



22 February 2022

Hon Josh Frydenberg MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer,

Mature aged workers and labour shortages

The AHA supports the submission of the National Seniors in regards to mature aged workers and labour shortages. The AHA agrees with the proposal of National Seniors that “employment income be exempted from the Age Pension means test to boost work force participation and help meet the nation’s critical labour shortages.” The current shortfalls are:

- 310,000 visa workers lost throughout the pandemic
- Of 300,000 international students, we are still around 270,000 down.
- Loss of hospitality workers to other sectors due to the volatility of lockdowns and trading restrictions in hospitality

This shortfall could be reduced by:

- Permitting pensioners with limited wealth to work without penalty by exempting employment income from the Age Pension income test.
- The exemption could be targeted by using the assets test to limit eligibility.
- The policy could be applied to the whole economy or targeted at sectors with critical labour shortages, in particular hospitality

The benefits include:

- Addresses critical workforce shortages by encouraging pensioners to remain in the workforce, re-join the workforce or work more hours.
- Increases income for low-wealth pensioners, especially women.
- Increases superannuation balances for low-wealth pensioners, especially women.
- Improves health and wellbeing through ongoing workforce engagement.
- Removes the need for regular reporting of employment income to Centrelink.

Your faithfully,

STEPHEN FERGUSON
AHA NATIONAL CEO