

DRAFT FOR DISCUSSION - NOT FOR CIRCULATION

s47C / 47G

Executive Summary

25 JUNE 2020

Agenda for today

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On current path, significant contraction of welfare payments will coincide with end of JobKeeper

—12 Mar 2020— March to June 2020— 24 Sep 2020—27 Sep 2020—

Gov't announced significant expansion of working-age welfare policy settings

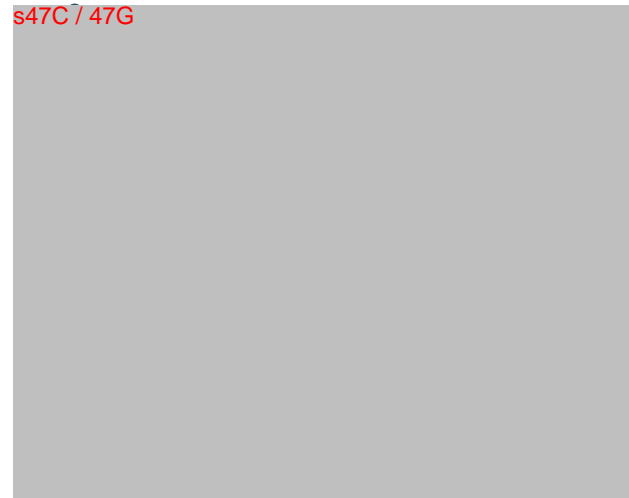
- Coronavirus supplement instituted (\$550 p/f)
- Jobseeker eligibility expanded
- Assets test waived
- Partner income test relaxed
- Waiting periods waived

As expected, a significant inflow of recipients followed

- ~1,000k to JobSeeker
- ~105k to YA(other)
- ~50k to Parenting Payment (P&S)
- ~100k to YA(S) and Austudy

Expanded welfare policy settings end on 24 September...

- Coronavirus supplement ends, withdrawing ~\$2.8b p.m. in welfare spending
- Average payment rates drop 45-60%
- Eligibility, assets tests, partner income tests, and NARWP revert to pre-covid settings, removing 100k+ recipients from welfare



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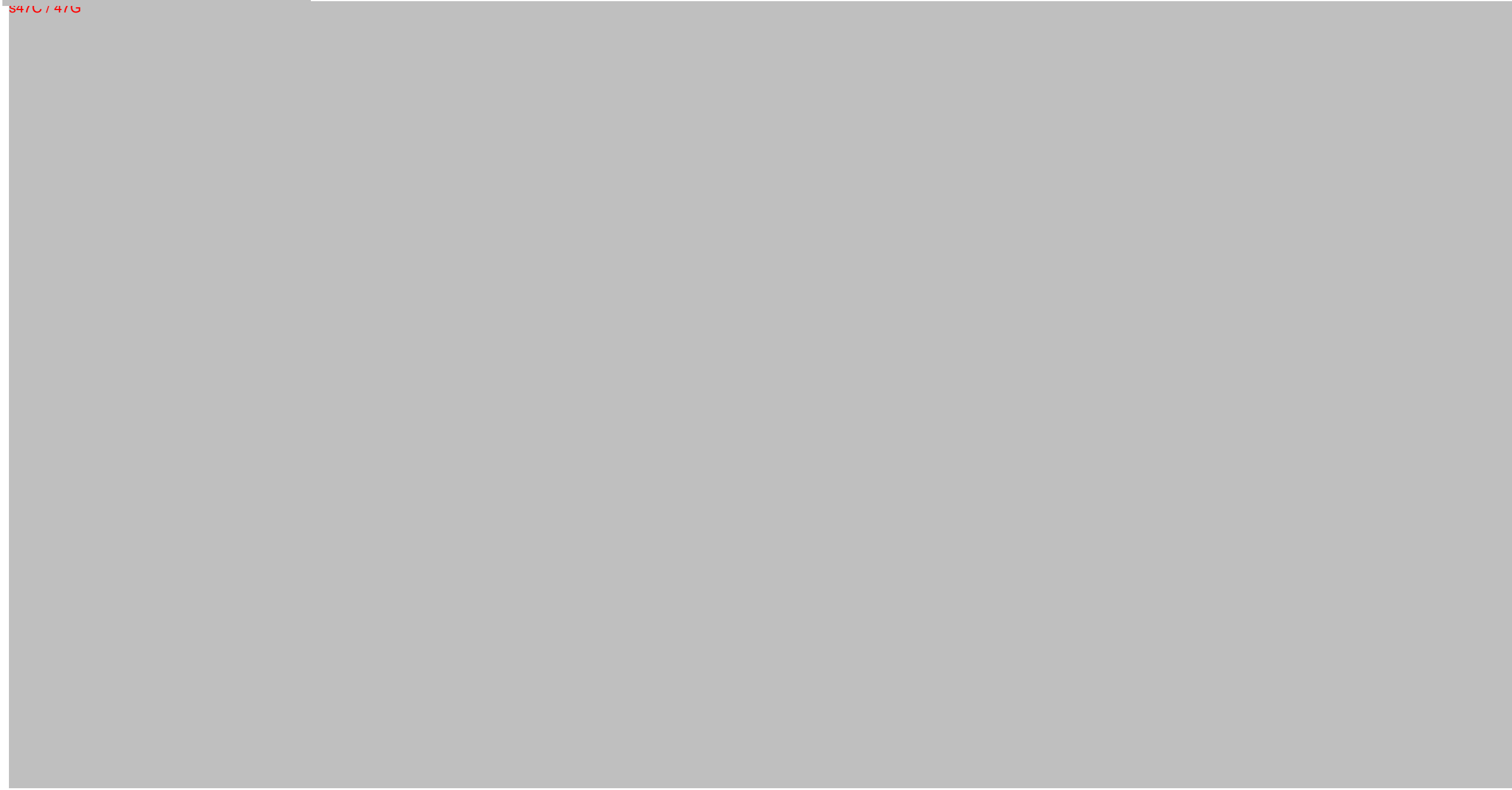




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Thank you

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Compendium of materials

26 JUNE 2020

Policy goals that this research is framed around







Current trajectory for working-age welfare post COVID-19





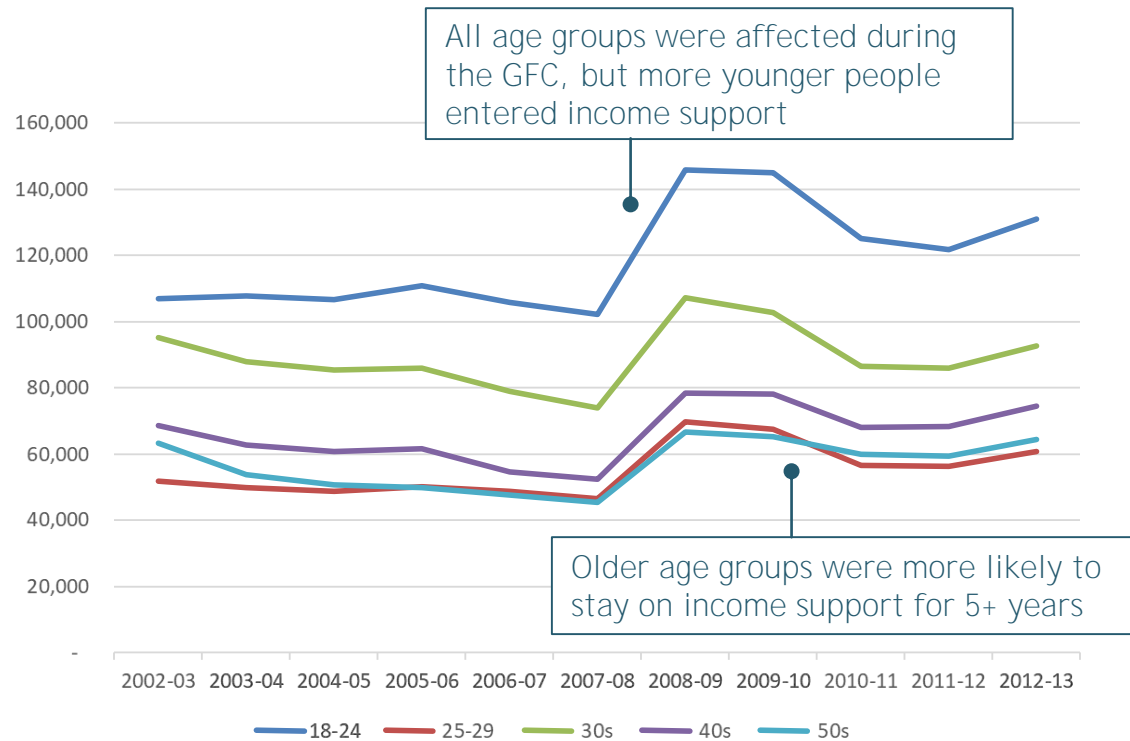
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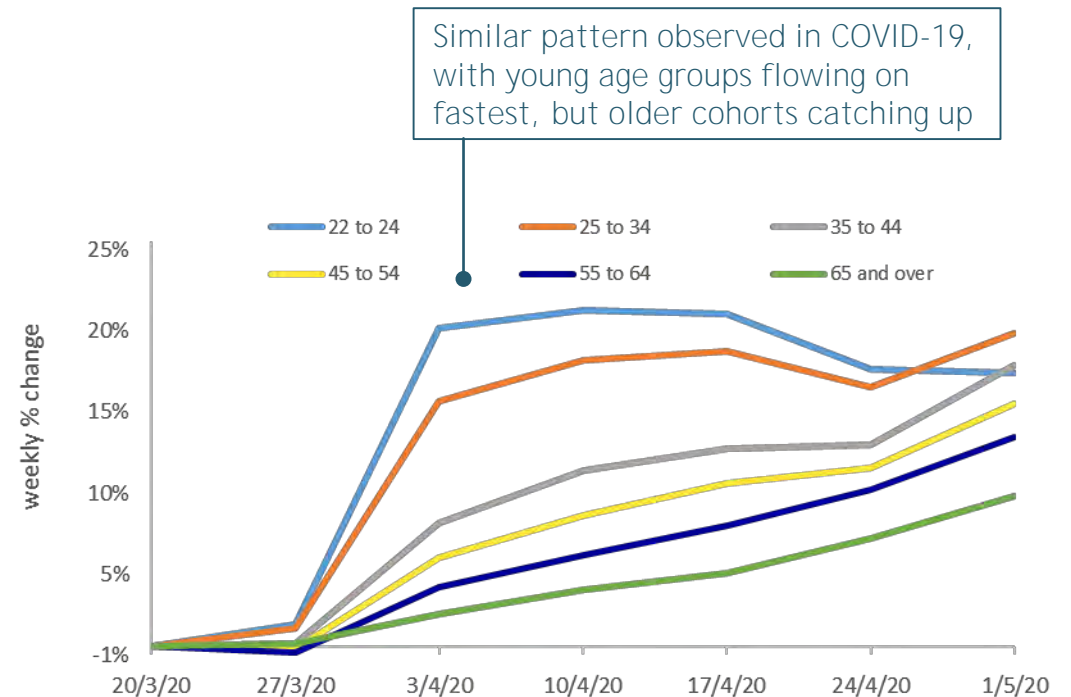


