



Briefing on Poverty, Unemployment & Covid-19, 7/8/20

In 2019, Anti-Poverty Week called for an increase in unemployment payments as the single most effective action to reduce poverty in Australia. We invited the Raise the Rate campaign led by ACOSS to be a focus for Anti-Poverty Week from 13-19 October 2019. Many diverse voices in our community agreed that increasing unemployment payments was both the right and smart thing to do¹. We welcome the Federal Government effectively doubling payments in response to the COVID-19 pandemic and are concerned at plans to cut this support by \$300 per fortnight in late September. Anti-Poverty Week believes we can never take unemployment payments back to \$40 a day if we want to build a healthy and prosperous nation for all.

1) Number and characteristics of those affected by unemployment:

Before Covid-19 and bushfires – around 810,000 Australians and at least 300,000 children were receiving Newstart and associated unemployment payments. [DSS Demographics](#), December 2019, released on 21/4/20 shows for Newstart payments:

- more than two-thirds of people receiving payments had done so for at least a year
 - 2 in 5 had some form of disability which meant they only had a partial capacity to work
 - half were aged over 45 years and nearly 200,000 were aged over 55 years
 - 17% had earnings from work.
- More than 1 million Australians who had wages as main source of income were living in poverty in 2018.² See also [APW Fast Fact: Poverty and Work](#) (2019 data) and recent article by [Jeff Sparrow in The Guardian](#).
 - **Young people experienced a decline in income** from the 2008 GFC as revealed by new Productivity Commission analysis of trends in young people's incomes from 2001 to 2018 and drivers behind the decline.³
 - In 2019 Anti-Poverty Week St Vincent de Paul Society ACT hosted a Raise the Rate breakfast with CEOs who participated in their CEO Sleepout in June at the Canberra airport.⁴ At that event, employers heard from 'David', a 49-year-old former public servant who had resigned from his job to care for his elderly mother after she fell while living at home alone. After she passed away, he needed to sell the family home and look for work. During that time he relied on Newstart and for three months he slept in his car through the cold 2018 winter while job searching. By October 2019 he had found accommodation but was competing with up to 48 other suitable candidates for the jobs he was being shortlisted to interview for.

Since the bushfires and COVID-19

- On 23 July the Government stated: “*The most significant economic impact of the crisis has been on jobs, particularly for women and young people, though there was some improvement in June. This is consistent with the employment composition of the industries that have been most affected by the restrictions, such as accommodation and food services.*”
- There has been a **doubling of the numbers receiving unemployment payments** from December 2019⁵ to 10 July 2020 (from 813,721 to 1,621,271).⁶ For the period to June 2020, Victoria recorded that largest increase of any state (116%) and this does not reflect the impact of the second outbreak and subsequent lockdown in Victoria which commenced on 8 July. The numbers needing unemployment payments in NSW and Victoria alone (854,379) now exceeds the numbers for the whole of Australia before the bushfires and the COVID-19 pandemic (813,721).⁷ See Appendix a) for more detail to June 2020.
- There has been a **145% increase** in the number of young people aged 25-34 years receiving either unemployment payments (JobSeeker or Youth Allowance Other) from December 2019 to June 2020. The increase for those aged under 25 years was **127%**.⁸
- At 31 May 2020 there were **1,442,666 people enrolled in *jobactive***, the labour market program for people who are unemployed and do not have disability as their primary barrier to work. This was a 132% increase on May 2019 when it was 619,956. That’s an additional 822,710 people and it will have grown again since that time.⁹
- Analysis of ABS data by Callum Pickering of indeed shows that from March to June 2020 **single parent mothers with dependent children had the largest fall** in employment - 14.4% loss from March to June. Employment for this group continued to decline in June despite an increase in employment across the country.¹⁰

According to preliminary findings of the [Monash COVID-19 Work and Health Study](#) (which is surveying people who have lost jobs due to the COVID-19 shutdown):

- Two-thirds of people in the study reported losing work, or losing their jobs, with zero or one day’s notice. About 90% lost work with less than one week’s notice.
- Before COVID-19, 81% of people in the study reported an average weekly income of A\$500 or more. The same people reported large drops in their income, with just fewer than 29% reporting more than A\$500 of income in the most recent week. 40% indicated they would find it difficult to raise A\$2,000 within a week.
- More than 28% of those who had lost their jobs reported that they were not eligible for any Centrelink benefits.
- Rates of psychological distress are much higher in people losing work during COVID-19 than we typically see in working age Australians. More than 35% of people are recording high levels of distress, a rate almost four times that usually observed in employed Australian adults. Another third of study participants have moderate distress, again much higher than normally observed.

