



Briefing on Poverty, Unemployment & Covid-19, 23/9/20

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 when this support is cut by \$300 per fortnight from 25 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.

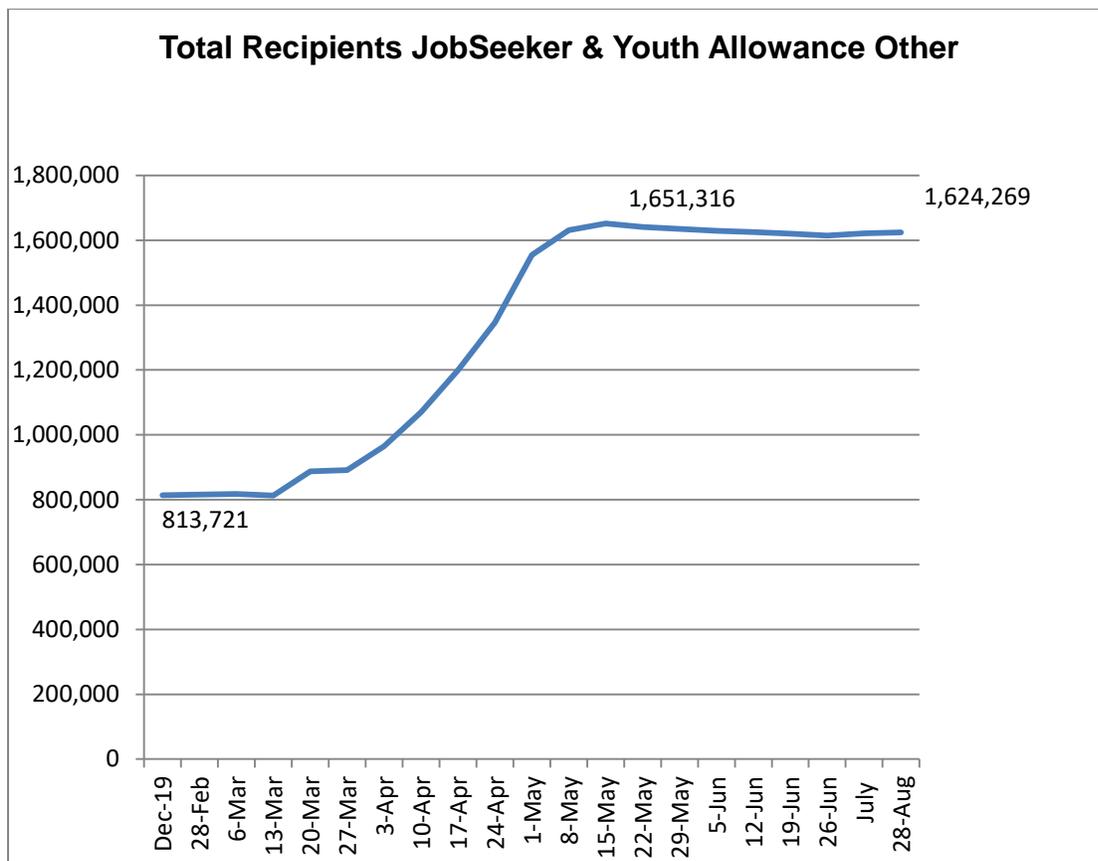
1) Number and characteristics of those affected by unemployment:

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.
- 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.² 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.
 - More than 1 million Australians who had wages as main source of income were living in poverty in 2018.³ See also [APW Fast Fact: Poverty and Work](#) (2019 data) and article by [Jeff Sparrow in The Guardian, 25/7/20](#).
 - Young people experienced a decline in income from the 2008 GFC as revealed by Productivity Commission analysis of trends in young people's incomes from 2001 to 2018 and drivers behind the decline.⁴

Since the bushfires and COVID-19

- There has been a **doubling of the number of people receiving unemployment payments** from December 2019⁵ to 28 August 2020 (from 813,721 to 1,624,269).⁶ Nationally the number of people needing DSS unemployment payments exceeded 1 million on 10 April. The DSS number is much more accurate than the ABS survey; these are real people receiving payments because they are unemployed. There was a huge surge when the economy shut down in late March. The peak to date was the week of 15 May when the total reached more than 1.65 million people. Since then it has begun to decline slowly in all States except Victoria. The impact of the 2nd wave and shut down from 8 July is revealed by the additional 29,200 in Victoria needing these payments in July and August, nearly offsetting gains in other states. See Appendix a) for more detail.