Backup: GFC saw young people more likely to enter welfare system, but also faster to leave; COVID-19 crisis is following a similar pattern so far

GFC: New entrants to income support, by age group



Today: Entrants to Jobseeker Payment, by age group



Source: DSS data



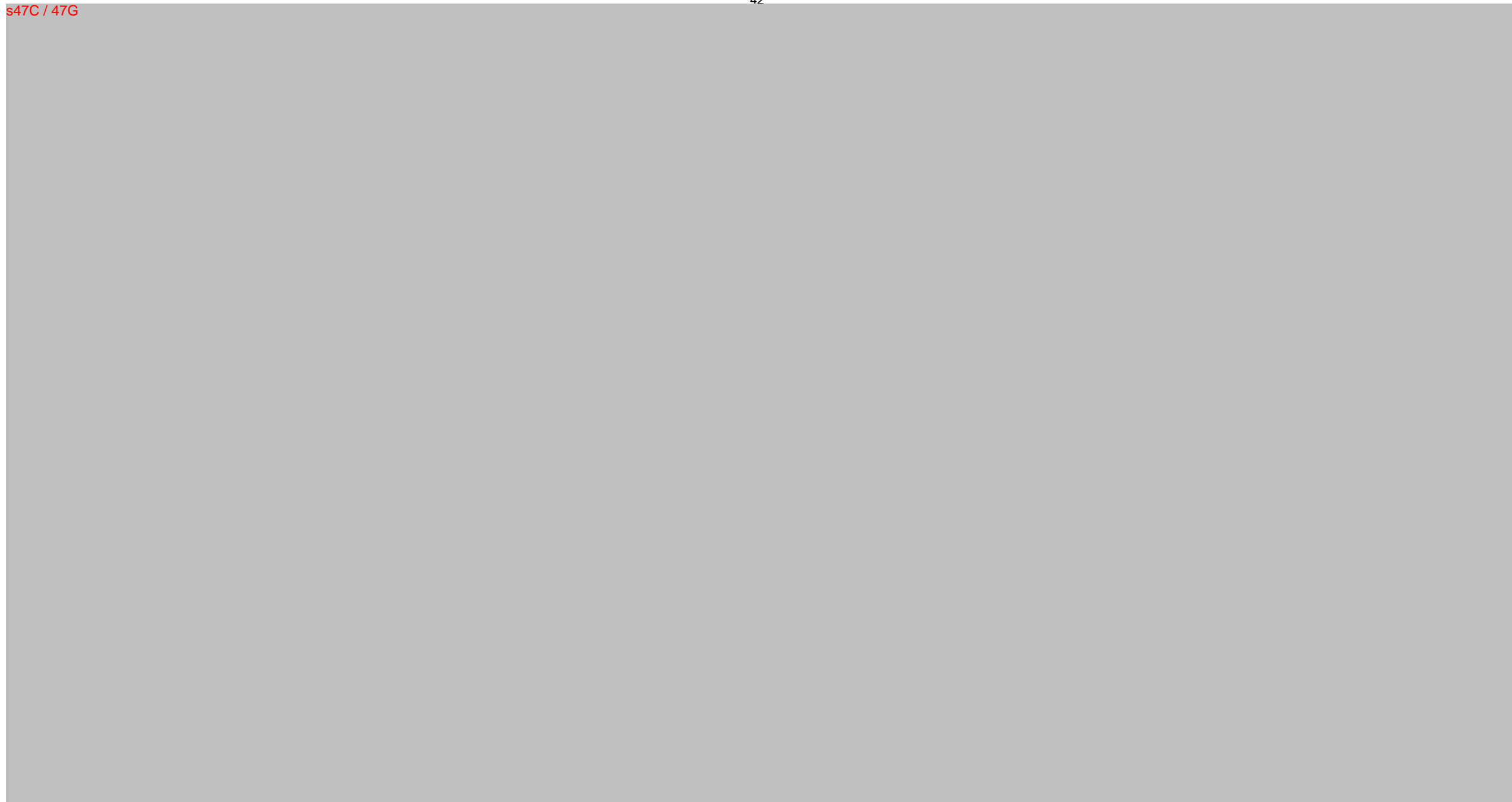






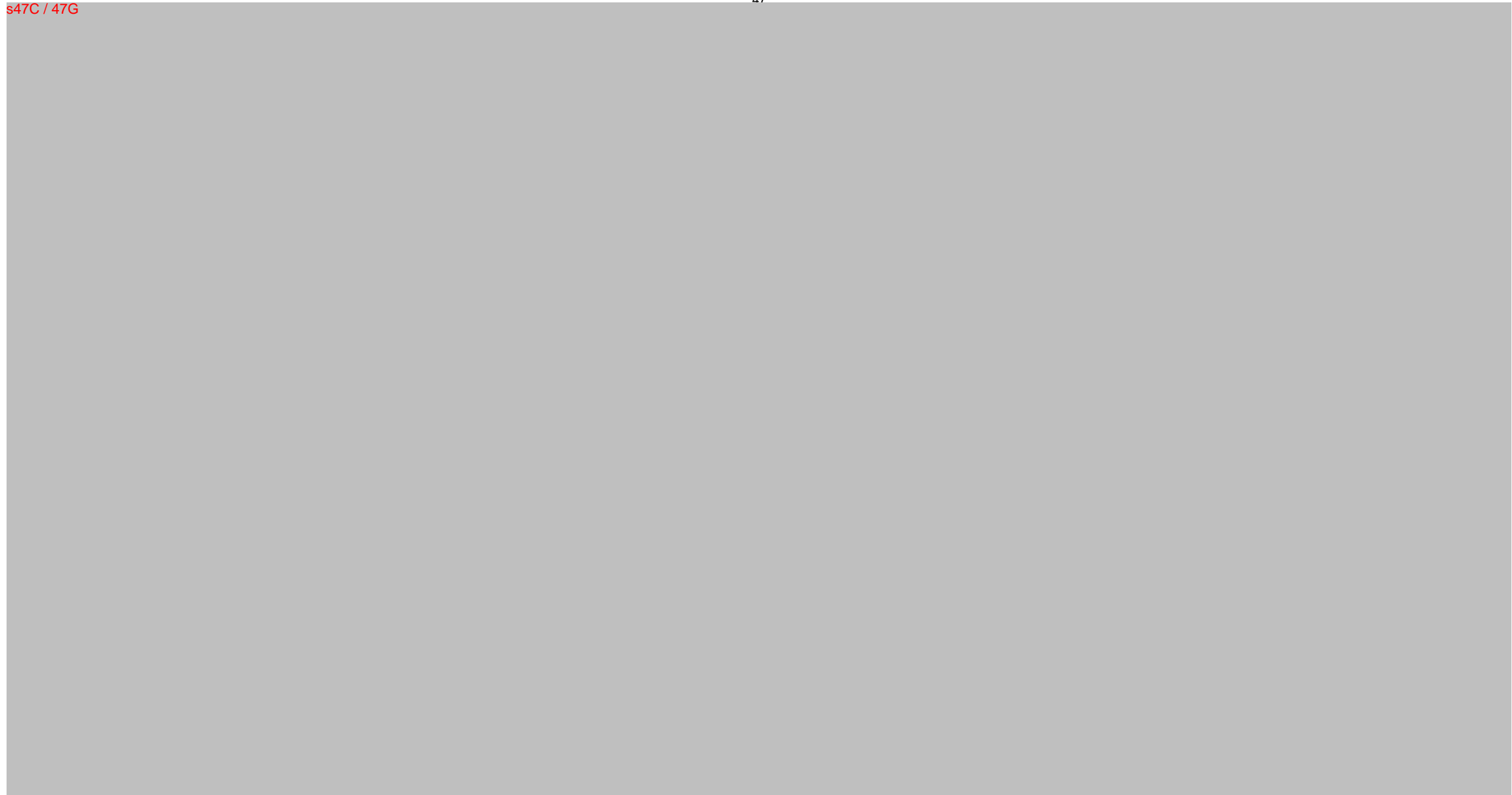


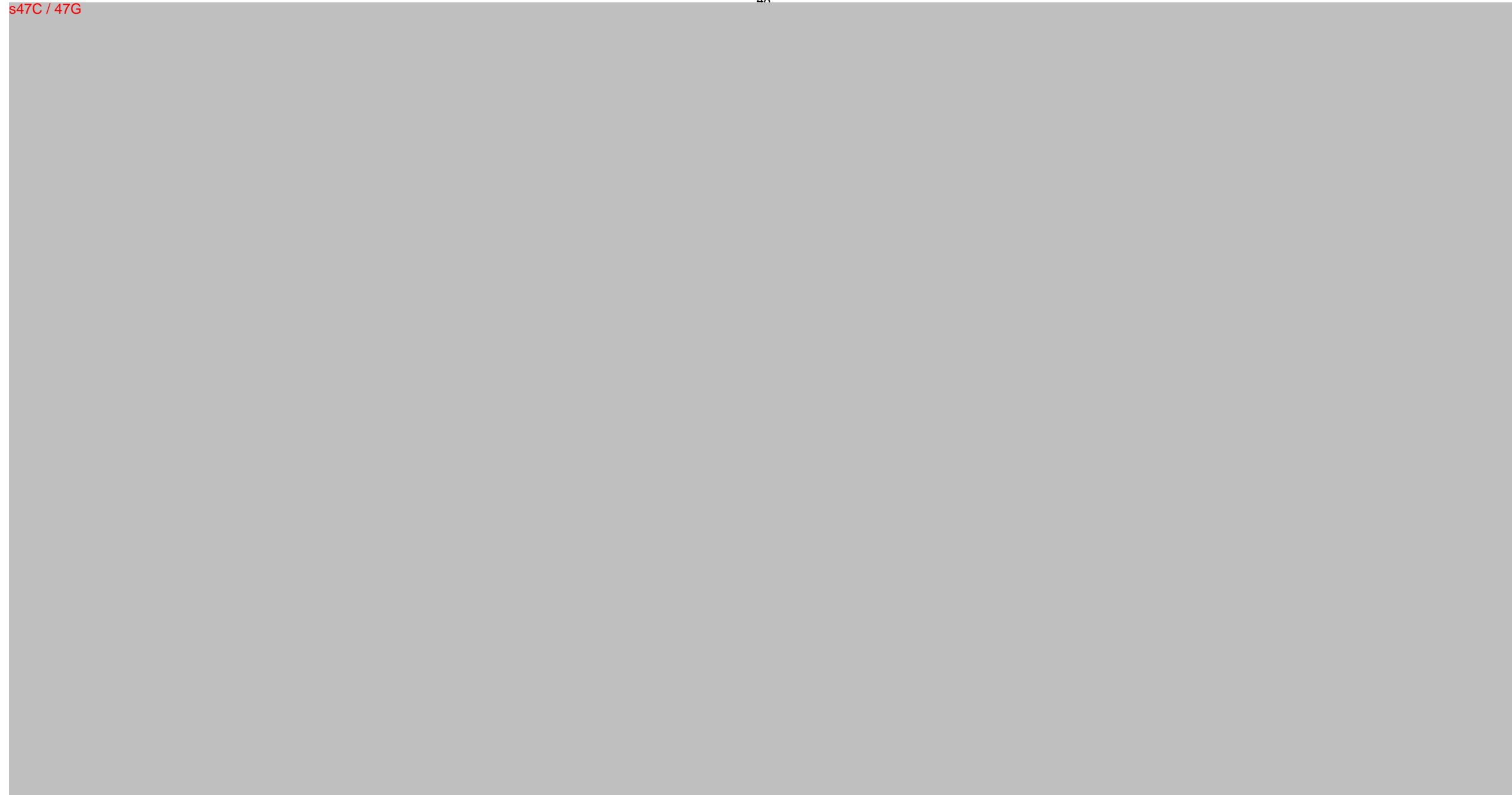












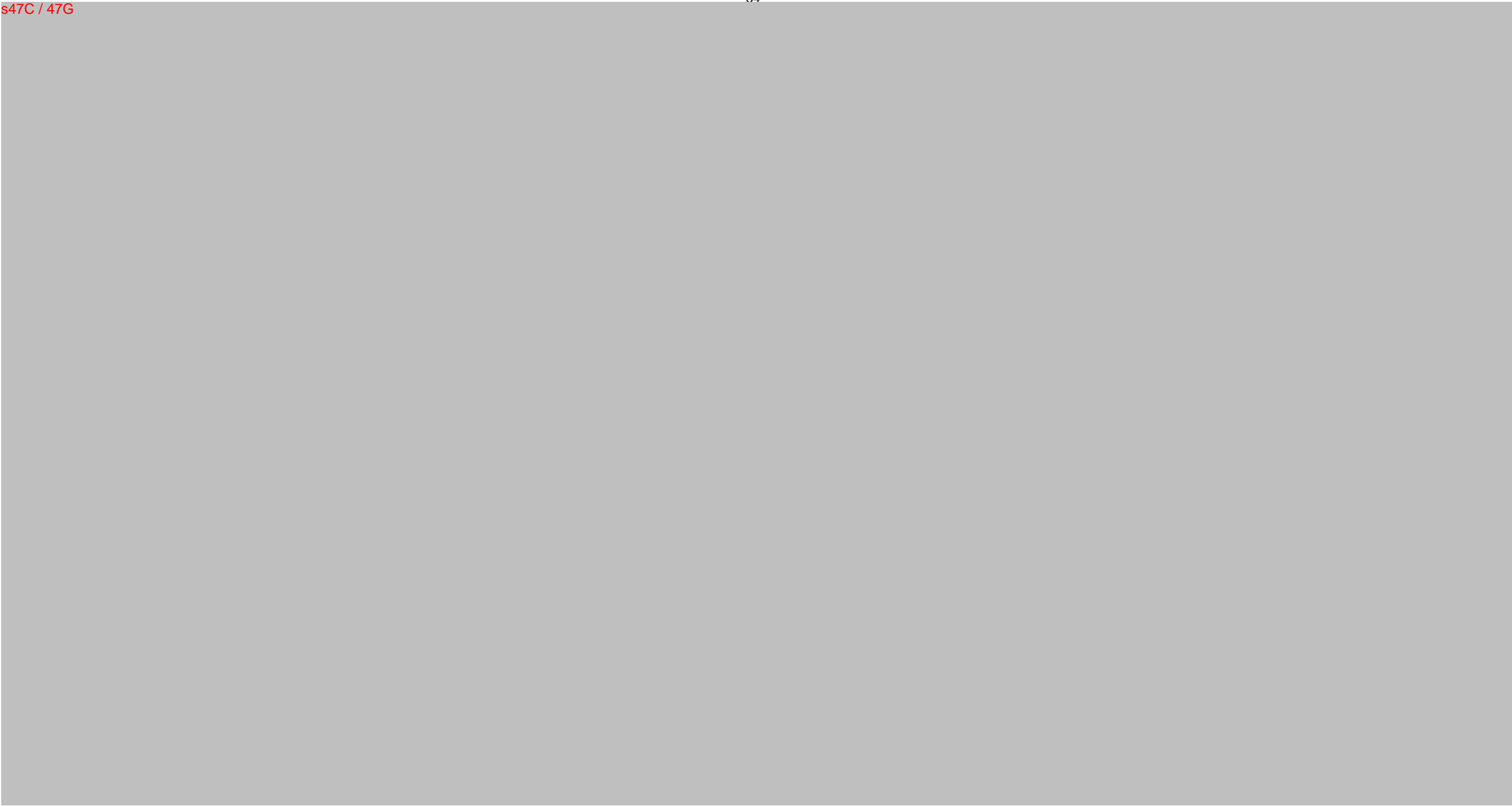


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Cameos: Current Path as at 25 September 2020

24 September 2020

25 September 2020

1 Single JS recipient with no children



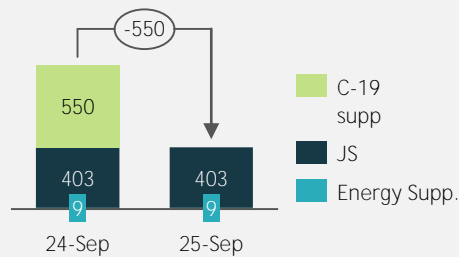
Eric was made redundant in Mar 2020
Eric now earns \$400 pf in income



Eric receives JS payments from Apr and is not subject to the assets test
Eric receives the C-19 supplement from Apr



- Eric's welfare payment pf falls from \$962 to \$412



- Eric no longer receives the C-19 supplement
- Eric needs to submit asset information to continue receiving payments, and meet mutual obligations (MOs)

2 JS recipient with a partner and 12 y/o child



Mary, is partially stood down but is not eligible for JK given her casual tenure of 6 months. She now earns \$300 pf in income



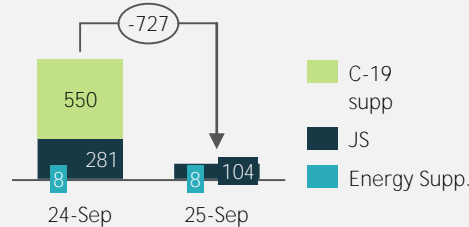
Mary's partner earns \$1,500 pf working part-time.



