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A \$25 increase to JobSeeker does not solve the problem

The Salvation Army has long called for a permanent increase to the JobSeeker Payment and Youth Allowance, but the announcement today does not solve the problem.

The Salvation Army's evidence, gathered from working with people reliant on the JobSeeker Payment and informed by economic analysis by third parties, is that an increase of \$125 a week is the absolute minimum needed to allow Australians to live with frugal dignity.

Lt Col Lyn Edge, Secretary for Mission and responsible for The Salvation Army's social services says, "A permanent increase of \$25 a week does not even begin to address the depths of disadvantage in Australia. This cannot be the end of the conversation. We know from working directly with people on JobSeeker that on the current supplement (which amounts to \$75 a week above the base rate) they are already struggling to afford basic needs. There needs to be a substantial increase to the base rate of the JobSeeker as well as broader reform to actually support people to move back into work.

"We had some hope when the Treasurer said that he wanted people to be able to live with dignity but frankly, \$25 a week will not achieve that. Obviously, any increase at all is a step in the right direction, but this announcement still leaves us in a situation where Australians are trapped in poverty.

"We need better incentives to work that are focused on individuals and that increase a person's employability and capacity to work as identified in the 2017 McClure Review. A more targeted approach, especially to assist people experiencing mental ill-health and those with a partial capacity to work to ease into the workforce, will achieve better results for both the community and the economy."

Major Paul Hateley, Head of Government Relations at The Salvation Army says, "The base rate of JobSeeker has not been increased in real terms for more than a quarter of a century. In real terms, that means that the rate is now so low that most people cannot afford to buy healthy food, or pay for electricity, internet and transport. An additional \$3.57 per day will not fix the problem."

Increasing JobSeeker by an amount too little to allow people to live with dignity, entrenches a welfare model that relies on the charitable sector to pick up the slack. This is not a sustainable model for Australia.

The Salvation Army is now preparing for a substantial increase in demand as soon as the changes come into force. The drop in the supplement on 1 January from \$125 a week to \$75 a week had a significant, negative impact on the people The Salvation Army serves. This drop in overall income will place even more pressure on The Salvation Army's already stretched resources.

Major Paul Hateley says, "Our teams are bracing for an increase in demand as people are forced to make even more sacrifices. We will do everything we can to help but this announcement will cause a lot of pain in our community."

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For more information, please contact The Salvation Army's Media Relations Department on (02) 94663143