

'I Can Finally Eat Fresh Fruit And Vegetables'

Survey Of 955 People Receiving The New Rate Of JobSeeker And Other Allowances

In May 2020, the Raise The Rate campaign surveyed 955 people on JobSeeker Payment, Youth Allowance, Parenting Payment, and Austudy, who are receiving the Coronavirus Supplement.

This survey explores how the new rate of JobSeeker and other allowances has affected people's ability to cover essential costs like housing, bills, food, medicine, and other vital expenses. The survey also explores how people feel about the Government's plan to return income support payments to the old rates in late September.

The survey found that people were reporting dramatically reduced levels of financial and personal distress since the introduction of the new JobSeeker rate, with significant declines in the number of people skipping meals, as well as people reporting they could not afford fresh fruit and vegetables, medicines, bills and rent, and other essential expenses.

This first real increase to allowances has had an extraordinary effect on people's lives, which cannot be overstated.

KEY FINDINGS

"Since the Coronavirus Supplement, I feel I have some dignity again. I am extremely anxious about the future when the supplement stops."

The survey found that, before the introduction of the Coronavirus Supplement, there were very high rates of financial and personal distress among people on JobSeeker Payment, Youth Allowance, and other payments:

- 66% of people had less than \$14 a day to live on, after paying their rent or mortgage
- 75% of people said they skipped meals because of a lack of funds, with 20% of people saying they were skipping at least 1 meal per day
- 70% of people were struggling with medical costs, including the costs of medicines and seeing a dentist, as well as specialist services like physiotherapy

After the introduction of the Coronavirus Supplement, there were significant declines in the number of people reporting hardship:

- The number of people skipping meals because of a lack of funds had dropped by over half, to 33%
- People's ability to purchase nutritious food has dramatically increased, with 93% reporting that they can afford more fresh fruit and vegetables, and 86% reporting that they can afford more meat
- The number of people reporting that they were struggling with medical costs had dropped by over 40%, with only two in five people now reporting that they were experiencing difficulties paying for medicines and health services
- 94% reported that the end of the additional payment would have either a significant or severe impact on their finances

“I feel like before Coronavirus we were living in poverty. Always wondering when I wasn't going to be able to scrape enough together to feed the kids again. At the moment, I can breathe and sleep a little easier knowing everything that needs to be paid is, and the kids are fed. I don't have anything left over to save but my children are eating better.”

Overwhelming numbers of people are reporting that it is now easier to cover the cost of essential items:

- **83% reported that they were eating better**
- **75% reported that they were now able to catch-up on bills**
- **69% reported that they were finding it easier to pay their rent, or were considering moving into safer or more appropriate accommodation**
- **61% reported that they were better able to cover the cost of emergency expenses**
- **59% were now able to save up for major household items like fridges and freezers**

People spoke about having less anxiety and stress (54% reported that their anxiety about money has substantially decreased), being able to catch-up on bills, buy more food (and more nutritious food), and cover the cost of new essential appliances.

“This supplement has reduced anxiety and stress in my household. It has helped me get my car fixed, we now eat better and healthier. We are able to set aside money for emergencies and small holidays to see family. I can afford my water, electricity and gas bills, and to have the Internet (which is an essential for my studies). I can afford to upgrade my fridge, freezer and other goods that raise my bills.”

“I have been able to buy extras to stock up the pantry instead of just basics every fortnight when Newstart payment goes into my account. I feel a little more secure now and hopefully I can now pay back the loan from my ex-husband for a new fridge (the old one broke after 14 years and I didn't know what else to do). Things like this are not luxuries.”

There is deep concern about the planned end of the Coronavirus Supplement, on September 24 2020, with **94% reporting that the end of the additional payment would have either a significant (39%) or severe (55%) impact on being able to cover the cost of essentials**. Many expressed concerns about covering housing costs, should JobSeeker return to its old rate of \$40 a day:

“I will have to go back to missing meals, getting help from my pensioner parents to cover electricity bills, and I won't be able to afford the health care I need. Also, I won't be able to move into more suitable rental accommodation.”