2) The Government support is protecting people from poverty and boosting the economy in communities across Australia

- The higher rate of benefits from the Coronavirus Supplement is releasing people from the constraints of poverty and opening-up their lives. This includes getting the bond together to escape homelessness or family violence as well as putting healthy food on the table and getting their car fixed so they can take up work options when they become available. We also know from the [ACOSS survey](#) and another undertaken by the [National Council for Single Mothers and their Children and jointly released with Anti-Poverty Week on 13 July](#), that the vast majority of the Coronavirus Supplement is being spent on essentials such as food, rent, clothing and medical and energy bills.¹¹ Some of the comments from parents who responded to the Survey included:

“With the \$550 I didn’t need to think twice about taking my child to the doctors when he had tonsillitis and needed antibiotics, nor did I have to stress about buying the antibiotics or the chemist brand liquid paracetamol (\$30) so he could eat or sleep with no pain.”

“I’ve been able to buy real ingredients and make proper meals for the kids. My rent is no longer 60% of my total income, and I can buy household items I’ve been needing for years and musical instruments to enrich the children’s lives.”

“The supplement means I have a safety net. I don’t need to worry if I or my children get sick and I need time off work.”

“I’m less stressed and the kids are happier. It’s made such an impact to my mental health in a positive way.”

- At 26 June the **Coronavirus Supplement** was helping over 2 and a quarter million Australians and injecting \$633m per week into the economy¹². This equates to:
 - over 658,000 people in NSW and injecting over \$180m into that economy each week
 - over 545,000 people in Victoria and injecting over \$150m into that economy each week
 - over 500,000 people in Queensland and injecting over \$145m into that economy each week
 - over 240,000 people in WA and injecting nearly \$70m into that economy each week
 - over 170,000 people in SA and injecting over \$50m into that economy each week
 - over 54,000 people in Tasmania and injecting \$15m into that economy each week
 - over 33,000 people in Northern Territory and injecting \$9.5m into that economy each week
 - over 22,000 people in the ACT and injecting \$6.3m into that economy each week.

See Appendix a) for more detail.

- The [Alpha Beta million consumer spending tracker](#) shows Essential Spending increased from 87% of normal levels on 20 April to 99% on 27 April (when the Coronavirus Supplement started to be paid) and has stayed closed to 100% to 5 July. It rose again to 123% of normal levels on 19 July most likely due to the 2nd stimulus payment and superannuation withdrawals. The Coronavirus Supplement also dragged total spending up from 80% on 20 April to 93% on 27 April and it’s stayed at or above that to 5 July, increasing to 134% at 19 July. Previous tracking shows between 23 March-6 April, lower income shoppers spent 14% more than usual after the \$750 stimulus payment started to flow (after reducing by 7% in the week prior) while spending by higher income shoppers reduced to 29% below the pre-epidemic norm. According to the [ABS 4940.0 – Households Impacts of COVID-19 Survey, 14-17 April 2020](#), while older Australians (aged over 65) were more likely to have received the first \$750 payment than those aged 18 to 64, working age people were more likely to have spent it (71% compared with 37%).

3) Government announcements on 21 and 23 July

JobSeeker and Coronavirus Supplement recipients¹³

- More than 1 million people are continuing to be excluded from access to any income support (including Jobseeker Payment, Youth Allowance or Special Benefit), JobKeeper wage subsidy or Medicare, despite having the right to work, study, or seek asylum. This number includes at least 16,000 children of asylum seekers.¹⁴ There was no explanation for this provided on 21 July.
- **Coronavirus Supplement:** the payment period will be extended from 25 September 2020 to 31 December 2020 but the Supplement will be cut from \$550 per fortnight to \$250 per fortnight.
- The **income free area** for JobSeeker Payment and Youth Allowance (Other) will increase to \$300 per fortnight for both from 25 September 2020 until 31 December 2020, This is an increase from \$106 per fortnight for JobSeeker Payment and \$143 per fortnight for Youth Allowance (other). It means that recipients of these payments can earn income of up to \$300 per fortnight and still receive the maximum payment rate of JobSeeker Payment or Youth Allowance (other). For every dollar over \$300 pf, payments reduce by 60 cents.
- The **Liquid Assets Test will be reintroduced from 25/9:** for people who become unemployed and have a small amount of reserves will have to wait up to 13 weeks (Christmas) to get unemployment payments (JobSeeker or YAO). The waiting period is calculated according to how much cash assets people have over the thresholds. Thresholds are \$5,500 if you're single with no dependents and \$11,000 if have a partner or you're single with dependents. This means you can wait 13 weeks if you are single with no children and have more than \$11,500 or if a couple or have dependent children, more than \$23,000 in liquid assets. This Government had introduced legislation to increase the wait to 26 weeks but it has, to date, not passed the Senate. See [ABC report on impact, 31/7/20](#).
- **Mutual obligations** to search for at least 4 jobs per month and other requirements (except in Victoria) resume from 4 August.¹⁵ The Ordinary Waiting Period, Newly Arrived Resident's Waiting Period (NARWP) and the Seasonal Work Preclusion Period will continue to be waived until 31 December 2020.
- See also [Parliamentary Library briefing](#) on changes announced 21 July plus APW response on Fran Kelly RN Breakfast, [Warnings of poverty, homelessness spike as JobSeeker cut, 22/7/20](#).

