



australian  
nursing federation

Submission to the Productivity Commission  
Research Study: Implications of the ageing  
of Australia's population

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## 1. Introduction

- 1.1 The ANF is the national union for nurses in Australia with branches in each state and territory. The ANF is also the largest professional nursing organisation in Australia representing registered and enrolled nurses, assistants in nursing and personal care assistants. The ANF's core business is the industrial and professional representation of nurses and nursing in Australia.
- 1.2 The ANF's 140,000 members are employed in a wide range of enterprises in urban, rural and remote locations in the public, private and aged care sectors, including hospitals, health services, schools, universities, the armed forces, statutory authorities, local government, offshore territories and industries.
- 1.3 The ANF participates in the development of policy in nursing, nursing regulation, health, community services, veterans affairs, education, training, occupational health and safety, industrial relations, immigration and law reform.
- 1.4 The ANF represents Australian nursing internationally through links with other national and international nursing organisations, professional associations and international organisations.
- 1.5 It is our intention to discuss the implications of ageing from the perspective of nursing, nurses and health generally. The ANF supports investment in the health workforce, especially the nursing workforce. This investment is critical to improving the capacity for nurses to remain in work and for the overall well being of all Australians through better health. Nearly half the Australian health workforce is made up of nurses and they play an important role in all aspects of health care including primary health care: eg. the initial management of health issues, illness prevention strategies, health promotion activities and occupational health and safety.

## 2. Terms of Reference

### 2.1 The likely impact of an ageing population on Australia's overall productivity and economic growth.

#### 2.1.1

There is growing opinion that the ageing of the Australian population will not have as negative an effect on the Australian economy as has been predicted. Concern about decreasing workforce rates and the drain on health resources of an ageing population will not necessarily result in escalating health care costs or a crisis of labour.<sup>1</sup> Whilst it is accepted that the baby boomers cohort will change the demographics and social structure of the country, their children, generation X, have specific demographic attributes that must also be taken into account when predicting the impacts of ageing on this country. Generally they have less children, are more fiscally aware of retirement needs, have a capacity to pay taxes and save beyond that of their parents, and female participation in the workforce is increasing<sup>2</sup>. Any social costs of the ageing of the baby boomers, if they materialise, will certainly in some part be offset by the benefits of those demographic differences that the generation X cohort present. Including the impact of all generations into the ageing analysis must occur to ensure that the baby boomers will age in a society that values them and is prepared financially and consciously for the challenges their ageing will bring.

#### 2.1.2

Part of preparing for the impact of future fiscal demands is to stabilise the current economic climate in which Australians are ageing, and further to ensure that attitudes to the ageing population include valuing choices and positive action. How we, as a nation age is inextricably linked to concurrent developments in other age groups, in the economy, technology, politics, social attitudes and behaviour of society. The future is uncertain, it is not known for example how the positive and negative trends in health related behaviours will play out over time, or what the impact of developing technologies will have on the ageing process. We do know that socioeconomic advantage or disadvantage will impact on the ageing demographic and that adequacy of retirement income for many currently approaching retirement is questionable. It is not therefore wise, to depend on analysing the needs of a society by restricting that analysis to a single cohort (in this case - the aged) for effective predictions.

#### 2.1.3

In light of this it is the opinion of the ANF, that it is far wiser to plan for the proposed demographic challenges by assessing economic advantage and disadvantage on the basis of individual and family situations (need) rather than broad cohorts such as age.

## 2.2 The potential economic implications of future demographic trends for labour supply and retirement age, and the implications for unpaid work such as caring and volunteering.

### 2.2.1

Notwithstanding the approach discussed above, the ANF does recognise that planning must occur and workforce planning in particular. Nurses are an interesting example since nursing is an ageing profession with the average age of nurses being 42.2 years (47 in aged care). The ageing of the nursing workforce presents many challenges for the profession and the health care sector that could well be applied to the population in general.