Mary applies for JS and begins receiving payments plus the C-19 supplement
Mary also receives FTB A & B payments



- Mary's welfare payment pf falls from \$839 to \$112 (excl., FTB payments, which remain unchanged)



- Mary no longer receives the C-19 supplement
- Mary's payment drops as the partner income test returns to 60% (from 25%)
- Mary needs to submit asset information to continue receiving payments, and meet mutual obligations

3 Self-employed, single, 21 y/o adult coming onto YA(o)



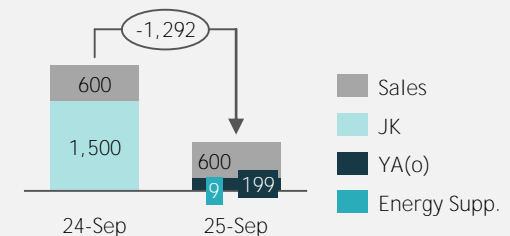
Leanne runs a travel blog but suffers from an income shock due to C-19
Leanne now earns \$600 pf in income, and lives away from home



Leanne begins receiving JK payments



- Leanne's travel blog business is not enough to sustain her financially without JK
- Leanne applies for YA(o) and is successful
- Leanne's income pf falls from \$2,100 to \$808



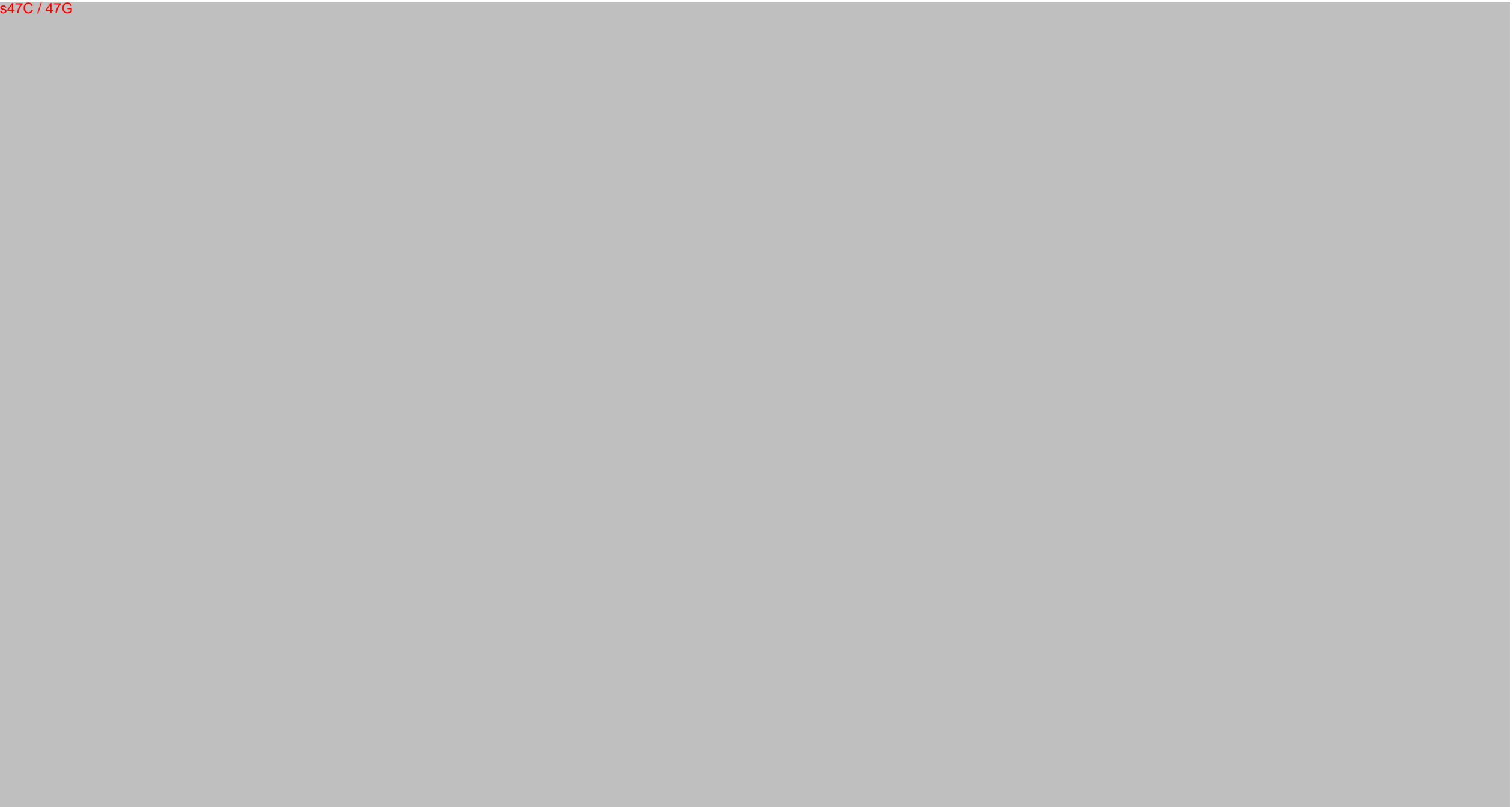
- Leanne must meet mutual obligations to search for jobs. This takes up time which makes it difficult to get her travel business up to speed





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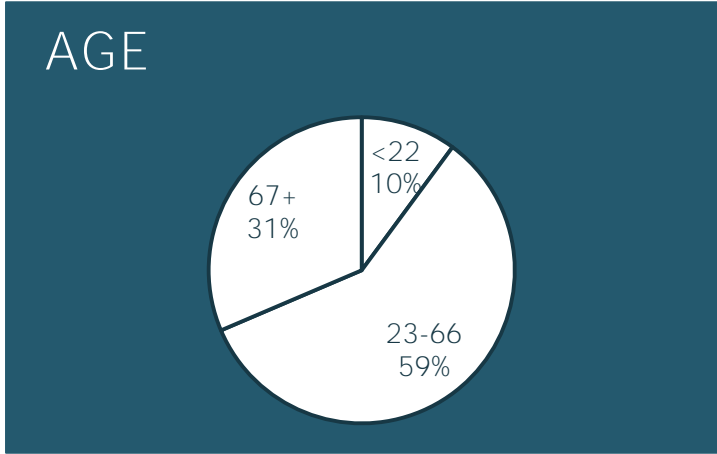
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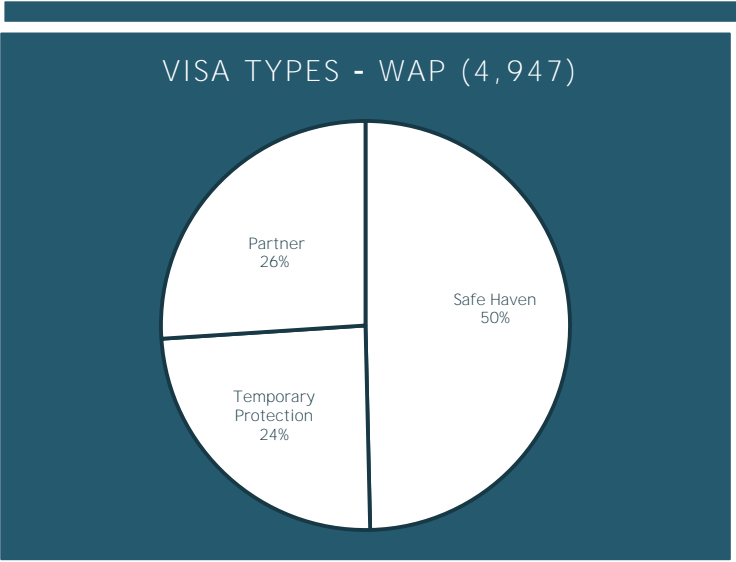
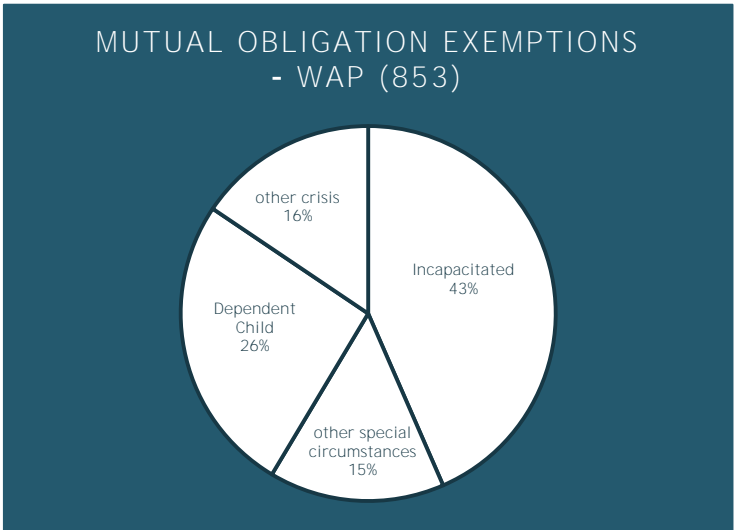
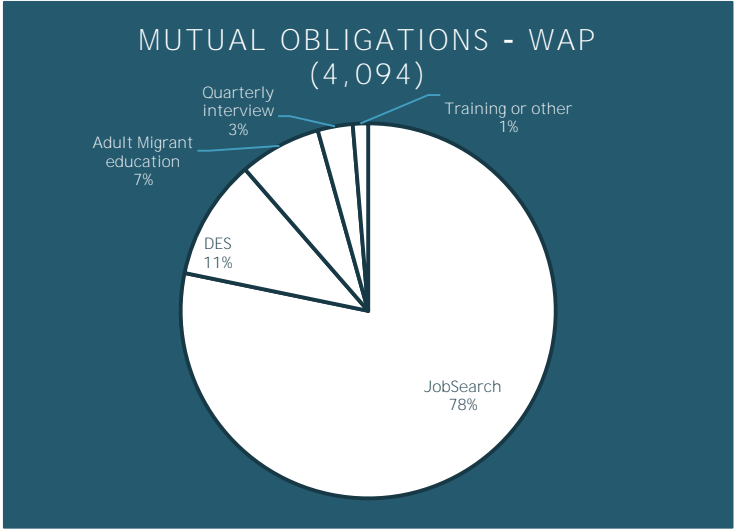


