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## REGIONAL AUSTRALIA HARDEST HIT BY WORKER SHORTAGE CRISIS

“Australia's unprecedented worker shortage crisis is a handbrake on vital economic growth, with communities in regional Western Australia and regional Queensland most heavily impacted,” said Saxon Davidson, Research Fellow at the Institute of Public Affairs.

The IPA has today released a geographic analysis of worker shortages across Australia, measuring the severity of worker shortages across 35 geographic zones. The report finds:

- **Four of the five geographic zones most severely impacted by worker shortages are in regional Western Australia and Queensland.**
- **Removing red tape and tax barriers preventing pensioners, veterans, and students who want to work from entering the workforce would potentially decrease job vacancies by at least 62 per cent in each geographic zone across the country.**
- **The federal government's paltry pension work bonus reform, introduced in December 2022, has failed, with job vacancies declining by only three per cent, and the number of pensioners in the workforce has increasing by only 0.1 per cent since implementation.**

“Critical industries across regional Australia are being hit the hardest by Australia's unprecedented worker shortage, yet our city-based political leaders continue to act as if the problem does not exist,” said Mr Davidson.

“It is beyond time that the federal government finally removed all tax and red tape barriers currently preventing pensioners, veterans, and students from working. This would create more jobs and more government revenue without placing further pressure on social and economic infrastructure.”

The research follows the release last month of the Intergenerational Report, which found the number of Australians aged 65 and older will double over the next 40 years.

“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.

“Work is a source of dignity and social connection, and it is fundamentally wrong that a pensioner or veteran who wants to work more than just one and a half days a week stands to lose up to 69 cents in the dollar on income earned.”

“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.

Previous IPA analysis has also established that the worker shortage crisis is costing Australians \$32 billion in foregone wages, and the federal government \$7 billion in lost income tax revenue.

“This is revenue that could be invested in roads, schools, and hospitals, or be used to help pay off our spiralling national debt to the benefit of all Australians,” said Mr Davidson.

“Instead taking the lazy 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, the federal government should be focused on getting more Australians into work.”

To download the IPA's research [click here](#).

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