



## **Social Services and Other Legislation Amendment (Workforce Incentive) Bill 2022**

Clubs Australia (CA) welcomes the opportunity to comment on the Social Services and Other Legislation Amendment (Workforce Incentive) Bill 2022 (the Bill).

CA represents over 6,440 not-for-profit licensed clubs throughout Australia which employ 130,000 people.

### **In summary, CA**

- **welcomes the Bill, as the measures will encourage and support higher workforce participation in clubs by reducing disincentives for age pension, disability support pension and veterans' entitlement recipients to work**
- **recommends that the Government permanently retain the \$4,000 increase to the work bonus concession balance.**

### **Workforce Shortages**

Workforce shortages are an ongoing challenge for the club industry and have been exacerbated by the pandemic.

COVID-19 damaged the image of clubs as a secure place to work, with hospitality businesses commonly being the first to get shut down and last to reopen. A recent survey of 187 NSW clubs found that 60 per cent of clubs had observed their staff leave hospitality for industries who had more stability during COVID-19.

There has been a **252.4 per cent increase** in job vacancies in the hospitality industry compared to before COVID-19<sup>1</sup> and a **184.4 per cent increase** in online job advertisements for hospitality workers (**11,800 positions**).

Clubs have been unable to operate at full capacity due to workforce shortages, with many clubs reducing trading hours or dining capacity.

### **Encouraging older Australians to remain in the workforce**

Australia's population is ageing. As of 30 June 2020, **16 per cent** of the Australian population (4.2 million people) were aged 65 years and over, which is estimated to increase to **23.1 per cent** by 2066.<sup>2</sup>

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<sup>1</sup> Australian Bureau of Statistics (2022), Job Vacancies, Australia



More than 27 per cent of club employees across Australia are aged 45 or over. Regional clubs are more reliant on older Australian workers, with 33 per cent of regional employees aged 45 or over.<sup>3</sup>

The one-off additional income credit of \$4000 will encourage higher workforce participation for older Australians but will only be accessible until 30 June 2023. Whilst this measure has been announced as an immediate action to build a larger and more productive workforce, CA considers a permanent increase to the work bonus concession balance will incentivise pensioners to take up work or increase the number of hours they may already work. Permanently increasing the balance will also provide clubs with a better opportunity to retain staff who are approaching retirement and interested in remaining in the workforce.

CA is committed to continue working Government, especially in light on recent outcomes of the Jobs and Skills Summit, to identify areas of opportunity in the labour market and develop policies to increase long-term workforce participation, especially by those who face barriers.

Clubs Australia appreciates the opportunity to provide a submission. For further information please contact Simon Sawday, Executive Manager of Policy and Government, on \_\_\_\_\_ or \_\_\_\_\_.

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<sup>2</sup> Australian Institute of Health and Welfare (2021), Older Australians Demographic Profile

<sup>3</sup> Club Census 2015, KPMG, August 2016.