

'If It Wasn't For The Supplement, I've No Idea Where I'd Be'

Survey of more than 600 people receiving the new rate of JobSeeker or related income support payments

INTRODUCTION

One of the key planks of the Federal Government's response to the COVID-19 pandemic was increasing income support payments by \$550 per fortnight via the Coronavirus Supplement.

In August 2020, the Australian Council of Social Service (ACOSS) surveyed more than 600 people receiving JobSeeker or related income support payments to shed light on how the higher rates of payment helped people cover living costs. The survey also sought people's views on the planned reduction and removal of this payment in coming months.

Much like **the results of our first survey in May**, the positive impacts of higher income support payments are substantial. Higher income support payments have served as a lifeline for so many, allowing people to eat three meals a day and keep a roof over their head.

This survey also shows that there is deep concern about the \$300 a fortnight cut from September 25, as well as the planned removal of the Supplement from 31 December. Reducing income support payments will profoundly affect people's ability to meet rent or mortgage payments, eat regular, fresh, healthy meals, pay their bills, and afford medications and specialist services.

These results show why the Federal Government must permanently and adequately increase income support payments so that people have certainty and security, and can cover the basics for good.

KEY FINDINGS:

THE CORONAVIRUS SUPPLEMENT HAS MADE AN ENORMOUS POSITIVE DIFFERENCE TO PEOPLE'S LIVES.

- **80.8%** of people said they were eating better and more regularly
- **70.7%** of people said they were able to catch-up on bills
- **67.8%** of people said they were able to pay for medicines/health treatments
- Easier to pay rent/being able to move into better and safer accommodation – **58.8%**
- Able to pay off debts – **56.2%**
- Able to save up for emergencies – **51.7%**
- Able to save up to purchase major household items (i.e., fridges, freezers, tables) – **51.6%**
- Able to save up to pay for studying/training – **26%**

CUTS TO INCOME SUPPORT PAYMENTS WOULD HAVE A DEVASTATING IMPACT ON PEOPLE.

When we asked respondents about how the \$300 a fortnight cut to JobSeeker and other income support payments scheduled for September 25 will affect them, the picture is stark:

- **80%** said they will definitely have to both skip meals, and reduce how much fresh fruit and vegetables they buy.
- Over half said the cut will make it much harder to pay their rent, and that they will need to forego essentials like food, medicine, and other expenses.
- **40%** said they will have less than \$14 a day, after paying their rent.
- Over half said the cut will make it much harder to pay their rent, and that they will need to forego essentials like food, medicine, and other expenses.
- **47%** said they will likely have to skip medicines or ration their doses, and that specialist services will be harder to afford.
- **56%** said it would become much harder to pay bills, and that they would likely have to forego some essentials.

THE LACK OF CERTAINTY AND SECURITY MEANS THAT PEOPLE ARE UNABLE TO PLAN OR PREPARE FOR THEIR FUTURE.

- **75%** of respondents said they were 'extremely worried' about the \$300 a fortnight cut.
- Almost **95%** of respondents said if JobSeeker returns to its old rate of \$40 a day, there would be an 'extreme' or 'significant' impact on their finances.

People described the implications of a cut to payments for them:

"We will have to move house. And even then we will face choices between food, utilities, rent and therapy for my special needs child."

"I was starting to feel hopeful about retraining and finding work but now I'm just stressed thinking I won't be able to climb out of poverty."

"I couldn't afford fresh food or medical costs on the old Newstart rate. Would probably have to stay on mum's foldout sofa or a friend's place, and have friends look after most of my stuff."

"My kids won't be able to attend day care as I won't be able to afford it, my older kids will miss out on school activities if there is a cost involved, and we won't be able to purchase fresh fruit and vegetables, which will negatively impact their health."

Currently, the Coronavirus Supplement, which will fall from \$550 a fortnight to \$250 a fortnight at the end of September, is due to expire on December 31 2020, meaning JobSeeker and other income support payments will return to their pre-COVID-19 levels. For JobSeeker Payment, that is just \$40 a day.

