The Longevity Economy Paradox

Reimagining productivity by rethinking wasted capacity in Australia's mature workforce

Submission to the Productivity Commission 15 September 2025

Embracing the Longevity Economy is an essential element of any productivity uplift in Australia, alongside other genuine reform initiatives. While an ageing workforce poses many socio-economic challenges, boosting labour force participation for those aged 45+ (referred to as mature workers by DEWR) is critical to enabling improved financial independence, adding to economic resilience and easing fiscal pressure on healthcare, pensions and other social services.

We call it a paradox because rising life expectancy tells one story - longer lives, extended capacity, rising interest in continued work - but the lived experience tells another with opportunity to work remaining out of reach for many. And the disconnect is growing - as people live longer, many in this age group both want and need to remain economically active - yet systemic barriers, age bias, and outdated employment models often prevent them from accessing meaningful work.

Unlocking this latent potential requires an innovative approach and urgent collaboration across public and private sectors to modernise policies, reshape mindsets, and generate collective pathways for productivity action and positive impact.

Alignment to Productivity Commission's Five Pillars

Identifying pathways that successfully harness the untapped capacity of a skilled mature workforce holds the promise of building productivity growth, which has slumped, enhancing budget sustainability, and helping build long-term national resilience. Increasing both participation of the 45+ and ensuring productive utilisation of those in the workforce aligns to 4 of the 5 pillars.

- **Pillar 1 - Creating a more dynamic and resilient economy.** Enabling higher workforce participation by the mature worker (45-65yrs) at levels similar to OECD leaders will enable individuals to thrive, companies to innovate and grow and contribute to a direct increase in GDP.
- **Pillar 2 - Building a skilled and adaptable workforce.** Building pathways that facilitate access to skilled workers, and flexible reskilling and upskilling for others, will help bridge Australia's skills gap.
- **Pillar 3 - Harnessing data and digital technology.** Leveraging the experience, soft skills, and contextual judgment of mature workers alongside AI's analytical and operational efficiency could enable an inclusive, intergenerational, future-ready workforce.
- **Pillar 4 - Delivering quality care more efficiently.** Keeping Australian's actively engaged in the workforce for longer, as a preventative action, will positively contribute to reduced demand for future health (physical and mental) and care services and produce better outcomes for the community.

This new initiative suggests we reframe Australian productivity through a Longevity Lens. We recommend a course of collective action that leverages earlier work and better connects the dots to boost participation and productivity. We have the opportunity to reimagine better work spans, health spans and lifespans by rethinking ageing, harnessing experience as economic capital and innovating for a more resilient and sustainable future.

This paper draws on data, thought leader insights, global policy review, exchanges with Australian changemakers and input from The Longevity Labs Roundtable held with key industry partners.

Key messages are under the following headers.

- Unlocking the power of the 'Grey Economic Engine'
- The opportunity in clear sight
- Actions for better outcomes
- Positive Traction
- Taskforce Plan & the Ask

Unlocking the power of the 'Grey Economic Engine'

Australia's ageing population data is a wake-up call for economists, government, boards, corporates, social institutions and individuals.

- **Australia's ageing population –** In 2023 the Intergenerational Report estimated there were approximately 6.4m Australians aged 45-64 ~24% of the population and 4.6m older Australians (65 and over) comprising ~17% of the population. Studies estimate these numbers will rise to 7.5-8m and nearly 8m respectively in 2057. (ABS; Treasury Intergenerational Report 2023)

- **Participation drops off from 45+** - Using the latest ABS Labour Force release, participation now peaks in the early-40s (40-44: 88.9%) and then falls from mid-40s onward 45-49 88.3%, 50–54 83.8%, 55-59 77.5%, and 60-64: 61.3%. These figures showcase a clear drop-off of roughly one-fifth, often involuntarily, from peak participation by the late-50s, with the decline accelerating into the 60s. Also of note is that participation the 45+ group yrs has shown little change since 2015. (ABS Labour Force Survey, July 2025

- **Australia trails Top 10 OECD countries –** In 2024 workforce participation of 55-64yrs averaged 66-67% and has only been above 65% since May 2021. The top 5 countries were all above 75% with highest at 78-80%; New Zealand is rated #4 with 2024 stats 77-78 and above 75% since Q2 2016 – Australia is well behind especially in recent years. (OECD)

- **Skilled worker shortage highlights an opportunity** - Nearly one in three occupations are officially in shortage, with construction, healthcare, aged care and IT under serious pressure. The latest Jobs and Skills Australia data (September 2024) show a vacancy fill rate of 68.1%, up 6.0 ppts on the year as the labour market has softened but still leaving 32% of roles unfilled. Despite applicant supply being strong, there is a 62.3% suitability gap (up 7.5 ppts y/y). This is a skills-mismatch story as much as a shortage story and older Australians are a key lever. In 2012 Deloitte estimated 2 million older people were willing and able to work, with their underemployment costing $10.8bn a year in lost GDP.

