

2014/06: Should Australia's retirement age be increased to 70?

What they said...

'The aged pension needs to be a safety net by 2035, not a cargo net'

Joe Hockey, federal treasurer

'People cannot work until they are 70 if the system won't let them'

Susan Ryan, Australia's Age Discrimination Commissioner

The issue at a glance

On May 2, 2014, the federal treasurer, Joe Hockey, announced Australians born after 1965 will have to work until they are 70 before they are eligible for the age pension.

Mr Hockey stated that while nobody currently on the pension would be affected by a rise in the pension age, the Abbott government would raise the retirement age in coming years.

On May 14 the Abbott government's first budget confirmed the previous announcement made regarding an increase in the age at which the age pension would become available.

The projected increase has met with a mixed response. While many have greeted it as an inevitable response to Australia's aging population, others have condemned it as unnecessary and discriminatory. It has been claimed that a retirement age of 70 fails to acknowledge the difficulties many older Australians will have in finding work in later life.

Background

The age pension in Australia

(Much of the information reprinted below has been taken from the Australian Bureau of Statistics site. It was provided by the Department of Social Security.

The full text can be accessed at <http://www.abs.gov.au/ausstats/abs@.nsf/94713ad445ff1425ca25682000192af2/8e72c4526a94aaedca2569de00296978!OpenDocument>)

At the beginning of the 1900s there was no social security system in Australia. Charitable relief was provided to needy persons by voluntary organisations, in some cases with the assistance of government grants.

The main areas of need which attracted charitable assistance were the 'sick poor', neglected children, old people who were destitute and women who had been deserted or who had 'fallen' pregnant. The unemployed were assisted by grants of wages, or rations, in return for relief work provided by the government.

The Commonwealth of Australia was formed on the 1st of January 1901 by the federation of the six States under a written constitution which, among other things, authorised the new Commonwealth Parliament to legislate in respect of age and invalid pensions. The Commonwealth did not exercise this power until June 1908 when legislation providing for the introduction of means-tested 'flat-rate' age and invalid pensions was passed. The new pensions, which were financed from general revenue, came into operation in July 1909 and December 1910 respectively. These federal pensions replaced State age pension schemes which had been introduced in New South Wales (1900), Victoria (1900) and Queensland (1908) and an invalid pension scheme introduced in New South Wales (1908).

The new pension was paid to men from age 65. It was paid to women at age 60, but not until December 1910. (The pension age for women was later increased to 65 for women as well as men.) The age pension was also subject to a residence qualification of 25 years which was reduced to 20 years shortly after introduction. A residence qualification of five years applied to the invalid pension.

A major change took place in the pension means test in 1961. The separate property and income tests, which previously had formed the means test, were combined into a composite whole called the merged means test under which means were calculated by adding personal earnings to 10 per cent of the value of property. In 1962 there was a reduction from 20 to 10 years in the residence qualification for age pension.

A standard rate of pension was introduced in 1963. Before that, the maximum rate of pension for a single person was the same as for a married person. The new standard rate gave single pensioners a higher payment in recognition of the economies available to a married couple from sharing living expenses.

In May 2009, Labor Treasurer, Wayne Swan, announced that the pension age would be incrementally increased from 65 to 67. It was announced that everyone born after 1 January 1957 would have an age pension age of 67. The increased longevity of Australians was the reason given for this increase in pension age.

Internet information

On May 2, 2014, The Conversation published an opinion piece by Rafal Chomik, Senior Research Fellow, ARC Centre of Excellence in Population Ageing Research, UNSW at Australian School of Business.

The piece argues that a single pension age to fit all people can disadvantage groups with a systematically lower level of life expectancy, in particular the poor.

The full text of this argument can be accessed at <http://theconversation.com/the-pension-age-is-rising-to-70-a-case-of-one-size-fits-some-25537>

On May 1, 2014, The Conversation published an opinion piece by Ross Guest, Head of the Department of Accounting Finance and Economics and Professor of Economics at Griffith University. The piece is titled 'The argument for changing the age pension doesn't stack up'.

The piece argues that the basis on which arguments have been put for an increase in the retirement age is faulted. The full text of this article can be found at <http://theconversation.com/the-argument-for-changing-the-age-pension-doesnt-stack-up-26046>

On April 23, 2014, The Illawarra Mercury published a comment by Cassandra Goodies, a spokesperson for ACOSS titled 'Pensions: what we must consider before raising the eligibility age'.