Gradually improving economic conditions as justification for cuts in payment

The Government has defended the cuts to JobSeeker by saying they reflect the “*gradually improving economic conditions*.” However, the Treasury review of JobKeeper¹⁶ finalised on 29 June (before the second Victorian outbreak and subsequent shut-down) and released on 21/7/20 says:

“The labour market remains very weak.”

“There is a lot of ground for businesses to make up between a 30 per cent turnover decline and full recovery.”

“Treasury expects the official unemployment rate to be around 8 per cent in the September quarter 2020 and rise further in the December quarter.”

“While recovery is expected in the September quarter, the level of economic activity is expected to remain well below levels of a year earlier.”

On July 23 Treasury said official unemployment rate would peak at 9.25% in December 2020 and be 8.75% by June 2021.¹⁷ But these numbers were outdated by 4 August with the Reserve Bank stating that unemployment will rise to around 10% and take two years to gradually reduce to 7%.¹⁸ Analysis released on 5 August by indeed economist Callam Pickering¹⁹ showed a wide divergence between Victoria and the rest of Australia. In Victoria, job postings were tracking 45% below last year’s trend for the week ended 31 July. That compares with the 27% gap for the rest of Australia. July ABS employment figures are due for release on 13 August which will take account the Stage 3 restrictions imposed in Melbourne from 8 July but not the Stage 4 restrictions which took effect from 2 August.

Is higher JobSeeker a disincentive to work?

- The Treasury Review of JobKeeper²⁰ states *“the \$1,124.50 per fortnight maximum payment available to single, no-dependent JobSeeker Payment recipients effectively forms a new reservation wage or floor for this group, the wage level below which there is no direct financial incentive to work. In May 2018, just under a quarter of all private sector employees earned below this floor.”* The source for this is ABS Employee Earnings and Hours, Australia, May 2018 (Cat. No. 6306.0) which showed the lower quartile amount was \$616 per week in total cash earnings. This is a very poor level of evidence as this data will include people working part-time who may well have income from other sources. JobSeeker rates are a replacement for full-time work and assume no or very little other income.
- The \$550 Coronavirus Supplement means that the single rate of JobSeeker is still only 85% of the minimum wage with full rent assistance and energy supplement and 76% if no rent assistance is paid. See Appendix b) for more on this.
- [Anglicare Australia 2020 Rental Affordable Snapshot](#) released 30/4/20 (which takes account of the new Coronavirus Supplement) found only 1.5% of Australian rentals are affordable for a single person on the JobSeeker Payment, even with this extra \$550 per fortnight. Without the increase, just 9 rentals out of 69,997 (0%) would be affordable for jobseekers and not a single rental (0) would be affordable for jobseekers in the major cities of Sydney, Melbourne, Adelaide, Darwin, or Canberra. Commonwealth Rent Assistance has not been increased in real terms since 2000, or 20 years ago.
- **Academic Peter Whiteford**²¹ in The Conversation, 21/5/20 said payments should increase at least to the pension level after the Coronavirus Supplement expires. **ACOSS** has said the government should immediately extend JobKeeper, JobSeeker and Medicare to temporary migrants and continuing the new JobSeeker payment of \$560 per week until a social security system is put in place that keeps everyone out of poverty.²²
- Until the Coronavirus Supplement, the payment for unemployed people **has not been increased in real terms for more than 25 years**. Households surviving on government allowances such as Newstart or Youth Allowance are twice as likely to be living in poverty than 25 years ago. In 2017, 4 in 5 households with government allowances as their main income (not including payments like the aged or disability pensions) were living in poverty after their housing was paid for, compared with less than 2 in 5 in 1993.²³ See 25/5/20 [Q and A poverty clip](#) and [Australia at Home poverty podcast](#) 25/5/20 for more on what it’s like to live in poverty

on inadequate income support and Appendix d) for excerpts from the Senate Inquiry into Newstart Report released 30/4/20.

The Government should release its assumptions for the number of people who will need payments

- The Federal Government hasn't released their estimates for the number of people who will need unemployment payments by October or December, yet they are cutting them from the end of September. It is expected they will announce what will happen to the Supplement and/or rate after 31 December in the 6 October Federal Budget.
- Some media reports say the government expects the number to increase in net terms by **240,000** by December from 1.6m in June. According to [John Kehoe, AFR 22/7/20](#), this assumes 100,000 leave due to mutual obligations but 345,000 go on due to changes to Keeper and firms not recovering. The 240,000 may also be derived from the Government's statements on 23/7/20 that "*The unemployment rate is forecast to peak at around 9¼ per cent in the December quarter 2020 and be 8.75% by June 2021.*"²⁴ 9.25% of the labour force as at June 2020 would be 1,232,174—an increase in the number of unemployed of around 240,000 compared to the 992,300 unemployed in June 2020. The assumptions should now be released by the Government.
- It is much more likely there will be **at least 2 million** people needing these safety net payments by December (after JobKeeper is restricted and reduced and Victoria continues to deal with the pandemic through its shutdown.) Even if the numbers on the other payments who get CVS don't increase (~600,000 at 26 June), that is **2.6m relying on the CVS at Christmas**. This is no time to cut the payment.

