

# HANCOCK PROSPECTING PTY LTD

ABN 69 008 676 417

HPPL House  
28-42 Ventnor Avenue  
West Perth 6005  
PO Locked Bag No 2  
West Perth 6872  
Western Australia

Telephone: (08) 9429 8222  
International: +618 9429 8222  
Facsimile: (08) 9429 8266  
mail@hancockprospecting.com.au

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Committee Secretary  
Senate Standing Committee on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary,

Thank you for the opportunity to provide a submission with feedback on the *Social Services Legislation Amendment (Enhancing Pensioner and Veteran workforce Participation) Bill 2022*.

## About Hancock

Hancock Prospecting Pty Ltd (HPPL) is an independent, privately owned Australian company that has a proud history with the Pilbara and the iron ore sector, and is one of the longest continuous owners of cattle stations in Australia.

Under the leadership of Executive Chairman Mrs Gina Rinehart AO, HPPL (including its majority ownership in Roy Hill) has become the most successful private company in Australia and one of the most successful private mining companies in the world. HPPL is today a diversified company group with interests in iron ore, gas, gold, beef, and dairy, as well as continuing mineral exploration and development.

## Addressing the current worker shortage should be a top priority of government

Like many businesses across Australia, HPPL and its subsidiary companies and joint ventures are dealing with issues caused by acute worker and skill shortages. According to the Australian Bureau of Statistics, there are almost 500,000 job vacancies nation-wide, the highest number on record.<sup>1</sup>

Of course, even this doesn't reveal the whole picture where businesses are struggling with worker shortages, there's also the knock-on effect from other businesses short of staff, be that for supplies, maintenance, etc, affecting businesses, and further, the added overall difficulty of employees who need to be absent for Covid and Covid contact.

Federal and state governments should be addressing these worker shortages immediately to relieve the pressure on businesses and supply, and in turn on vulnerable Australians, pensioners and vets, struggling to deal with the increasing costs of living. This would increase reliability and capacity throughout the economy, reducing supply-side inflationary pressures, and give some of the most vulnerable Australians, pensioners and veterans with limited savings, the ability to work and improve their lives to better deal with rising living costs.

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<sup>1</sup> Australian Bureau of Statistics, "Job vacancies, Australia, May 2022," June 2022, <https://www.abs.gov.au/statistics/labour/jobs/job-vacancies-australia/may-2022>.

The *Social Services Legislation Amendment (Enhancing Pensioner and Veteran workforce Participation) Bill 2022* would assist by increasing the Work Bonus and giving pensioners and veterans who wish to work greater opportunity to do so, however it does not go far enough, given the onerous paperwork burden on the vets and pensioners wanting to work would remain in place.

HPPL and its Executive Chairman, Mrs Gina Rinehart AO, have publicly backed the campaign to let pensioners and veterans work if they choose to for some time. As Mrs Rinehart told *The West Australian* in November 2021: “Hancock recognises the shortage of staff Australia-wide disrupts many projects and delays supplies. We are a supporter of the government changing its policy where pension arrangements are concerned, so that pensioners can work should they so choose, without onerous tax resulting from their decision to work.”

Increasing the Work Bonus without limit, would be a win-win-win-win policy.

It will be good for pensioners and veterans, giving them more freedom and opportunity, allowing them work without onerous paperwork, and not be punished for choosing to work.

It will be good for businesses who can fill vacancies, increase their productive capacity, and make use of the experience and knowledge of older workers who might otherwise stop working.

It will be good for the economy as it will increase economic activity and both the supply of and demand for goods and services.

And it will be good for state and federal budgets, increasing income tax, payroll tax, and GST receipts.

### **Increase the Work Bonus without limit without delay**

HPPL supports an immediate increase in the Work Bonus, without limit. The government should go further than the increase outlined in the *Social Services Legislation Amendment (Enhancing Pensioner and Veteran workforce Participation) Bill 2022*.

There should be two components to such reform:

1. Providing pensioners and veterans an unlimited opportunity to work.
2. Removing Centrelink reporting requirements for pensioners and veterans.

The current extraordinarily high effective marginal tax rate faced by pensioners and veterans who have limited savings and choose to work should be immediately reduced. But so too should the requirement for pensioners and veterans to file fortnightly reports with Centrelink. Put simply, the government should cut Centrelink red tape, not pensions and vets!