### 2.2.2

There is no evidence to say that older nurses affect productivity in a physical or professional sense. Patients are still cared for adequately and competently regardless of age. Nurses despite their age are among the most willing of all professionals to seek education and upgrade their skills and knowledge. Often this is done at their own expense with no resultant remunerative reward or career advancement. But the physical demands of nursing work may affect the profession's productivity in the sense that older nurses are less likely to work beyond retirement age and that 54% of nurses work part time, reducing the capacity of the profession to keep up with health system requirements. This is exacerbated by insufficient undergraduate university places for nursing courses. Also, advances in health technology, whilst changing many aspects of how nurses provide care, have not lessened the workloads carried by nurses; in fact in many ways they have intensified the nurse's role by increasing workloads considerably.

### 2.2.3

The health care system is currently relying on the expectation that a large proportion of older nurses will work beyond the usual retiring age of 55-60 years, but in fact a major exodus of nurses from the workforce will most likely occur in the next 10-15 years unless proactive steps are taken to halt it. Clinical workloads and occupational health and safety problems, such as increasing rates of violence and aggression, back injuries and exposure to chemicals such as latex and glutaraldehyde, will actually see the majority of nurses retiring as soon as they possibly can. Nurses will be physically and mentally unable to extend their working lives despite the community need. A United Kingdom study undertaken by the University of Hull found that *many older nurses admitted to feeling worn out and cited this as a significant influence on retirement decisions.*<sup>3</sup>

### 2.2.4

In order to increase the number of nurses working beyond the usual retirement age, occupational health and safety issues, including workloads, must be addressed as a matter of workforce planning priority.

#### 2.2.5

Many nurses have left the nursing workforce for various reasons, and whilst they maintain their registration, they do not actively seek work in the health care area. It has been shown that nurses are quite willing to re-enter the workforce with adequate reeducation and assurance that workload and occupational health and safety hazards are being dealt with. Age has been no barrier to their regaining skills and acquiring new knowledge. In Victoria where mandated nurse to patient ratios were implemented as an effective and successful workload management tool, the State Government successfully recruited some 4,000 nurses back into the workforce. The government provided fully funded re-entry programs and the recruited nurses have settled in as productive workforce members.

#### 2.2.6

Nursing as a female dominated profession is affected by the fact that women are the primary unpaid carers of grandchildren, spouses and elderly parents. Encouraging nurses to remain in the workforce, if successful, will result in the need for effective replacement of this volunteer provision of care. In fact the New South Wales Nurses Association (NSWNA) members, at their 2003 delegates conference passed a resolution calling for 'crèches' for elderly parents and relatives. Careful consideration of the loss of volunteers and carers needs to be undertaken.

### 2.3 What is likely to happen to the participation rates of older people in the workforce (both in terms of involvement in paid work and choice of hours)?

#### 2.3.1

A recent Access Economics reports predicts that baby boomer retirement will see the share of adult Australians in work or wanting to work fall from today's 64% to around 55% by 2042<sup>4</sup>. A natural response to what seems a looming crisis has been to increase the legislated retirement age. But as discussed earlier, this phenomenon should not be analysed in isolation, but must be considered generally in terms of changes to other cohorts and society generally. Whilst it is agreed that lengthened participation in the workforce is desirable, and necessary in some cases such as nursing, interventions need to go far beyond changing the legislated retirement age.

#### 2.3.2

Significant inroads need to be made into the major obstacles faced by older people to remain in or re-enter the workforce. Attitudes of employers, employment policy directed at mature aged labour force participation, active labour market programs for older people, training and re-training, part-time options, self employment incentives, incentives to retain older workers, and attitudes to work among older workers themselves, are just some of the avenues that should be explored.

### 2.3.3

But just as important are initiatives to improve paid employment opportunities for people currently unemployed and underemployed, thereby improving the economical foundations of the country overall. Rehabilitation for injured workers or workers with a disability, wage assistance for Indigenous job seekers, policy to redirect the current trend towards casualisation of the workforce, and adequate superannuation savings, are just some of the issues that need to be considered concurrently in order to have a financially secure future for as many Australians as possible.

### 2.3.4

Nursing is currently undergoing many of the predicted effects of an ageing workforce, but the ageing phenomenon has also seen many positives trends. Attitudes to older nurses have changed with their labour being valued more highly and the return of older nurses to the profession has been welcomed. It could be argued that the shortage of nurses has prompted policy favourable to ageing nurses and has provided opportunities that may not have arisen otherwise.