- **Talented labour untapped** - Over 70% of workers say they want to keep working past "retirement age" - for purpose, not just money. (Age Wave) The over 55 workforce is becoming more educated; ¼ with degrees in 2020 and by 2030 expected to be 1/3. (CEPAR 2021) An AARP Research Report 2025 also confirms 52% of workers age 50+ say they are knowledgeable about AI; 45% are familiar with using AI in the workplace; 47% say they want to learn more.

- **Many mature workers are underemployed –** we have an untapped talent pool. In July 2025, underemployment among 45–49-year-olds was 1.3%, leaving 723,000 hours of desired work unmet that month. For 50–54-year-olds it was slightly higher at 1.4%, with another 773,000 hours left unworked. Among 55–64-year-olds, the rate rises again to 1.5%, representing 1.1 million hours unused. We believe these figures underrepresent the latent capacity, as many workers are working less that they want. Annualising these shortfalls indicates the unused hours available to leverage from mature workers.

- **Reluctance to hire over 50yr olds -** Despite a need for skilled workers, many hiring managers remain reluctant to employ older individuals, with only 56% indicating a willingness to hire workers aged 50-64. (AHRI/AHRC, 2025) Australia Human Rights Commission have found that 90% of adults agree ageism exists in Australia and 83% consider it to be a problem.
- **But workers are retiring earlier than planned** - In 2022-23, the average retirement age was 56.9, while the average intended retirement age was 65.4, a difference of over 9 years, demonstrating challenges in continuing active employment. Some reasons include job loss/redundancy; caring responsibilities; lack of flexible environments; and health. (ABS Retirement & Retirement Intentions Survey, 2022–23)
- **Increase in dependency burden** - Australia's old-age dependency ratio was 26.6% in 2023 and is projected to rise to 38.3% by 2063, placing increasing pressure on taxpayers to fund the growing pool of retirees. (Treasury Intergenerational Report 2023)
- **Opportunity to decouple effective working lives and official pension ages –** In 2025 the IMF suggested that a 70-year-old today possesses the same cognitive and physical capabilities as a 53-year-old in the year 2000, intuitively plausible even if a dramatic rise. Complementing this proposal, Goldman Sachs shows that since 2000 life expectancy in developed economies has risen 5% (78 to 82 years) while effective working lives have lengthened 12% (34 to 38 years). The extension of working lives is aligned with longevity far more closely than statutory retirement-age changes, indicating people are already adapting by working longer irrespective of pension rules.
- **OECD countries have successfully evidenced uplift over recent years** - In advanced economies, the OECD estimates that building more multigenerational workforces (i.e. enabling more 55+ workers to remain employed) could lift GDP per capita by about 19% over the next 30 years.

Australia can capture similar uplifts from mobilising older workers. PwC's Golden Age Index (2018) shows that lifting employment among 55–64-year-olds to top-performer levels delivers sizable macro payoffs: the US would gain about 3% of GDP ($815bn), and across the OECD aligning participation to New Zealand's level would add roughly $3.5 trillion. Top countries record 55-64 employment rates near 78-79% (NZ 79%, Sweden 78%) versus an OECD average of 52%. As a peer OECD economy, Australia would unlock comparable proportional benefits by closing the gap toward these benchmarks: expanding labour supply, easing skill shortages, and lifting potential GDP.

Earlier Australian modelling points the same way. Deloitte Access Economics (2012) estimated that lifting participation among workers 55+ by 3 percentage points would add about $33 billion (1.6% of national income), and a 5-point lift would add around $48 billion (2.4%) by 2050.

CEPAR (2021) finds that lifting participation rates to resemble those of New Zealand and enabling 55-to-64-year-olds to have similar hours to 45-to-55-year-olds, would see a reduced decline in share of workers per capita, and GDP increase by 2050 could be equivalent to raising productivity by 0.3pp.

Failure to extend workforce participation for the over 45s will accelerate the fiscal gap as shrinking tax contributions collide with rising public costs - particularly in healthcare, aged pensions, and mental health services. Without strategic reintegration of older workers, there is the risk of compounding social inequities. According to ABS Data in 2021~65% of retirees were renters or held mortgages – these figures are projected to increase significantly in the years ahead. Housing unaffordability is disproportionately affecting women over 55 - the fastest-growing group at risk of homelessness due to marital breakdown, systemic financial inequality and caregiving-related career interruptions. Midlife loneliness and psychological distress are surging, creating a silent epidemic that strains both social cohesion and public health infrastructure. These are unintended consequences of inaction.

We need to understand the real cost, direct and indirect, of not investing to boost Australian mature worker participation to levels of our OECD peers.

The opportunity in clear sight

Australia's mature workforce participation rate has slowed over recent years, and some might suggest plateaued – it's a complex problem to solve. Many in this cohort are working far less than they intended and their contribution remains well below its productivity potential. Workers aged 45+ represent an under-leveraged asset capable of contributing significant value as workers, consumers, carers, community builders and taxpayers.

Studies have found older employees have no significant or consistent productivity differences when compared with younger counterparts – they often bring higher loyalty, reliability, deep experience and institutional knowledge, increased commitment, and are less likely to move jobs. (OECD 2022 Report) They can also be good mentors for less experienced workers and provide diverse perspectives on business operations and customer preferences. Yet, outdated structural models, attitudes and bias are leading to wasted capacity that cannot be recouped, as well as loss of relevant knowledge and economic value. The growing gap between mature worker intent and workforce demand threatens our economic resilience.