JobKeeper recipients

- The JobKeeper Payment has covered a large proportion of the economy, with over 960,000 organisations and over 3.5 million individuals covered. As at 16 July, payments have totalled \$30.6 billion over the six JobKeeper Payment fortnights to 21 June. The Government has estimated that the JobKeeper and other measures they have introduced have saved 700,000 jobs.²⁵
- It was originally due to run only until 27/9/20 but the government announced changes on 21/7/20 and then further changes on 7/8/20.²⁶ This means that to be eligible for JobKeeper post 28 September 2020, organisations will only have to demonstrate that their actual turnovers have significantly declined in the previous quarter. It also means that some staff who were not eligible on 1/3/2020, are now eligible for Job Keeper. This includes casuals who have achieved 12 months service by 1/7/2020, staff who have achieved permanent residency by 1/7/2020, staff who have turned 18 years by 1/7/2020 and permanent staff employed between 2/3/2020 and 1/7/2020. While these changes will apply nation-wide, it is expected that more than 80% of the increased payments will flow to Victorian businesses and employees. The changes announced on 7 August increased the total number of recipients expected to receive the payment and associated costs.

Summary of JobKeeper changes announced 21/7 and 7/8

	Now to 27/9/20	28/9/20-31/1/21	4/1/21-28/3/21
Amount	\$750 per week for all	\$600 per week (>20 hrs pw 28/2/20 or 30/6/20) \$375 per week (<20 hrs pw 28/2/20 or 30/6/20)	\$500 per week (>20 hrs 28/2/20 or 30/6/20) \$325 per week (<20 hrs pw 28/2/20 or 30/6/20)
Estimated numbers	4 million	2.24 million	1.75 million

- One stated reason for cutting JobKeeper into a part-time and full-time rate was that some people were receiving more than the \$1,500 per fortnights before the pandemic. However the Treasury Review of JobKeeper states that while 25% of people who got Keeper got an increase in income *from that employer* compared to February, this may well be distorted by the fact they had 2 or 3 employers previously and could only claim Keeper from one of them – so many not have had an increase in total income at all.

Providing more loans or tax cuts to business is not sufficient stimulus

- The Treasury Review of Jobkeeper²⁷ said: “*The Government should consider support for other groups of people who are not employed, in particular investment in skills development for displaced workers and targeted wage subsidies aimed at people newly entering the labour market during a recession.*”
- A diverse range of economists and organisations are calling for a significant investment in social housing from both Federal and State Governments as an effective stimulus for the economy as well as a strong solution to housing poverty and homelessness. The Social Housing Acceleration and Renovation Program (SHARP)²⁸ would enable the delivery of at least 30,000 additional social housing units and renovation to high environmental standards of many thousands more existing properties.
- Jennifer Westacott: “*business investment is in free fall now*”...*business investment in non-mining sector expected to fall by 25% in second year forecast, a huge issue*” ([RN Breakfast 24/7/20](#)). Only \$1.5b of \$40b provided by Fed Government has been taken up and only 20% of \$90b from Reserve Bank has been taken up. ([David Crowe SMH 25/7/20](#))
- Company tax cuts will only be relevant if companies are making a profit – not really helpful to increase their demand - more likely government will look to an investment allowance in Budget. (as per discussion on ABC [Insiders](#) 26/7/20.)

Contact: Toni Wren, Executive Director, [Anti-Poverty Week](#), ed@antipovertyweek.org.au;
Telephone 0405 705 442.

Appendix a) Detail on DSS unemployment payment recipients, Coronavirus Supplement and JobKeeper recipients²⁹

DSS Payments: increase in JSP and YAO by State – December 2019-June 2020

JSP and YAO by State	Dec 2019	June 2020	Number change	Percentage Change
New South Wales	224,538	470,253	245,715	109%
Victoria	177,800	384,126	206,326	116%
Queensland	190,573	375,034	184,461	97%
South Australia	73,309	124,942	51,633	70%
Western Australia	97,746	178,913	81,167	83%
Tasmania	24,418	39,514	15,096	62%
Northern Territory	18,622	26,283	7,661	41%
ACT	6,551	14,652	8,101	124%
Total Recipients	813,721	1,614,412	800,691	98%

*164 registered as unknown State so numbers don't add up

DSS Payments: JSP and YAO by State and Gender, June 2020

By State	June 2020 Females	June 2020 Males	June 2020 Total
New South Wales	220,231	250,022	470,253
Victoria	183,903	200,223	384,126
Queensland	171,587	203,447	375,034
South Australia	57,245	67,697	124,942
Western Australia	81,937	96,976	178,913
Tasmania	18,596	20,918	39,514
Northern Territory	11,313	14,970	26,283
Australian Capital Territory	6,589	8,063	14,652
Total Recipients	751,720	862,692	1,614,412