Appendix - Cohort analysis of working age Special Benefit recipients



Working Age Recipients

Individuals of working age represent 59% (4,947) of the special benefit cohort (8,600). The majority are on protection visas (3,500)



Visa Categories

Safe Haven Visa (790) is for people who arrived in Australia illegally and want to apply for protection, intend to work or study in regional Australia. A permanent visa pathway exists for individuals who have worked in regional areas and NOT received SpB. It allows a five year stay.

Temporary Protection Visa (866) is for refugees who arrived in Australia without a valid visa, and want to apply for protection. It allows a three year stay.

Partner Visas include temporary, migrant and permanent partner visas.

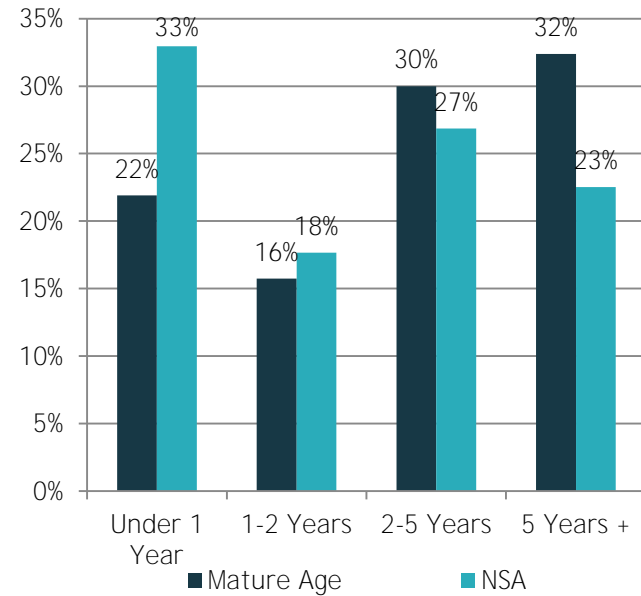
Backup: Age / PCW recipient number breakdown

Age	<7 hours	8 to 14 hours	15 to 22 hours	23 to 29 hours	>30 hours (No PCW)
<50	1,037	2,809	100,604	52,856	290,282
50 - 54	281	888	30,184	10,181	36,929
55 - 59	280	1,023	36,232	8,881	32,914
60+	398	1,915	54,114	8,115	54,705
Total	1,996	6,635	221,134	80,033	414,830

Backup: Mature aged recipients stay longer on payment, more likely to remain on income support

Mature Aged recipients stay longer on payment

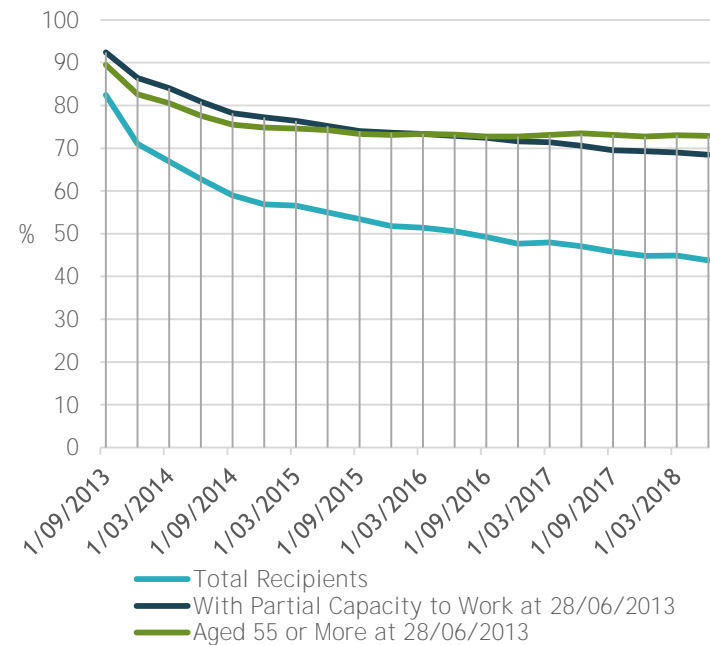
Duration on Newstart Allowance



Source: DSS data

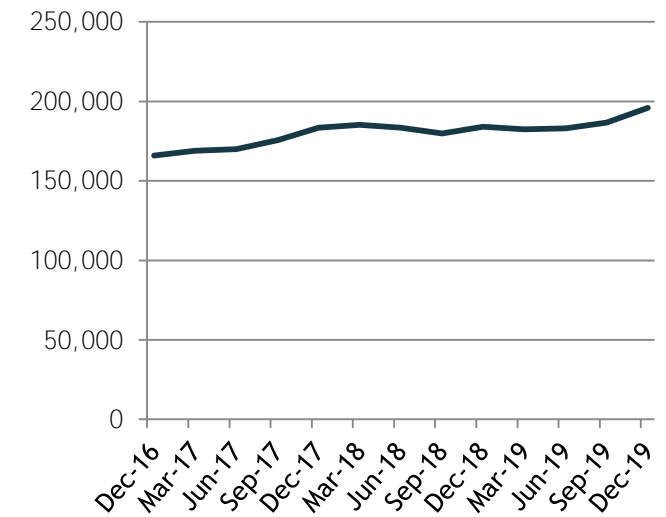
Mature Aged recipients far more likely to remain on income support

New recipients commencing on Newstart from 1 Jan to 31 March 2013, and remaining on income support



Stock of Mature Age recipients increasing over time

Number of >55 yo on Newstart









Suggested next steps



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Phase II - Executive Summary

7 AUGUST 2020

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Agenda for today



Stage 1a:
Three key
questions
posed

1

What are the characteristics of those who have commenced on a working-age payment since February 2020?

[Key materials included in this pack](#)

2

How have the working arrangements of working-age welfare recipients changed since February 2020?

3

As the economy improves what is the likely recovery pathway for employment and the welfare system?

[Materials in Compendium](#)

Summary: Stage 1a (I/II)

1

Characteristics of those who have commenced since Feb '20

The number of working age income support recipients has increased by 1m to 2.4m (72% increase) since February 2020. Of these, 80% have commenced on JobSeeker Payment.

The new cohort is younger (50% of jobseekers <35 yo vs 35% in old cohort), wealthier (13% with assets >\$100k vs 6%) more likely to be partnered (36% of jobseekers vs 19%), and their partners typically earn more (52% partners of earning \$1600+ vs 21% in old cohort)

The new cohort is more heavily weighted toward the major cities (75% of new cohort live in a major city vs 65% previously). The greatest inflows have come from traditionally disadvantaged areas, while more affluent areas have seen the greatest relative change in the proportion of population in income support.

Among the new commencements on jobseeker and parenting payments, ~40% have had no prior engagement with the welfare system since 2000, and ~5% have only engaged on student payments. This is distinctly different to the GFC when just 23% of new commencements on jobseeker and parenting payments were entirely new to welfare, with a further 6% having been on a student payment

Segmentation analysis of new commencements suggests four key groups to consider in shaping policy responses. Each group faces different pressures:

- Young, single, no dependents, with limited assets, half with year-12 qualifications or less (53% of commencements)
 - Risk of disengagement from labour market if ongoing lack of opportunity in entry-level roles. May benefit from supports for study, training, & entrepreneurship, as well as clear incentives to remain engaged in the labour force
- Older workers 55+, typically with assets to fall back on, and owning a home, 40% with year-12 qualifications or less (14% of commencements)
 - Risk of challenges in reskilling/retaining to find new work, may benefit from intensive supports, particularly those without higher ed or tertiary qualifications
- Young & middle aged parents, typically modest assets, often own a home if partnered, typically higher ed/tertiary quals (14% of commencements)
 - Pressure from parenting responsibilities under social distancing, single parents particularly vulnerable (85% female), mortgage pressure among homeowners. May benefit from differentiated approach to mutual obligations and social supports
- Young and middle aged couples with no dependents, typically moderate assets, higher ed or tertiary qualifications, many owning a home (19% of commencements)
 - Natural safety net for many in having a partner with income, although likely mortgage pressure for many after loan deferrals come to an end

Summary: Stage 1a (II/II)