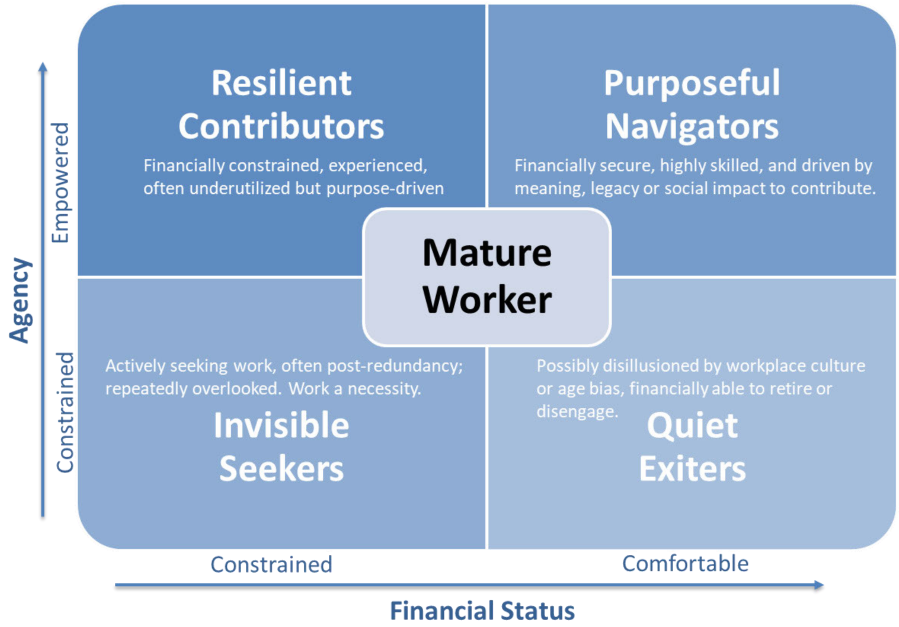
Capturing this latent potential now, will deliver significant value (immediately and into the future). Quantifying the possible uplift value and benefits is key to initiating new momentum. A better understanding of past program success, alongside barriers and constraints and the potential impact of AI, will help inform effective formulation of a multi-stakeholder strategy with defined pathways and practical corrective actions.

This proposal presents a unique opportunity to innovate work span and reposition mature workers as a strategic lever for value creation – thereby enhancing productivity and participation, reducing fiscal pressures, and improving individual wellbeing across mental, physical, and financial dimensions.

How are mature worker motivations and needs different?

"Old age" is a made-up notion, and working either by choice, or for need, in our second half needs updating. While some segmentation models offer valuable perspectives - ranging from work archetypes to ageing workforce personas – we have developed an initial behavioural view of Mature Workforce Segmentation as part of our consultation and research. Our model helps us explore shared understanding of the behaviours of mature Australian workers grounded in agency and financial status and reflecting diversity of the lived experience. Agency (or Empowerment) focuses on intent, willingness and capability; how freely people can act on their motivation; how much control individuals feel over their work choices.

This behavioural segmentation provides a longevity lens to Australian mature workforce motivators. In future iterations contextual layers such as health status, caregiving responsibility, sector/occupation/type of work, culture, will bring further depth to the structural realities that shape agency and financial status for the mature workforce in Australia.



	Profile	Behaviour	Scenario	Need
Purposeful Navigators	Financially secure, highly skilled, and driven by meaning, legacy or social impact to contribute.	Seek roles aligned with values, often move to mentoring, consulting, thought leadership volunteering, or social impact.	May face subtle exclusion from leadership roles or innovation teams due to age stereotypes, despite deep expertise.	Recognition of experience, flexible engagement models, and purpose-driven opportunities.
Resilient Contributors	Financially constrained, experienced, often underutilised but purpose-driven.	May remain in roles out of necessity, may accept lower-status or less secure work. May seek roles in care, education, community and NFP often for less pay.	Encounter systemic barriers—recruiters overlook them, access to training is limited, and redundancy risk is higher.	Upskilling pathways, age-inclusive hiring practices, and financial resilience support.
Invisible Seekers	Actively seeking work, often post-redundancy marital breakdown or career pivot; repeatedly overlooked. Possibly unable to continue physical work. Work a necessity.	Apply widely, often receive no callbacks; may withdraw or internalize rejection. Often retire early digging into savings. Disengaged.	Maybe highly qualified but age discrimination in recruitment acute—may struggle w tech stereotypes and employers bias re adaptability. Often excluded from upskilling.	Targeted retention, re-entry programs, re-training/employer education, and visibility platforms to showcase value.
Quiet Exiters	Possibly disillusioned by workplace culture or age bias, financially able to disengage or retire.	Opt out early or forced out due to physical strain. Pursue lifestyle or unpaid roles, rather than traditional employment.	Talent and knowledge loss due to lack of inclusion or meaningful engagement.	Reframed narratives around aging, flexible encore career options, and intergenerational collaboration.

