

Short-changed: The ongoing costs of an inadequate JobSeeker Payment

Between March and June 2022, 90 people who were clients of financial counsellors shared their stories about trying to live on the JobSeeker Payment.

They also provided information about their weekly income and expenditure showing that it is simply impossible for many people to make ends meet on the current rate.

The costs resulting from this impossibility are borne directly by the most vulnerable in our community, facing destitution, declining health, homelessness and hunger, and also carried by overstretched emergency relief services, and by our service systems including justice, health and mental health.



Acknowledgement of Traditional Owners

FCVic acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners of the lands on which our organisation is based. We pay our respects to their Elders, past and present, and to the Elders of other Aboriginal and Torres Strait Islander communities throughout Victoria and Australia.

About FcVic

Financial Counselling Victoria (FCVic) is the peak body and professional association for financial counsellors in Victoria. Financial counselling is a free and independent advice and advocacy service for people in, or at risk of, financial hardship.

About this report

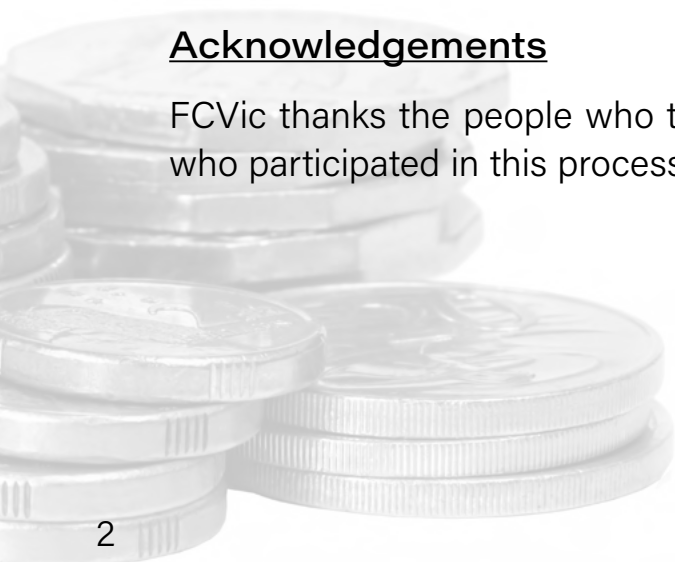
This report presents work by the FcVic Centrelink Working Group (CWG). FcVic Working Groups engage in systemic advocacy on issues encountered by financial counsellors in their practice, aiming to change systems that disadvantage vulnerable people. FcVic worked with Financial Counselling Australia, and the other state and territory financial counselling associations to expand the coverage of the CWG survey, initially distributed in Victoria, to other parts of Australia.

CWG involves approximately 20 practising financial counsellors concerned with improving Australia's social security system. Liz Stary is convenor of the Working Group, and along with Carmel Stafford undertook the data analysis on which this report is based.

The report is a follow up to 'The Experience of (Not) Living on Newstart', which was based on the data and stories from a survey completed between February and May 2019, in which 111 people who were clients of Victorian financial counsellors shared their stories about trying to live on the Newstart allowance.

Acknowledgements

FCVic thanks the people who told their stories, and the financial counsellors who participated in this process and provided completed surveys.



Executive Summary

This report describes a survey conducted in 2022 of clients of financial counsellors whose main source of income was the JobSeeker Payment.

There were 90 responses to the survey, providing a rich and consistent set of information about the experiences of people trying to survive on the JobSeeker payment, building further on a similar survey of Newstart recipients in 2020.

As in the previous survey, respondents were asked to write down what they missed out on or couldn't afford.

- The dominant theme was that people receiving JobSeeker could not afford basic living expenses and were excluded from participating fully in society.
- The compromises people were forced to make included going hungry, being homeless or living in inappropriate housing, skipping medication, and missing out on social interactions.

While there is plenty of academic evidence supporting what this survey has found, for FCVic our survey is about more than just 'proving' JobSeeker is inadequate and that this inadequacy impoverishes vulnerable people. It is about enabling the voices of people trying to live on JobSeeker to be heard.

The voices of the people receiving benefits are seldom heard – but hearing them is imperative. Truly listening to these Australians is essential for addressing the increasing levels of poverty in this country, and reinforces the simple imperative to Raise the Rate of JobSeeker.



1. INTRODUCTION

1.1 What is this report about?

This report documents the experiences of people who sought help from a financial counsellor because of financial hardship and whose main source of income was the JobSeeker allowance.

