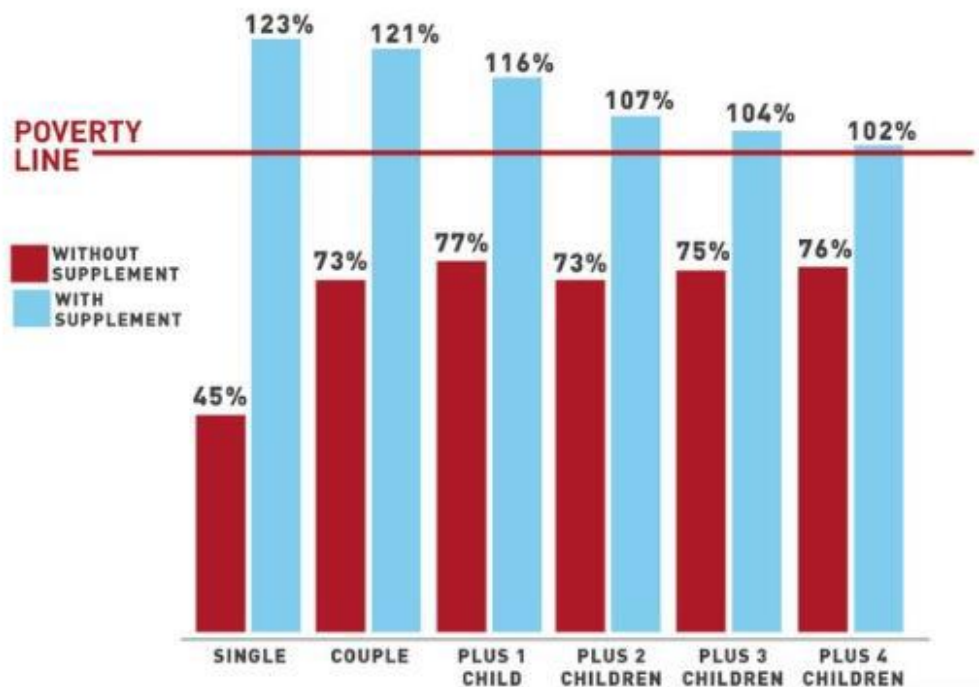


JobSeeker and the Coronavirus Supplement Fact Sheet

The current rate of JobSeeker (including the Coronavirus Supplement) is lifting thousands of Tasmanians out of poverty and has allowed families to meet basic household needs and relieve financial stress. Tasmanians are spending the higher payment on essentials like fresh fruit and vegetables, paying their utility bills, heating their houses and buying warm clothes for their children.

JobSeeker (formerly Newstart) as percentage of poverty line, %



(Source: The Australia Institute)

Rate of JobSeeker

The Coronavirus Supplement adds \$550 per fortnight onto the base rate of JobSeeker, which has allowed families to pay rent, access nutritious food and decrease demand for emergency relief services.

The Coronavirus Supplement is available at the existing rate until 24 September 2020. Beyond this date, the Coronavirus Supplement will be reduced to \$250 per fortnight through to 31 December 2020. In addition, means testing will be reintroduced including asset testing for all payments.

As a result of a \$300 reduction in the Coronavirus Supplement rate from 25 September 2020, 39,500 Tasmanians who are presently on JobSeeker will be plunged back into poverty.

JobSeeker with and without the Coronavirus Supplement

	Base rate of JobSeeker pre-COVID-19, per fortnight	Base rate of JobSeeker with the Coronavirus Supplement until 24 September 2020, per fortnight	Base rate of JobSeeker with the Coronavirus Supplement from 25 September 2020, per fortnight
Single, no children	\$566	\$1,116	\$816
Single, with a dependent child or children	\$612	\$1,162	\$862
Single, aged 60 years of age or over, after 9 continuous months on payment	\$612	\$1,162	\$862
Partnered	\$511 each	\$1,061 each	\$761 each

Who receives JobSeeker?

- 39,500 Tasmanians receive JobSeeker or Youth Allowance.
- Federal Government modelling shows that up to 1.7 million people are expected to receive JobSeeker by September 2020. Treasury estimates 9.25% peak unemployment rate in the December 2020 quarter. Tasmania has experienced around 20,000 job losses due to COVID-19 and our unemployment rate in June 2020 was 6.9%, well below the forecast of 12.25%. However, our 'effective' unemployment rate (taking into account the impacts of JobSeeker and JobKeeper) is estimated to be around 11%.
- Nationally, prior to COVID-19 of the total JobSeeker (formerly Newstart) recipients:
 - Half were aged over 45 years and nearly 200,000 aged over 55 years of age.
 - 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 (DSP).

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

- On the base rate of JobSeeker, thousands of Tasmanians 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 more than 1 million people unemployed since COVID-19.
- 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 years of age 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 \$7.9 billion 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 \$506 per week for a single person with no children.

Tasmanians receiving JobSeeker spend almost all their income locally on essentials like food, rent, utilities, transport and education. Permanently increasing the incomes of these Tasmanians means they will spend it more 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, as it will provide an economic stimulus as we recover from the pandemic.

Federal 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.

August 2020

Adapted with thanks from:

Anglicare Western Australia 2020, 'JobSeeker and the Coronavirus Supplement'.