BACKGROUND

On March 22, the Federal Government, as part of its response to the economic shutdown implemented to reduce the spread of COVID-19, announced a \$550 a fortnight Coronavirus Supplement for everyone receiving JobSeeker Payment, Youth Allowance, Parenting Payment, Austudy, Abstudy and Special Benefit, starting April 27.

On July 21, as part of its economic statement, the Federal Government announced that the Supplement would be extended beyond the original finishing date of September 24, to December 31, but at a lower rate of \$250 per fortnight.

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

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

Opinion polls have consistently shown strong public support for permanently raising JobSeeker. A Sydney Morning Herald poll in May 2020 reported that 70% of respondents supported a permanent raise to JobSeeker, with only 18% opposed, and 12% unsure.¹

As we handle the COVID-19 health and economic crises, more people than ever before will struggle to find paid work. There is currently only one job vacancy available for every 12 people on JobSeeker Payment or Youth Allowance. ACOSS is calling for a permanent and adequate increase to JobSeeker, Youth Allowance and other income support payments so that everyone has enough to cover the basics.

METHODOLOGY

ACOSS sought responses to this survey on August 10 2020, closing it to respondents on August 31 2020. The survey was online only. ACOSS promoted the survey via social media and through its networks. We acknowledge that restricting the survey to online only would have excluded people without online access, which is a limitation of the research. However, the survey still managed to get a significant number of responses, with 634 people completing the survey, the majority of whom receive JobSeeker Payment.

¹ Sydney Morning Herald subscriber poll, May 6, 2020.

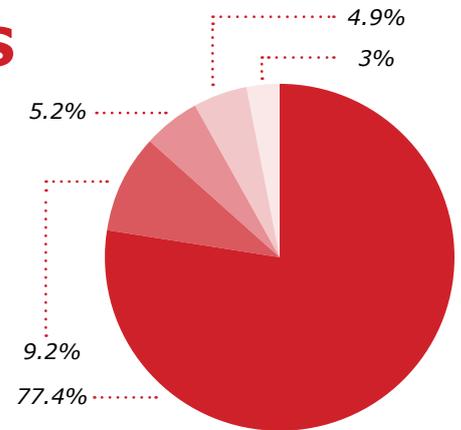
RESULTS OF THE SURVEY

All questions have 634 responses unless otherwise stated

BREAKDOWN OF RESPONDENTS

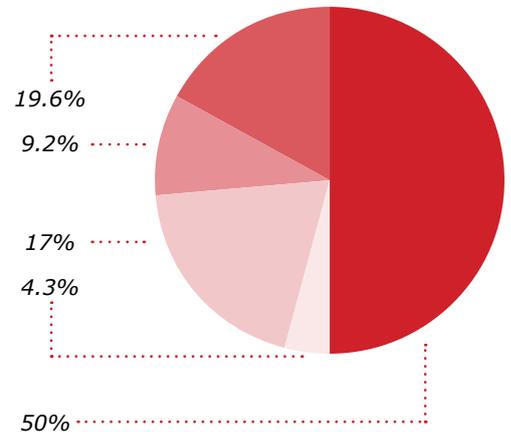
WHAT PAYMENT ARE YOU RECEIVING?

- JobSeeker Payment (formerly Newstart Allowance) – **77.4%**
- Parenting Payment – **9.2%**
- Austudy – **5.2%**
- Youth Allowance (Student/Apprentice) – **4.9%**
- Youth Allowance (Job-Seeker) – **3%**



HOW LONG HAVE YOU BEEN RECEIVING THIS PAYMENT?

- Less than 3 months – **4.3%**
- 3-6 months – **19.6%**
- 6-12 months – **9.2%**
- 1-2 years – **17.0%**
- More than 2 years – **50%**



HOW MANY DEPENDENTS DO YOU HAVE?