1.2 Why did we write it?

The report is a follow up to 'The Experience of (Not) Living on Newstart', which was based on the data and stories from a survey completed between February and May 2019, in which 111 people who were clients of financial counsellors shared their stories about trying to live on income support payments (then called Newstart Allowance, renamed to JobSeeker Payment in March 2020).

Financial counsellors continue to assist many people who are in receipt of income support payments. At the time of writing this report, the single rate of JobSeeker Payment is AUD\$642.70 a fortnight, about \$46 a day. This is not enough money to meet basic human needs in Australia today. The rate of this payment has not increased in real terms for more than 28 years.

In 2020, the Coronavirus Supplement effectively doubled the level of income support for and allowed many people to cover the costs of living without constant financial stress and compromise. The report 'Social security and time use during COVID-19', published by Swinburne University of Technology & Centre for Excellence in Child and Family Welfare, documents the significant positive impacts of the Coronavirus Supplement on the dignity and livelihoods of families and their children. However, the supplement was rolled back after a year and income support levels returned to pre-pandemic levels.

In the context of the 2022 Federal election and subsequent change of Government, the Centrelink Working Group updated the survey to collect more current data and stories about the experiences of people receiving JobSeeker payment. The scope of the survey was also broadened to a national level in collaboration with Financial Counselling Australia (FCA) and the other state and territory financial counselling peak bodies.

The issues contemplated in this survey are not new. The poverty caused by inadequate social security benefits has long been witnessed by financial counsellors, and has been worsening. The well-documented beneficial impacts of the Coronavirus Supplement just served to highlight the poverty busting


opportunity available from a simple increase to benefit levels. In that context, financial counsellors are strong supporters of the Raise the Rate for Good campaign, led by the Australian Council of Social Services (ACOSS), which is advocating for the Government to increase JobSeeker Payment to at least \$70 a day.

In writing this report, we are adding yet another piece of evidence to this campaign, and enabling the voices of the most marginalised and disadvantaged people to be heard, and to feed into the policy debates about raising the levels of income support in Australia.

1.3 Methodology

The survey was conducted between April and June 2022 and there were 90 responses from people around Australia. Financial counsellors asked their clients in receipt of JobSeeker to complete the survey or filled in the data with them. Participants were also asked to complete a short income and expenditure statement (a template was provided or a financial counsellor could use their own). The survey form is at **Appendix 1**.





**The true price of inadequate JobSeeker:
when respondents were asked
'what can't you afford?' ...**

"My child's social activities"

2. SURVEY RESULTS

2.1 Demographic data

- 48 respondents (53%) were over the age of 45 years and 57 (63%) identified as women.
- 49 respondents (54%) had been receiving JobSeeker Payment for longer than 2 years, 19 (21%) for longer than 5 years, and 11 (12%) for more than 10 years
- 23% of respondents had dependent children and 30% of respondents were a single parent family.
- The survey received responses from all Australian states and territories except the Australian Capital Territory. The below table shows the proportion of total responses by state/territory:

State/Territory	Percentage of responses
VIC	41%
NSW	24%
SA	11%
WA	9%
QLD	7%
NT	7%
TAS	1%
ACT	0%