DSS Payments: increase in JSP and YAO by Gender, December 2019-June 2020

JSP and YAO by Gender	Dec 2019 Total	June 2020 Total	Variation Dec 19- June 20 Number	Percentage Increase Dec-June
Females	396,071	751,720	355,649	90%
Males	417,650	862,692	445,042	107%
Total Recipients	813,721	1,614,412	800,691	98%

DSS Payments: JSP and YAO by Gender and Age, June 2020

By Age Group	June 2020 Females	June 2020 Females %	June 2020 Males	June 2020 Males %	June 2020 Total	June 2020 Ages by %
Under 25 years	152,240	20	178,824	21	331,064	21%
25-34 years	147,348	20	220,222	26	367,570	23%
35-44 years	135,674	18	165,959	19	301,633	19%
45-54 years	151,142	20	144,691	17	295,833	18%
55-64 years	148,969	20	137,278	15	286,247	18%
65 and over	16,347	2	15,718	2	32,065	2%
Total Recipients	751,720	100	862,692	100	1,614,412	101%

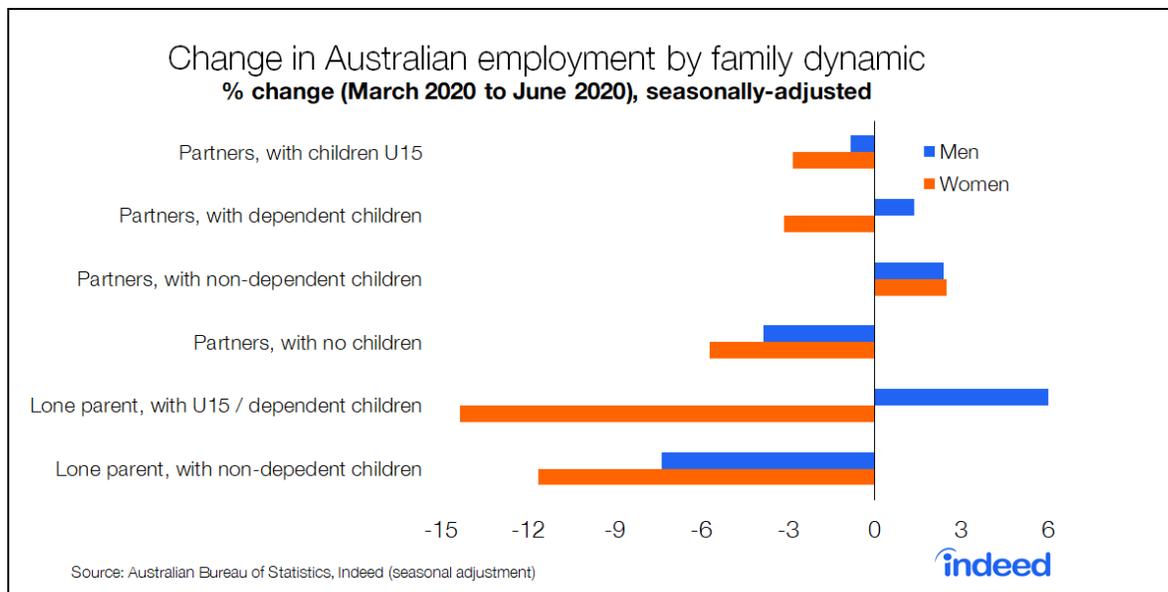
Note December 2019 does not disaggregate by gender and age so not able to do comparison.

DSS Payments: increase in JSP and YAO by Age, December 2019-June 2020³⁰

JSP and YAO by Age	Dec 2019	June 2020	Number change	Percentage change
Under 25 years	146,032	331,064	185,032	127%
25-34 years	149,799	367,570	217,771	145%
35-44 years	155,037	301,633	146,596	95%
45-54 years	167,025	295,833	128,808	77%
55-64 years	174,384	286,247	111,863	64%
65 and over	21,444	32,065	10,621	50%
TOTAL	813,721	1,614,412	800,691	98%

June ABS Employment data by Family Type and Gender ([Callam Pickering, Indeed, 23/7/20](#))

In every family type that includes children (young or dependent), the impact on women has been greater than men. Lone parent females with young or dependent children had the largest fall - 14.4% fall in employment.



DSS Coronavirus Supplement Recipients and Cost/Stimulus by State, 26 June 2020³¹

Area	Number of recipients	Percent of total	Cost/Stimulus per week (millions)
NSW	658,378	29	183.6
VIC	545,563	24	151.9
QLD	510,570	23	145.6
WA	242,963	11	69.6
SA	173,442	8	50.7
TAS	54,031	2.4	15.2
NT	33,761	1.5	9.5
ACT	22,680	1	6.3
Not Known	1,004	<.05	0.8
TOTAL	2,242,392	100	\$633.2

DSS Payments attracting the Coronavirus Supplement are: ABSTUDY Living Allowance, Austudy, JobSeeker Payment, Parenting Payment, Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance and Youth Allowance. The CVS is also paid to Farm Household Allowance recipients (via the Department of Agriculture), eligible New Enterprise Incentive Scheme participants and Department of Veterans' Affairs Education Schemes.