- 0 – **71.1%**
- 1 – **12.6%**
- 2 – **8%**
- 3 – **4.4%**
- More than 3 – **3.8%**

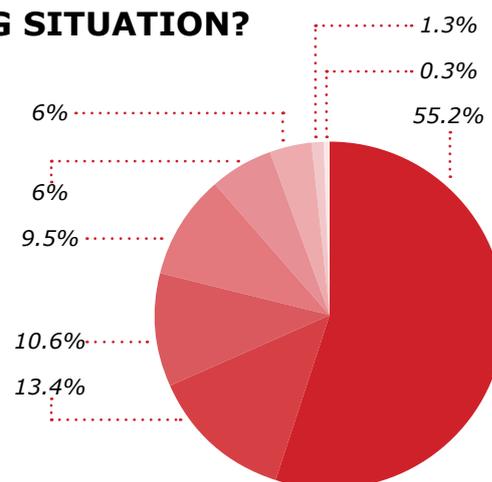
ARE YOU CURRENTLY IN PAID WORK?

- Yes – **17.8%**
- No – **82.2%**

HOUSING COSTS

WHAT BEST DESCRIBES YOUR CURRENT HOUSING SITUATION?

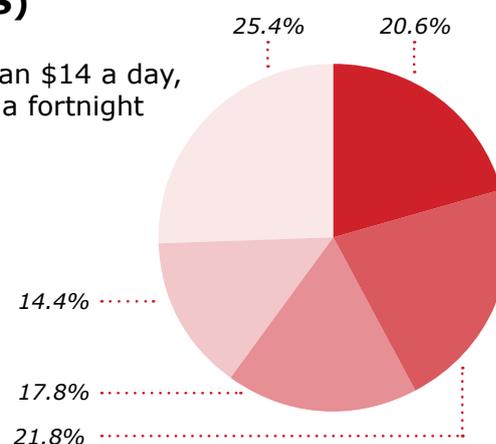
- Renter (private) – **55.2%**
- Renter (social housing) – **13.4%**
- Living with family – **10.6%**
- Mortgagee – **9.5%**
- Home-owner – **6%**
- Other – **3.8%**
- Couch-surfing – **1.3%**
- Rough-sleeping – **0.3%**



HOW MUCH WILL YOU HAVE LEFT AFTER YOU PAY YOUR RENT OR MORTGAGE, AFTER THE CORONAVIRUS SUPPLEMENT DROPS BY \$300 A FORTNIGHT ON SEPTEMBER 25? (528 RESPONSES)

More than four in 10 people reported that they would have less than \$14 a day, after paying their rent or mortgage when JobSeeker falls by \$300 a fortnight on September 25:

- \$0-\$7 per day – **20.6%**
- \$7-\$14 per day – **21.8%**
- \$14-\$21 per day – **17.8%**
- \$21-\$28 per day – **14.4%**
- More than \$28 per day – **25.4%**

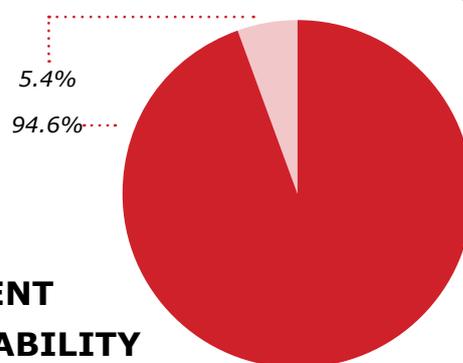


WHAT IMPACT WILL THE CORONAVIRUS SUPPLEMENT DROPPING BY \$300 A FORTNIGHT HAVE ON YOUR ABILITY TO MEET YOUR RENT? (495 RESPONSES)

- No impact – It will not change my ability to pay my rent – **13.9%**
- Some impact – It will be a bit harder to pay my rent, but I should be able to manage – **30.9%**
- Significant impact – It will be much harder to pay my rent and I will need to forego essentials like food, medicine, and other expenses – **52.7%**
- Not sure – **2.4%**

HAVE YOU RECEIVED A RENT REDUCTION DURING THE CORONAVIRUS PERIOD? (480 RESPONSES)