2.2 Personal circumstances

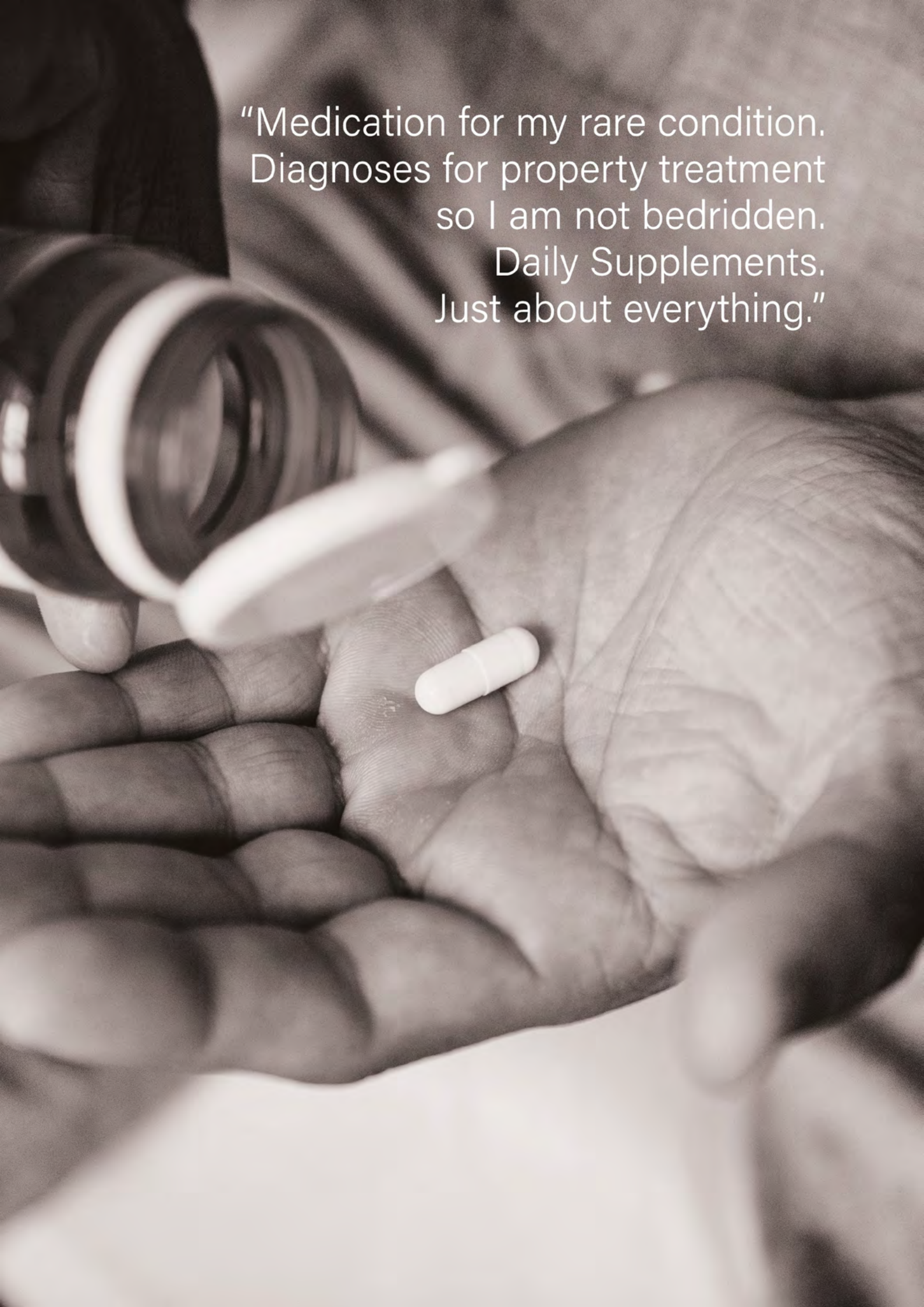
- Many of the people surveyed reported personal circumstances which contributed to increased vulnerability or disadvantage. Among the most common were mental health difficulties, which were experienced by 75 people (83%), and social isolation, experienced by 65 people (72%). This is an increase in both categories from the previous survey conducted in 2019, in which 68% of respondents reported experiencing mental health issues and social isolation respectively.
- 38 people (42%) were living with one or more chronic illnesses and 50 respondents (56%) had gone without their medication due to the cost. A further 6 people mentioned that they could not afford healthcare-related expenses such as GP fees, medical aids, and gap payments for required procedures. 13 people (14%) has experienced an accident or injury and 1 person was terminally ill.
- 29 people (32%) of respondents had applied for the Disability Support Pension (DSP), but their claims had been declined or they were waiting (up to 12 months) for a response from Services Australia.
- 22 people (24%) had experienced family violence in the previous 12 months.

