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## **IPA RESEARCH: AUSTRALIA'S WORKER SHORTAGE SEES \$32 BILLION IN WAGES LOST**

"Australia is in the middle of an unprecedented worker shortage, and any Australian, particularly pensioners, who want to work, should not face barriers to getting a job," said Daniel Wild, Deputy Executive Director of the Institute of Public Affairs.

New research from the IPA shows Australia's total worker shortage see \$32 billion in wages forgone each year, it also represents \$6.8 billion in forgone income tax revenue for the federal government annually.

Research by the IPA has identified that the current worker shortage across Australia is unprecedented:

- There are close to half a million job vacancies (461,000) across Australia.
- Total job vacancies have increased by a staggering 270% since the start of the COVID-19 pandemic in 2020.
- More than 25% businesses across Australia (approximately 600,000 businesses) have reported experiencing labour shortages.

The analysis also identified the sectors hardest hit by the worker shortage crisis:

- Health care (70,000 worker shortage)
- Accommodation and food services (52,000 worker shortage)
- Professional, Scientific, and technical services (43,000 worker shortage)

Australia's worker shortage is being exacerbated by current pension rules, which sees recipients lose half of every dollar of their pension for every dollar they earn above \$480 a fortnight in additional income.

The IPA research is released on the back of the Private Members Bill, *Social Services Legislation Amendment (Enhancing Pensioner and Veteran Workforce Participation) Bill 2022*, tabled by Senator Dean Smith yesterday.

"We need to address the worker shortage facing the nation and Senator Smith's Private Members Bill is a positive and practical step in the right direction," Mr Wild said.

"Senator Smith's initiative will get more Australians into work, grow the economy, increase business investment and deliver more revenue to governments."

"Getting more pensioners into work means higher wages, more spending, a bigger economy, and more tax revenue which can be invested in schools, roads, and hospitals," Mr Wild said.

"This is a no regrets policy. There is no downside – Australian businesses will be alleviated of the crippling worker shortages – it's good for pensioners and it's good for Australia."

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