

MEDIA RELEASE

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Liquid Assets Waiting Period for JobSeeker payments must be abolished to save many tens of thousands from falling into poverty

Preventing many tens of thousands of newly unemployed older Australians from falling into poverty by abolishing the Liquid Assets Waiting Period (LAWP) must be amongst the top of mind priorities for the Government, says Council on the Ageing (COTA) Australia, as the newly resumed Parliament plots the nation's social and economic recovery from the COVID-19 crisis.

Mature age workers who have lost their jobs during the pandemic are in a precarious position, as endemic ageist discrimination in hiring practices will prevent many from finding employment as the economy begins to recover. The temporary removal of the LAWP from JobSeeker applications was a welcome initiative of the Government and must be made a permanent solution that prevents the mature age unemployed losing an often significant portion of their retirement savings before qualifying for income support.

COTA Chief Executive, Ian Yates, says the Australian Government must work with employer and consumer groups to reduce the devastating costs of age discrimination, which will hit both local communities and the Federal Budget particularly hard in the aftermath of COVID -19.

"Despite the best efforts of Government, older Australians face unique barriers to employment that remain deeply entrenched in our society and workforce," said Mr Yates. "Historically workers in their 50s and 60s are more likely to be made redundant and targeted with "voluntary separation" packages. We have also seen past examples of older workers being unable to re-join the workforce after global economic downturns, as we expect to see in coming months as the economy recovers from COVID-19."

Prior to COVID-19, according to the Australian Bureau of Statistics Labour Force Survey, the official median time searching for work for someone aged 55-64 who has been unemployed more than a year was 166 weeks (or just over 3 years).

"In reality its longer because many have stopped trying to find a job and are no longer counted as unemployed", said Mr Yates.

"Age discrimination barriers are often insurmountable and force mature age Australians to suffer significantly, whilst waiting to be eligible for the Age Pension," says Mr Yates.

"This forced early retirement will have a devastating impact on older Australians, draining precious retirement savings built up over many years and reducing their quality of life as they age."

The [final report](#) of the Parliamentary Inquiry into the Adequacy of Newstart, released last month, recommended a review of the LAWP and its impact on retirement savings.

"No person should be forced deeper into poverty while seeking a job and needing government assistance for them and their loved ones while they search" says Mr Yates. "This crisis is unlike any in our lifetime and has left many tens of thousands of older Australians, through no fault of their own, without a long-term income."

"Many will never work again without an urgent strategy to tackle ageism in our workforce. Mature age workers have a lot to offer and can help the country rebuild to be stronger and more equitable than ever before.

"In the meantime, government must not strip them of their assets while they seek new opportunities, so it must abolish the LAWP, at least for people 50 and over."

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COTA Australia is the peak policy development, advocacy and representation organisation for older Australians, representing COTAs in every State and Territory and through them over 500,000 older Australians.