The largest number of recipients by payment type were JobSeeker 1,441,287; Parenting Payment Single 243,433; Youth Allowance (Student & Apprentice) 225,483 and Youth Allowance Other 173,125.³²

See also [Senate Committee on COVID-19 Answers to Questions on Notice #222](#) for a breakdown by Federal Electorate and Local Government Area at 26/6/20.

JobKeeper Program

JobKeeper Recipient Characteristics, 18 June 2020³³

By gender	Number of individuals	Per cent of individuals	Per cent of private sector employment
Male	1,851,500	52.9	55.1
Female	1,648,500	47.1	44.9
TOTAL	3,500,000	100%	100%

JobKeeper Recipient Characteristics by Age, 18 June 2020³⁴

By age	Number of individuals	Per cent of individuals
Less than 25	455,000	13.0
25-34	791,000	22.6
35-44	798,000	22.8
45-54	742,000	21.2
55-64	542,500	15.5
65 +	171,500	4.9
TOTAL	3,500,000	100

JobKeeper Recipient Characteristics by State/Territory, 18 June 2020³⁵

By State and Territory	Number of organisations	Number of individuals
NSW	290,600	1,155,000
VIC	228,200	973,000
QLD	158,500	689,000
WA	78,700	332,500
SA	49,400	122,500
TAS	13,900	63,000
NT	4,500	21,000
ACT	10,100	45,500
TOTAL	833,900	3,500,000

Note organisations at 9/6/20, individuals at 18/6/20, # individuals derived by APW from percentage per jurisdiction provided by Table A3, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20

Number of organisations that have received JobKeeper payments, by entity type, 9 June 2020³⁶

Organisations by entity type	Number of Organisations
Company	305,900
Partnership	53,800
Trust	127,600
Individual	330,700
Not-for-profit	15,600
Other/na	300

- These calculations are based on unit record data for payments made in relation to the April 2020 JobKeeper fortnights. The data are as at 9 June 2020 and subject to change. Differences may be due to rounding. na denotes not applicable.
- Organisations include businesses and not-for-profit organisations. Businesses include all companies, partnerships, trusts, plus individuals with business income (sole traders).

Number of organisations that have received JobKeeper payments, by employment size, 9 June 2020³⁷

Organisations by employment size	Number of Organisations
Zero employees	383,400
1-4 employees	248,500
5-9 employees	78,500
10-19 employees	58,700
20 or more employees	64,700
Total number of organisations	833,800

- These calculations are based on unit record data for payments made in relation to the April 2020 JobKeeper fortnights. The data are as at 9 June 2020 and subject to change. Differences may be due to rounding. na denotes not applicable.
- Organisations include businesses and not-for-profit organisations. Businesses include all companies, trusts, partnerships, plus individuals with business income (sole traders).
- Employment range is based on the number of employees as at April 2020 and does not represent the number of individuals receiving the JobKeeper Payment.
- Each organisation is assigned a single state so it does not necessarily reflect the geographic distribution of business activity.

Source: Treasury calculations based on ATO administrative data

**Number of organisations that have received JobKeeper payments, by industry and recipients,
9 June 2020³⁸**

Industry	Businesses and not-for-profit organisations ('000)	Per cent of total	Individual employees and eligible business participants ('000)	Per cent of total
Agriculture, forestry and fishing	27.1	3.2	58.5	1.8
Mining	1.6	0.2	12.1	0.4
Manufacturing	42.7	5.0	246.0	7.4
Electricity, gas, water and waste services	1.8	0.2	9.0	0.3
Construction	129.7	15.3	348.1	10.5
Wholesale trade	24.8	2.9	160.1	4.8
Retail trade	55.1	6.5	313.4	9.5
Accommodation and food services	57.7	6.8	313.5	9.5
Transport, postal and warehousing	64.8	7.6	157.7	4.8
Information media and telecommunications	13.0	1.5	50.7	1.5
Financial and insurance services	14.6	1.7	58.4	1.8
Rental, hiring and real estate services	26.0	3.1	100.7	3.0
Professional, scientific and technical services	121.6	14.3	396.4	12.0
Administrative and support services	42.7	5.0	188.5	5.7
Public administration and safety	3.1	0.4	19.1	0.6
Education and training	25.2	3.0	124.0	3.8
Health care and asocial assistance	78.2	9.2	385.7	11.7
Arts and recreation services	36.2	4.3	129.1	3.9
Other Services	83.2	9.8	233.4	7.1
Unclassified or not available	0.9	0.1	2.5	0.1
Total	849.7	100	3,307.0	100