2.3 Basic needs

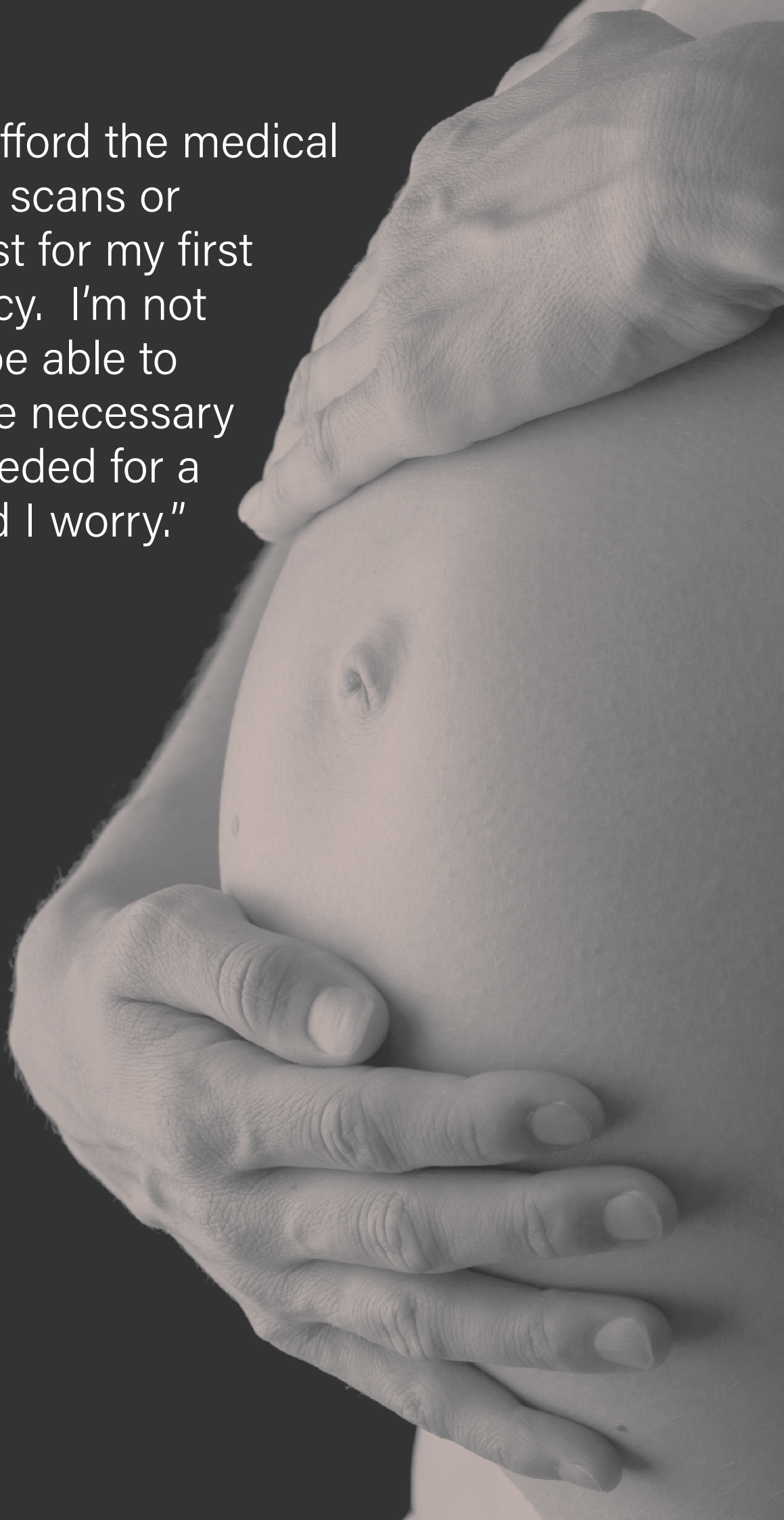
- In the last 12 months, 18 people (20%) had experienced homelessness and 52 (58%) had struggled to pay for housing. 6 people had been evicted due to rent arrears in the preceding 12 months.
- 62 people had struggled to pay for food (69%) and 66 people (73%) reported that they had skipped meals. 51 people (57%) had accessed food relief.
- 60 respondents (67%) had trouble paying for electricity and 60% had accessed emergency relief (which can help pay bills).



"Medication for my rare condition.
Diagnoses for property treatment
so I am not bedridden.
Daily Supplements.
Just about everything."



"I can't afford the medical costs for scans or blood test for my first pregnancy. I'm not sure I'll be able to afford the necessary items needed for a baby and I worry."



2.4 In their own words: what I miss out on, what I can't afford...

- "I have no social life as there is no money left, so worried about the basic essentials"
- "Appropriate medication and mental health treatment."
- "I am unable to buy clothes for job interviews as job provider will not help."
- "My own space, I have autism and need to live on my own – I can not afford to live alone."
- "I can't afford anything for my kids who currently live elsewhere."
- "Medication for my rare condition. Diagnoses for property treatment so I am not bedridden. Daily Supplements. Just about everything."
- "Social life. Prescription contact lenses. Psychotherapist."
- "Meat, fresh food, vegetables and fruit."
- "I can't afford the medical costs for scans or blood test for my first pregnancy. I'm not sure I'll be able to afford the necessary items needed for a baby and I worry."
- "There is no housing I can afford for a single woman."
- "My child's social activities"
- "I don't go out, I stay at home in my room. I don't have any money left after pay day as I have to pay back the money I have borrowed for food."



3. CONCLUSION

The voice of the most marginalised and disadvantaged people is missing from the policy debates about the rate of JobSeeker. This is the voice, amongst others, of financial counselling clients. These voices must be heard. If we listen to these voices, what they tell us is crystal clear.