- Yes – **5.4%**
- No – **94.6%**



WHAT IMPACT WILL THE CORONAVIRUS SUPPLEMENT DROPPING BY \$300 A FORTNIGHT HAVE ON YOUR ABILITY TO MEET YOUR MORTGAGE PAYMENTS? (128 RESPONSES)

- No impact – It will be just as hard to pay my mortgage as before – **12.5%**
- Some impact – It will be a bit harder to pay my mortgage, but I should be able to manage – **12.5%**
- Significant impact – It will be much harder to pay my mortgage, I will have to forego essentials like food, medicine, and other expenses to meet my payments – **41.4%**
- Not sure – **33.6%**

"My mortgage is \$744 a fortnight, which is basically the same as the reduced payment. It'll likely be going up around the same time as the payment cut, as my mortgage pause ends."

IF THE GOVERNMENT REMOVES THE REST OF THE CORONAVIRUS SUPPLEMENT, DROPPING YOUR INCOME BY A FURTHER \$250 A FORTNIGHT, AT THE END OF THE YEAR, HOW CONFIDENT ARE YOU THAT YOU WILL BE ABLE TO KEEP MEETING YOUR RENT OR MORTGAGE PAYMENTS IN 2021? (532 RESPONSES)

- Fairly confident – even if I am still on income support, I think I will be able to manage, even if the rest of the Coronavirus Supplement is removed – **11.1%**
- Not very confident – the removal of the rest of the Coronavirus Supplement will have a substantial impact on my ability to keep paying my mortgage and I will likely have to forego some essentials – **17.1%**
- Significant impact – It will be much harder to pay my rent or mortgage, I will have to forego essentials like food, medicine, and other expenses to meet my payments – **39.1%**
- I will not be able to meet my rent or mortgage payments – **29.3%**
- Not sure – **3.4%**

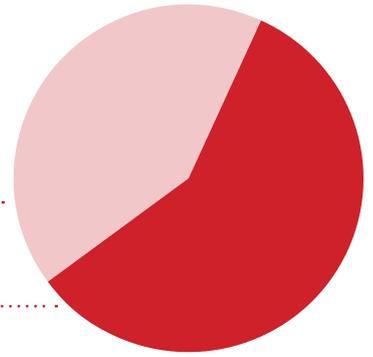
"The thought of losing this entire additional payment completely is terrifying. Not sure how my family will survive. I'm already seeing us losing our house and living in the car."

FOOD

ARE YOU CURRENTLY SKIPPING 1 OR MORE MEALS PER WEEK BECAUSE OF A LACK OF FUNDS?

- Yes – **41.8%**
- No – **58.2%**

41.8%
58.2%



HOW MUCH OF AN IMPACT WILL THE \$300 A FORTNIGHT CUT TO THE CORONAVIRUS SUPPLEMENT HAVE ON YOUR ABILITY TO EAT THREE REGULAR, FRESH, NUTRITIOUS MEALS A DAY?

- No impact – I will not have to skip meals because of a lack of funds, and I will be able to eat fresh, nutritious meals – **7.4%**
- Some impact – Will probably have to skip meals or skip more meals – **12%**
- Some impact – Will probably have to reduce how much fresh food I purchase – **32.8%**
- Substantial impact – Will definitely have to skip meals, and I will definitely have to significantly reduce how much fresh food I purchase – **47.8%**

Most respondents reported that the \$300 a fortnight JobSeeker cut would impact their food budget, either by meaning they would have to skip more meals, or reduce how much fresh food they can purchase. Almost half thought they would certainly need to skip meals, and reduce their consumption of fresh food, in order to get by.

"Fresh produce is difficult for me to purchase regularly due to costs. I live with someone in a high-risk group for Covid, and have chronic illnesses myself, so we try to shop online but it is so difficult, most fresh fruit and veg is expensive. We live in the suburbs. Having the supplement has meant we can eat fresh fruit and vegetables every day."