- These data are for accrued (applications processed), rather than actual, payments made in relation to the April 2020 JobKeeper fortnights. Therefore the totals exceed those in Tables A1 and A2. The data are as at 9 June 2020 and subject to change. Differences may be due to rounding.
- Industry classifications are based on internal ATO data. The data are based on ATO administrative collections and care should be taken in comparing with ABS data series due to differences in industry classification methodologies. Industry data should be treated with caution.
- Differences in the coverage of organisations and individuals within and between industries may reflect a range of factors including: the distribution of business size and labour intensity within industries; the concentration of casual workers and temporary migrants; and other labour market features such the prevalence of contracting work and sole traders. Higher concentrations of casual work and temporary migrants in certain industries may also weigh on labour force coverage, reflecting eligibility requirements as well as the tendency of casuals to be stood down before other workers. The JobKeeper Payment can only be accessed through one job, whereas some individuals may hold multiple jobs in different industries.

Source: ATO administrative data

Appendix b): Income support rates, minimum wage and poverty lines

JobSeeker Payments plus supplements (maximum possible)³⁹

Assume single, no dependents, renting privately	Max Weekly amount to 24/9/20	Max Weekly amount from 25/9/-31/12/20
JobSeeker Payment	\$282.85	\$282.50
Rent Assist (if paying at least \$155.36 rent pw)	\$69.80	\$69.80
Energy Supplement	\$4.40	\$4.40
Total without Coronavirus Supplement	\$357.05	\$356.70
Coronavirus Supplement	\$275.00	\$125.00
Total with Coronavirus Supplement	\$632.05	\$481.70

Note: JobSeeker recipients received the first Economic Support Payment of \$750 in late March but didn't get the second \$750 paid from 13 July 2020 as they were receiving the Coronavirus Supplement. It is not clear what the CPI increase due on 20/9/20 will be but it likely it will be zero.

Youth Allowance Other plus supplements (maximum possible)⁴⁰

Assume single aged 18 or over, no children, not living with parents, renting privately and sharing	Max Weekly amount to 24/9/20	Max Weekly amount from 25/9/-31/12/20
Youth Allowance Other Payment	\$231.25	\$231.25
Rent Assist (if paying at least \$124.35 rent pw)	\$46.53	\$46.53
Energy Supplement	\$3.50	\$3.50
Total without Coronavirus Supplement	\$281.28	\$281.28
Coronavirus Supplement	\$275.00	\$125.00
Total with Coronavirus Supplement	\$556.28	\$406.28

Note, You may be eligible for this rate if you need to live away from home to increase your chances of getting work, if: it takes over 90 minutes, by public transport, to travel from your parents' home to your approved activity or work; your parents' home isn't a suitable place to live and look for work, for example, due to conflict or illness; you have disability and your parents' home is away from facilities you need.

Minimum Wage \$740.80 per week (from July 2019)

Poverty Lines by Family Type, 2017-18 (\$pw after tax, including social security payments)⁴¹

	50% Median Income Before Housing	50% Median Income After Housing
Lone Person	\$457	\$370
Couple Only	\$686	\$555
Sole parent, 2 children	\$731	\$592
Couple, 2 children	\$960	\$776

Note: The after-housing costs poverty line is the amount of money needed to buy all other essentials after housing is paid for.

Appendix c) Report of the Senate Inquiry into the Adequacy of Newstart (released 30/4/20)

“In her submission, Aeryn explained how a small increase to Newstart would enable her to afford many basic essentials and concluded: But most importantly, I’d no longer be just surviving or even barely existing. I could afford to live.”

Regarding the central question, whether the payments were adequate, the Committee view was (section 2.124-2.127):

“In a wealthy country like Australia, no one should be forced to forego meals in order to pay for medications or housing. The committee heard throughout the inquiry distressing accounts of deprivation, highlighting the daily struggles of those living below the poverty line... Alarmingly, these lived experiences of poverty and extreme deprivation are those of people who do receive income support payments. They have not fallen through the cracks of the welfare system. Rather, the current system is failing them. The Australian income support system is clearly not meeting its objective of ensuring a minimum standard of living for all.

As highlighted by all submitters, except Australian Government departments, the current levels of jobseeker allowances are inadequate and impede peoples’ ability to engage socially and economically within their community. The additional supplements and payments available to assist with the costs of housing, energy bills or pharmaceutical expenses are clearly insufficient to mitigate the inadequacy of the JobSeeker Payment (known as Newstart Allowance until 20 March 2020) and Youth Allowance.

The committee notes the general agreement on the need to review and raise the payments and supplements available to jobseekers, including from the business sector, local governments, community services sector, academics and the wider community. Only the Australian Government seems to stand outside this consensus.”⁴²

Apart from a dissenting report from Coalition Senators, the Committee recommended that “once the Coronavirus Supplement is phased out, the Australian Government increase the JobSeeker Payment, Youth Allowance and Parenting Payment rates to ensure that all eligible recipients do not live in poverty.” Disappointingly the dissenting report from Coalition Senators does not refer to the adequacy of Newstart, especially in relation to poverty, but rather only that it is not meant to be a “wage replacement.” The Senate Inquiry report includes evidence of terrible hardship including people and families having to sacrifice medical care, prescriptions drugs and other necessities. We know that for many people being sick can make your poor and being poor often makes you sick. See APW Briefing **Poverty, Health and COVID-19**, 17/4/20 and APW **Fast Facts Poverty and Newstart**, July 2019.

