



## Policy costing

Increase JobSeeker Payment	
Committee requesting the costing:	Senate Community Affairs References Committee
Date costing completed:	17 March 2020
Expiry date of the costing:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period <input type="checkbox"/> Confidential <input checked="" type="checkbox"/> Not confidential
<p>Summary of proposal:</p> <p>The proposal would increase working age payments (primarily JobSeeker Payment). Three options have been costed.</p> <p><b><u>Option 1</u></b></p> <p>The minimum amount a JobSeeker Payment recipient receives through private income and government payments would be set to the Organisation for Economic Co-operation and Development (OECD) relative measure of poverty.<sup>1</sup></p> <ul style="list-style-type: none"><li>• Total income encompassing earned income and government income support for single JobSeeker Payment recipients without dependents would be increased to be at least 50 per cent of Australia's equivalised median household disposable income.<sup>2</sup></li><li>• Members of a couple would have their income support payment increased such that the current JobSeeker Payment ratio between members of a couple and singles without dependents is maintained (the maximum basic rate for a member of a couple is currently around 90 per cent of that for a single without dependents).</li><li>• Similarly singles with dependents would have their payment increased such that the payment ratio between singles with and without dependents is maintained (currently around 108 per cent).</li></ul> <p>The JobSeeker Payment is currently indexed twice per year to Consumer Price Index (CPI). Under Option 1, payment rates would instead be benchmarked twice per year to 50 per cent of the equivalised median household disposable income.</p> <p><b><u>Option 2</u></b></p> <p>The single (without dependents) maximum basic rate for JobSeeker Payment and related working age payments would be increased by \$95 per week (\$190 increase to the fortnightly maximum basic</p>	

<sup>1</sup> 50 per cent of the equivalised median household disposable income across Australia is the term that OECD uses to determine the poverty line. This is published by the OECD in its Income Distribution Database available at: <https://stats.oecd.org/index.aspx?queryid=66670>

<sup>2</sup> Household disposable income measures the income of households (wages and salaries, self-employed income, income from unincorporated enterprises, social benefits, etc.), after taking into account net interest and dividends received and the payment of taxes and social contributions. [Net signifies that depreciation costs have been subtracted from the income.]

payment rate). The maximum basic rate for a member of a couple as well as for a single with dependents would be increased proportionally such that the current payment ratios relative to singles without dependents are maintained (90 per cent and 108 per cent respectively). The affected payments are as follows:

- JobSeeker Payment
- Youth Allowance (both away from home rates for students/apprentice and Other)
- Austudy
- Abstudy
- Sickness Allowance (becomes JobSeeker Payment from 20 March 2020)
- Special Benefit
- Widow Allowance (becomes JobSeeker Payment from 20 March 2020)
- Crisis Payment

There would be no change to current indexation arrangements.

### **Option 3**

In addition to the increase in payments under Option 2, recipients of these payments would be entitled to a 30 per cent increase in the maximum rate of Commonwealth Rent Assistance.

For all options, the following information was sought.

- The financial implications of increasing JobSeeker Payment rates as detailed above.
- The estimated percentage increase in the social security and welfare budget function.
- A comparison of how expenditure on social security and welfare as a percentage of total budget expenditure would change as a result of the proposal.
- A comparison of how expenditure on JobSeeker Payment as a percentage of social security and welfare expenditure would change as a result of the proposal.

In addition, for Options 2 and 3:

- A comparison of the current and proposed maximum basic rates of the JobSeeker Payment.

The proposal would have effect from 1 July 2020.

## **Costing overview**

Option 1 would ensure that every Australian of working age who is entitled to social security and welfare benefits would receive a fortnightly income of at least \$1,012<sup>3</sup>. As a result the average level of government assistance to JobSeeker Payment recipients would increase by around 60 per cent (from an estimated average fortnightly rate of \$562 to \$915 in 2020-21 across all recipients).

Under Options 2 and 3, the fortnightly maximum JobSeeker Payment basic rates would be increased by around 33 per cent (eg from \$572 to \$764 for single recipients without dependents and from \$517 to \$690 for members of a couple in 2020-21).