The piece argues that care must be taken to ensure that changes to pension eligibility do not disadvantage particular groups.

The full text of this comment can be accessed at <http://www.illawarramercury.com.au/story/2236262/pensions-what-we-must-consider-before-raising-the-eligibility-age/>

On April 17, 2014, the ABC's opinion site, The Drum, published a comment by Emily Millane, which argues that simply raising the pension age is a simplistic response to the problems posed by an aging population.

The full text of this argument can be found at <http://www.abc.net.au/news/2014-04-17/millane-beware-blunt-response-to-age-pension-debate/5396292>

On April 10, 2014, The Guardian published an analysis in which it considered the proposal made by the federal treasurer, Joe Hockey, that the age for accessing the age pension be increased to 70.

The full text of this article can be accessed at <http://www.theguardian.com/world/2014/apr/10/joe-hockey-says-raising-pension-age-would-be-fiscally-prudent>

On November 24, 2013, The Conversation published a background piece considering a report from the Grattan Institute arguing that the Australian Government should tighten the welfare system for older Australians, adding the family home to the assets test for the age pension and limiting tax concessions on superannuation contributions.

The full text of this analysis can be found at <http://theconversation.com/cut-welfare-to-older-australians-to-balance-the-budget-report-20649>

On May 29, 2013, The Conversation published an opinion piece by Dr Malcolm Fisk, Co-Director of the Age Research Centre at Coventry University. Dr Fisk argues that for many older people and for our society aging can be an opportunity to continue to contribute productively.

The full text of this piece can be found at <http://theconversation.com/older-people-are-more-than-a-cost-benefit-equation-14015>

In May 2013, The Institute of Economic Affairs (IEA) released a report titled 'Work Longer; Live Healthier' which claims that longer participation in the workforce promotes physical and psychological health.

The full text of this report can be found at http://www.iea.org.uk/sites/default/files/in-the-media/files/Work%20Longer,%20Live_Healthier.pdf

On September 28, 2012, The Conversation published an opinion piece by Rafal Chomik, Senior Research Fellow, ARC Centre of Excellence in Population Ageing Research, UNSW at Australian School of Business. The piece argues that dependency ratios in Australia have been viewed too simplistically.

The full text of this piece can be found at <http://theconversation.com/its-time-to-redefine-the-traditional-working-age-9829>

In June 2012 the Australian Human Rights Commission published a report titled 'Working past our 60s: Reforming laws and policies (2012)'

The report produced by Age Discrimination Commissioner, Susan Ryan, considered the various impediments older Australians face when seeking to remain in the workforce.

The full text of this report can be accessed at <https://www.humanrights.gov.au/publications/working-past-our-60s-reforming-laws-and-policies-2012>

In January 2010 the Australian Government released the Intergenerational Report 2010 titled 'Australia to 2050: future challenges'. The report looks at the probable impacts of an aging Australian population on productivity and sustainability of current living standards.

The full text of this report can be accessed at http://archive.treasury.gov.au/igr/igr2010/report/pdf/IGR_2010.pdf

Arguments in favour of increasing the retirement age to 70

1. Australian life expectancies have increased greatly making the current pension age unsustainable.

Age pensions originated a century ago, when most people died before reaching pensionable age. When the Commonwealth government introduced the age pension in 1909-10, it set the qualifying age at 65 at a time when the average lifespan for Australian males was only about 58. Today over 85 per cent of the male population reaches retirement age, and then can expect to spend, on average, more than 19 years in retirement.

For women the pension age was set at sixty when female life expectancy was also sixty. Today the average lifespan of Australian women is 20 years beyond the original qualifying age; while men live, on average, 15 years beyond the original pension age.

Simon Benson, in an opinion piece published in The Daily Telegraph on April 25, 2014, stated, 'The big difference now is that people obviously live longer. A lot longer. As a consequence the pension has grown from being a modest replacement to the private charity that people once relied on to the single largest item of Government expenditure.'

According to the Government's Commission of Audit, within a decade the cost of sustaining the aged pension in its current form is likely to reach \$72 billion a year. This is almost twice the spending of any other area of the budget.