“My rent is more than Newstart – more than 160% – so I'd be looking to leave a stable home with no option really but to move in with relatives interstate at the age of 40, damaging my self-esteem, independence, and confidence to get a job even though there are very few now anyway. Would be very disruptive, instead of providing a bridge for me to live with dignity while looking for a job that matches my experience.”

BACKGROUND

On March 22, the Federal Government, as part of its response to the economic shutdown implemented to reduce the spread of Coronavirus, announced a \$550 a fortnight Coronavirus Supplement, to be paid to current and future recipients of JobSeeker Payment, Youth Allowance (JobSeeker), Parenting Payment, and Special Benefit, starting on April 27, and due to end on September 24. On March 24, this supplement was extended to students, with Youth Allowance, Austudy, and Abstudy recipients now eligible for the payment.

Before the introduction of the supplement, the base rate of JobSeeker, which had not been raised in real terms for 26 years was \$40 a day; for Youth Allowance, it was \$33 a day.

JobSeeker (formerly Newstart) and Youth Allowance, and other payments paid at the same rate have long been regarded as inadequate. A broad and diverse cross-section of the community have called for a permanent raise to the base rate of these payments, including business organisations like the Business Council of Australia and Australian Industry Group; health organisations like the Australian Medical Association; regional organisations like the Country Women's Association; community sector organisations like ACOSS, Anglicare, Mission Australia, and St, Vincent de Paul; and 47 local governments across the country.

Opinion polls have consistently indicated that there is a strong public support for permanently raising JobSeeker and allowances. For instance, an Essential Research poll from May 2020 reported that 57% of people support a permanent raise to JobSeeker and other allowances, with only 28% opposed, and 15% unsure.¹ A Sydney Morning Herald poll subscriber from May 2020 reported that 70% of respondents supported a permanent raise to JobSeeker, with only 18% opposed, and 12% unsure.²

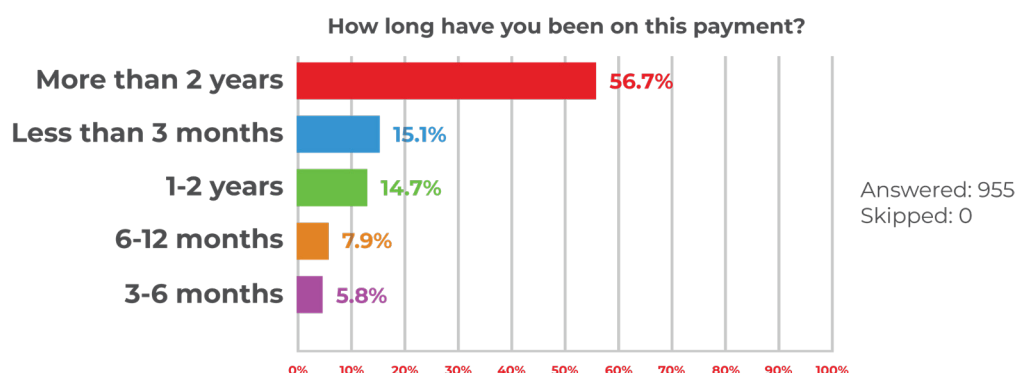
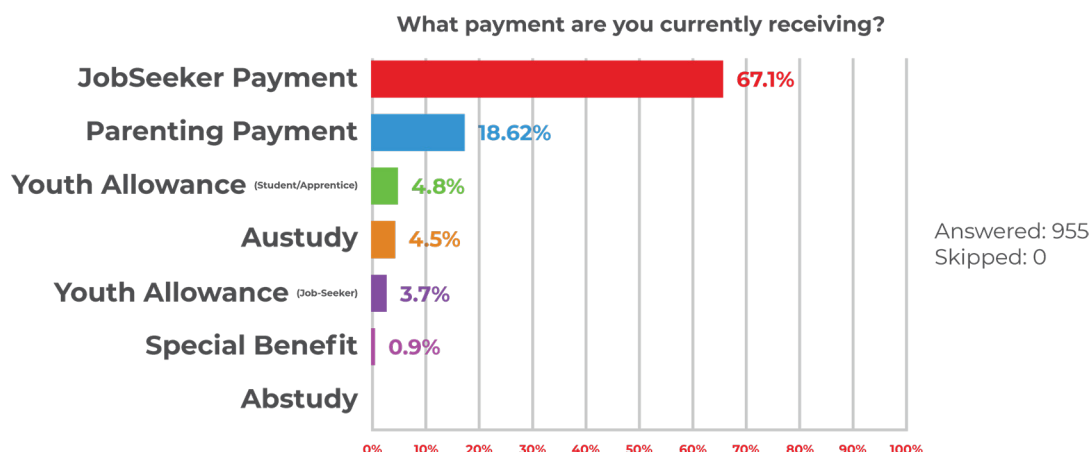
We must never return income support payments back to the old Newstart rate of \$40 a day. In this precarious economic environment, it is more important than ever that we have a robust safety net for the 1.6 million people who are now locked out of enough paid work, and the projected more than 2 million people needing income support in September. The Federal Government must permanently increase income support payments so that they prevent poverty and ensure everyone has enough money to cover food, housing and other essential costs, regardless of their situation

