

Q: What is JobSeeker Payment?

JobSeeker Payment is the main income support payment for people looking for employment. JobSeeker was previously known as the Newstart Allowance.

Q: How many people receive JobSeeker Payment?

In August 2020, there were 1.6 million people receiving the JobSeeker Payment (including Youth Allowance (Other)).

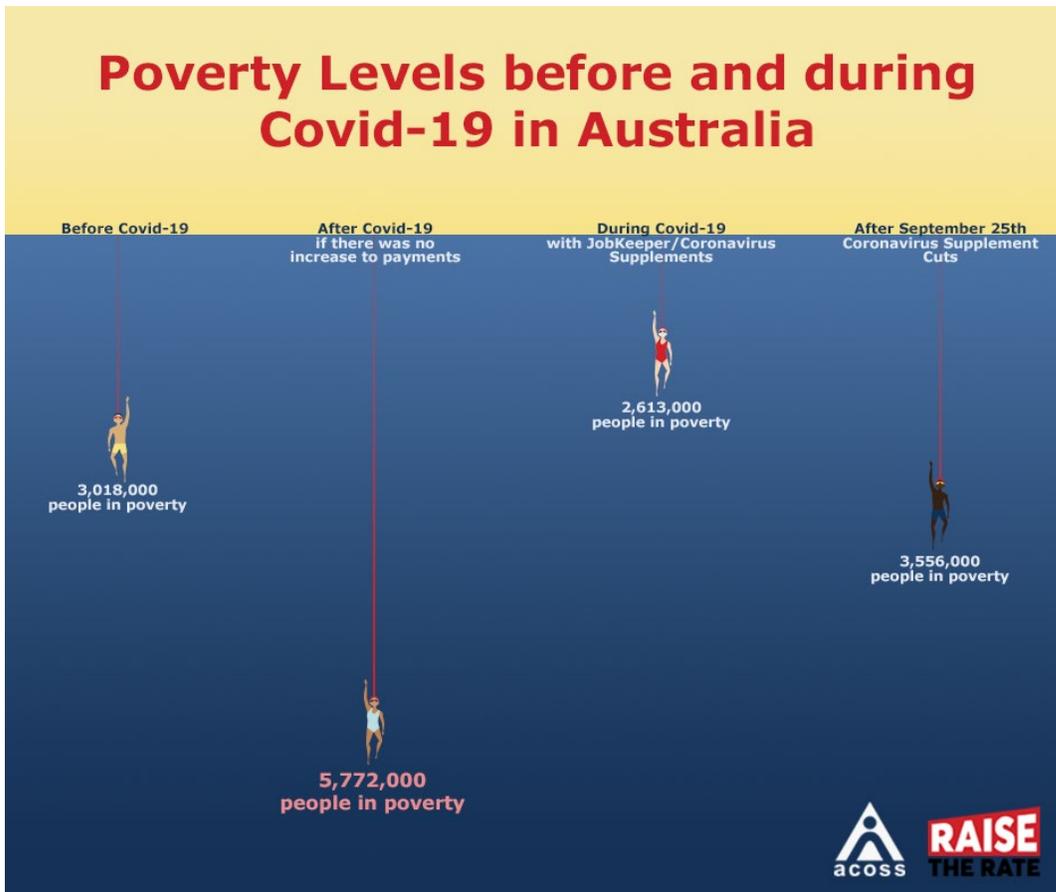
Q: Wasn't the Government's Coronavirus Supplement enough of an increase to the JobSeeker rate?

Prior to COVID-19, JobSeeker, Youth Allowance, Austudy, Abstudy and the Parenting Payment had not seen a real increase in 26 years. This means that people receiving these payments were living well below the poverty line, unable to cover basic living costs such as rent, fresh food or medicine. Before COVID-19 there were more than 3 million people living in poverty.

As part of the Federal Government's COVID-19 response, the rate of JobSeeker and related payments was temporarily increased until September 2020. This (and the JobKeeper wage subsidy) lifted hundreds of thousands of people out of poverty overnight.

This increase was slashed by more than half on 25 September, when it was reduced by \$300 a fortnight. Since the cut, the number of people living in poverty increased to 3.6 million.

At present, the government plans to remove this increase entirely from 1 January 2021.



Q: What is ACOSS calling for?

ACOSS is advocating for a **permanent and adequate** increase to JobSeeker, Youth Allowance, Austudy, Abstudy and the Parenting Payment.

