

As we grapple with the ongoing health and economic crises, we must ensure everyone is supported to cover the basics. More people than ever will be struggling to find paid work. We cannot turn back to the brutality of people struggling to survive on \$40 a day.

It is critical we have a permanent and adequate increase to the rate of JobSeeker, Youth Allowance and other income support payments.

Who is receiving the Jobseeker payment

- More than 1.6 million people are now receiving the JobSeeker Payment (May 2020)
- 824,000 people have lost their jobs due to COVID-19 during April and May, 2020¹
- Government modelling shows that over 2 million people are expected to be without paid work by September 2020

Prior to COVID-19, people receiving JobSeeker payment (then called Newstart) were as follows:

- One in ten were single parents. 95% of these single parents were women.
- 43% had a disability or illness that prevented them from working full time (and were ineligible for the Disability Support Pension).
- 50% were over 45 years of age, with 54% of these group being women.²

People were struggling to survive on the old rate of Jobseeker and Youth Allowance

In 2019, [ACOSS' survey](#) of almost 500 people trying to get by on the old rate of Newstart of \$40 a day found:³

- 84% skipped meals to save money.
- 66% did not use heating in winter.
- More than half had less than \$100 left per week after housing costs.

[ACOSS' survey](#) of almost 900 young people in 2019 revealed that they were struggling to get by on the old rate of Youth Allowance (\$32.50 a day):⁴

- Over 60% had less than \$14 a day left after paying their rent.
- Over half couch-surfed or used other unstable forms of accommodation.
- More than 9 in 10 skipped meals.
- More than 1 in 3 had withdrawn from their studies because of a lack of funds.

¹ [Australian Bureau of Statistics](#), 2020

² Senate Estimates, Q.no. SQ18-000162

³ ACOSS, 2019, ["I regularly don't eat at all": Trying to get by on Newstart](#)

⁴ ACOSS, 2019, [Starved of Opportunity](#)

[Anglicare's Rental Affordability Snapshot](#) shows:⁵

- Based on the old Newstart rate, just 9 rentals out of 69,997 (<1%) would be affordable for people receiving JobSeeker in major cities.
- Based on the old Newstart rate, not a single rental would be affordable for people Sydney, Melbourne, Adelaide, Darwin, or Canberra.
- Based on the new JobSeeker rate (including Coronavirus Supplement) only 1.5% of rentals would be affordable for single people with no children.

The new Jobseeker rate is transforming people's lives

In April 2020, [ACOSS surveyed 955 people receiving the Jobseeker payment](#):⁶

- 92.8% said they were able to afford fresh fruit and vegetables.
- 75.1% said they were able to pay their bills.
- 69.2% said they were now able to pay for essential medical and health treatments.
- 93.5% said the removal of the supplement would have a significant or extreme impact on their ability to cover the cost of essentials.

"Since the Coronavirus Supplement, I feel I have some dignity again. I am extremely anxious about the future when the supplement stops" – Survey Respondent receiving the Coronavirus Supplement.

The new Jobseeker rate is also supporting the economy

We know that higher rate of JobSeeker Payment is supporting our economy.

- 70 cents in every dollar of supplementary payment received by working age people is being spent, with these households spending more than usual.⁷
- JobSeeker boosted essential spending from 87% of normal levels on 20 April to 99% on 27 April (when the Coronavirus Supplement started to be paid). Spending has bounced between 95-99% since, with it now sitting at 100% on 21 June.⁸
- AlphaBeta research found that the Coronavirus Supplement and early access to super have helped boost spending to just 4% under pre-COVID levels.⁹

We must permanently increase JobSeeker Payment and Youth Allowance

We cannot go back to \$40 a day. People receiving the old Newstart rate could not pay their bills, afford food, cover the cost of children or their medical expenses. The old rate left people living in poverty. We must Raise the Rate of JobSeeker, Youth Allowance and other income support payments for good so that people can cover the basics.

⁵ Anglicare Australia, 2020, [Rental Affordability Snapshot National Report: April 2020](#)

⁶ ACOSS, 2020, ["I can finally eat fresh fruit and vegetables"](#)

⁷ ABS 4940.0 – Households Impacts of COVID-19 Survey, 14-17 April 2020, & ABC, 2020, Australia 100 days out from economic cliff coronavirus supports

⁸ [Alpha Beta illion consumer spending tracker](#)

⁹ AlphaBeta (2020) <https://www.alphabeta.com/our-news/alphabeta-partners-with-illion-to-track-the-economic-impact-of-covid19/>