¹ Essential Vision report, May 5, 2020: <https://essentialvision.com.au/category/essentialreport/page/10>.

² Sydney Morning Herald subscriber poll, May 6, 2020.

RESULTS OF THE SURVEY

BREAKDOWN OF SURVEY RESPONDENTS



Over half of all respondents had been receiving an income support payment for more than 2 years, while more than 1 in 7 had been receiving a payment for less than 3 months.

How many children or dependents do you have?

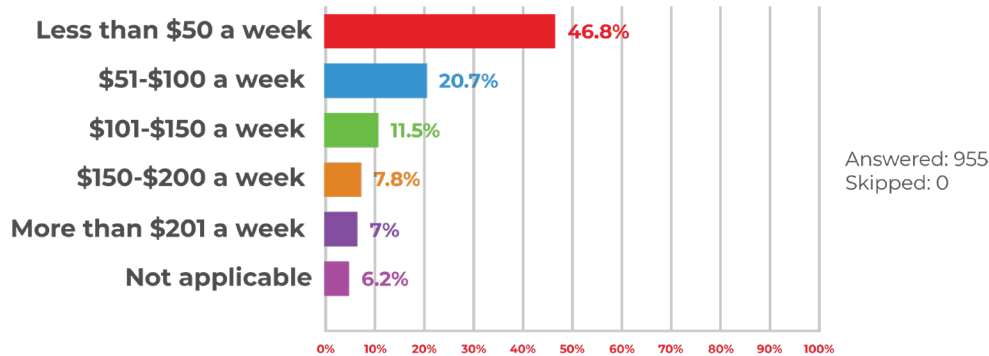
- 0 – **57%**
- 1 – **20.4%**
- 2 – **9.8%**
- 3 – **7%**
- More than 3 – **5.8%**

Are you currently in paid work?

- No – **82.3%**
- Yes – **17.7%**

Housing

Before the introduction of the Coronavirus Supplement, how much income did you have left per week, after paying your rent or mortgage?



Before the Coronavirus Supplement was introduced, almost half of people reported having less than \$7 a day to live on, after paying their rent or mortgage, and two-thirds reported having less than \$14 a day, after covering their housing costs.

Are you couch-surfing, or staying in other insecure, or irregular accommodation, like boarding houses, emergency accommodation, or rough-sleeping?

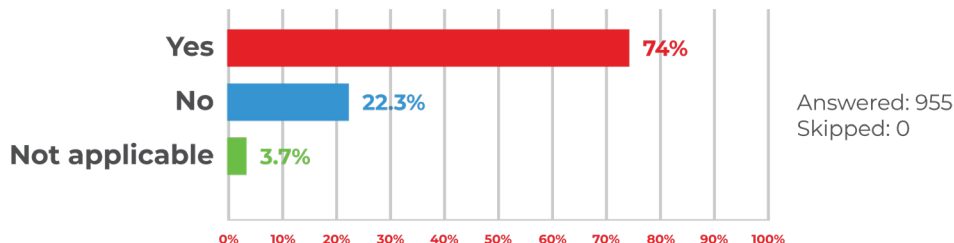
- Yes – 7.3%
- No – 92.7%

Those who answered 'yes' to the last question, will the Coronavirus Supplement allow you to move into more stable and appropriate accommodation?