NOTE This segmentation helps build an understanding the mature workforce. However, we need to recognise diversity within the mature workforce is essential; extended work participation is not universally desired or *feasible, underscoring the need for flexible, inclusive approaches. Future iterations would build on contextual layers that inform and prioritise transition.*

But there are constraints

Although there has been robust research, policy recommendations, and progress - particularly the foundational work led by pioneers like Susan Ryan – persistent constraints continue to undermine mature workforce planning and participation. Australia produced a tremendous body of knowledge, insights and actionable strategies during 2011–2016, many of which are still strikingly relevant today. Ryan's 2016 address continues to resonate - "the right to work, free from discrimination on any basis, is a fundamental human right" - but translating that principle into sustained, systemic change has proven elusive.

Despite growing awareness and a deepening evidence base, several entrenched barriers continue to limit progress.

- **Ageist Stereotypes in Hiring**: Recruiters and managers often hold outdated views—assuming older workers are less adaptable, slower to learn new technologies, less innovative, more costly, or unlikely to stay long-term—despite data disproving these assumptions.
- **Legacy Mindsets Around Hierarchy and Compensation**: Some individuals and organisations remain anchored to traditional status and salary structures, limiting flexibility and role redesign for mature talent.
- **Tech Bias and Reskilling Gaps**: Cultural imagery often defaults to outdated images – "little old granny" rather than "midlife innovator" - reinforcing low expectations and underinvestment in mid-career reskilling.
- **Inflexible Job Design**: Most roles remain structured around traditional full-time models, with limited pathways for phased transitions, portfolio careers, or ramp-down options. This rigidity fails to reflect midlife realities—such as caregiving, health needs, or evolving personal priorities—and contributes to premature workforce exit. Without redesign, organisations risk losing valuable experience and intergenerational balance.
- **Youth-Centric Culture and Corporate Norms**: Prevailing narratives still value attracting youth over retaining over 45's. Age-positive messaging is rare, and diversity policies often overlook age entirely, leaving leaders unaware of the economic and social benefits older workers bring.
- **Managerial Inexperience with Age Diversity**: Many organisations and managers have little experience with truly intergenerational teams, making age inclusion unfamiliar and undervalued. Managers also often lack the confidence or skills to lead older colleagues effectively. Without intentional design or leadership capability, age-diverse workforces remain underutilised.
- **Leadership Blind Spots on Ageing:** Many senior leaders continue to underestimate the urgency and scale of age inclusion—treating it as a distant issue; someone else's responsibility. Without timely, coordinated action, we risk compounding workforce attrition, productivity loss, and social inequity across generations.
- **Individual Misconceptions About Longevity**: Many Australians underestimate their lifespan and the need to extend their work span for financial resilience. Ageing is deeply personal and uncertain. A culture of comfort, coupled with generous support systems, has dulled urgency and awareness of options, transition approaches and the value of planning prevention remain underdeveloped.

The scale of transformation required is vast and deeply interdependent, involving employers, policymakers, educators, individuals and cultural norms. And it's useful to note that OECD evidence suggests that higher employment rates for mature workers is correlated with higher employment rates for younger workers as well - the lump of labour fallacy point.

But sustaining the mindset shift and scale of change required has been difficult. And so, the question is, whether we understand the problem?

Actions for better outcomes

The imperative to address mature workforce participation has sound logic and interest once awareness has been established - but progress has been uneven, and outcomes limited. Our recommended approach begins with a deeper understanding of the problem complexity, but also calls for coordinated, systemic action (see last section).

The Longevity Productivity Lab hosted our own roundtable on 3rd September bringing together diverse, business leaders invested in dimensions of the longevity economy. The aim was to identify the most important levers, based on their collective experience, that would increase workforce participation in the 45-65 yr olds.

> *The roundtable was attended by - Claire Canham Founder & CEO Grey Matters, Abby Bloom and Anne-Marie Elias Co-Founders PrimeLife Partners, Alison Hernandez and Catriona Byrne Co-Founders ReCreate100, Will Burkitt Partner Care And Living with Mercer (CALM), Richard Spencer Founder AgeInc, Troy Roderick, Samantha Z. Dzabic Founder Wisdom Matters* and *Stephen Johnston Managing Director Fordcastle. Their deep contextual expertise has helped inform the actions in this section.*

The actions outlined below are not definitive; rather they are a set of prioritised levers that would help to unlock mature workforce participation. They highlight the wealth of existing knowledge and experience that can be harnessed immediately to drive meaningful change.

1. **Value the Gap**
   We need to understand the wasted mature worker capacity that is directly, and indirectly, impacting Australia's GDP. Modelling higher workforce participation by the mature worker (45-65yrs) at levels similar to OECD leaders will enable a direct line of sight to increases in GDP. Keeping Australian's actively engaged in the workforce for longer as a preventative action will also positively contribute to reduced demand for future health (physical and mental) and care services.

   We need to review and expand our measurement frameworks to recognise the economic and societal value of mature adults as unpaid carers, volunteers, and community contributors that remains invisible in today's productivity frameworks.