2
Changes to working arrangements since Feb '20

Compared to February 2020, Jobseeker recipients are receiving more income while on welfare (23% receiving income in June vs 19% in February), noting that this is not explained by JobKeeper alone, since working hours also increased (23% of jobseekers reported working hours in June vs 19% in Feb). This increase was greatest among young jobseekers aged under 30 (23% earning income in June vs 16% in Feb)

In contrast, recipients of parenting payment and student payments have seen decreases in earned income and hours worked

As at 30 June 2020, 187k recipients were on nil-rates. **s47C / 47G**



3
What should we be expecting to see during recovery?



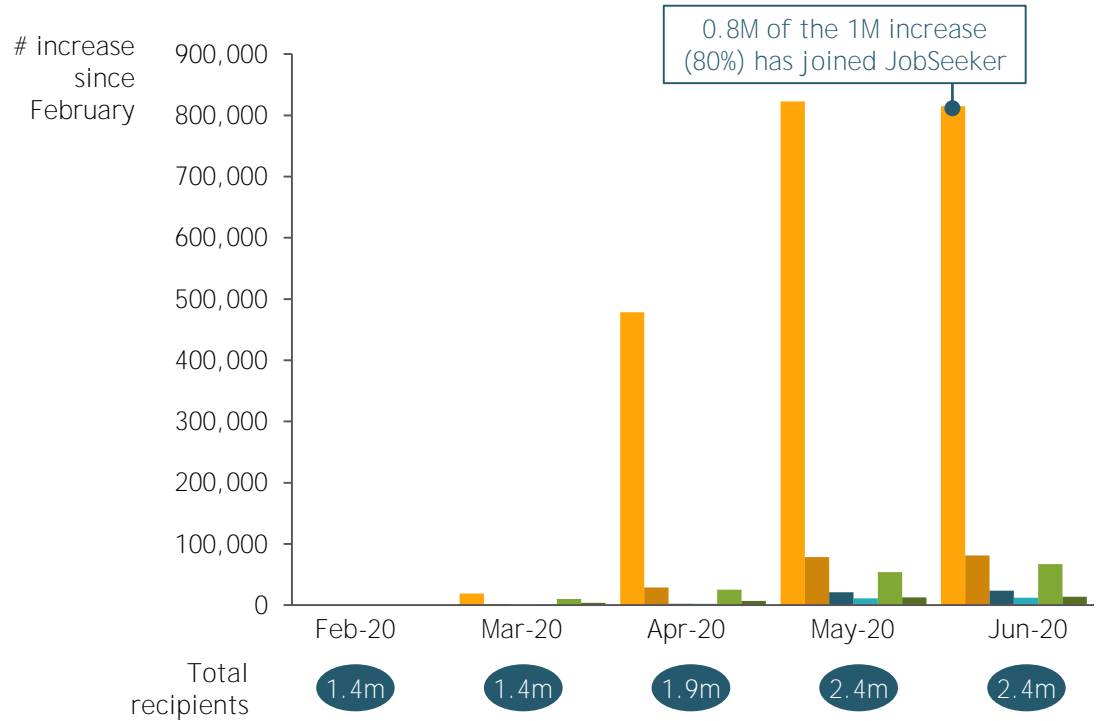
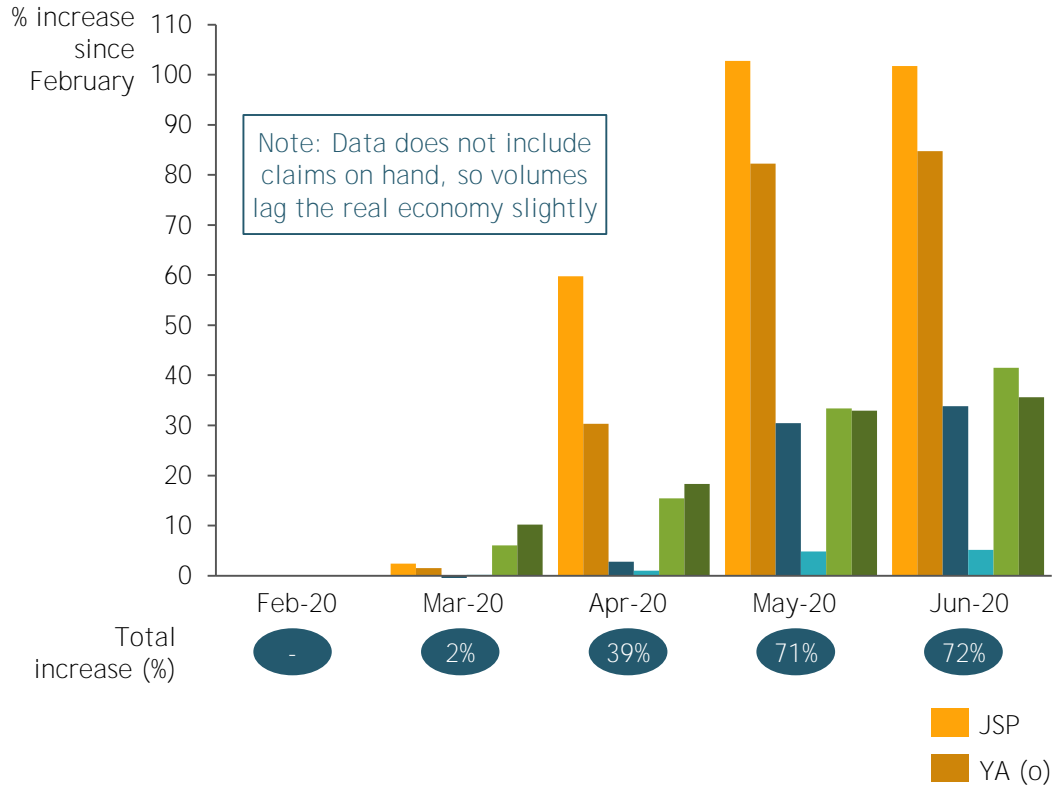
Observation of the recovery pathway in the 1991 recession and GFC suggests that 40% - 80% of new working age ISP recipients may remain in the welfare system over the medium term, with older workers being over-**represented in this “sticky” cohort**, even as jobs growth in the economy resumes

Observation of the 1991 recession and GFC also indicates we should anticipate substantial numbers of payment transfers from jobseeker payments to student payments from 2021 onwards for several years

Overall, the number of working age welfare recipients has increased by 72% since February, with 80% of new entrants joining JobSeeker

Working-age ISP recipients increased 72% since Feb '20, with biggest % increases in JSP & YA(o)

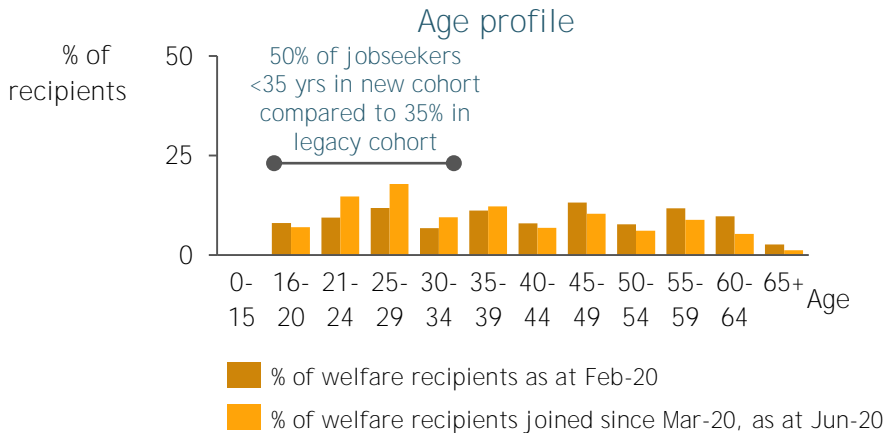
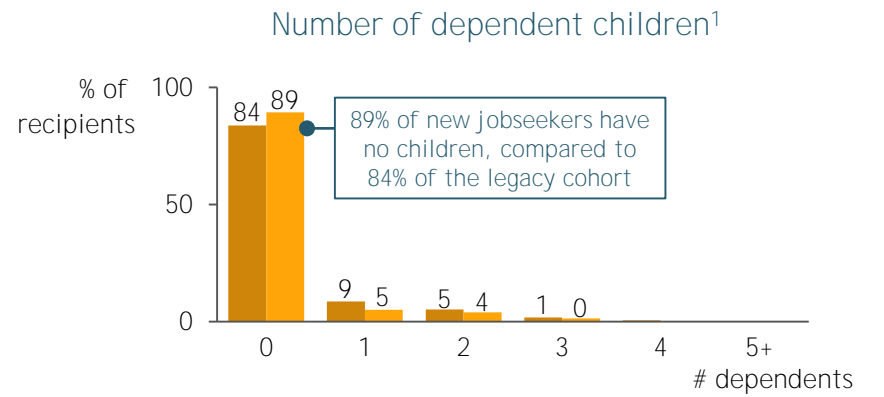
Of those new entrants, 80% have been on JobSeeker