Andrew Bolt, in a comment published in The Herald Sun on April 9, 2014, has stated, 'The single pension is now \$842.80 a fortnight. A pensioner living to age 85 will claim \$400,000 in pension payments, not including payments for the seniors health card, hospital treatment, aged care or any other government support. Very few would have contributed so much in taxes, which are also meant to pay for schools, roads, defence forces, public transport, the dole....'

Australians are living longer than in most other societies in the world, while the proportion of people aged 65 and over is now 14.5 per cent of the population, double what it was a generation ago. The ratio of people in the workforce to people receiving government benefits has roughly halved in two generations.

Bekzod Abdullaev, a research assistant in Economics at La Trobe University, has stated, 'There were only 150,000 elderly people in 1901. Today, there are 3.2 million elderly. And, by 2050, this figure is expected to soar over 7.5 million...

The ratio of the dependent population to that of the working population will almost double resulting in only 2.7 people of working age for every person aged 65 years or older...

Australian Treasury projections show that, as a proportion to national output, age-related pensions and aged care are likely to rise from 3.5 per cent to 5.7 per cent and spending on health from 4.0 per cent to around 7 per cent by 2050.'

A Sydney Morning Herald editorial published on April 15, 2014 stated, 'This trend will lead to an unsustainable burden on taxpayers unless it is addressed.'

2. Low workplace participation rates mean Australia is under-utilising human potential

Australia has a relatively low level of workforce participation among older people compared with other OECD nations, including low rates of participation for those not yet of pension age. Analysis by the Grattan Institute shows that increasing the workforce participation of older people in Australia would result in an increase to GDP of about \$25 billion by 2022

A parliamentary briefing paper released in 2012 stated, 'The economic case for higher mature

-age labour force participation is strong. A five percentage point increase to participation rates of 50

-69 year olds is projected to be worth 2.4% of GDP in 2050. If all inactive people aged 55 and over who say they want to work did so, the participation rate for that group would increase six percentage points - also worth 2.4% of GDP. And if Australia had the same mature-age participation as New Zealand, GDP in 2012 would be 4% higher.'

The same document expanded the point regarding under-utilised potential. It states 'Some 320,000 of those aged 55 and over already want a job but have either been discouraged from looking or are unavailable to start immediately. The barriers and incentives that lead to their inactivity come at a high cost of foregone potential. If these marginally attached workers (as well as those who are unemployed and under-employed) were able to work, they could increase participation rates of those 55 and over by 6pp, and...contribute some \$30 billion to the economy in 2012.'

It has also been frequently noted that if employees were to remain in the workforce longer, then businesses would be able to draw on their skills and experience for longer. An article published in The Harvard Business Review in March, 2004, stated, 'Skills, knowledge, experience, and relationships walk out the door every time somebody retires-and they take time and money to replace. Given the inevitable time lag between the demand for skills and the ability of the educational system to provide them, we'll see a particularly pronounced skill shortage in fast-growing technical fields such as health care.' The article concludes by encouraging governments and employers to attempt to retain older workers in the workplace.

An article published in the international corporate advice magazine, Prometric, looking specifically at the negative impact on the business community of the retirement of the baby boomer generation, states, 'After having been entrenched in the workforce for decades, Boomers often occupy positions that require a high level of technical expertise, business acumen or, at the very least, industry experience. Watchers fear that even if there are enough bodies to fill every position left vacant by retiring Boomers, the odds that these new workers will be able to function at the same level as their experienced and knowledgeable forefathers are very low.'

3. Working for longer contributes to physical and mental health

It has been claimed that retirement is, for many people, a precursor to physical and mental ill health.

Studies comparing the mental health of retirees with that of working older adults have generally shown that retirees

(particularly men) tend to have greater levels of depression and anxiety than their working peers.

According to a report released in May 2013 by the Institute of Economic Affairs (IEA), following an initial boost in health, retirement increases your risk of clinical depression by 40 percent while raising your chances of being diagnosed with a physical condition by 60 percent.

From interview data with 7000 - 9000 people after varying numbers of years of retirement, the report found more self-reported mental illness, more prescription drug usage and more diagnosed physical problems among retired people than those still working.

