap widens after trending down for nearly a decade.* <https://www.newshub.co.nz/home/politics/2021/11/new-zealand-s-gender-pay-gap-widens-after-trending-down-for-nearly-a-decade.html>

<sup>3</sup> Shippee, T, Wilkinson. L, et al. (2017). *Long-Term Effects of Age Discrimination on Mental Health: The Role of Perceived Financial Strain.* <https://academic.oup.com/psychsocgerontology/article/74/4/664/3069149>

Organisations also lose when age discrimination is allowed to occur as it creates a negative working environment that people do not want to work in. New Zealand's ageing population is going to have a number of knock-on effects for employers, managers and their businesses but many organisations do not appear to have specific strategies or policies in place to consider these impacts. With labour supply across various sectors likely to experience shortages as a result of our aging population, there are even more reasons for organisations to consider how to recruit and retain an older workforce. For example, with almost 24% of New Zealand's workforce already aged 55 and over, there are only four to five teachers or nurses to replace every 10 that will retire.<sup>4</sup>

The PSA advocates for workplaces that are free from bias, discrimination and racism at the individual, organisational and system level. **We strongly support elimination of discrimination against older workers** and consider any forms of ageism as detrimental to people, their workplaces and the economy.

## Objectives and Actions

**Does the overall outcome for the Action Plan fully capture what we want for older workers in the labour market?**

The PSA supports the overall outcome to ensure that older workers are *valued and thrive in the workplace*, however, we would like to see not only the ability to *transition away from paid employment when older workers are ready* but also active provision of **tangible support**, such as remote working, reduced hours, and proactive processes through which workers to access these conditions as part of their transition.

We also note that aside from stating that transition is part of the overall outcome, the plan includes little detail as to how this will be achieved. We consider the transition of workers throughout their working lives as fundamental to ensuring the best outcomes for people in the work place.

The overall outcome for this action plan also refers to older workers contributing fully to the economy. Older workers add value to the economy and mixed-age teams are proven to be more productive<sup>5</sup> than those that are less age-diverse. However, the added value of older people in the workforce often comes in the form of institutional knowledge, wisdom, and voluntary contribution within teams; these are more than just economic contributions and should be acknowledged.

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<sup>4</sup> Te Ara Ahunga Ora Retirement Commission. (n.d). *Ageism in the workplace*. Retrieved 16 November 2021. <https://retirement.govt.nz/news/latest-news/ageism-in-the-workplace/>

<sup>5</sup> Trawinski, L. (2019). *Leveraging the value of an age diverse workforce*. <https://www.shrm.org/foundation/ourwork/initiatives/the-aging-workforce/Documents/Age-Diverse%20Workforce%20Executive%20Briefing.pdf>

### Are the four objectives for the Action Plan the right ones? What is missing?

PSA supports the four objectives but notes that they could be broadened out to consider other ways, aside from paid employment, that older adults contribute. For example, grandparents are playing a larger role in assisting with childcare – this is hugely beneficial to communities, whānau and workplaces and also fosters intergenerational connection. We also know that volunteer work is beneficial to the health and wellbeing of older adults and to society more widely.

A plan for older workers in New Zealand should consider more deeply the needs of **younger ‘older’ workers (under 65)** and those of **older ‘older’ workers (over 65)** as needs are likely to be different for a person who is 50 for example and someone who is in their 70s.

We further note that the ‘choice’ to work beyond the ‘retirement’ age is not afforded to everyone equally and **Māori and Pacific people, who have a lower life expectancy, as well as women who, on average, have lower levels of wealth than men**, are disproportionately affected in this regard.

An employment action plan for older workers should explore these inequities further and ensure a ‘one size fits all’ approach is not the default position. **The PSA would like to see more consideration given to how these inequities will be tackled as part of this action plan.**

### Which of the actions do you think would make the biggest and most tangible impact for communities?

The PSA’s strategic goal for strong public and community services includes a focus on public and community organisations as exemplar employers that contribute to high industry standards of employment and pay. This is well-aligned to the proposal in the action plan to **role model good practice in the employment of older workers in the Public Service.**

**We also strongly support upskilling and retraining of older workers.** This provides increased protection for workers to make **just transitions** as a result of the impacts of changes caused by climate, technology and other drivers. A social unemployment insurance scheme (as currently proposed) may also support workers to retrain.

### **Objective one** Employment-related services are effective, accessible, and meet the needs of older workers.

#### Do the actions on the following page appropriately respond to Objective One?

Yes. We consider that the proposed expos for workers and awareness campaigns could be run in workplaces. For maximum value, **these expos should be created with worker and union involvement.** These should not be marketing exercises or profiling opportunities for organisations but need to genuinely represent the needs of older workers.