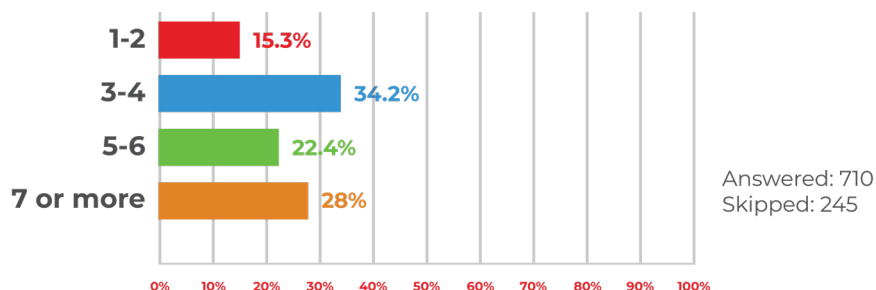
- Yes – 80%
- No – 20%

Food

Before the introduction of the Coronavirus Supplement, were you skipping meals?



If you answered 'yes', how many meals were you skipping per week?



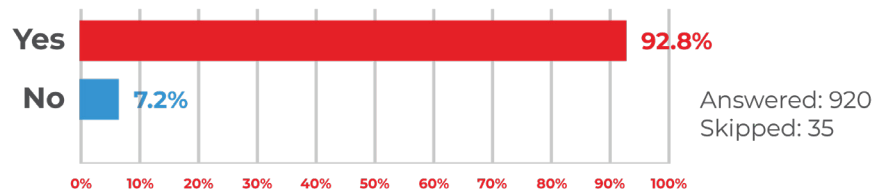
Over one quarter people reported skipping at least one meal a day because of a lack of funds, before the introduction of the Coronavirus Supplement.

Are you still skipping meals now because of a lack of income?

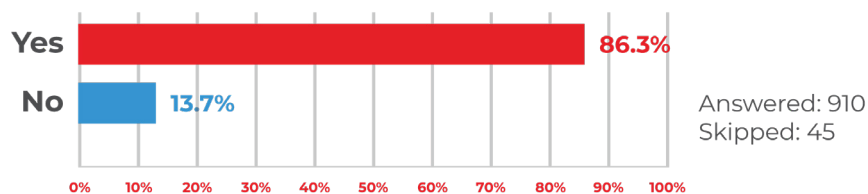
- Yes – **32.5%**
- No – **67.5%**

There has been a 56% decrease in the number of people who reported skipping meals because of a lack of funds, since the start of the Coronavirus Supplement.

Have you been able to afford to eat more fresh fruit and vegetables since the introduction of the Coronavirus Supplement?

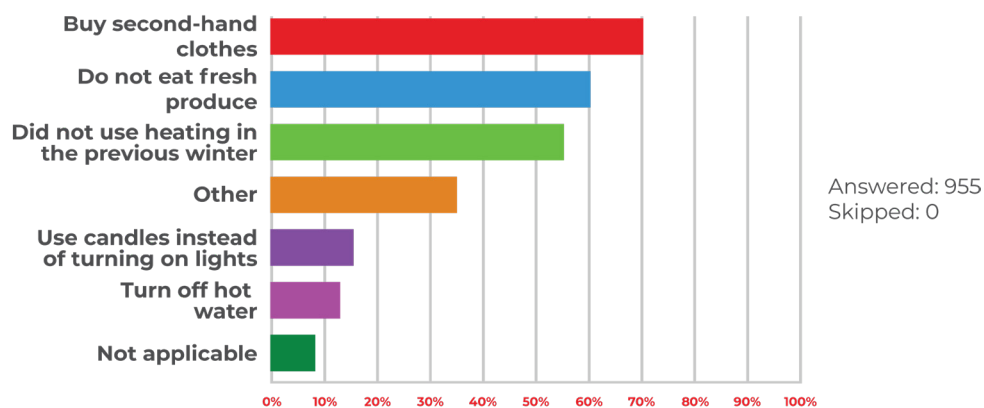


Have you been able to afford to eat more meat since the introduction of the Coronavirus Supplement?



