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## INTERGENERATIONAL REPORT MAKES CLEAR URGENT REFORM NEEDED TO GET AUSTRALIANS INTO WORK

“With Australians aged over 65 set to double in 40 years, today’s Intergenerational Report highlights the need to remove unfair tax and red tape barriers stopping Australian pensioners, veterans, and students who want to work,” said Saxon Davidson, Research Fellow at the Institute of Public Affairs.

The latest Intergenerational Report, released by the federal government today, shows the number of Australians aged 65 and older is projected to double in 40 years. Locking this cohort out of employment through tax and red tape barriers places an immense burden on future generations.

“Australians have been aware of our ageing population for a considerable period, yet governments of all political stripes have failed to undertake serious and permanent reforms to remove the barriers preventing those who want to work from getting work,” said Mr Davidson.

“Instead of getting Australians into work, the federal government has taken the lazy and short-sighted approach of committing Australia to a record migration and international student intake over the coming period, which will put further strain on housing and failing infrastructure.”

**Currently, a pensioner or veteran who works just one and a half days a week loses up to 69 cents on the dollar through a reduction in entitlements and income tax. This is why just 3 per cent of pensioners in Australia work, compared with 25 per cent in New Zealand where pensioners are not punished for working. Similarly, students on the Youth Allowance face a reduction of 79 cents on the dollar should they work.**

“It is self-evident that following New Zealand’s lead and removing all tax and red tape barriers on pensioners, veterans, and students who want to work, will go a long way to helping alleviate the crippling dependency ratio which Australia faces over the coming years,” said Mr Davidson.

“The data in the Intergenerational Report makes clear that extending, and making permanent, the temporary changes to the work bonus scheme is a necessary first step that will allow the growing cohort of Australian pensioners, veterans, and students to enter work.”

According to the Australian Bureau of Statistics, there are still over 431,000 job vacancies across the nation, more than triple the pre-Covid level, and almost a quarter of Australian businesses cannot find the workers they need. Leading surveys have shown that 20 per cent of pensioners want to re-enter the workforce but have not due to the unfair financial penalties of doing so.

“Rather than easing the tax and red tape burden on Australians, the federal government has opted to increase the migration intake to 1.7 million between now and 2028, which IPA research has found would result in a housing shortage of over 252,000 homes,” said Mr Davidson.

Analysis by the IPA has found Australia’s worker shortage crisis is costing Australians \$32 billion in foregone wages and the Federal Government \$7 billion in foregone income tax revenue.

“Helping more pensioners, veterans, and students into work is a no-regrets policy that increases employment and leads to higher tax revenue which in turn can be re-invested into schools, roads, and hospitals to benefit all Australians,” said Mr Davidson.

To download the IPA’s worker shortage research [click here](#).

To download the IPA’s research into Australia’s housing shortage [click here](#).

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