   Development of integrated, ongoing modelling with more informed indicators linking work, health, and life spans are key to understanding the cost of inaction, harnessing the lost opportunity, the value of preventative action and measuring progress.

2. **Remove Structural Barriers**
   Mandatory reporting, national targets, policy audits, removal of financial disincentives are levers that could be used to foster increased workforce participation for mature workers.

Corporates need to also update their DEI policies and targets using a longevity lens for improved intergenerational workforce outcomes. This is a gap in the majority of today's policies.

An Age Inclusion Index could luminate variances across sector, geo, gender, culture for action. There is a range of ageing indices globally – the EU Active Ageing Index is a regular reporting tool for EU members and candidate countries.

3. **Show the Pathways**
   'Seeing is believing' and storytelling is a powerful tool used time and again to help illuminate options and successes – the strategy works. Building clear pathways and blueprints for mid-life work options may include profession-pivots or reinvention; entrepreneurship; capability renewal/upskilling; fractional work; mentorship; for purpose/social impact; and portfolio careers – they help individuals and providers understand what's possible.

   We also need to rethink work span – according to insights from longevity economists like Lynda Gratton and the Stanford Center on Longevity a multi-stage life is emerging with periods of work, learning, caregiving, and reinvention spread across decades. The implications are that we can choose multiple career paths over our working life and retraining for a new career, perhaps something you always wanted to do, in our mid 40's is viable and perhaps also necessary.

   Building pathways that then facilitate linkage and access to reskilling and upskilling will help bridge Australia's skills gap. Recognising transferable skills, removing barriers and disincentives (funding, tax-related) and enabling matching through platforms tailored to life stage and industry needs will also be a key part of this change across all sectors.

4. **Rethink Work Design**
   The discussion regarding future of work often focuses on AI, hybrid and youth engagement. Recent changes to policies have helped workers better manage parenting and childcare responsibilities alongside work. But what about the needs of mature workers including as caregivers?

   Future Work requires soft skills – while AI is changing the shape of work, we also need soft skills to ensure successful adaption and adoption. Harvard Business Review top 100 GenAI use cases for 2025 focus more on coping with loneliness, organising their lives, and even searching for meaning over generating ideas and code. WEF 2030 Future Skills also highlights the growing need for soft skills. Leveraging the experience, soft skills, and contextual judgment of mature workers alongside AI's analytical and operational efficiency could better enable an inclusive, intergenerational, future-ready workforce.

   Thinking about job design for this different life stage means embracing flexibility, recognisng caregiving demands and replacing the retirement cliff with gradual, purpose-driven transitions. A blended model allows older workers to scale back, retrain, mentor, or shift focus—balancing paid work with learning, wellbeing, and contribution.

5. **Shift the Narrative**
   We need to acknowledge Ageism is affecting Australia's progress and age discrimination is a barrier to increasing workforce planning and participation. There is a stigma associated with working in later years that is more acute in Australia than in other OECD countries. Historically, Australians have been comparatively financially comfortable, even in retirement, but this overconfidence is dangerous and not an accurate predictor for the future.

We need to tackle the unconscious bias of Ageism for our recruiters and employers and help Australian's understand the implications of longevity on their work span decisions across all types of work.

Reshaping how older workers see themselves is essential to shifting the narrative. The traditional model - linear careers, fixed titles, and historical compensation - no longer fits. The era of one role type and one company for life is over. We need programs that empower individuals to be part of the momentum making conscious choices to pivot, retrain, explore new industries, and reimagine their working lives on their own terms.

6. **Build the Business Case for Investment**
The myths and bias surrounding the productivity of older workers are outdated. Highlighting current uplifts from tech enablement and the value of experience and insight need to be shared to make the cost-benefit case obvious. We need to recognise the Longevity Dividend that can be realised from the knowledge older workers bring – their skills are aligned with the needs of an AI enabled workforce as well as aligning with WEF Future Skills 2030.

Leading research also outlines evidence that intergenerational workforces drive stronger innovation, creativity, and productivity when collaboration is intentional and inclusive. Dispelling our current views of older workers will help to reverse the underinvestment in older worker training and positively improve worker relevance and productivity.

7. Incentivise the Right Behaviours

Government has the opportunity to use fiscal levers to positively influence the behaviours of mature workers and remove disincentives. One option might be to address the marginal tax rates that apply on transitions back into the workforce. This might include offering targeted tax accelerated deductions for mature workers to make the necessary capital and training investments to re-enter the workforce. These present a significant cashflow impost on lower earning workers and are a barrier to re-entry. Allowing these investments to be deductible on a pay as you earn basis could drive higher uptakes.

In addition, we need to revisit the binary nature of employee and self-employed categories when creating new legal forms to address fractional and gig type work. This revision acknowledges the avoidance of pitfalls of insecure employment and the avoidance of regulatory protections for insecure work.