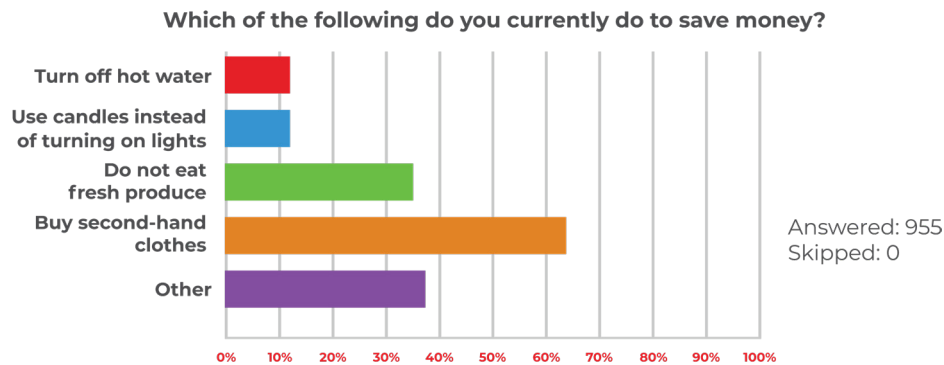
HOW PEOPLE MANAGED INADEQUATE INCOMES

Before the introduction of the Coronavirus Supplement, which of the following did you previously do to save money?



Before the introduction of the Coronavirus Supplement, which of the following did you previously do to save money?

- Buy second-hand clothes – **70.2%**
- Do not eat fresh produce – **59.8%**
- Did not use heating in the previous winter – **56.5%**



Which of the following do you currently do to save money?

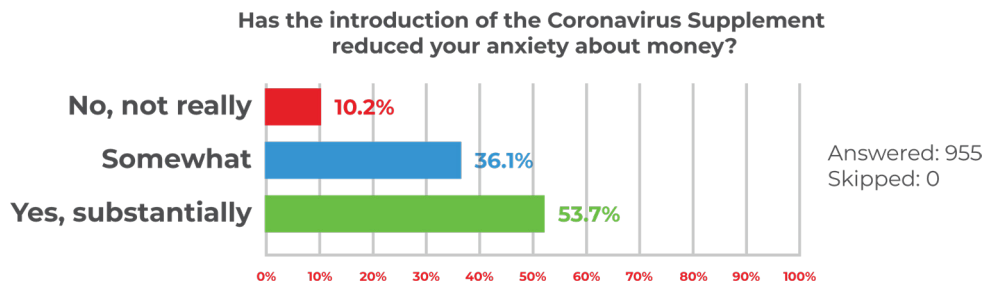
- Buy second-hand clothes – **63.5%**
- Do not eat fresh produce – **35%**
- Use candles instead of turning on lights – **11.4%**

BILLS

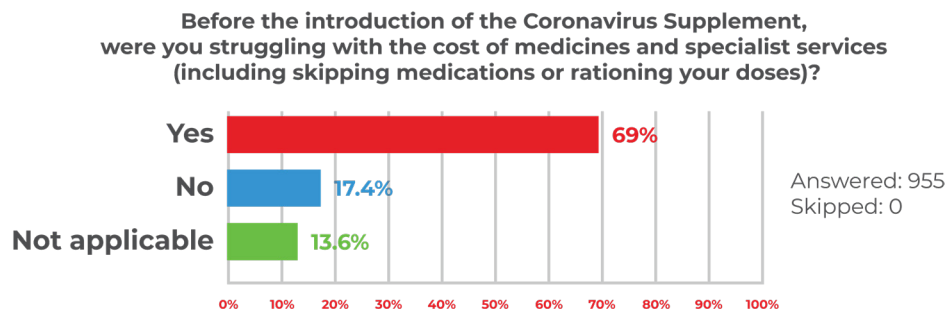
How much of an impact will the Coronavirus Supplement have on your ability to pay your utility bills?