The study's author, who called retirement's impacts on health 'drastic', suggested a later retirement age may actually be preferable, noting, 'New research presented in this paper indicates that being retired decreases physical, mental and self-assessed health. The adverse effects increase as the number of years spent in retirement increases.'

A 2012 United States study followed 5,422 men and women aged 50 and older for up to 10 years and found a 40 percent increased risk of stroke and heart attacks among those who had retired compared with those who had continued working.

It has been speculated that two of the largest causes of ill health among the elderly are inactivity and social isolation. Retirement is likely to increase the incidence of both of these factors and it has been suggested that this is why retirement often seems to lead to both depression and physical illness. For many, retirement means a sudden loss of many work-related social ties and a drastic decrease in activity levels.

On May 30, 2013, Dr Mercola, writing for the health advice site Mercola.com., noted that after retirement '[the] key role that may have defined who you are, your purpose and your daily routine is suddenly no longer there.'

4. Measures are being taken to counter age discrimination

It has been claimed that negative attitudes toward older workers are changing and that this shift has been encouraged by regulatory changes.

Based on a survey of 500 older Australians done in November and 15 in-depth interviews with human resources managers and other senior executives of major companies, research by Kreab and Gavin Anderson concluded that 'a positive shift is underway in the way Australian employers view older workers'.

At the same time, older workers are reporting fewer impediments to employment. Two years ago, 28% of employees aged 50-75 felt discriminated against on age grounds; this has fallen to 18%.

It has also been noted that the proportion of older workers reporting being offered training or up skilling increased from 39% in 2012 to 67%, and almost all took up the offer.

Joe Hockey has stated that as part of his government's plans to increase the pension age, 'We want to change attitudes in the business community, as well as to encourage business to start thinking about employing people who want to restart their careers after the age of 50 or 60.' The government is planning to take measure to help people restart their careers who have previously been in manual labour occupations.

In Australia, the Age Discrimination Act is the most recent of the federal anti-discrimination laws. It sits alongside the other three pieces of federal legislation that protect against discrimination on the basis of race, sex and disability respectively. The Age Discrimination Act is the primary vehicle for promoting age equality nationally.

The Age Discrimination Act gives workers the ability to complain to the Australian Human Rights Commission about unfair treatment based on age and to have their complaint conciliated.

A number of employment-specific and regional conventions also contain provisions relating to older people. For example, the International Labour Organisation Convention 142 states that career guidance and training must be applied without discrimination as to age.

5. A safety net already exists to support those unable to work between the ages of 65 and 70

It has been claimed that those unable to work to 70 will be adequately supported under existing welfare provisions.

About 9 per cent of people between 65 and 69 have a severe disability, only slightly more than people between 60 and 64. The existing disability benefit - which pays the same amount as the age pension - is aimed at this minority who cannot work.

Further, it has been estimated that only about 11 per cent of people who retired between 65 and 69 did so because they were having difficulty finding work. The majority of people over the age of 65 retired because they had 'reached retirement age'. For that relatively small group of people over 65 who are unable to find work, unemployment benefits would be available.

The Sydney Morning Herald in an editorial published on April 15, 2014, stated, 'Unemployment benefits for those over 65 may have to be adjusted to bring them closer to the pension. But as society ages, it must adjust.' It has been claimed that from an equity perspective some modifications to unemployment benefits for the elderly may need to be made.

It is interesting to note that in Germany, in an attempt to increase workforce participation among the elderly, government subsidies for partial retirement schemes ended and unemployment benefit for older workers was reduced from a maximum of 32 months to 18 months. Australia will need to ensure that an increase in the pensionable age does not discriminate against the older jobseeker who cannot find work.

Arguments against increasing the retirement age to 70

1. Claims about the unsustainable cost to taxpayers of age pensions are exaggerated

Age-related pension spending is projected to increase by about 1.2% of GDP over the next 40 years from their current

level of 2.7% of GDP. It has been noted that this is a small increase, amounting to an average 0.03% per year over 40 years.

It has also been noted that relative to comparable countries, Australia currently spends very little on age pensions. Our current pension spending is less than half of the OECD average and the projected growth rate to 2050 is also about half the OECD average.

It has also been observed that Australian incomes and thus tax payments have increased, making Australia better able to fund age pensions. National income per person has increased by at least 1% per year in Australia, in real terms, over each of the past 4 decades.

