

# EEO TRUST

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## Ageing workforce

- In 2006, 1 in 8 people were aged 65 or older.
- The median age of all New Zealanders is 35.9. This is projected to increase to 42 by 2014.<sup>1</sup> With half the workforce expected to be over 40, it will be essential to maximise the potential of an ageing workforce.
- 23% of workers will choose not to retire at age 65.<sup>2</sup>
- Results from the 2006 EEO Trust Work & Age survey found that 31% of respondents had experienced age discrimination at work.<sup>3</sup>
- The ageing workforce is not yet considered to be a serious business issue by more than half of organisations surveyed by Hudson.<sup>4</sup> However, between 2011 and 2051 the number of 15 to 24 year-olds in the workforce will fall 25% and the number of 45 to 64 year-olds will rise 19%. The number of workers over 65 will double.
- Research indicates that planning capacities and verbal abilities peak in the 50's and 60's age bracket, and selective abilities decline only in the 70's age range, which goes some way to debunking age stereotypes.<sup>5</sup>

## Best practice

### Auckland University of Technology (AUT) retirement strategy

AUT has developed a retirement strategy policy to aid employees with their transition from full-time employment to retirement. The policy includes a number of optional initiatives that allow staff to manage their retirement planning, including:

- A 4 for 5 scheme which allows staff to work for 4 years at 80 per cent of their salary, followed by a year off, also on 80% of their salary. Staff are able to return to work at the end of this period if they wish.

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<sup>1</sup> Refer to Statistics National Labour Force Projections, 2001 (base) – 2051 update

<sup>2</sup> Ibid.

<sup>3</sup> EEO Trust. (2006). *Work & Age Survey Report 2006*.

<sup>4</sup> The Hudson Report. *Employment and HR trends: New Zealand, July- December 2004. Part 2: New Zealand Ageing Population – Implications for Employers*.

<sup>5</sup> Refer to the Drake whitepaper, *The Age chasm: successfully managing age in your organisation*.

- The 'temps on campus' scheme which encourages retired staff to return to work as temps. This aids the transition for both employee and employer, and helps AUT with forward planning, increased retention of skilled staff and transferral of institutional knowledge.

### **O-I New Zealand retirement policy**

O-I New Zealand is an Auckland based glass manufacturer. With more than 30 per cent of employees aged over 50, O-I developed an early retirement policy for those who wished to voluntarily retire or retire on the grounds of ill health. Options include retirement seminars and transition programmes whereby older workers act as mentors for newer staff during their transition to retirement.

This has enabled institutional knowledge to be passed on systematically and has helped smooth the anticipated dramatic change in the composition and skills base of the workforce.

### **What do you know about ageing in your workforce?**

Eg

- demographic profile of workforce – age
- how many of your senior management team are likely to retire in the next 5-10 years
- policies/plans to retain older staff eg. flexible work options, phased retirement.
- recruitment practices surrounding older employees
- services offered to aid employees eg. seminars on saving for retirement