- Significant impact – It will be much easier to pay my utility bills, I will not have to forego essentials to pay my bills – **79.7%**
- Small impact – It will be a little easier to pay my utility bills – **16.3%**
- No impact – it will be just as hard or as easy to pay my utility bills before – **4%**

ANXIETY

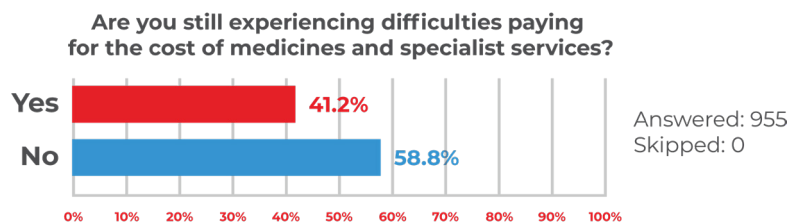


MEDICAL COSTS



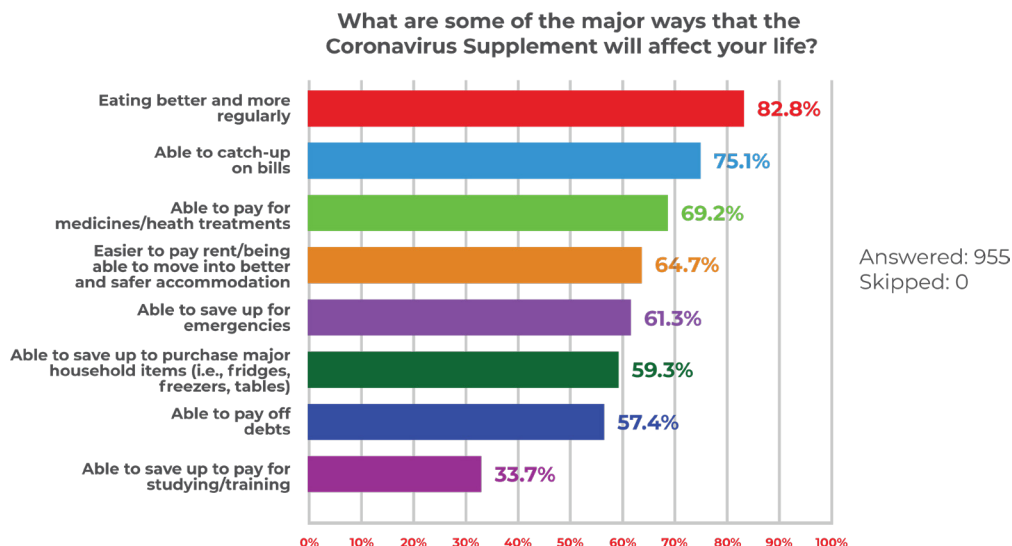
In what ways were you struggling to cover medical costs?

- Struggling to cover the cost of specialist services (i.e., dental care, mental health treatment, physiotherapy) – **61.5%**
- Struggling to cover the cost of medication – **21.8%**

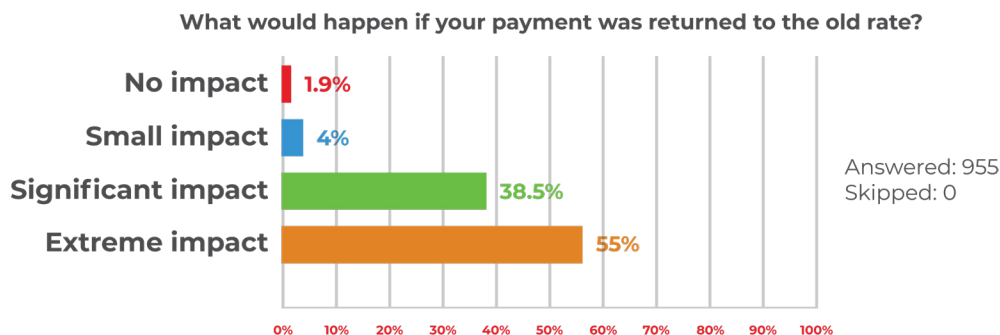


The number of people reporting that they were struggling with the cost of medicines and specialist services has declined by one third since the introduction of the Coronavirus Supplement.

HOW THE CORONAVIRUS SUPPLEMENT WILL AFFECT YOUR LIFE



IF YOUR PAYMENT RETURNS TO THE OLD RATE



Over eight in ten people said the planned removal of the Coronavirus Supplement will have either a significant (38.5%) or extreme (55%) percent impact on their ability to cover the cost of essentials.

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