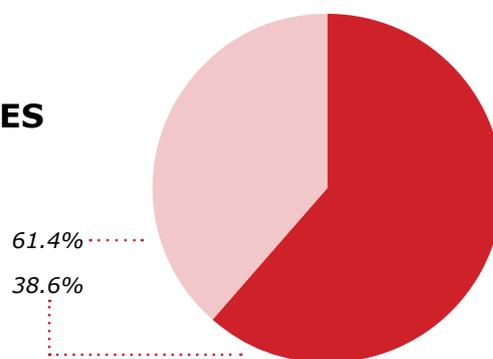
HOW MUCH OF AN IMPACT WILL THE \$300 A FORTNIGHT CUT TO THE CORONAVIRUS SUPPLEMENT HAVE ON YOUR ABILITY TO EAT FRESH FRUIT AND VEGETABLES?

- No impact – I will be purchasing the same amount as before – **6.8%**
- Some impact – I will be purchasing a bit less fresh fruit and vegetables – **29.7%**
- Substantial impact – I will be purchasing far less fresh fruit and vegetables than before – **62%**
- Not sure – **1.6%**

MEDICAL EXPENSES

ARE YOU CURRENTLY EXPERIENCING DIFFICULTIES PAYING FOR THE COST OF MEDICINES AND SPECIALIST SERVICES?

- Yes – **61.4%**
- No – **38.6%**



It is noteworthy that even with the temporarily increased rates of income support, over half of respondents reported that they still experience difficulties paying for medical expenses.

"I will not be able to see any health specialists and my medication is not on the Pharmaceutical Benefits Scheme (\$90 a month)."

IN WHAT WAYS ARE YOU EXPERIENCING DIFFICULTIES WITH MEDICAL COSTS?

- Struggling with the cost of medications – **10.3%**
- Struggling with the cost of specialist services (like seeing a dentist, physiotherapist, or psychologist) – **53.9%**
- Other – **35.8%**

Dental care was consistently raised as an unaffordable expenses, along with psychological medication and services (like the cost of seeing a psychologist or psychiatrist).

"I will struggle to afford glasses and contact lenses, I will struggle to afford treatment for my impacted wisdom teeth, one of which is rotten (surgery), and general oral health (my teeth are in poor condition)."

HOW MUCH OF AN IMPACT WILL THE \$300 A FORTNIGHT CUT TO CORONAVIRUS SUPPLEMENT HAVE ON YOUR ABILITY TO COVER YOUR MEDICAL EXPENSES?

- No impact – I will be able to pay for medicines and treatments when needed – **9%**
- Some impact – It will be harder to pay for medicines and treatments, I might have to forego some essentials – **36.4%**
- Substantial impact – I will likely have to skip medicines or ration my doses, and paying for specialist services will be hard – **46.7%**
- Not sure – **7.9%**

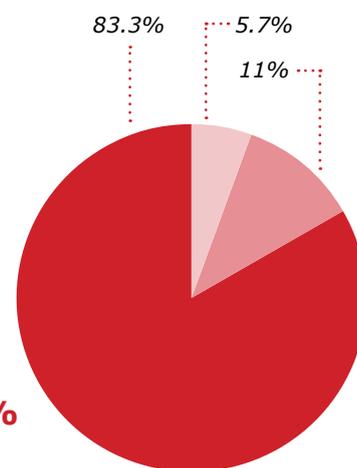
"I'll be struggling to pay for dental again, the biggest killer for me."

UTILITY BILLS

HOW MUCH OF AN IMPACT HAS THE \$550 A FORTNIGHT CORONAVIRUS SUPPLEMENT HAD ON YOUR ABILITY TO PAY YOUR UTILITY BILLS?

Overwhelming numbers of respondents reported that the Coronavirus Supplement has had a substantial positive impact on their ability to pay their bills.