All options would be expected to decrease both the fiscal and underlying cash balances over the 2019-20 Budget forward estimates period. The impacts reflect increases in administered and departmental expenses partly offset by increased personal income tax revenue. The increase in

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<sup>3</sup> Noting that the living and family status circumstances of people receiving the JobSeeker Payment may result in them receiving slightly more or less than this amount.

income tax revenue is due to the fact that the JobSeeker Payment will be a taxable payment. Departmental expenses for Services Australia to implement the proposal and to administer payments to the increased number of recipients under each option have been included.

This proposal would be expected to have an ongoing impact that extends beyond the 2019-20 Budget forward estimates period. A breakdown of the financial implications from 2019-20 to 2029-30 is provided at [Attachment A](#).

The estimates in this costing are largely based on reliable de-identified Services Australia administrative transfer payment data. The estimates for Option 1 are particularly sensitive to the number of potential additional recipients opting in to receive the JobSeeker Payment including those currently in part time and low paid employment who would become eligible for some amount of JobSeeker Payment. The estimates for Option 1 are also sensitive to the assumed number of transfer payment recipients estimated to switch their payment types in response to the proposal.

- Under Option 1, a person could be working full time at the minimum wage and still be eligible to receive the JobSeeker Payment. For these people, their effective marginal tax rates could be close to 100 per cent depending on their income levels. This could act as an incentive to reduce their work hours or discourage additional work hours.

In addition, the estimated financial implications for all options are sensitive to the uncertainties associated with the indexation, population growth and median household income growth rates used to project the payment data over this period.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
<b>Option 1: Increase total government assistance to JobSeeker Payment recipients to be in line with OECD’s relative measure of poverty</b>					
Fiscal balance	-3	-7,789	-7,923	-8,019	<b>-23,745</b>
Underlying cash balance	-3	-7,789	-7,923	-8,019	<b>-23,745</b>
<b>Option 2: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week</b>					
Fiscal balance	-3	-4,776	-4,874	-5,012	<b>-14,667</b>
Underlying cash balance	-3	-4,776	-4,874	-5,012	<b>-14,667</b>
<b>Option 3: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week and the maximum rate of Commonwealth Rent Assistance by 30 per cent</b>					
Fiscal balance	-3	-4,995	-5,097	-5,239	<b>-15,335</b>
Underlying cash balance	-3	-4,995	-5,097	-5,239	<b>-15,335</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

### All options

- There would be an additional number of people (particularly under Option 1) entering the social security system to receive the JobSeeker Payment because the income cut-off points of the JobSeeker Payment would be extended, enabling more people to be entitled to the payment under the proposal.
  - Many government payments are means tested with the arrangements being that a person is entitled to a maximum payment rate as long as their other income (such as a wage or salary) is below a certain threshold. Once their other income is above that threshold a taper is applied that sees their payment rate decline by a certain proportion for every additional dollar of income and at a certain point the payment rate becomes zero (ie not entitled to receive the payment). This is referred to as the income cut-off point.
  - A flat increase in the payment rate would result in:
    - ◆ all existing recipients receiving the entire amount of the increase
    - ◆ the income cut-off point being extended.
      - Extending the income cut off point may result in a person who, under the baseline setting, is not eligible to receive a payment becoming eligible to receive a small amount of payment (including as little as one dollar in theory).

- The PBO uses information on payment recipients on income close to the cut-off point under the baseline payment arrangements to help inform the number and distribution of the additional number of payment recipients under the increased payment scenario.
- In extending the income cut-off point of the JobSeeker Payment, it is likely that some potential recipients near the income cut-off point may choose to either reduce their work hours or not undertake additional working hours that they otherwise would have. The extent of this effect is highly uncertain and therefore has not been included in the estimated financial implications of this proposal.

### **Other key assumptions - Option 1 only**

- As the JobSeeker Payment rate would be higher than the current payments there would be a significant proportion of income support recipients (particularly Parenting Payment recipients) switching between payments.

### **Other key assumptions - Options 2 and 3 only**

- There would be no switching between payments in order to receive the proposed payment rate increase.

## **Methodology**

A combination of the Policy and Evaluation Model (PoEM) and bespoke models were used to calculate revenue and administered expense estimates under the proposal.