A 1.2% of GDP increase in pension costs would amount to about two years worth of income growth out of the next 40 years. It would be like an income freeze for all Australians for just two years of the next 40 in order to pay for the increase in public pensions.

Further it has been claimed that the 'dependency ratio' is not changing in the way that has been claimed. The 'dependency ratio' is the number of pension recipients relative to the number of taxpayers available to support them.

In an opinion piece published in *The Australian* on May 5, 2014, Henry Ergas, has stated, 'Claims about increases in dependency ratios are wildly exaggerated: while the share of older people in the population is rising, the share of children has fallen, so the ratio of dependents to the working age population is no higher now than at federation.'

Ergas has also observed, 'Moreover, the share of women who work has risen dramatically, while days lost to injury and illness have decreased, so the effective labour force is a far greater proportion of the working-age population. As a result, dependency ratios, properly measured, have been falling, not rising.'

It also needs to be noted that the longest living Australians are also, statistically, the wealthiest and that this group does not generally draw on taxpayer-funded pensions. Australia is the only OECD country where the public pension is income-tested and excludes most of the highest-earning 20 per cent of people over sixty-five.

2. There will be many who are unable to work beyond 65

Concern has been expressed for those older Australians unable to work who will find themselves without either an income or an age pension under the new provisions. Of particular concern are those in demanding, manual jobs who are simply physically unable to continue working beyond 65 (or, as was intended to be the case by the former government, 67.) Also at risk are those with limited skills, who work in contracting fields or who are the victims of age discrimination. Charmaine Crewe, policy adviser for the Combined Pensioners and Superannuants Association, has described a higher pension age as a cruel and unfair measure that would condemn many to live in poverty.

Ms Crewe has stated, 'Our concern is for people who are in physically demanding jobs; they may be laborers or nurses. To ask them to slog it out for another three years is a cruel policy.'

Ms Crewe has also claimed, 'With age discrimination favoring younger workers, many older people would have no choice but to survive for years on unemployment benefits, which are less than the age pension. We're going to see a larger number of older people thrown into poverty, and we just don't think that's fair.'

Susan Ryan, Australia's Age Discrimination Commissioner, has indicated that without a change in attitude among employers toward older employees, increasing the pension age to 70 will cause significant disadvantage.

Ms Ryan has stated, 'The argument for longer working lives relies not only on ability, skill, aptitude, willingness or physical capability. It also relies on the willingness of employers to give older workers a fair chance to compete for work on the basis of merit.'

Before we ask most people to work longer, we need to ensure the barriers and impediments in the entire system surrounding employment are removed. Right now systemic barriers and negative attitudes remain firmly in place.'

Cassandra Goldie, the chief executive officer of ACOSS has stated, 'About 40 per cent of all men and more than 50 per cent of women aged 55 to 64 fall into the at-risk category: they can't get paid work or can't work anymore because of sickness or disability, caring responsibilities, or other reasons beyond their control.'

Ms Goldie went on to indicate that while ACOSS acknowledges the Government's need to reduce expenditure, the 'pension is a vital shield against poverty for some older people.'

Summarising ACOSS's position, Cassandra Goldie has stated, 'The government has a stark choice in this coming budget: it must target payments to people who really need them, not force people at the bottom of the income scale, struggling to survive day to day, to accept even less income in retirement, either because they can't get paid work or can't work any longer.'

3. If the pension age is raised to 70 Australia will have the oldest, and among the unhealthiest, workers in the world

According to the most recent edition of the OECD's *Pensions at a Glance*, seventeen out of the thirty-four OECD countries have legislated for increases in pension ages above sixty-five. Only Iceland and Norway are currently at sixty-seven, but Australia, Denmark, Germany and the United States have plans to match them, and Britain has announced an increase to sixty-eight.

Finland currently makes its population work to 68, the highest age in the world to this point, before being able to claim a pension. In November last year, Greece undertook a series of austerity measures and raised its retirement age from 65 to 67. Denmark has the same retirement age.

When Australia's latest proposed changes come into effect, Australia will have the oldest access in the world for age pensions.

There has been concern expressed that these older Australian workers will suffer ill health and have diminished capacity to contribute to the workforce. Australian Institute of Health and Welfare figures show that more than a third of people

aged between 45 and 64 have a chronic health condition.

