

MEDIA RELEASE

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Mixed Blessings in Stimulus Package Stage 2

The second stage of the Federal Government's Stimulus Package holds the first acknowledgement that the \$40 a day paid to job seekers under the Newstart Allowance is insufficient to support a reasonable life. As part of the Package, Government will increase the Jobseeker Allowance (formerly known as Newstart), and the Youth Allowance Job Seeker payment, through the introduction of a temporary coronavirus supplement of \$275 per week.

Community Industry Group welcomed the announcement, but cautioned that the fight to increase Newstart and Youthstart is not over. The temporary payment, which will be paid to both existing and new recipients of the JobSeeker Payment and Youth Allowance jobseeker, as well as to recipients of Parenting Payment, Farm Household Allowance and Special Benefit will only be in place for the next six months.

"There is no doubt that effectively doubling Newstart and Youth Allowance for six months will make an enormous difference to people who are struggling to manage on \$40 a day" said Community Industry Group CEO, Nicky Sloan "and with job losses expected as a result of the Covid-19 crisis, it will undoubtedly help prevent more people from falling into the poverty trap."

However, Community Industry Group has grave concerns about what will happen when the Coronavirus Supplement is removed. "We are pleased to see the recognition that Newstart and Youthstart were insufficient to support people who are losing their jobs as a result of this crisis. However, if it's not enough for them, then it must be recognised that it's not enough for anyone who is struggling to find paid work."

The other gaping hole is in additional funding for community service organisations.

"The Stimulus Package once again has a strong focus on business," Ms Sloan said. "And we are very supportive of keeping business going at a time of falling demand. But community service organisations are struggling with the opposite problem. While we are pleased to note the extension of the Business Continuity funding to community organisations, what we really need is long term increases to program level funding."

For many community organisations, demand has been steadily increasing over recent years, as people living on low incomes fall further into poverty and despair. The recent bushfire and flood disasters have placed further pressure on their already strained resources, and demand is already escalating as the impacts of the coronavirus are experienced.

"Community service organisations are already reporting they are struggling to meet the demand for a whole range of services and support," Ms Sloan said. "And many services have seen no increase in funding for many years. With more funding, they could be not only offering increased services, but could also be putting on additional staff."

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“As a major employment sector across the region, increasing funding for community service organisations will increase employment and also stimulate the economy.”

“The other initiative which we would have liked to have seen included in the package is an increase in social housing.” Ms Sloan added “Safe, secure, affordable housing is the very basis on which a better life can be built.”

With waiting lists for social housing exceeding ten years in the Illawarra, there is no doubt that substantial increases in social housing stock are required. Building more social housing is a sound way to stimulate the economy as it not only moves people out of homelessness, but also provides jobs during the construction phase.

About the Community Industry Group

Community Industry (formerly known as Illawarra Forum) is the peak body working for community services and organisations in the South East of NSW. It supports community organisations, promotes expertise and innovation in community development, fosters industry development and provides advocacy for social justice. Community Industry Group is an independent organisation governed by a committee of management elected annually by the membership.

Community Industry Group represents the non-government community services industry in the South East of NSW, and works closely with numerous organisations which provide support to vulnerable people across the region.

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