Another option could be to enable the recently legislated Superannuation (Objective) Act 2024 which sets out the objective of superannuation is "to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way". Accordingly, the majority of Funds are looking to enable members to work and save for as long as they can and want to. This includes Funds supporting members who become elder carers for someone aged between 45 – 65 years (adult children) or 65+ (partners) but also plan to continue working to save more for retirement - without support these members face the prospect of early forced retirement or working limited hours. There is, however, major misalignment between this new Superannuation Objective and existing Superannuation Industry (Supervision) Act 1993, created over 30 years prior, which provides restrictive governing rules as to what is permissible for Funds. This includes Best Financial Interests Duty and the Sole Purpose Test. The SIS Act must be reframed to be aligned to the Superannuation Objective and the real changes that have occurred across Australian society since it was originally created.

8. **Whole-of-Government Strategy**
   As COTA highlights "Ageing is not a crisis to contain, it's a demographic shift we must plan for, resource and embrace." Longevity has implications for Australia's current and future productivity, budget resilience and social equity. Effective governance of the ageing population requires ongoing, cross-agency collaboration and reporting to design integrated change programs, respond to emerging shifts, including AI-driven disruption, enable skilling and embed prevention and early intervention especially for our health, housing, care and pension systems. This whole of government approach to ageing is lacking in today's Australia governance and we would benefit from the multi-channel strategies deployed in other leading countries.

The reality is we have not faced this problem before. As Ken Dychtwald outlines, growing old is "still such a novelty that two-thirds of all the people who have ever lived past 65 - in the entire history of the world - are alive today."

It should be clear by now that our ageing population isn't just a demographic trend and burden to be managed.

Successfully tackling mature worker participation holds the promise of building productivity growth, enhancing budget sustainability, and helping build long-term national resilience.

However, the question remains that if the logic is sound and the problem is acknowledged, why is Australia not actively identifying pathways that harness the untapped potential of skilled mature workers, champion new models for an inclusive, intergenerational, digital-ready workforce and prevent early demand for social services?

With persistent skills shortages and a shrinking pipeline of younger workers, why is harnessing mature talent considered optional?

So why is there so little interest? What is the cost of inaction, and who pays?

Positive Traction

Although age inclusion and mature workforce transformation are long-standing challenges, we can draw on a rich set of initiatives that offer proven models, actionable insights, and adaptable strategies to accelerate progress.

Since submitting our initial paper to the Economic Reform Roundtable (ERR) in July we've actively engaged with ecosystem stakeholders to advance collaborative momentum – including COTA, AICD, CEPAR, Australian Age Discrimination Commission and Job & Skills Australia.

- **COTA** also submitted to ERR with mature workforce participation recommendations highlighting the opportunity to unleash worker potential; address structural ageism; ensure measurement of what matters; and look to early intervention and preventative actions.
- **AICD** also submitted to ERR and did cover the skills shortage and implications for immigration as a concern along with the implications of AI on the future of work. During our discussions we outlined how a focus on increasing participation of the mature workforce could positively impact both these areas. We also suggested boards needed to be cognisant of managing intergenerational workforces, the need for job redesign given mature workforces and AI, the value of the over 50 as a consumer segment and

actively rethinking Australia's fiscal certainty if the mature worker participation challenges are not proactively addressed.

- **CEPAR** have been a consistent leader of insights and reports around the ageing population. The most recent Leading for Age Diversity capturing insights on building an inclusive workforce. results of workplace
- **Age Discrimination Commission** have held two roundtables, one in September, that touched on mature workers and building an understanding of the current landscape. They also sponsored some recent research that highlighted employers view of older workers.
- **Job & Skills Australia** - Discussions with Service and Creative Skills Australia (SaCSA) highlighted a strong focus on sectoral priorities, geographic inclusion, and diversity. However, age and longevity remain underexplored lenses in recent workforce dialogues.

We have also spoken with SMEs and startups building Longevity based business in Platforms, Organisational Change, Communities, Ecosystems, Recruitment and Marketing.

While this paper doesn't represent the views of these organisations, these discussions and their experiences have influenced the content outlined in this paper.

Focusing on Implementation

When shaping meaningful change, it's valuable to draw on best practice and so we also curated a selection of examples that bring the possibilities to life. Note we are not suggesting these are the only or best solutions; rather, that we don't need to reinvent the wheel as there are proven solutions enabling us to focus our efforts on implementation and action over strategy.

Australia Examples

Over recent years there have been many examples of programs successfully executed across Banking, Energy, Food & Beverage, Transport and many more. Indeed, recommendations outlined in 2016 by AHRC titled Willing to Work are as relevant today as they were back then. We are starting with strong foundational knowledge that can support accelerated action. Please see the Appendix for further details.

Global Best Practices

The top 5 countries for workforce participation of 55-64yrs in 2024 were all above 75%. In this same period 2024 Australia Workforce Participation averaged 66-67% and has only been above 65% since May 2021. Iceland is highest - 2024 ranged 78-80% participation for 55-64 and has been above 77.5% for 18 of the last 20 years. New Zealand is rated fourth with 2024 stats 77-78 and above 75% since Q2 2016 – Australia is over 10% behind these results.

Key drivers are a mix of cultural, social, reform and structural transformation. Please see the Appendix for further details.