- There has been a **124% increase** in the number of young people aged 25-34 years receiving either unemployment payments (JobSeeker or Youth Allowance Other) from December 2019 to August 2020. The increase for those aged under 25 years was **146%**.⁷
- 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.⁸

2) The jobs recovery is shaky at best

Ratio of people receiving unemployment payments for each job vacancy

- August data from the [August Internet Vacancy Index](#) (23/9/20) shows that there was some improvement in all States and Territories except Victoria, however, overall job advertisements were 19.5% (or 32,400 advertisements) below the level in August 2019. APW has compared these with number of recipients of DSS unemployment payments in August. It finds there were more than 12 people receiving these payments for each job advertised during August and as many as 23 in Tasmania.

DSS unemployment recipients and jobs advertised by State/Territory, August 2020

State/Territory	JSA and YAO recipients, August 2020	Number of job advertisements, August 2020	Number unemployed people receiving DSS payments for every Internet Vacancy, August 2020	Number unemployed people receiving DSS payments for every Internet Vacancy, July 2020
Australia	1,624,269	133,400	12.2	12.4
New South Wales	467,815	45,900	10.2	10.5
Victoria	413,341	25,100	16.5	14.4
Queensland	365,893	28,300	12.9	13.2
South Australia	123,041	8,200	15	16.4
Western Australia	173,739	17,400	10	11.1
Tasmania	39,074	1,700	23	24.7
Northern Territory	26,138	1,600	16.3	18.9
ACT	14,599	5,000	2.9	3.2

(Note the IVI will under-estimate all vacancies but there will also be many more people applying for jobs than simply those receiving DSS unemployment payments however we are using it in the absence of an up-to date ABS source.⁹)

- [Analysis of August ABS Employment data by CEDA](#) found: *“In August, hours worked increased a modest 0.1 per cent. This reflected a mixed picture across the country, with a big drop in hours worked in Victoria, while all other states and territories saw positive results. Total hours worked, however, are still more than five per cent lower than in March when lockdowns were first imposed.”* The analysis by Chief Economist, Jarrod Ball, compares hours worked during the recessions of the 1980s and 1990s with the COVID-19 recession. It suggests *“the recovery will likely be long and bumpy, taking years to get back to where we were at the start of this year.”*

See also Anti-Poverty Week unemployment analysis featured in [ABC 7.30 Report, 17/9/20](#).

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

- At 26 June the **Coronavirus Supplement** was helping over 2 and a quarter million Australians and injecting \$633m per week into the economy.¹⁰ On 31 July it was supporting over 1.1 million children or more than 1 in 5 of all dependent children living in Australia.¹¹ See Appendix a) for more detail.
- 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.¹² 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.”

- See also the NCSMC [550 Reasons to Smile](#) campaign; Guardian [‘Distress and fear’: poverty looms for a million Australian children once coronavirus supplement slashed](#) 10/9/20; The Weekend Australian, [Hard hit communities brace for cuts](#), 23-23/8/20 (paywall); Women’s Agenda [Now is not the time to cut payments](#), 25/8/20; APW analysis of the impact of the \$150 pw cut by Federal Electorate published on our [Poverty and COVID-19 webpage](#).
- [Estimating the economic impacts of lowering current levels of income support payments](#), a report from Deloitte Access Economics published on 14/9/20, found withdrawing the Coronavirus Supplement support would reduce the size of the economy by more than \$31 billion and an average loss of 145,000 full-time equivalent jobs.
- 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. Essential spending at 9 August was back to 103%, and down to 96% at 13/9. 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 and now down around 92% at 13/9. 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%).

4) Recent announcements on Government COVID-19 supports

JobSeeker and Coronavirus Supplement recipients¹³

- More than 1 million **people on temporary visas** 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
- **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 from 25/9/20. A decision had been expected in the Federal Budget on the rate of payment or Supplement from 1/1/21. A [story in SMH 19/9](#) says the Government will **wait until after the Budget** to decide which was confirmed by [Minister Ruston's RN Drive interview 21/9](#).
- 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. See [ABC report on impact](#), 31/7/20.
- **Mutual obligations** to search for at least 8 jobs per month and other requirements (except in Victoria) resume from 28 September.¹⁵
- See also 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.”

Is higher JobSeeker a disincentive to work?