### Which of the actions will be most impactful in meeting Objective One?

The PSA supports the consideration of older workers' needs in the design of social unemployment insurance. Such a scheme is potentially beneficial to workers. It may reduce pressure on older workers take unsuitable or lower paid work following a period of job loss.

### Objective two The labour market supports the needs of older workers.

#### Do the actions on the following page appropriately respond to Objective Two?

We agree that the decision to undertake extensive retraining in later life is complex. We believe **life-long learning needs to occur throughout a worker's life** and need not be left for only the later stages of a person's career. This would better equip workers to be more resilient to economic shocks and changing work environments.

We acknowledge and support the use of Regional Skills Leadership Groups as a vehicle to ensure the needs of older workers are captured in workforce planning. We also view the Careers System Strategy as useful but see a gap here in terms of union participation and would urge the Office for Seniors to flag this with the Tertiary Education Commission as it engages with this.

#### Which of the actions will be most impactful in meeting Objective Two?

**We strongly support older workers ongoing upskilling and retraining** but it is important that plans for this meet not only organisational needs but also personal ones. We also note that training in community and public service sectors often gets put aside largely as a result of heavy workloads and tight budgets. We would like to see these barriers addressed so that **workers across the public sector have access to training and retraining opportunities.**

The plan refers to piloting of a 'mid-career intensive intervention' for older workers. It would be good to understand more as to what is intended by this pilot. We recommend that work on this is undertaken in collaboration with workers and their unions.

#### What other actions should be considered?

As well as providing information and advice to human resources (HR) professionals, **HR departments could engage with older workers directly to better understand their experiences at work.**

Employers could work with older workers and their representatives to gather information to inform effective strategies to meet the needs of their older workers. For example, support for hearing aids, eye wear, mobility devices, large screens for remote working, and ergonomic chairs may be needed. Older workers are best placed to determine what they need to work comfortably and safely as they age. Organisations should support workers' identified needs without unreasonable barriers such as cost overriding decisions to meet these needs.

Career progression, training opportunities and other opportunities such as secondments, should be monitored to ensure discrimination (such as ageism or disability discrimination) in these practices are minimised in workplaces.

Recruitment practices used by HR departments must also be free from bias along with other management practices relating to on-job performance that have potential for bias and discrimination also.

### **Objective three** Labour market actors involved in different sectors and regions are collaborating to maximise the opportunities of their ageing workforces

Do the actions on the following page appropriately respond to Objective Three?

We support both of the proposed actions. Proactively planning to meet the needs of ageing workforces is required. Not all older workers may be able to meet the demands of their employment and this can lead to stressful situations for both the worker and their employer. Due to the largely non-physical nature of many roles in the public service, people may find they stay on in work for longer than in other occupations, involving manual labour. **Maintaining people's integrity and mana at work is essential and older workers due to either physical or cognitive decline may be more exposed to discrimination at work.** Work may not be the right place for everyone, particularly at an advanced age, and this does not appear to be addressed in detail in this action plan. We believe **liaising with workers as they age to better understand their changing needs, as well as engaging with unions**, can help provide the required supports at different stages of an older workers' (50+) employment life cycle.

The proposed action to utilise older workers for mentoring is valuable, but it is important that generalisations and stereotypes about this segment of the workforce not be made. Just as not all young people are tech-savvy, not all older workers are by default good mentors and not all older workers will want to be.

### **Objective four** The needs of older workers who experience multiple disadvantages in the labour market are addressed in all aspects of the Government's response to labour market disadvantage.

What 'overlaps' in labour market policies and measures could benefit older people and another group disadvantaged in the labour market?

Accessibility issues in New Zealand have created barriers for disabled communities to fully participate in society. Improving accessibility is essential to enable good lives for our disabled



communities.<sup>6</sup> There is a potential overlap here for our older adults as their physical needs change with age.

Another area of focus that could be considered is enhancement of ACC policies that might disadvantage older workers such as matters relating to hearing loss and gradual process injuries. More work to ensure good coverage in this area may assist older workers at work or to stay in the workforce for longer.

## How we will implement the plan

### Do you have any other comments?

The ageing workforce has potential benefits and risks that are generally well-described in this consultation document. It is acknowledged that more research is required to better understand the needs of older workers, not just as a demographic, but also to have a more nuanced view of what is happening within subgroups. Once information is gathered and analysed, it is essential that plans to tackle issues and support our older workers are made **and** implemented. This will require, as with all things, funding. The PSA advocates for fully funded, high quality public and community services. It is our view that **agreed actions that are included in the final action plan here must be funded appropriately to ensure success.**

**For further information about this submission, please contact:**

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<sup>6</sup> For more information see: <https://www.enablinggoodlives.co.nz/>