

## Income support and poverty

Our social security system should ensure people who are unable to work, or find a job, can continue to afford the essentials. It should keep people out of poverty.

In Australia, however, the low rate of payments can instead trap people in a poverty cycle. At just \$45/day, the base rate of JobSeeker, for example, is not enough to live on. This means people are often forced to choose between putting food on the table, paying their bills, or accessing essential health care.

Poverty causes long-term financial harm. It impacts people's physical and mental health, and it prevents people from being able to socialise and stay connected. Poverty also hurts our communities, contributing to inequality and eroding social cohesion.

### In the electorate of McMahon there are:

**9832**

people on JobSeeker,

**3137**

people on Youth Allowance  
(other),

**712**

people on parenting  
payments.<sup>1</sup>

### Indicative weekly budget for a single person on JobSeeker:

#### Expenses

Rent*	\$360
Groceries#	\$98
Utilities	\$28
Health costs^	\$28
Transport^	\$38
Communications^	\$31
Clothing and personal	\$26

**\$609**

#### Income

JobSeeker	\$321.35
Rent Allowance	\$72.90
Energy Supplement	\$4.40

**\$398.65**

\*Median rent for a one-bedroom unit in Cumberland LGA (Source: [DCJ Rent Report December 2021](#))

#Average spend for single-person households. Canstar Blue Research, August 2021

^Average expenditure for households in the lowest income quintile (Source: ABS (2017) [Household Expenditure Survey 2015-16](#))

## Recommendations:

To lift people out of poverty and ensure people without work can afford an adequate standard of living, the next Federal Government should:

- increase the base rate of working age payments such as JobSeeker and Youth Allowance
- index payments to wages as well as prices
- establish an independent body to advise government on the adequacy of income support payments and other settings over time.

<sup>1</sup> DSS (2021) DSS Demographics – December 2021. Available at <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details?q=>