

## THE COST OF AGEING EMPLOYEES

Australia's ageing workforce is emerging as a significant risk for employers. At the recent BJS Workers' Compensation Breakfast Seminar, the risks associated with an ageing workforce were identified along with employers' ongoing OH&S obligations. The workability model was raised as an approach to monitor and assess the risk in this space. Employers' obligations and expectations at law were outlined and advice relating to how to have the difficult discussions relating to diminishing capacity and transition with employees was provided.

The key points from the five presentations are provided below:

### Ageing Workforce & Workers' Compensation

Simon identified the increasing risk associated with an increase in the number of people over 55 remaining in the workforce.

Recent data shows us that the Ageing Workforce:

1. Are having increasing numbers of claims
2. Suffer higher incidence of stress and strain related injuries
3. On average take longer to recover from injury
4. Have more complex claims

From a physical perspective our bodies alter as we age:

1. We lose strength
2. Cartilage deteriorates
3. Our vision and hearing deteriorate
4. Our reaction time diminishes

Employers need to act now to address the risk associated with an Ageing Workforce. Failing to act exposes the business to the risk of significant injury and claims related expenses and substantial increases in premium.

Chandler Macleod have identified the need for Multifaceted and Integrated strategies:

1. Workforce and Succession planning
2. Skills auditing
3. Identification of transferable skills
4. Knowledge retention
5. Culture & leadership development



**Simon Booth**  
**AEGIS Risk Management Services**  
*Manager | Workers' Compensation*

### Ageing Workforce & OHS Obligations

Manjula identified that it is a significant increase in workers aged 45+ is projected over the next 40 years.

The risks associated with an ageing workforce makes it acutely important for Employers to comply with **Section 21** of the Victorian OH&S Act (2004) and provide a working environment that is without risks to health. Furthermore, given the general deterioration of physical and cognitive ability as we age, an Employer's obligation under **Section 22** to monitor the health of employees becomes extremely important.

Given the increased risk to both physical and mental injury for this increasing population, Employers need to ensure they understand their obligations under relevant safety legislations and have strategies in place to effectively manage and mitigate the risk associated with an ageing workforce.



**Manjula Chinni**  
**Xchanging**  
*Occupational Health & Safety  
(OHS) Advisor*

## Ageing Workforce & Fitness for Duty

Andrew focussed on the legal implications associated with the management of an ageing workforce.

Section 22 of the OH&S Act 2004 provides an obligation for Employers to not only monitor the health of employees but to effectively manage situations where it is identified that a worker cannot safely perform the role for which they have been employed.

A fair and reasonable "Fitness for Duty" policy is essential. This should outline both the process and expectations when it is identified that a worker may not be able to safely perform their role, including obligations to attend any medical assessments as directed.

Assessing and where possible making reasonable adjustments relating to the role is essential and termination of employment should only be considered once these avenues have been exhausted.

Though we know that in general people's capacity deteriorates as they age, it is important to review each case on its own merits and make clear decisions relating to an individual's ability to perform the inherent requirements of the role. Acting solely on your perception or biases towards an individual or the ageing population in general will most likely end in an adverse outcome at Fair Work.



**Andrew Douglas**  
**Macpherson Kelley**  
Director | Workplace Relations

## Ageing Workforce – The Human Maintenance Schedule

Paul Marsh spoke about the importance of measuring the capacity of your ageing workforce and what you as employers can do to assist.

Specifically employers learnt:

- Despite the challenges the ageing workforce can be a golden opportunity for employers
- That you need to have the Inherent Requirements of the Job documented so you can correctly assess an ill or injured worker against it
- That is good business practice to understand the physical and psychological capacity of your workforce irrespective of the causation of the illness or injury
- The Workability model and the Workability index are fantastic tools for employers to use in understanding your Ageing workforce and how to best manage it
- How the above assist employers to meet their OHS obligations specifically around S22 of the VIC OHS Act and the duty of employers to monitor the health of their staff.



**Paul Marsh**  
**P2 Group**  
Joint CEO

## Ageing Workforce & Transition Management

How to manage an ageing workforce and transition management:

1. Start early and plan ahead!
2. Look at ways to maximise the value in your ageing workforce – IP transition, mentoring, flexible work conditions may be beneficial to employer and employee
3. Have all your facts – role and work requirements (PD's and / or duties manuals) compared with individual physical / medical assessment and ongoing business requirements
4. When you communicate, don't be vague or make half promises you won't be able to keep!
5. If you are making roles redundant or terminating based on physical requirements then you need to go through a fair and transparent consultation process, including **'reasonable attempts to identify an equivalent alternative role'**.
6. Look to engage with your workers, many may self-select improving work conditioning, changing roles or taking up flexible work conditions – win, win!



**Annabel Rees**  
**Businessary**  
Managing Director

The slides from the BJS Workers' Compensation Breakfast Seminar  
can be accessed [here...](#)

**Andrew Douglas Booklet on How to Handle Serious Injuries in the Workplace  
can be accessed [here...](#)**

**Paul Marsh spoke about the Work Ability Index,  
which can be accessed here:  
<http://www.arbeitsfaehigkeit.uni-wuppertal.de/index.php?wai-online-en>**

**Chandler Macleod – Coming of Age  
can be accessed [here...](#)**

**OH&S and the Ageing Workforce  
can be accessed [here...](#)**