- PoEM is a microsimulation model of administered transfer payments projected over the 2019-20 Budget forward estimates period. It is developed by the Department of Social Services and provided to the PBO for use in costing policy proposals.
- The PBO extended POEM over the 2019-20 Budget medium term period using trends exhibited over the forward estimates period and projections of relevant indexation parameters.

Bespoke models were used to estimate:

- current recipients switching payments (Option 1 only).
- people from outside of the social security system that would enter into the system as a result of the proposed increases in the JobSeeker Payment rates (all options).

The ongoing departmental impact was calculated by multiplying the number of additional recipients that would result from each option by the estimated annual cost of administering payments to each new recipient. Departmental implementation costs were estimated based on a similar previous Budget measure to alter payments administered by ServicesAustralia.

The number of recipients affected by the proposal was estimated based on outputs from PoEM and income support recipient forecast data as at the 2019-20 Mid-Year Economic and Fiscal Outlook.

All estimates were rounded to three significant figures.

## Data sources

Services Australia provided annual unit payment administration costs as at the 2019-20 Mid-Year Economic Fiscal Outlook.

The Department of Social Services provided expenditure and population forecasts for income support recipients as at the 2019-20 Mid-Year Economic Fiscal Outlook.

Organisation for Economic Co-operation and Development, 2020. *Income Distribution Database: by Country*. Available at: <https://stats.oecd.org/index.aspx?queryid=66670> [Accessed 18.2.2020].

Australian Bureau of Statistics, 2019. *2017-18 Household Income and Wealth, Australia*. Australian Bureau of Statistics, Canberra.

Department of Social Services, 2019. *DSS Demographics September 2019*. Available at: <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/distribution/dist-dga-1fb71211-4e8a-4bf2-b659-148cd4d6972d/details?q=dss> [Accessed 18.2.2020].

## Attachment A – Increase JobSeeker Payment

**Table A1: Increase JobSeeker Payment – Option 1: Increase total government assistance to JobSeeker Payment recipients to be in line with OECD’s relative measure of poverty – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total to 2022–23	Total to 2029–30
<b>Revenue</b>													
<i>Personal income tax revenue</i>	-	194	197	199	200	202	203	205	206	208	210	590	2,025
<b>Total – revenue</b>	-	194	197	199	200	202	203	205	206	208	210	590	2,025
<b>Expenses</b>													
<i>Administered</i>													
<i>JobSeeker Payment</i>	-	-7,950	-8,090	-8,190	-8,240	-8,300	-8,350	-8,420	-8,480	-8,560	-8,630	-24,240	-83,220
<i>Family Tax Benefit<sup>(c)</sup></i>	-	117	119	121	122	124	125	127	129	131	133	357	1,248
<i>Other<sup>(c)(d)</sup></i>	-	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total – administered</b>	-	-7,833	-7,971	-8,069	-8,118	-8,176	-8,225	-8,293	-8,351	-8,429	-8,497	-23,883	-81,972
<i>Departmental</i>													
<i>Services Australia</i>	-3	-150	-149	-149	-150	-150	-150	-151	-152	-152	-152	-452	-1,508
<b>Total – departmental</b>	-3	-150	-149	-149	-150	-150	-150	-151	-152	-152	-152	-452	-1,508
<b>Total – expenses</b>	-3	-7,983	-8,120	-8,218	-8,268	-8,326	-8,375	-8,444	-8,503	-8,581	-8,649	-24,335	-83,480
<b>Total</b>	-3	-7,789	-7,923	-8,019	-8,068	-8,124	-8,172	-8,239	-8,297	-8,373	-8,439	-23,745	-81,455

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

(c) There are flow-on impacts on Family Tax Benefit, Utilities Allowance and Single Income Family Supplement.

(d) Other refers to small payments (or supplements) including Utilities Allowance and Single Income Family Supplement.

.. Not zero but rounded to zero.

