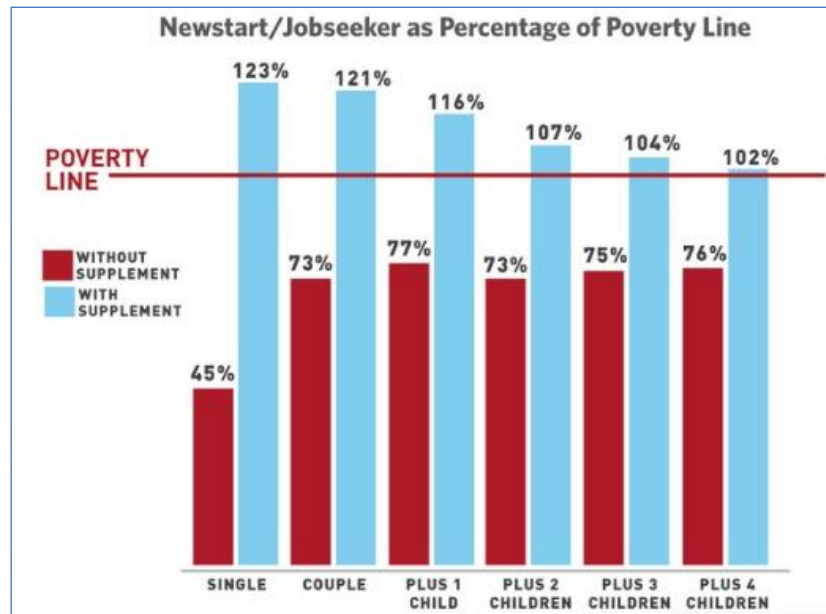


## JobSeeker is lifting thousands of people out of poverty

Over 200,000 Australians are living in poverty, including over 40,000 children. The new rate of JobSeeker (including the Coronavirus Supplement) has allowed families to meet basic household needs and relieve financial stress.



Source: The Australia Institute

## Rate of JobSeeker

The Coronavirus supplement adds \$550 per fortnight onto the base rate, which has allowed families to pay rent, access nutritious food and decrease demand for emergency relief services. The Supplementary payment is due to cease in September 2020, at which time the base rate will drop back down to \$40 a day, plunging thousands of Western Australians into poverty.

JobSeeker with and without Coronavirus Supplement		
	Base Rate (pre-COVID), per fortnight	with Coronavirus Supplement, per fortnight
Single, no children	\$566	\$1,116
Single, dependent child or children	\$612	\$1,162
Single, aged 60 or over	\$612	\$1,162
Partnered without children	\$511 each	\$1,061 each
Partnered with children	\$511 each	\$1,061 each

### Who receives JobSeeker?

- 1,340,000 Australians receive JobSeeker or Youth Allowance and another 300,000 are waiting to have their claims processed.
- Government modelling shows that up to 1,700,000 people are expected to receive JobSeeker by September 2020. Treasury estimates 10% unemployment rate by then
- Prior to COVID-19, of recipients of Jobseeker (formerly Newstart):
  - half were aged over 45 years and nearly 200,000 aged over 55 years
  - more than 80,000 were single parents
  - 43% had a disability or illness that prevented them from working full time, but could not get the Disability Support Pension

### Why do we need to permanently increase the base rate of JobSeeker?

- On the old rate of Newstart, many people were living below the poverty line and were unable to pay their bills, access nutritious food and cover basic expenses.
- Many more Australians will find themselves in this position with close to 1,000,000 jobs lost after Covid-19. Economists warn of an impending recession.
- Already vulnerable groups are likely to be affected for longer:
  - Women have been disproportionately impacted by COVID-19 due to high concentrations of women in the casual workforce and in industries impacted by restrictions and due to caring roles.
  - Young people are likely to experience higher rates of unemployment and find it difficult to enter the workforce.
  - Many people who are low-skilled and/or over 55 are likely to find it difficult to secure employment for months or years to come.
- Poverty impacts on health, educational and other outcomes. An investment in people now saves greater costs down the track. The metaphorical fence at the top of the cliff rather than the ambulance at the bottom.

### Cost of increasing the base rate of JobSeeker to above the poverty line

The Parliamentary Budget Office estimates it would cost \$7.7bn per year for no Australian to live below the poverty line (defined by the OECD as 50% of median income). In Australia, that amount is about \$500 per week for a single person with no children.

People receiving JobSeeker spend almost all their income locally on essentials like food, rent, utilities, transport and education. Permanently increasing the incomes of people with the least means they will spend it in their communities. This is why increasing these payments permanently is not only the right thing to do, it's the smart thing to do, especially as our economy recovers from the pandemic.

Government investment in our social safety net to keep people out of poverty will also result in cost savings in many other areas including emergency relief, homelessness, family violence, and crisis services.