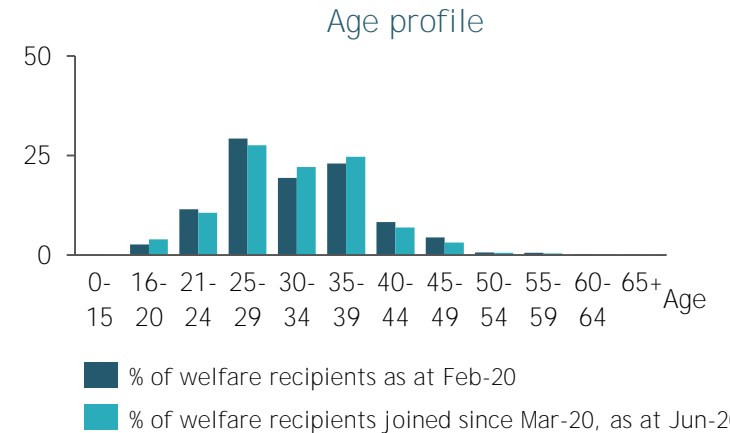
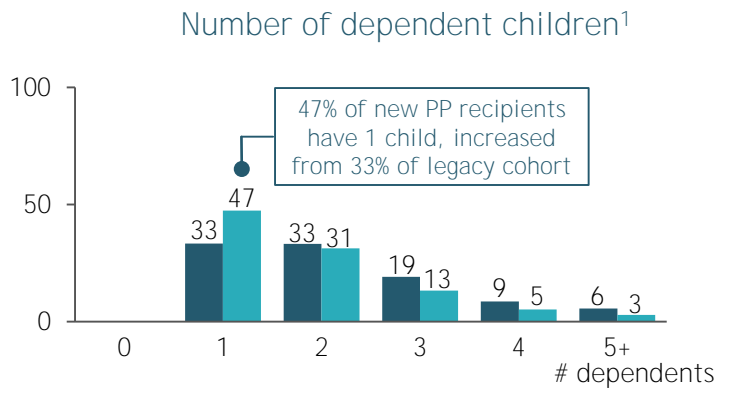
Note: Does not include pending claims, shows actual recipients on ISP at the point in time; includes nil-rate recipients
Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

The new cohort is typically younger, with fewer children, particularly among jobseekers

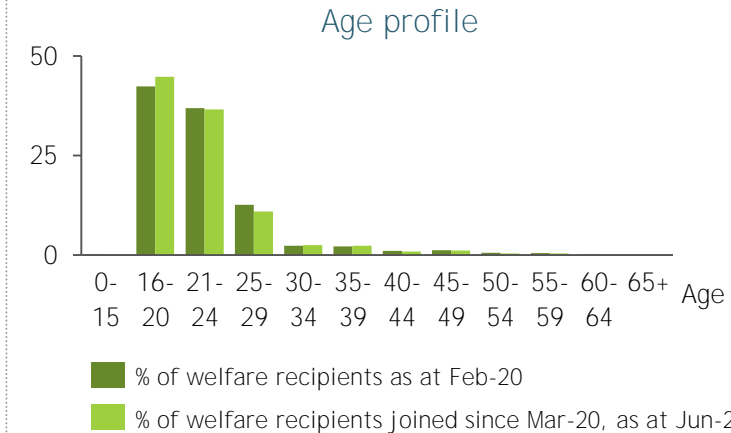
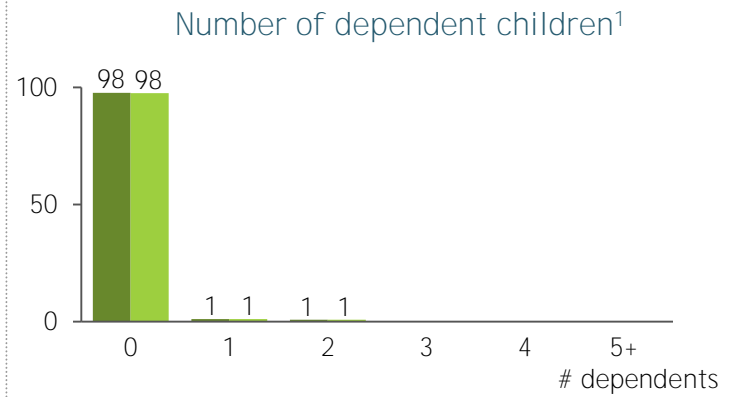
Jobseekers



Parents



Students

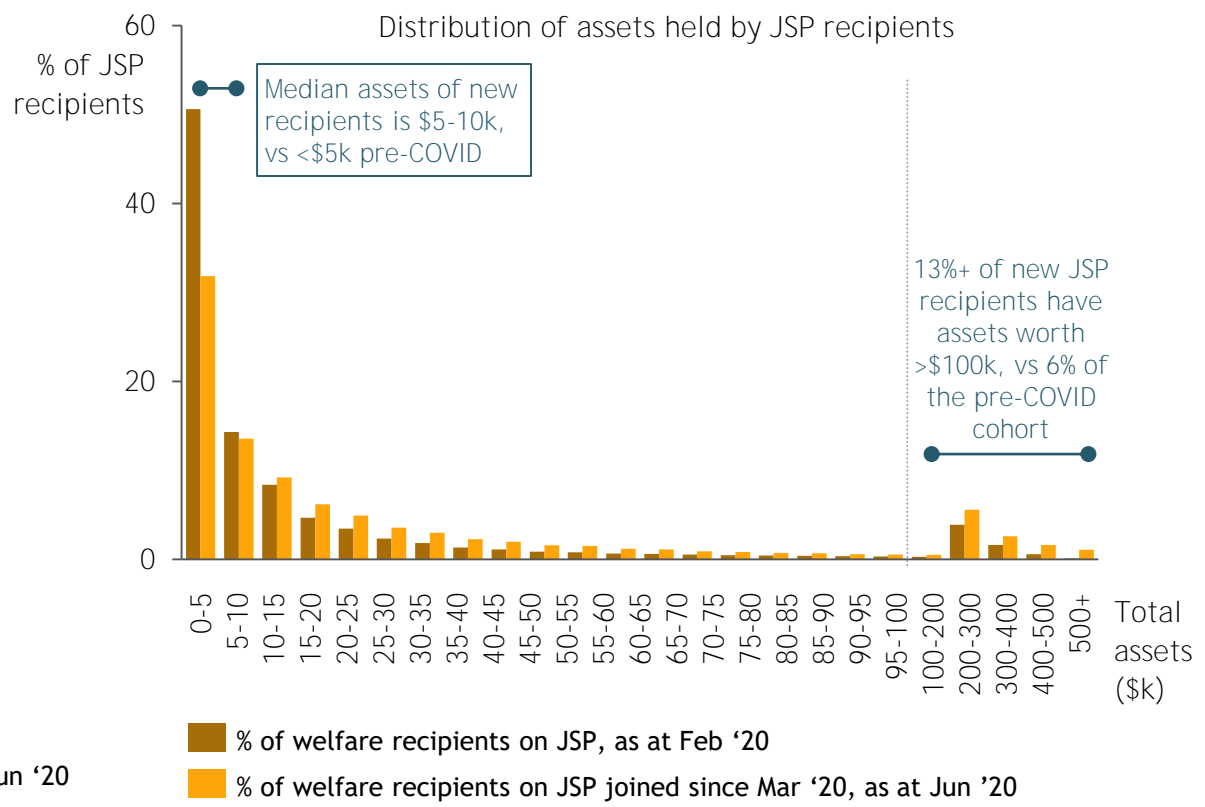
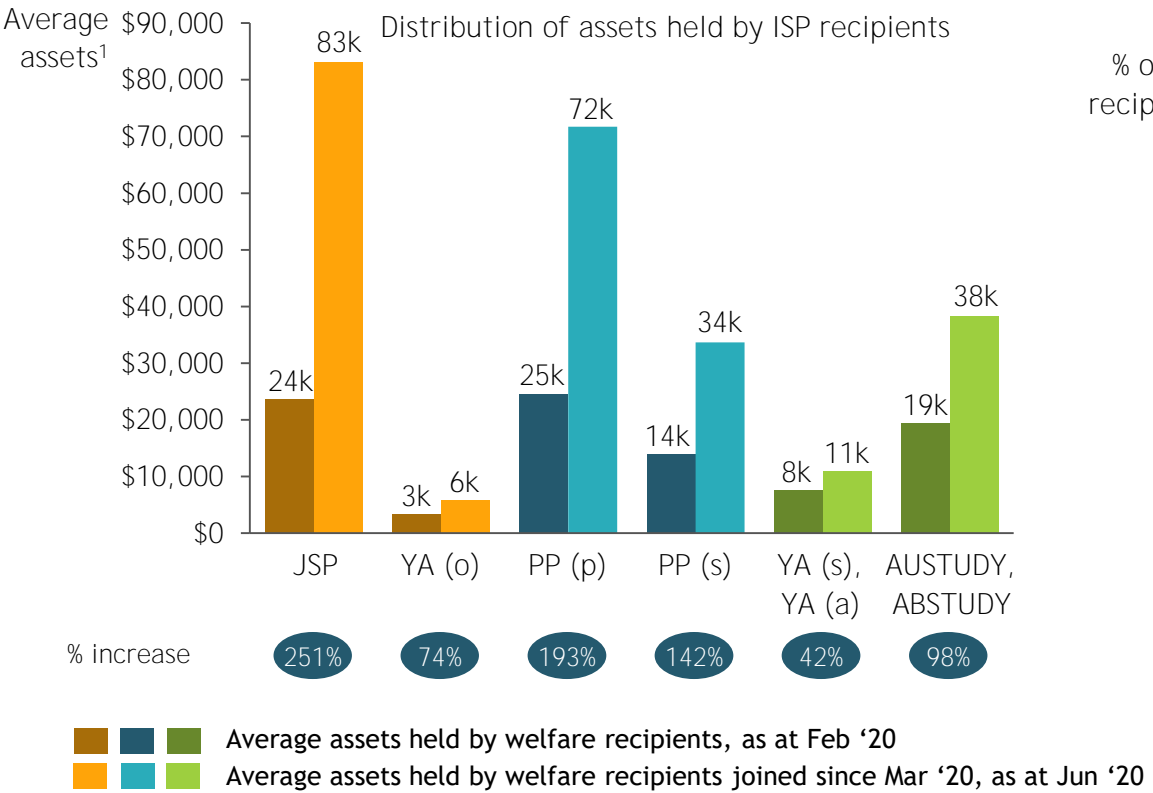


1. Number of dependents taken as the maximum of dependent children, primary carer children and family tax benefit children
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

New welfare recipients are on average wealthier, with the largest increase in assets among JSP and PPP recipients

There has been an increase in average (mean) assets held, particularly in JSP and PPP...