- Indicates nil

**Table A2: Increase JobSeeker Payment – Option 2: Increase the single maximum basic rate of JobSeeker Payment**

**and related working age payments by \$95 per week – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total to 2022–23	Total to 2029–30
<b>Revenue</b>													
<i>Personal income tax revenue</i>	-	118	124	129	137	143	153	177	203	229	257	371	1,669
<b>Total – revenue</b>	-	<b>118</b>	<b>124</b>	<b>129</b>	<b>137</b>	<b>143</b>	<b>153</b>	<b>177</b>	<b>203</b>	<b>229</b>	<b>257</b>	<b>371</b>	<b>1,669</b>
<b>Expenses</b>													
<i>Administered</i>													
<i>Jobseeker Payment</i>	-	-3,760	-3,830	-3,940	-4,010	-4,100	-4,200	-4,300	-4,400	-4,500	-4,600	-11,530	-41,640
<i>Youth Allowance (Other)</i>	-	-242	-250	-258	-264	-270	-276	-283	-290	-297	-304	-751	-2,736
<i>Youth Allowance (Student)</i>	-	-455	-473	-489	-499	-511	-523	-536	-549	-562	-575	-1,418	-5,172
<i>Austudy</i>	-	-217	-220	-226	-230	-236	-242	-248	-254	-260	-266	-663	-2,399
<i>Special Benefit</i>	-	-76	-77	-76	-77	-79	-81	-83	-85	-87	-89	-229	-811
<i>Family Tax Benefit<sup>(c)</sup></i>	-	62	64	65	66	68	69	70	72	73	75	191	684
<i>Abstudy</i>	-	-155	-160	-164	-169	-174	-179	-185	-190	-196	-201	-479	-1,773
<i>Crisis Payment</i>	-	-7	-7	-7	-8	-8	-8	-9	-9	-9	-10	-22	-82
<i>Utility Allowance<sup>(c)</sup></i>	-	..	-	-	-	-	-	-	-	-	-	..	..
<b>Total – administered</b>	-	<b>-4,850</b>	<b>-4,953</b>	<b>-5,095</b>	<b>-5,191</b>	<b>-5,311</b>	<b>-5,440</b>	<b>-5,573</b>	<b>-5,705</b>	<b>-5,839</b>	<b>-5,970</b>	<b>-14,900</b>	<b>-53,929</b>
<i>Departmental</i>													
<i>Services Australia</i>	-3	-45	-45	-45	-46	-47	-48	-49	-50	-50	-51	-138	-477
<b>Total – departmental</b>	<b>-3</b>	<b>-45</b>	<b>-45</b>	<b>-45</b>	<b>-46</b>	<b>-47</b>	<b>-48</b>	<b>-49</b>	<b>-50</b>	<b>-50</b>	<b>-51</b>	<b>-138</b>	<b>-477</b>
<b>Total – expenses</b>	<b>-3</b>	<b>-4,894</b>	<b>-4,998</b>	<b>-5,141</b>	<b>-5,237</b>	<b>-5,357</b>	<b>-5,488</b>	<b>-5,622</b>	<b>-5,755</b>	<b>-5,889</b>	<b>-6,021</b>	<b>-15,038</b>	<b>-54,406</b>
<b>Total</b>	<b>-3</b>	<b>-4,776</b>	<b>-4,874</b>	<b>-5,012</b>	<b>-5,100</b>	<b>-5,214</b>	<b>-5,335</b>	<b>-5,445</b>	<b>-5,552</b>	<b>-5,660</b>	<b>-5,764</b>	<b>-14,667</b>	<b>-52,737</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

(c) There are flow-on impacts on Family Tax Benefit and Utilities Allowance.

.. Not zero but rounded to zero.

- Indicates nil.