- The Treasury Review of JobKeeper¹⁷ 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.
- **Bruce Bradbury and Peter Whiteford** writing in The Conversation, 21/9/20 [Unemployment support will be slashed by \\$300 this week. This won't help people find work](#) stated that “*unemployment payments declined from 50% of the minimum wage in the 1990s to under 40% at the start of 2020 — well below the poverty line.*” The Coronavirus Supplement introduced in April means the JobSeeker plus the supplement remains well below the adult minimum wage (76%, or 82% if shared accommodation rent assistance is added). On September 25, the Coronavirus Supplement [will drop by \\$300](#) a fortnight which means the combined JobSeeker/supplement payment will fall back to 55% of the minimum wage until December 31. See Appendix b) for more on comparison of payments with poverty lines and wages.
- **Academic Peter Whiteford**¹⁸ 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.¹⁹
- 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 1993.²⁰ 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.

Concerns for low income renters (especially those receiving JobSeeker)

- More than 1.7 million households are relying on **Commonwealth Rent Assistance** to help pay their rent. A large number are those who have recently become unemployed due to the COVID-19 pandemic. The number of people who have needed DSS unemployment payments since December has increased by 100%, the number of JobSeeker recipients needing rent assistance has increased by 135%. People relying on JobSeeker were paying \$225 pw rent in June and only getting ~\$66 pw in Commonwealth Rent Assistance (median data). The Coronavirus Supplement of \$275 pw was helping fill the gap. The \$150 pw cut will bite hard into household budgets and risk poverty and homelessness. Commonwealth Rent Assistance has not been increased in real terms since 2000, or 20 years ago.²¹

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. Payments have totalled \$54.8 billion to the end of July.²² The Government has previously estimated that the JobKeeper and other measures they have introduced have saved 700,000 jobs.²³
- While JobKeeper was originally due to run only until 27/9/20, it will now be extended to 28/3/21 with a number of important changes which can be accessed on the [ATO website here](#).

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 \$1,5000 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

- More than 40 economic and social policy experts have joined a call for a rethink on bringing forward tax cuts which will worsen inequality and fail to stimulate economic activity. See [Tax Cuts advertising campaign](#) launched by The Australia Institute. See also 20/7/20 report from the [Parliamentary Budget Office on the impact of the tax cuts](#).
- The Treasury Review of Jobkeeper²⁴ 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)²⁵ 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.
- Based on advice from the RBA and Treasury, the PM called on the States and Territories to increase spending to assist the recovery as part of the [National Cabinet meeting 21 August](#).

Appendix a) Detail on DSS unemployment payment recipients, Coronavirus Supplement and JobKeeper recipients²⁶

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

JSP and YAO by State	Dec 2019	August 2020 Total	Number change	Percentage Change
New South Wales	224,538	467,815	243,277	108%
Victoria	177,800	413,341	235,541	132%
Queensland	190,573	365,893	175,320	92%
South Australia	73,309	123,041	49,732	68%
Western Australia	97,746	173,739	75,993	78%
Tasmania	24,418	39,074	14,656	60%
Northern Territory	18,622	26,138	7,516	40%
ACT	6,551	14,599	8,048	123%
Total Recipients	813,721	1,624,269	810,548	100%

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

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

By State	August 2020 Females	August 2020 Males	August 2020 Total
New South Wales	217,627	250,188	467,815
Victoria	197,257	216,084	413,341
Queensland	166,974	198,919	365,893
South Australia	56,205	66,836	123,041
Western Australia	79,738	94,001	173,739
Tasmania	18,281	20,793	39,074
Northern Territory	11,279	14,859	26,138
ACT	6,483	8,116	14,599
Total Recipients	754,126	870,143	1,624,269

*includes those who had an unknown State, thus State numbers do not add up

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

JSP by Gender	Dec 2019 Total (JSP + YAO)	Aug 2020 Total	Variation Dec 19- Aug 20 Number	Percentage Increase Dec-Aug
Females	396,071	754,126	358,055	90%
Males	417,650	870,143	452,493	108%
Total Recipients	813,721	1,624,269	810,548	100%