Some examples put to the Senate Inquiry included these from the [Consumers Health Forum, 1/10/19](#):

...there seemed to be no way out. I was sick and couldn’t afford to get better.

I’m a victim of sexual assault resulting in a diagnosed anxiety disorder and depression. I couldn’t afford the gap payment for counselling services.

I am unable to afford the medication I need...I have had to stop seeing my psychologist...which has been very detrimental to my mental health.

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- ¹ See Anti-Poverty Week website [Highlights of 2019](#) for more.
- ² Davidson, P., Bradbury, B., Hill, T., and Wong, M. (2020), [Poverty in Australia 2020: Part 2 – Who is Affected?](#) ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS.
- ³ <https://www.pc.gov.au/research/completed/youth-income-decline>
- ⁴ See [Activities during Anti-Poverty Week 2019 that focused on Newstart – increasing understanding and taking action collectively](#)
- ⁵ [JobSeeker and Youth Allowance Recipients Monthly Profile, 1 June 2020](#). JobSeeker Payment (formerly Newstart) and Youth Allowance Other which is paid to young people aged 21 or younger and looking for full time work; studying part time and looking for work or temporarily unable to work.
- ⁶ [Senate Committee on COVID-19 Answers to Questions on Notice #223](#).
- ⁷ APW analysis from [DSS Demographics](#), December 2019 and [JobSeeker and Youth Allowance Recipients Monthly Profile, 15/5/20](#).
- ⁸ [DSS Demographics](#), December 2019 and [JobSeeker and Youth Allowance Recipients Monthly Profile, 15/5/20](#).
- ⁹ [Senate Committee on COVID-19 Answers to Questions on Notice #164](#).
- ¹⁰ [Callam Pickering, Indeed, 23/7/20](#)
- ¹¹ See also Mamamia, [From escaping violence to buying warm clothes: the Coronavirus Supplement is changing lives](#), 17/7/20 and the [550 Reasons to Smile](#) campaign for more.
- ¹² [Senate Committee on COVID-19 Answers to Questions on Notice #174](#).
- ¹³ <https://www.servicesaustralia.gov.au/individuals/news/job-seekers>
- ¹⁴ [Who misses out on access to Australia’s safety net under Covid19](#), ACOSS Briefing, April 2020.
- ¹⁵ See <https://ministers.dese.gov.au/cash/gradual-return-mutual-obligations-requirements> for more
- ¹⁶ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ¹⁷ <https://budget.gov.au/2020-efu/downloads/JEFU2020.pdf>
- ¹⁸ <https://www.rba.gov.au/media-releases/2020/mr-20-18.html>
- ¹⁹ <https://www.hiringlab.org/au/blog/2020/08/05/victorias-second-lockdown/>
- ²⁰ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ²¹ Peter Whiteford, [When the Coronavirus Supplement stops, JobSeeker needs to increase by \\$185 a week](#), The Conversation, 21/5/20.
- ²² [ACOSS Media Release, 25/5/20](#).
- ²³ [Poverty rates in Newstart households rising, Centre for Social Research and Methods report finds](#), Canberra Times, 15/9/19.
- ²⁴ <https://budget.gov.au/2020-efu/downloads/JEFU2020.pdf>
- ²⁵ <https://budget.gov.au/2020-efu/downloads/JEFU2020.pdf>
- ²⁶ https://treasury.gov.au/sites/default/files/2020-08/Fact_sheet-JobKeeper_Payment_extension.pdf and <https://www.pm.gov.au/media/more-support-more-businesses-and-workers>
- ²⁷ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ²⁸ Building the Recovery: Investment in social housing will create jobs and improve social outcomes during the pandemic, 5/5/20. See also <https://www.communityhousing.com.au/wp-content/uploads/2020/05/SHARP-Program.pdf>
- ²⁹ APW analysis from DSS Demographic Data December 2019 and [DSS JobSeeker Payment & Youth Allowance Monthly Profile, June 2020](#) unless otherwise stated.
- ³⁰ APW analysis from DSS Demographic Data December 2019 and [DSS JobSeeker Payment & Youth Allowance Monthly Profile, June 2020](#)
- ³¹ [Senate Committee on COVID-19 Answers to Questions on Notice #174](#).
- ³² [Senate Committee on COVID-19 Answers to Questions on Notice #222](#).
- ³³ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³⁴ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³⁵ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³⁶ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³⁷ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³⁸ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³⁹ [Services Australia website](#), 27/4/20.

⁴⁰ [Services Australia website](#), 27/4/20.

⁴¹ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), [Poverty in Australia 2020: Part 1, Overview](#).
ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS

⁴² APW underlining.