Social security is a type of government support that is supposed to ensure that members of a society can meet basic human needs such as food and shelter. Yet the voices of those social security recipients we surveyed, along with many other assessments [cite ACOSS/UNSW research, etc] continues to show just how far short of meaningful support the JobSeeker payment falls.

The single rate of JobSeeker Payment is AUD\$642.70 a fortnight, about \$46 a day. This is not enough money to meet basic human needs in Australia today. Of the people around Australia we surveyed whose main source of income is JobSeeker, in the last 12 months, 73% had trouble paying for food or electricity.

This is a national catastrophe, and easily fixed: The rate of the JobSeeker payment needs to be raised by an amount in the order of 100% of the current rate, and this needs to happen as soon as humanly possible.



"Meat, fresh food,
vegetables and fruit."



APPENDIX 1: SURVEY QUESTIONS



Centrelink Working Group

JobSeeker Payment Survey 2022

Financial Counselling Victoria's Centrelink Working Group supports the campaign to raise the rate of JobSeeker Payment and other allowances.

All the information you provide in this survey is anonymous.

We will use it to lobby government, which may include talking to the media and politicians.

This survey should only take 5 minutes. We appreciate your time and input.

OK

* 1. **Are you currently receiving JobSeeker Payment?**

No

Yes

If yes, how long have you been receiving this payment (including when it had a different name)?

0 of 16 answered

2. **Age**

Under 18

45-54

18-24

55-64

25-34

65+

35-44

3. **Gender**

* 4. **Postcode**

5. **Please indicate what type of housing you are living in**

Owner Occupier

Private Rental

Public Rental

Social Housing

Other (please specify)

0 of 16 answered

**TOTAL
INCOME**

Housing
(Rent,
Mortgage,
Owners'
Corporation)

Food

Utilities
(electricity,
gas, water)

Phone/intern
et

Transport

Health

Schooling

Centrelink
debt

Other

**TOTAL
EXPENDITURE**

**TOTAL
DEFICIT**

0 of 16 answered

7. Do you have any money leftover from your JobSeeker Payment after your fortnightly expenses?

No

Yes

If yes, how much?

8. Have you had trouble paying any of these in the last 12 months? (Please tick all that apply)

Housing

Gas

Water

Electricity

Phone or internet

Credit card

Personal loan

Schooling

Medication

Food

Rent to Buy

Pay Day Loans

Car expenses

Fines

0 of 16 answered

9. Do you have any debts? If so, please provide the number of loans and total amount to the nearest dollar

Credit Cards

Personal Loans

Pay Day Loans e.g. Nimble

Buy Now/Pay Later e.g. Afterpay

Gas /Water/Electricity

Phone/Internet

Fines

Mortgage

Rates

0 of 16 answered

Body Corp

Fees

Rent to Buy

e.g. Radio

Rentals

Car Loan

Centrelink

Debt

Borrowing

from Family

and / or

Friends

Other

(please

specify)

**10. In the last twelve months, have you accessed:
(please tick all that apply)**

- | | |
|---|---|
| <input type="checkbox"/> Emergency Relief | <input type="checkbox"/> Centrelink Advance |
| <input type="checkbox"/> Food Relief | <input type="checkbox"/> Superannuation |
| <input type="checkbox"/> Material Aid Assistance | <input type="checkbox"/> Grants |
| <input type="checkbox"/> Rent Assistance from a housing service | |

11. Have you experienced any of these circumstances in

0 of 16 answered

- | | |
|---|---|
| <input type="checkbox"/> Skipped meals | <input type="checkbox"/> Job Loss |
| <input type="checkbox"/> Social Isolation | <input type="checkbox"/> Eviction due to rent arrears |
| <input type="checkbox"/> Mental Health Difficulties | <input type="checkbox"/> Homelessness |
| <input type="checkbox"/> Gone without medication | <input type="checkbox"/> Family Violence |
| <input type="checkbox"/> Chronic Illness | <input type="checkbox"/> Car Clamp |
| <input type="checkbox"/> Terminal Illness | <input type="checkbox"/> Sheriff |
| <input type="checkbox"/> Accident or Injury | <input type="checkbox"/> Debt Collectors |
| <input type="checkbox"/> Other (please specify) | |

12. What can't you afford and what are you missing out on?

13. Has your JobSeeker payment been cut off at any time?

- Yes
- No

If yes, please specify the reason

0 of 16 answered

No

Yes

If Yes, please specify how many times you have applied and how long you have waited for an outcome

15. Do you have dependent children?

No

Yes

If yes, how many dependent children?

16. Are you a single parent family?

No

Yes

DONE

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See how easy it is to [create a survey](#).

0 of 16 answered