A January 2014 report produced by the National Seniors Productive Aging Centre has stated, 'As people age, they are more likely to have poorer health and research has shown that this can be a key obstacle to them continuing in the workforce. A recent report found that about 660,000 people aged between 45 and 64 years were not working because of ill health.

While these people would benefit the most from being in the workforce, they may not be able to remain working effectively.'

Professor Mark Harris, executive director of the Centre for Primary Health Care and Equity at the University of New South Wales has stated, 'As the number of older workers grows - as predicted with a shift to a pension age of 70 - so too will the proportion of people in the workforce affected by conditions such as heart disease, cancer, diabetes, arthritis, osteoporosis, cognitive problems, as well as vision and hearing loss.'

Professor Harris has also claimed, 'Age-related health problems aren't just an issue for those doing hard physical work; they can potentially impair performance for any job - especially those requiring extended concentration. It really does apply to all workers.'

Professor Harris has further stated, 'As we get older [health] becomes more unpredictable. There is an element of chance. The more you roll the dice [with every extra year of living], the more the chances keep accumulating. Increasing the pension age from 65 to 67 [as is being phased in from 2017 to 2023] was pretty non-controversial. But [in] increasing it by another three years, we're starting to get into a situation where the risks are greater. So we need to be more thoughtful about that.'

4. Working for longer may not contribute to physical and mental health

It has been argued that many of the claims made for the supposed health benefits of longer working lives are dubious. A 2010 Swedish study has found that retirement leads to a substantial reduction in mental and physical fatigue and depressive symptoms. This Swedish study consolidates concerns that have long been expressed about the frequently made claims that workforce participation improves the health of the elderly.

Claims that retirees are less healthy both physically and mentally than those still in employment are regarded as questionable largely because those who take retirement frequently do so because they are already experiencing ill health. Those who chose to remain in the workforce beyond the age at which they might retire are, therefore, likely to be physically and psychologically in better health already than those who do not. Thus, it may well not be either retirement or workforce participation that is responsible for the health status of either group.

The Swedish study was also wary of making claims about the health benefits that might be derived from retirement. Dr Westerlund has stated, 'It is too early to make definite claims about positive or negative benefits from retirement at a particular age.'

5. Extending the pension age is socially discriminatory

It has been claimed that increasing the pension age to 70 would discriminate against the less wealthy in our society. Typically the less wealthy live less long than those who have greater financial assets. Research commissioned by Catholic Health Australia (CHA) in 2010 found a person's socioeconomic status is the single biggest indicator of life expectancy and health status.

It found those in the lowest socioeconomic group die three years earlier than the rest of the nation, and the discrepancy has little to do with access to doctors or hospitals. It has been suggested that relative poverty equates with less knowledge of or access to the factors that create a healthy lifestyle and thus prevent illness.

On May 2, 2014, The Conversation published an opinion piece by Rafal Chomik, Senior Research Fellow, ARC Centre of Excellence in Population Ageing Research, University of New South Wales at Australian School of Business. Mr Chomik noted, 'North West Victoria, with the lowest average salary has a life expectancy of 4.7 years less than North Sydney-Hornsby - part of Joe Hockey's electorate, which has both the highest salaries and life expectancies.

The Queensland and Northern Territory outback regions have the lowest levels of life expectancy because of the starkly low life expectancy of indigenous Australians.'

Mr Chomik went on to argue, 'A more robust analysis comparing incomes of individuals with their mortality also reveals a link between socio-economic status and life expectancy. It shows a gap of about 5 years between those in the lowest and highest quintiles of the income distribution.' Mr Chomik's claim of a five year difference in life expectancy dependent on wealth is even greater than the three year difference claimed by the earlier Catholic Health Australia study.

Critics of an increased pension age claim it is socially discriminatory because the increased longevity which is used to justify it is not being enjoyed by the relatively poor. Thus, if the pension age is to be increased by three years, those who already live up to five years less than their wealthier fellow citizens will be significantly discriminated against in terms of the length of retirement they will have available to them.

Further implications

There are a number of issues raised by the current government's intention to increase to 70 the age at which the age pension can be accessed. Central to these are questions of accuracy and equity.