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

By Age Group	Aug 2020 Females	Aug 2020 Females %	Aug 2020 Males	Aug 2020 Males %	Aug 2020 Total	Aug 2020 Ages by %
Under 25 years	147,580	20%	179,919	21%	327,499	20%
25-34 years	146,930	19%	221,705	25%	368,635	23%
35-44 years	137,721	18%	166,914	19%	304,635	19%
45-54 years	152,860	20%	145,866	17%	298,726	18%
55-64 years	151,714	20%	139,494	16%	291,208	18%
65 and over	17,321	2%	16,245	2%	33,566	2%
Total Recipients	754,126	100%	870,143	100%	1,624,269	100%

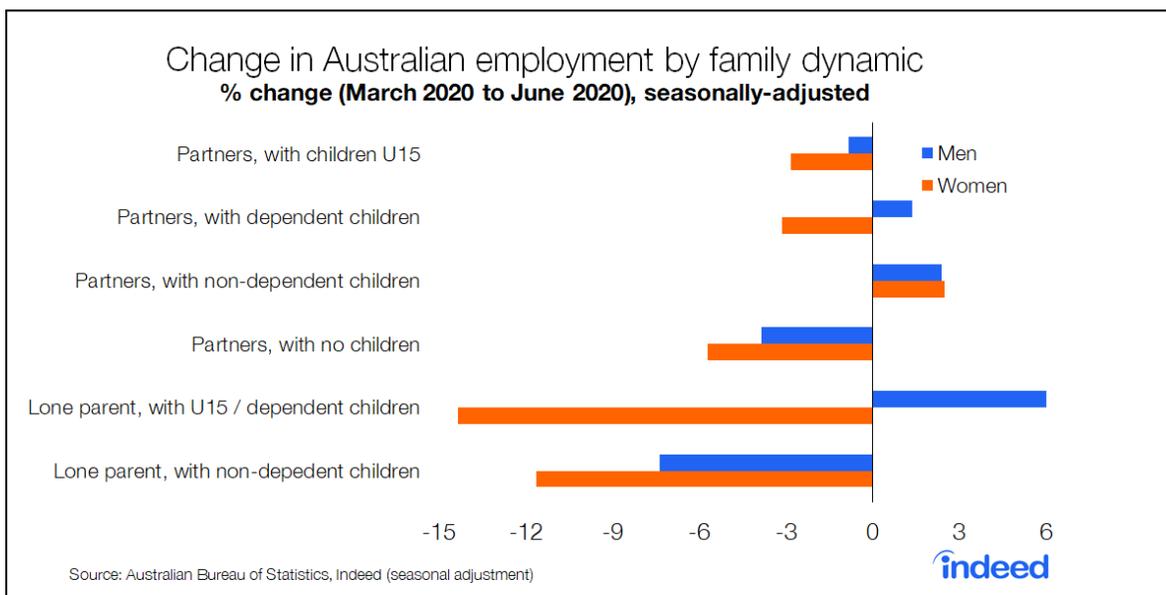
Note December 2019 does not disaggregate by gender and age so not able to do comparison.

DSS Payments: increase in JSP and YAO by Age, December 2019-August 2020²⁷

JSP & YAO by Age	Dec 2019 (JSP + YAO)	August 2020	Number change	Percentage change
Under 25 years	146,032	327,499	181,467	124%
25-34 years	149,799	368,635	218,836	146%
35-44 years	155,037	304,635	149,598	96%
45-54 years	167,025	298,726	131,701	79%
55-64 years	174,384	291,208	116,824	67%
65 and over	21,444	33,566	12,122	57%
TOTAL	813,721	1,624,269	810,548	100%

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 2020²⁸

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 173,125.²⁹

State/Territory	Number of CVS recipients 26/6/20	Estimated number of children with parent on CVS 26/6/20	Total nos CVS and children per State/Territory 26/6/20	Cost/Stimulus per week (millions)	Amount lost to economy if cut by \$150 per week @25/9/20 & assuming no change to # recipients
NSW	658,378	290,000	~950,000	\$183.6	~\$98.8 million
VIC	545,563	240,000	~786,000	\$151.9	~\$81.8 million
QLD	510,570	230,000	~740,000	\$145.6	~\$76.6 million
WA	242,963	110,000	~350,000	\$69.6	~\$36.4 million
SA	173,442	80,000	~250,000	\$50.6	~\$26 million
TAS	54,031	24,000	~78,000	\$15.2	~\$8.1 million
NT	33,761	15,000	~48,000	\$9.5	~\$5 million
ACT	22,680	10,000	~32,000	\$6.3	\$3.4 million
TOTAL	2,242,392	~1 million	~3.24 million	\$633.0	\$336.1 million

Source: CVS recipients By State/Territory from [Senate Committee on COVID-19 Answers to Questions on Notice #174](#). APW estimates of children supported by [Senate Committee on COVID-19 Answers to Questions on Notice #269](#)

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 and APW analysis of this including the impact of the \$150 pw cut by Electorate published on our [Poverty and COVID-19 webpage](#).