The temporary increase to these payments has meant that people receiving these payments were able to basic living costs such as rent, fresh food or medicine, some for the first time in years. The range and breadth of ways people's lives improved can be found in [ACOSS Survey of more than 600 people receiving the new rate of JobSeeker or related income support payments](#).

At present, the Government plans to remove the increase entirely on 1 January 2021, and people on JobSeeker back to the old brutal Newstart rate of \$40 a day.

What is permanent and adequate?

JobSeeker and other payments should increase by between \$185pw and \$275pw.

There should be supplementary payments paid to people that reflect need, including an increase to Commonwealth Rent Assistance of 50%.

For more information, [see ACOSS's briefing note on next steps for income support](#).

Q: People receiving JobSeeker and other income support payments already receive supplementary payments, so why should we increase payments?

The only supplementary payment that everyone on JobSeeker Payment receives is the Energy Supplement of \$4.40pw. Even with this payment, JobSeeker before the Coronavirus Supplement was just \$40 a day.

The second most common payment is Commonwealth Rent Assistance, which is a payment available to people receiving income support who live private rental or community housing. Before the pandemic, just 40% of single people receiving JobSeeker received Commonwealth Rent Assistance. The maximum rate of this payment is \$70pw for a single person. However, to receive this, you must pay more than twice that amount (\$150pw) in rent.

Parents may receive Family Tax Benefit if they have dependent children. Prior to COVID-19, just 20% of people receiving JobSeeker Payment received Family Tax Benefit, which is to assist with the cost of raising children.

Q: Won't increasing the rate of JobSeeker act as a disincentive to find a job?

Ensuring income support payments are adequate to cover the basics will not act as a disincentive to employment.

Jobseeker is much lower than the minimum wage

Even with the \$125pw Coronavirus Supplement (as at 25 September 2020), JobSeeker Payment is just 54% of the minimum wage. If JobSeeker was permanently lifted by \$185pw, it would be less than two thirds of the minimum wage. This means that people will still be better off financially in paid work.

The inadequate rate of JobSeeker Payment acts as a barrier to getting paid work

Evidence collected by the campaign, from people receiving JobSeeker Payment suggests that the low rate of income support is a barrier to paid work, because it negatively affects people's mental and physical health as a result of constant financial stress. Because the rate of JobSeeker Payment prior to COVID-19 was so little at \$40 a day, people were unable to pay rent, bills, or cover the cost of medicine, fresh food, or school supplies for their kids. Buying petrol or fixing the car was a struggle, as was buying suitable clothing for a job interview or even getting a haircut.

An adequate rate of JobSeeker and other income support will help people cover the basics while they reskill or search for paid work.

Q: Is JobSeeker the same as JobKeeper?

No – JobSeeker is the primary income support payment for people seeking paid work. JobKeeper is a wage subsidy introduced by the Federal Government in response to COVID-19.

Q: Do you advocate for pensioners?

While the Raise the Rate For Good Campaign is focused on increasing base rates of JobSeeker, Youth Allowance, Austudy, Abstudy, and the Parenting Payment, the supplementary payments ACOSS is also calling for would extend to pensioners as well, including Commonwealth Rent Assistance and a Disability and Illness Supplement of at least \$50pw.

Q: What is indexation?

Indexation is a technique used by the Federal Government to adjust the level of income support payments so that they increase in line with inflation (the general level of prices for goods and services), and for some payments, wages. JobSeeker and some other payments are indexed twice per year in line with the Consumer Price Index.

When you say, 'JobSeeker has not increased in real terms' what does this mean?

A 'real increase' is an increase over and above inflation. As mentioned, JobSeeker and related payments have been increasing over time to reflect changes in inflation (by way of the Consumer Price Index). The last time (before COVID) JobSeeker Payment was increased in real terms was in 1994, when it rose by \$2.95pw above inflation.

Why does this matter for the rate of JobSeeker and other payments?

There are a couple of problems with increasing payments in line with inflation only. The first is that CPI reflects the average price of an average 'basket of goods'. We know that people on low incomes have very different spending patterns to people on higher incomes, and so CPI does not necessarily reflect the average basket of goods bought by someone on JobSeeker, as it would someone on a wage of \$80,000 (for example). The second reason why CPI on its own is not a great way to ensure income support payments cover living costs over time is that it does not measure community living standards. For example, in 1994, not everyone would have had a mobile phone, but these days, they are almost essential. Adjusting incomes in line with price changes does not reflect changes to the norm. This is why ACOSS is calling for payments to be indexed in line with wages as well as prices to ensure that incomes maintain pace with community living standards over time. Pensions, for example, are benchmarked to wage growth as well as price increases.