Taskforce Recommendation

Our recommendation is to set up a multi-stakeholder, cross-sector taskforce to address mature worker participation with the aim of building productivity growth, enhancing budget sustainability, and helping build long-term national resilience. The taskforce will run for 12months initially with defined scope, milestones and deliverables.

The taskforce will seek to validate the barriers to mature worker participation and the cross-agency, industry, employer and employee actions that will enable ongoing uplift.

We will be seeking funding from a variety of sources including government. Members could include representation from ageing thought leaders, Australian pro-ageing corporates leading in practical workforce strategy implementation, government, academia, and others in the human capital sector like skilling, trade unions, business associations and recruitment. It will be important to leverage inputs from global leaders and countries mobilising resources to turn longer lifespans into sustained economic productivity.

Over the course of the first 12 months, the proposed program milestones for the taskforce include:

1. Plan, Establish, Mobilise - estimated 1-2 months
   - Agree scope, target members, outcomes, governance and support required with sponsor(s);
   - Identify and confirm taskforce members and agree charter, including scope, objectives, plan, member contributions, deliverables, outcomes and success measures;
   - Distil knowledge and insights from existing recent research completed by Australian agencies such as RCSA, Jobs & Skills Australia as well as groups such as CEPAR and Grattan; and
   - Design program structure and engagement approach, select framework/methodologies and agree workstreams and leaders/participation including plan to be used for governance.
2. Model the direct and indirect impact of boosting mature worker participation to confirm estimated potential uplift and enable scenario planning for strategy testing – est 2-3 months
3. Understand the underlying problems, and why programs haven't generated significant change through primary research with voice of employers, employees, recruiters, the unemployed and underemployed, newly employed etc - estimated 1-2 months
4. Develop strategies and pathways to address and estimate potential productivity uplift - est 3 months
5. Test design feasibility in business environments (mindset and behavioural change, cost, timing) and assess impact/results through 2-3 pilots – est 4-6 months
6. Refine pathway, recommendations / high level roadmap with next steps – est at 1 month

Outcome - The taskforce will identify pathways to embrace extended work spans and develop practical actionable strategies to boost 45+ workforce relevance and participation over the next 12 months and beyond, strengthening economic resilience. The taskforce will clearly define the case for action and the financial benefits that can be realised by rethinking the wasted capacity of Australia's mature workforce. Developed by taskforce members, the paper will be submitted to government to inform and activate action.

Our ask

The Productivity Commission sponsor the establishment of a Longevity Productivity Taskforce, with support from the Longevity Productivity Lab, to drive a multi-stakeholder program focused on reshaping the narrative around ageing from economic burden to opportunity.

We look forward to discussing this paper with the Productivity Commission.

This submission has been prepared by Michele Lemmens, Strategic Initiative Alchemist, from the Longevity Productivity Lab and ex-Tata Consultancy Services (TCS) with support from Stephen Walters, Chief Economist Optimal Economics, and in consultation with Dr Martin Fahy Strategic Adviser and ex-CEO ASFA, Rebecca Hall Public Policy Leader and ex-Commissioner for Victoria, David Pegley Managing Director Australian Financial Crimes Exchange, and Dr Galia BarHava Researcher, Psychologist and founder Oro Group.

Appendix - Workforce Participation Examples

Australia

Over recent years there have been many examples of programs successfully executed. Indeed, recommendations outlined in 2016 by AHRC titled Willing to Work are as relevant today as they were back then. The outlines below capture examples to build understanding.

- **Chobani Australia** – In August 2025 Chris Eaton GM People and Culture was interviewed as part of ABC Radio Working Life episode that spoke to the possibility Longevity Workers might save our economic future. During this session they spoke to reimagining the life cycle of work for mature workers — unlocking the wealth of experience and leveraging it for meaningful value creation. They have implemented age-positive work practices, such as providing flexibility for older workers and recognising the value of their diverse experiences, which is reflected in the fact that almost 30% of its employees are over 50. The company's commitment to a values-driven, people-first culture includes fostering an inclusive work environment that supports the well-being and engagement of employees of all ages, demonstrating that business can be a force for good by creating a dynamic and diverse workforce. https://www.abc.net.au/listen/programs/this-working-life/longevity-workers-help-save-our-economic-future-/105656724

- **Major Australian Bank** – One of the first banks to focus on creating age inclusion for mature age workers with the aim of attracting and retaining the best talent in the market. In 2012 had 30k employees with 20% aged 50+. Participated as a Certified Corporate Champion employer in the DEEWR funded initiative. Prolonging work span became a priority to retain knowledge and experience either in permanent or flexible positions. Outcomes included: increase of 50+ working flexibly from 55-61%; active adoption of financial planning/health check initiative which help employees actively plan; average retirement age increased from 60 to 62 over the program. Bank was recognised globally with a Mature Age Workforce Award presented by the AARP – one of only 12 employers worldwide

- **Ageing Workforce Ready (AWR)** – Launched in 2021, the Ageing Workforce Ready (AWR) project pioneered collaboration between Transitioning Well, Australian Super, BusVic, and the TWU was aimed at supporting the mental health and career transitions of mature workers in Victoria's public transport sector. Engaging over 3,000 employees across eight organisations, AWR introduced the Maturity of Practice Index (MPI) to assess organisational readiness across recruitment, retention, retirement, and strategic planning. The initiative delivered tailored manager training, co-designed resources, and over 100 practical tools to foster age-inclusive practices. Early results showed improved wellbeing, enhanced leadership capability, and stronger workforce engagement. AWR was internationally recognised as a finalist in the ILC Work for Tomorrow innovation challenge. It remains a benchmark for sector-wide, evidence-based approaches to ageing workforce inclusion.