**Table A3: Increase JobSeeker Payment – Option 3: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week and the maximum rate of Commonwealth Rent Assistance by 30 per cent – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total to 2022–23	Total to 2029–30
<b>Revenue</b>													
<i>Personal income tax revenue</i>	-	118	124	129	137	143	153	177	203	229	257	371	1,669
<b>Total – revenue</b>	-	118	124	129	137	143	153	177	203	229	257	371	1,669
<b>Expenses</b>													
<i>Administered</i>													
<i>Jobseeker Payment</i>													
<i>Basic rate increase</i>	-	-3,760	-3,830	-3,940	-4,010	-4,100	-4,200	-4,300	-4,400	-4,500	-4,600	-11,530	-41,640
<i>Rent assistance increase<sup>(c)</sup></i>	-	-144	-148	-152	-173	-177	-182	-184	-187	-190	-192	-444	-1,729
<b>Total</b>	-	-3,910	-3,980	-4,090	-4,180	-4,280	-4,380	-4,480	-4,590	-4,690	-4,790	-11,980	-43,370
<i>Youth Allowance (Other)</i>													
<i>Basic rate increase</i>	-	-242	-250	-258	-264	-270	-276	-283	-290	-297	-304	-751	-2,736
<i>Rent assistance increase<sup>(c)</sup></i>	-	-8	-8	-8	-9	-10	-10	-10	-10	-11	-11	-23	-94
<b>Total</b>	-	-250	-258	-266	-273	-280	-286	-293	-300	-308	-315	-774	-2,829
<i>Youth Allowance (Student)</i>													
<i>Basic rate increase</i>	-	-455	-473	-489	-499	-511	-523	-536	-549	-562	-575	-1,418	-5,172
<i>Rent assistance increase<sup>(c)</sup></i>	-	-42	-43	-45	-48	-50	-51	-53	-54	-55	-56	-129	-496
<b>Total</b>	-	-497	-516	-534	-547	-561	-575	-588	-602	-617	-631	-1,547	-5,668
<i>Austudy</i>													
<i>Basic rate increase</i>	-	-217	-220	-226	-230	-236	-242	-248	-254	-260	-266	-663	-2,399
<i>Rent assistance increase<sup>(c)</sup></i>	-	-11	-11	-12	-13	-13	-14	-14	-14	-14	-14	-34	-130
<b>Total</b>	-	-228	-232	-237	-243	-249	-255	-261	-268	-274	-281	-697	-2,528
<i>Special Benefit</i>													
<i>Basic rate increase</i>	-	-76	-77	-76	-77	-79	-81	-83	-85	-87	-89	-229	-811
<i>Rent assistance increase<sup>(c)</sup></i>	-	-3	-3	-3	-4	-4	-4	-4	-4	-4	-4	-10	-37
<b>Total</b>	-	-79	-80	-79	-81	-83	-85	-87	-89	-92	-94	-238	-848
<i>Family Tax Benefit<sup>(d)</sup></i>													
<i>Basic rate increase</i>	-	62	64	65	66	68	69	70	72	73	75	191	684
<i>Rent assistance increase<sup>(c)</sup></i>	-	-	-	-	..	..	..	..	..	..	..	..	1
<b>Total</b>	-	62	64	65	66	68	69	70	72	73	75	191	684
<i>Abstudy</i>													
<i>Basic rate increase</i>	-	-155	-160	-164	-169	-174	-179	-185	-190	-196	-201	-479	-1,773
<i>Rent assistance increase<sup>(c)</sup></i>	-	-6	-6	-6	-7	-7	-7	-8	-8	-8	-9	-18	-71
<b>Total</b>	-	-161	-166	-171	-176	-181	-187	-192	-198	-204	-210	-497	-1,844

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total to 2022–23	Total to 2029–30
<i>Crisis Payment</i>													
<i>Basic rate increase</i>	-	-7	-7	-7	-8	-8	-8	-9	-9	-9	-10	-22	-82
<i>Rent assistance increase</i> <sup>(c)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-7	-7	-7	-8	-8	-8	-9	-9	-9	-10	-22	-82
<i>Other</i> <sup>(d)(e)</sup>													
<i>Basic rate increase</i>	-	..	-	-	-	-	-	-	-	-	-	..	..
<i>Rent assistance increase</i> <sup>(c)</sup>	-	-	..	..	..	..	..	..	..	..	..	..	..
<b>Total</b>	-	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total – administered</b>													
<i>Basic rate increase</i>	-	-4,850	-4,953	-5,095	-5,191	-5,311	-5,440	-5,573	-5,705	-5,839	-5,970	-14,900	-53,929
<i>Rent assistance increase</i> <sup>(c)</sup>	-	-213	-219	-225	-253	-260	-268	-272	-277	-282	-286	-658	-2,556
<b>Total</b>	-	-5,066	-5,174	-5,320	-5,443	-5,572	-5,707	-5,842	-5,983	-6,121	-6,256	-15,561	-56,485
<i>Departmental</i>													
<i>Services Australia</i>	-3	-47	-47	-48	-49	-49	-50	-52	-52	-53	-53	-145	-503
<b>Total – departmental</b>	-3	-47	-47	-48	-49	-49	-50	-52	-52	-53	-53	-145	-503
<b>Total – expenses</b>	-3	-5,113	-5,221	-5,368	-5,492	-5,622	-5,758	-5,894	-6,036	-6,174	-6,309	-15,706	-56,988
<b>Total</b>	-3	-4,995	-5,097	-5,239	-5,355	-5,479	-5,605	-5,717	-5,833	-5,945	-6,052	-15,335	-55,319

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

(c) Figures include a small amount of interaction effect between the basic payment increase and the increase in rent assistance.