### 2.3.5

The diminishing supply of health professionals has created many opportunities for role development and increasing scope of practice for nurses. For example the nurse practitioner role has been developed in some states to provide health care services in areas where health care provision is limited by medical workforce shortages, such as rural communities, or where the need for delivery reform has been identified, such as emergency departments, and mental health. It could follow that job definitions will change across labour markets generally as necessity forces invention, creating more efficient methods of employment.

### 2.3.6

Increased scope of practice, further opportunities for role development and career promotion, financial support for further education and fiscal recognition for gaining further qualifications, have all been identified as important factors in enhancing work satisfaction and may well have an impact on nurses' decisions to remain in the workforce longer. Recognition by employers that these are important factors in recruiting and retaining nurses has seen their implementation through enterprise bargaining in some states across various sectors of the public and private health sectors with long term outcomes yet to be seen.

## 2.4 The potential fiscal impact of the above factors on Commonwealth, State and Territory and to the extent practicable, local governments

### 2.4.1

Incentives for nurses to remain in the workforce have been touched upon, such as workloads and other occupational health and safety issues, job satisfaction, and their ability to fulfill carer roles, but being a female workforce brings with it other issues that will impact upon nurses' retirement and the adequacy of their retirement incomes, reducing dependence on the social security system. These issues are discussed at length in the ANF's submission to the Australian Demographics Taskforce - Australia's Demographic Challenges, Section 4 - A more flexible and adaptable retirement income system (available from [www.anf.org.au](http://www.anf.org.au) - under 'reports').

### 2.4.2

The ANF does not advocate for the Australian Government to forgo its responsibility to supporting aged Australians. The income support system should not be viewed as charity but should reflect the rights of citizens to support when they are unable to support themselves irrespective of the reasons. It is the responsibility of the Australian Government, on behalf of the Australian community, to provide this support. A wide range of services and good economic and social infrastructure will be needed to retain the health of aged Australians.

### 2.4.3

Increasing longevity is a trend that is likely to continue with improved access to technological advances in health care. Its effects do not have to be fiscally burdensome. We have some decades to prepare for the ageing of baby boomers and the fiscal impacts predicted for health and aged care, are not as clear-cut, nor as inevitable as many have forecast. Now is the time for true health reform. Australia's health system is predominantly a reactive one. Our primary health care sector is in crisis, and the acute sector equally so. The status quo cannot remain for many reasons other than (and including) the ageing of the population.

### 2.4.4

Maintaining the health of older (and all) Australians will require a well functioning, seamless approach to health care with a strong, highly skilled, primary health care sector, focusing on community support, effective monitoring and assessment, timely intervention, and quality end of life support. The evidence that ageing will cause a blow out to age care costs is disputable at present<sup>5</sup>, but the ANF asserts that health care costs can be contained by effective health reform with the first step being the establishment of a health reform council at a federal level.

### 3. Conclusion

- 3.1 The challenge for Australia as its population ages is to make the extra years healthy years of life, reducing the risks of morbidity and ensuring that the demographic change is seen as a transition not a crisis, with opportunities as well as challenges. Investment in an ageing nursing workforce is a case in point and may well provide answers and direction for the population at large. A robust health workforce is essential for a healthy Australia and for a strong ageing population.



## References

1. See Richardson J., Submission to the enquiry into the Implications of the Ageing of Australia's Population, Centre for Health Economics Monash University, 2004 *and* Kendig, H., Task Force Report The ageing of Australian Society: Economic Fiscal and Societal Implications, Proceedings: Future Summit Australia, 2004
2. Richardson J. op cit
3. Watson R., Manthorpe J. and Andrews J., Nurses over 50: options, decisions and outcomes <http://www.jrf.org.uk/knowledge/findings/socialpolicy/783.asp>
4. Access Economics, Intergenerational modeling for Australian Families; Report for ASFA, April 2004
5. Healy J., Health and health costs in old age Health Issues Spring edition pp 9 -13 2004 and Richardson J. op cit