- **Australian Energy Company** – 3k employees with 58% over 45yrs in the pilot division. They wanted to pilot a new mature age workforce strategy at a regional Power Station where the tenure and age was higher than the overall workforce averages. Cultural change, age inclusive workplace, OHS risk management, knowledge retention for business continuity and business con along with best practice retention and transition where core elements of the program. Improvements in targeted succession planning; long service leave recognition; health checks; flexible work options adopted by 12% within first 6wks. Gained Certification as a Corporate Champion in 2014.

- Grey Matters is an AI-powered startup unlocking the untapped productivity potential of Australians over 45. Working alongside global academics they are turning deep behavioural, health, and financial data into actionable insights. Grey Matters helps individuals stay healthy, skilled, and connected enabling them to work longer, contribute more and build a stronger, more resilient economy.

Global Best Practices

The top 5 countries for workforce participation of 55-64yrs in 2024 were all above 75%. In this same period 2024 Australia Workforce Participation of averaged 66-67% and has only been above 65% since May 2021.

Highest is Iceland - 2024 ranged 78-80% participation for 55-64 and has been above 77.5% for 18 of the last 20 years.

New Zealand is rated #4 with 2024 stats 77-78 and above 75% since Q2 2016 – Australia is over 10% behind these outcomes.

Key Drivers for Top 10 Countries showing High Older-Worker Participation

Key drivers are a mix of cultural, social, reform and structural transformation.

- In East Asia and Iceland**,** cultural and social norms about of working later, flexible jobs, re-employment/self-employment and pension incentives after are the main engine.
- In Sweden, New Zealand, Switzerland, you see a synergy of cultural and social (high female participation) norms plus Transformational supports, including:
    - Strong Policy: Raising retirement age, pension reforms, and incentives to transition retirement.
    - Economic Necessity: In countries with limited social safety nets, older adults must work longer.
    - Health & Longevity: Increased life expectancy and better health allow longer careers.
    - Technology & Remote Work: Enables older workers to stay engaged without physical strain.
    - Flexible Labour Market and Pension Take-up
- In Nordics, Netherlands, Denmark and Estonia, deliberate policy and pension reforms reshaped behaviour.

Top worker-longevity programmes widely judged as successful during 2023-2025

1. **Japan — Act on Stabilisation of Employment of Elderly Persons & re-employment mandate (policy package)**

   What it does: requires employers to adopt one of three measures (raise retirement age, abolish mandatory retirement, or introduce re-employment) and recent amendments push employment guarantees progressively toward age 70.

   Estimated impact: large rise in 60–69 employment over two decades; 65–69 employment roughly **~25–30%** (national/OECD series show strong gains since the 1990s). Japanese Law Translationarqis.jp

2. **Singapore — SkillsFuture (national lifelong-learning movement; Mid-Career Credits & Level-Up programmes)**

   What it does: universal learning credits, big subsidies for mid-career retraining, employer engagement and sectoral skills plans.

Estimated impact: recent surge to **~520,000 participants** in SSG-supported training in 2023, with mid-career uptake up ~28% year-on-year for the enhanced credits — improves employability/retention of older/mid-career workers. SkillsFuture SingaporeHCAMag

Post budget 2025 SG also announced an Alliance for Action to explore multi-stage careers for mature workers. And in July announced pilot programmes to match companies with Fractional Talent.

3. **Netherlands — Phased AOW pension-age increases + pension reform (policy reform package)**

   What it does: raised the state pension age stepwise and linked it to life expectancy; major 2010s/2020s reforms incentivise later work and re-skilling.

   Estimated impact: quasi-experimental evaluations find **up to ~+16 percentage points** increase in employment for cohorts at ages 64–65 after the reform; clear jump in work at ages just below the new AOW. cpb.nlEurofound

4. **South Korea — Senior Employment / Senior Employment & Social Activity Support Program (SESAP)**

   What it does: publicly funded local “social jobs”, subsidies to create senior posts, internship and start-up support for older entrepreneurs.

   Estimated impact: **large scale** — ~840,000 participants (2021 SESAP data); Korea records among the OECD’s **highest 65+ employment rates (~35–37% in recent releases)** (high participation but often lower-quality/part-time jobs). PathfindersKorea Joongang DailyJSTAGE

5. **Sweden — Life-expectancy-indexed pension age + active ageing & workplace adaptations**

   What it does: links pension eligibility to longevity, promotes workplace adaptation, lifelong learning and ALMPs aimed at older workers.

   Estimated impact: employment for 65–74 roughly **doubled** over the last 20 years in official LFS releases; Sweden among top OECD performers for labour-market attachment at older ages. Statistikmyndigheten SCBReadkong