(d) There are flow-on impacts on Family Tax Benefit, Utilities Allowance and Single Income Family Supplement.

(e) Other refers to small payments (or supplements) including Utilities Allowance and Single Income Family Supplement.

.. Not zero but rounded to zero.

- Indicates nil.

**Table A4: Increase JobSeeker Payment – Percentage increase in the social security and welfare budget<sup>(a)</sup>**

	2019–20	2020–21	2021–22	2022–23
Option 1: Increase total government assistance to JobSeeker Payment recipients to be in line with OECD’s relative measure of poverty	-	4.2%	4.1%	4.0%
Option 2: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week	-	2.6%	2.6%	2.5%
Option 3: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week and the maximum rate of Commonwealth Rent Assistance by 30 per cent	-	2.7%	2.7%	2.7%

(a) These figures represent the percentage increases in the social security and welfare budget as a result of the proposal.

**Table A5: Increase JobSeeker Payment – Social security and welfare budget as a percentage of total budget<sup>(a)</sup>**

	2019–20	2020–21	2021–22	2022–23
<i>Baseline</i>				
No change to the current Jobseeker Payment and other related payments	36.0%	36.2%	36.1%	35.8%
<i>Proposal</i>				
Option 1: Increase total government assistance to JobSeeker Payment recipients to be in line with OECD’s relative measure of poverty	36.0%	37.2%	37.1%	36.7%
Option 2: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week	36.0%	36.8%	36.7%	36.3%
Option 3: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week and the maximum rate of Commonwealth Rent Assistance by 30 per cent	36.0%	36.8%	36.7%	36.4%

(a) These figures represent the social security and welfare budget as a percentage of the total budget under both the baseline and proposed options.

**Table A6: Increase JobSeeker Payment – JobSeeker Payment as a percentage of the social security and welfare budget<sup>(a)</sup>**

	2019–20	2020–21	2021–22	2022–23
<i>Baseline</i>				
No change to the current Jobseeker Payment and other related payments	5.8%	5.6%	5.6%	5.6%
<i>Proposal</i>				
Option 1: Increase total government assistance to JobSeeker Payment recipients to be in line with OECD’s relative measure of poverty	5.8%	9.5%	9.4%	9.3%
Option 2: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week	5.8%	7.5%	7.4%	7.4%
Option 3: Increase the single maximum basic rate of JobSeeker Payment and related working age payments by \$95 per week and the maximum rate of Commonwealth Rent Assistance by 30 per cent	5.8%	7.5%	7.5%	7.5%

(a) These figures represent the JobSeeker Payment as a percentage of the social security and welfare budget under both the baseline and proposed options.

**Table A7: Increase JobSeeker Payment – Options 2 and 3 fortnightly maximum basic rates comparison<sup>(a)</sup>**

	2019–20	2020–21	2021–22	2022–23
<b>Baseline fortnightly JobSeeker Payment (maximum basic rates)<sup>(b)</sup></b>				
<i>Single – without dependents</i>	-	572	585	599
<i>Single – with dependents</i>	-	619	633	648
<i>Members of a couple</i>	-	517	528	541
<b>Options 2 and 3 fortnightly JobSeeker Payment (maximum basic rates)<sup>(c)</sup></b>				
<i>Single – without dependents</i>	-	764	782	800
<i>Single – with dependents</i>	-	827	846	865
<i>Members of a couple</i>	-	690	706	722

- (a) There is no difference in the proposed fortnightly JobSeeker Payment maximum basic payment rates between Options 2 and 3.
- (b) These figures represent the fortnightly JobSeeker Payment maximum basic payment rates under the baseline.
- (c) These figures represent the fortnightly JobSeeker Payment maximum basic payment rates under the proposal. These amounts do not include the rent assistance increase proposed under Option 3.