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WORK TRANSITION BILL ANOTHER MISSED OPPORTUNITY FOR PENSIONERS, VETERANS AND STUDENTS

"Pension reforms introduced to federal parliament today lack ambition and will still see pensioners, veterans, and students face unfair tax and red tape disincentives to work," said Saxon Davidson, Research Fellow at the Institute of Public Affairs.

Today, the federal government introduced the *Social Security and Other Legislation Amendment (Supporting the Transition to Work) Bill 2023*, which makes permanent the pension and veteran work bonus limit changes passed late last year, but does not go far enough.

"The Bill released today is just more tinkering around the edges of a broken and unfair system which locks pensioners, veterans, and students out of work," said Mr Davidson.

Although the Bill will enable age pensioners and veterans to earn an extra \$4,000 per year, which is welcome, they will still lose up to 69 cents on the dollar when they earn over just \$226 per week, and there is no relief for students.

"This is why only three per cent of pensioners in Australia are in work, despite the fact that leading surveys show some 20 per cent want to work, but do not, because of government tax and red tape barriers," said Mr Davidson.

"This Bill is an opportunity for the Senate to overhaul the legislation and, once and for all, remove the tax and red tape barriers preventing pensioners, veterans and students from getting into work."

"Australia should be following the New Zealand model where pensioners and veterans do not lose any of their welfare payments should they chose to work, which is why over a quarter of them participate in the labour force."

In Australia today, there are close to 400,000 job vacancies across the economy, which is 80 per cent higher than pre-Covid, and a fifth of all businesses cannot find the workers they need.

"Recent IPA research established that it is regional Australia which is most severely impacted by worker shortages, with four out of the five regions most impacted by worker shortages being in regional Western Australian and Queensland," said Mr Davidson.

"Unfortunately, the federal government remains committed to its lazy, short-sighted, and unsustainable mass migration program rather than pursuing serious, but simple, reforms to get more Australians into work without adding pressure to housing shortages."

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

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