It is important that the judgements being made today are based on as accurate an assessment as can be made of the demographic conditions future Australians will face and what the consequences of these will be. For example, a number of social commentators have judged that simply comparing the proportion of the population drawing aged pensions now with that who were able to do so when the aged pension was first introduced is unhelpful as it ignores the fair greater

rate of workplace participation that Australia now boasts. The simple fact of current female participation in the workforce makes simplistic comparisons with the dependency ratios that existed in 1910 inappropriate.

That said, it is obvious that increased life expectancy will have implications for social policy. What is important is that policy changes made to address these issues be introduced with a long uptake period so that people are able to adjust their life plans to meet changed policy directions. There is an increasing expectation that Australians plan for their old age by making superannuation provisions that will allow them to largely support themselves. If this is going to be feasible, then those able to do so have to be given adequate advance warning to make appropriate provision for their economic security. One of the less discussed features of the pension provisions announced in the federal budget is that they have altered the allowable income available from superannuation returns before aged pension payments are affected. This change will come into affect at the end of 2014. Some critics have noted that such a short period of advanced notice is unfair to those affected.

It is also necessary that the changes that are made be equitable, that is, that they do not disadvantage particular sections of the population. Currently, there is a significant section of the population which is unable to find employment in later life, either through disability, lack of relevant skills or because of age discrimination, which makes employers reluctant to employ those 50 or older. Where such impediments to employment exist for older Australians, the requirement that they work till 70 seems discriminatory and primarily designed to have them supported by a lower level of pension (unemployment benefits) in their old age.

Whatever measures are put in place to attempt to ensure the long term viability of Australia's social security system, justice and equity have to be primary considerations.

Newspaper items used in the compilation of this issue outline

The Age: April 11, 2014, page 24, comment by Patricia Edgar, 'Treasury needs to catch up with older people'.

<http://www.theage.com.au/comment/government-policy-needs-to-catch-up-with-older-people-20140410-zqswr.html>

The Herald-Sun: April 10, 2014, page 13, comment by Andrew Bolt, 'Pension is a gift we can't afford'.

<http://www.heraldsun.com.au/news/opinion/pension-is-a-gift-we-cannot-afford/story-fni0ffxg-1226879195010>

The Australian: April 10, 2014, page 10, comment by David Uren, 'Pension costs us way too much'.

<http://www.theaustralian.com.au/business/opinion/pension-costs-us-way-too-much/story-e6frg9qo-1226879293497>

The Australian: April 19, 2014, page 12, comment by Bernard Salt, 'Older workers unite, you have nothing to lose but your privileges'.

<http://www.theaustralian.com.au/business/opinion/older-workers-unite-you-have-nothing-to-lose-but-your-privileges/story-e6frg9jx-1226889435057>

The Herald-Sun: April 18, 2014, page 25, comment by Ellen Whinnett, 'Older workers deserve peace of mind'.

<http://www.heraldsun.com.au/news/opinion/older-workers-deserve-peace-of-mind/story-fni0ffsx-1226888499179>

The Age: April 15, 2014, page 31, comment by Peter Martin, 'Why our pension scheme is too generous'.

<http://www.theage.com.au/comment/why-our-pension-scheme-is-too-generous-20140414-zqui8.html>

The Age: April 15, 2014, page 31, comment (on retirement age) by Diana Elliott, 'Anyone for Hockey? Not when he moves the goal posts'.

http://newsstore.fairfax.com.au/apps/viewDocument.ac;jsessionid=A0AA738654F008D4DEDC87732064CF04?sy=af&pb=all_ffx&dt=selectRange&dr=1month&so=relevance&sf=text&sf=headline&rc=10&rm=200&sp=brs&cls=499&clsPage=1&docID=AGE140415OA5FB7B1SCJ

The Age: April 15, 2014, page 4, news item (contains statistics) by Visintens and Hutchens, 'No country delays pension until 70'.

http://newsstore.fairfax.com.au/apps/viewDocument.ac;jsessionid=54458B9AD6177BF62C2232B10EBCC45F?sy=af&pb=all_ffx&dt=selectRange&dr=1month&so=relevance&sf=text&sf=headline&rc=10&rm=200&sp=brs&cls=1785&clsPage=1&docID=AGE140415BN6OM68TK9C

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