- No impact – There was no difference for me – **5.7%**
- Small impact – It has been a little easier to pay my utility bills – **11%**
- Significant impact – It has been much easier to pay my utility bills, I have not had to forego essentials to pay my bills – **83.3%**



HOW MUCH OF AN IMPACT WILL THE \$300 A FORTNIGHT CUT TO THE CORONAVIRUS SUPPLEMENT HAVE ON YOUR ABILITY TO PAY YOUR UTILITY BILLS?

- No impact – There will be no difference to me – **5.7%**
- Modest impact – It will be harder to pay for my bills, I might have to forego some essentials – **34.9%**
- Substantial impact – It will become much harder to pay my bills, I will likely to have forego some essentials, and will struggle to pay my bills on time – **56.3%**
- Not sure – **3.2%**

HOW THE CORONAVIRUS SUPPLEMENT HAS AFFECTED PEOPLE

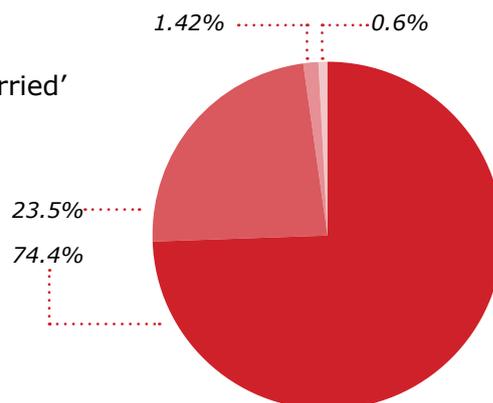
WHAT ARE SOME OF THE WAYS THAT THE CORONAVIRUS SUPPLEMENT HAS AFFECTED YOUR LIFE?

- Eating better and more regularly – **80.8%**
- Able to catch-up on bills – **70.7%**
- Able to pay for medicines/health treatments – **67.8%**
- Easier to pay rent/being able to move into better and safer accommodation – **58.8%**
- Able to pay off debts – **56.2%**
- Able to save up for emergencies – **51.7%**
- Able to save up to purchase major household items (i.e., fridges, freezers, tables) – **51.6%**
- Able to save up to pay for studying/training – **26%**

PEOPLE'S THOUGHTS ABOUT THE FUTURE

HOW WORRIED ARE YOU ABOUT THE CORONAVIRUS SUPPLEMENT BEING LOWERED ON SEPTEMBER 25?

- Almost **75%** of respondents reported being 'extremely worried' about the September 25 cut to income support payments.
- Not at all worried – **1.42%**
- Somewhat worried – **23.5%**
- Extremely worried – **74.4%**
- Not sure – **0.6%**



"It's not just food and shelter. People need to pay for petrol and cover repair or service costs to their vehicles to get to a job or for interviews, and to see family, all these other daily things need to be considered."

WHAT WOULD BE THE IMPACT IF THE GOVERNMENT REMOVES THE REST OF THE CORONAVIRUS SUPPLEMENT, DROPPING YOUR INCOME BY A FURTHER \$250 A FORTNIGHT, AT THE END OF THE YEAR, TO THE OLD RATE OF \$40 A DAY?

- Almost 95% of people reported that returning to \$40 a day – the old rate of JobSeeker – would have an 'extreme' or 'significant' impact on their ability to cover the basics.
- Extreme impact – I will not be able to cover the cost of essentials – **62.2%**
- Significant impact – It will become much harder to cover the cost of essentials – **32.2%**
- Small impact – It will be a little harder to cover the cost of essentials – **3.5%**
- No impact – I will have no trouble covering the cost of essentials – **2.2%**

"Without the coronavirus supplement I only have \$50 a week left after I pay my rent. That \$50 has to go towards all of my bills (internet, electricity, water, fuel), and then on top of that I have to get food and medication. It is not enough."

"I don't like the saying '\$40 a day'. That implies you have \$40 a day to spend. Try \$63 per fortnight after my rent is paid. That is what I was "living" on. I have exhausted my savings and the superannuation in paying back my debts."

"I am in supported short-term emergency accommodation. The likelihood that I can save enough to get a fresh start with the old Newstart rate will be next to impossible."