JobKeeper Program

JobKeeper Recipient Characteristics by State/Territory, 18 June & 14 September, 2020

By State & Territory	Number of organisations, 18/6/20	Number of individuals, 18/6/20	Number of individuals, 14/9/20	Amount of spending to 14/9/20
NSW	290,600	1,155,000	1,200,000	\$18.6 B
VIC	228,200	973,000	1,100,000	\$16.3 B
QLD	158,500	689,000	670,000	\$10.2 B
WA	78,700	332,500	310,000	\$4.8 B
SA	49,400	122,500	200,000	\$3.1 B
TAS	13,900	63,000	54,000	\$843 M
NT	4,500	21,000	15,000	\$238 M
ACT	10,100	45,500	45,500	\$677 M
TOTAL	833,900	3,500,000	3,594,500	\$54.758 Billion

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, September data from SMH, [Frydenberg to push states on fast spending](#), 19-20/9/20

JobKeeper Recipient Characteristics, 18 June 2020³⁰

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 2020³¹

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

Further analysis of JobKeeper is available from ed@antipovertyweek.org.au if required.

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

JobSeeker Payments plus supplements (maximum possible)³²

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. There will be no CPI increase which was due on 20/9/20 as inflation is negative.

Youth Allowance Other plus supplements (maximum possible)³³

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)³⁴

	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 e) 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.”³⁵

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.

Appendix f) Preliminary findings of 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.

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¹ See Anti-Poverty Week website [Highlights of 2019](#) for more.

² See [Activities during Anti-Poverty Week 2019 that focused on Newstart – increasing understanding and taking action collectively](#)

³ 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.

⁴ <https://www.pc.gov.au/research/completed/youth-income-decline>

⁵ [DSS JobSeeker Payment & Youth Allowance Monthly Profile, August 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 [DSS Demographics](#), December 2019 and [DSS JobSeeker Payment & Youth Allowance Monthly Profile, August 2020](#)

⁸ [Senate Committee on COVID-19 Answers to Questions on Notice #164](#).

⁹ [ABS 6354.0 Job Vacancies Australia](#) is only published quarterly – the next report is for August and will be published on 1 October.

¹⁰ [Senate Committee on COVID-19 Answers to Questions on Notice #174](#).

¹¹ [Senate Committee on COVID-19 Answers to Questions on Notice #269](#)

¹² 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.

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 [Department of Education, Skills & Employment website](#) for more.

¹⁶ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.

¹⁷ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.

¹⁸ Peter Whiteford, [When the Coronavirus Supplement stops, JobSeeker needs to increase by \\$185 a week](#), The Conversation, 21/5/20.

¹⁹ [ACOSS Media Release, 25/5/20](#).

²⁰ [Poverty rates in Newstart households rising, Centre for Social Research and Methods report finds](#), Canberra Times, 15/9/19.

²¹ Commonwealth Rent Assistance data from [DSS Demographics, June 2020](#). See also [APW Poverty and Housing Fast Fact](#).

²² SMH, [Frydenberg to push states on fast spending](#), 19-20/9/20

²³ <https://budget.gov.au/2020-efu/downloads/JEFU2020.pdf>

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- ²⁴ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ²⁵ 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>
- ²⁶ APW analysis from DSS Demographic Data December 2019 and [DSS JobSeeker Payment & Youth Allowance Monthly Profile, July 2020](#) unless otherwise stated.
- ²⁷ APW analysis from DSS Demographic Data December 2019 and [DSS JobSeeker Payment & Youth Allowance Monthly Profile, July 2020](#)
- ²⁸ [Senate Committee on COVID-19 Answers to Questions on Notice #174](#).
- ²⁹ [Senate Committee on COVID-19 Answers to Questions on Notice #222](#).
- ³⁰ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³¹ Treasury, [Three month review of JobKeeper](#), 29/6/20 released on 21/7/20.
- ³² [Services Australia website](#), 27/4/20.
- ³³ [Services Australia website](#), 27/4/20.
- ³⁴ 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
- ³⁵ APW underlining.