...Although this increase is partly driven by those with very high assets (>\$100k)

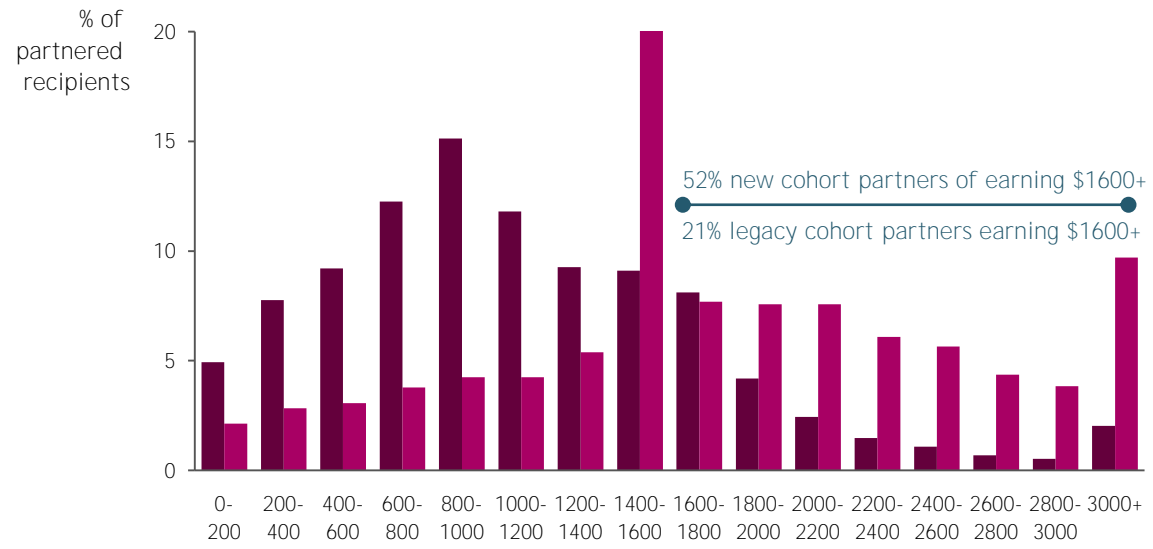
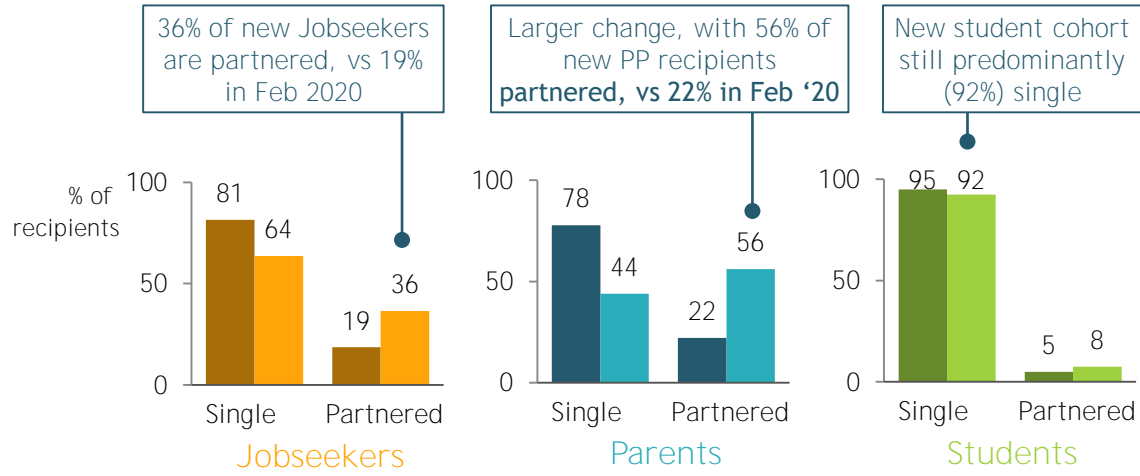


1. Average assets is an approximation calculated using the midpoint of each asset bracket
 Note: 20 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

New welfare recipients are more likely to be partnered, and with higher-earning partners, compared to the legacy cohort

New cohort are more likely to be partnered, across jobseeker, parenting, and student payments...

...and partners of the new cohort are typically higher earning



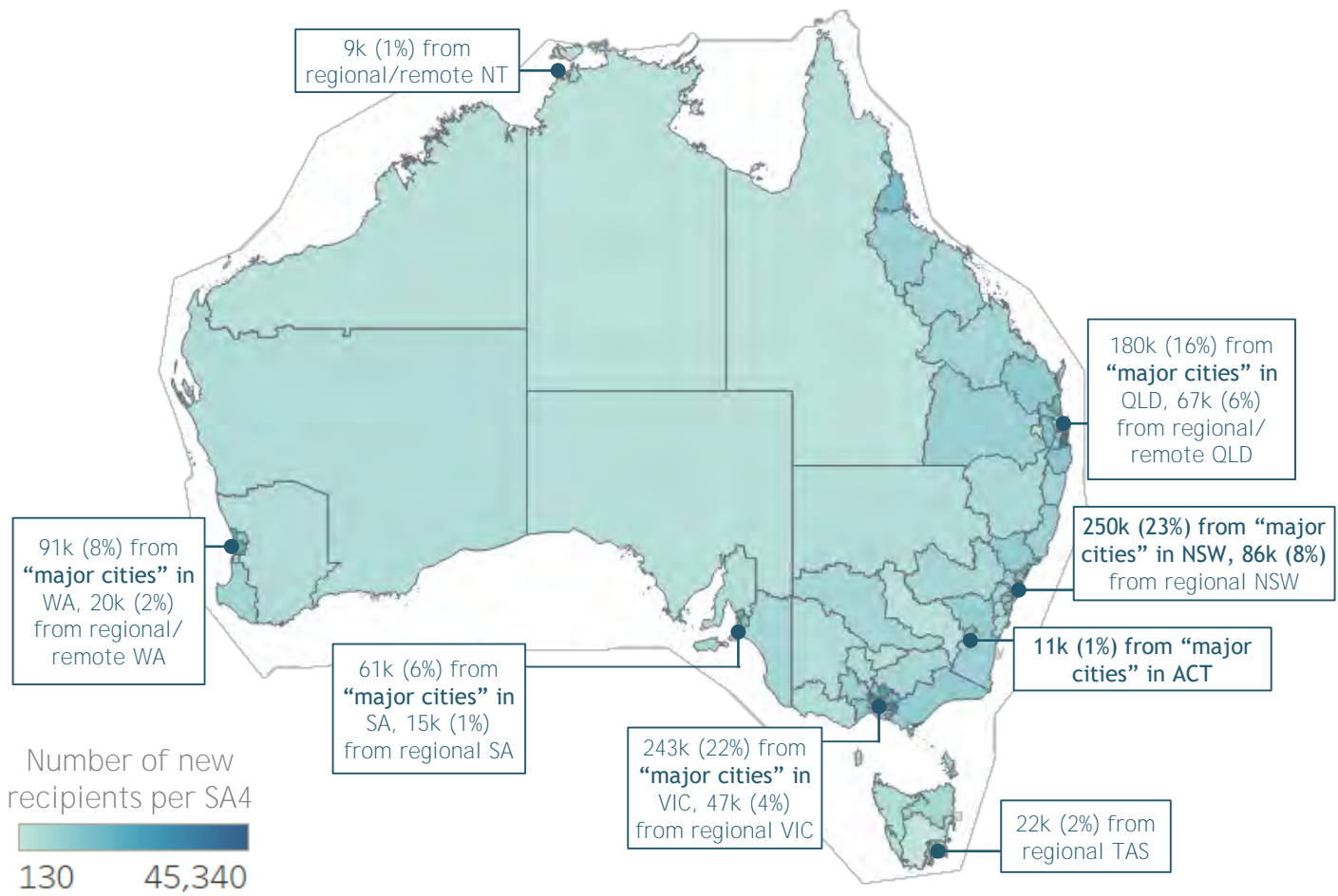
Legend for Jobseekers, Parents, Students charts:

- Dark Blue: Relationship status of welfare recipients, as at Feb 2020
- Light Blue: Relationship status of welfare recipients joined since Mar 2020, as at Jun 2020

Legend for Partner Earnings chart:

- Dark Purple: Earnings of partners of welfare recipients, as at Feb 2020
- Light Purple: Earnings of partners of welfare recipients joined since Mar 2020, as at Jun 2020

The majority of new entrants live in Australia’s major cities (75%), not regional or remote areas (25%)



Overall key figures

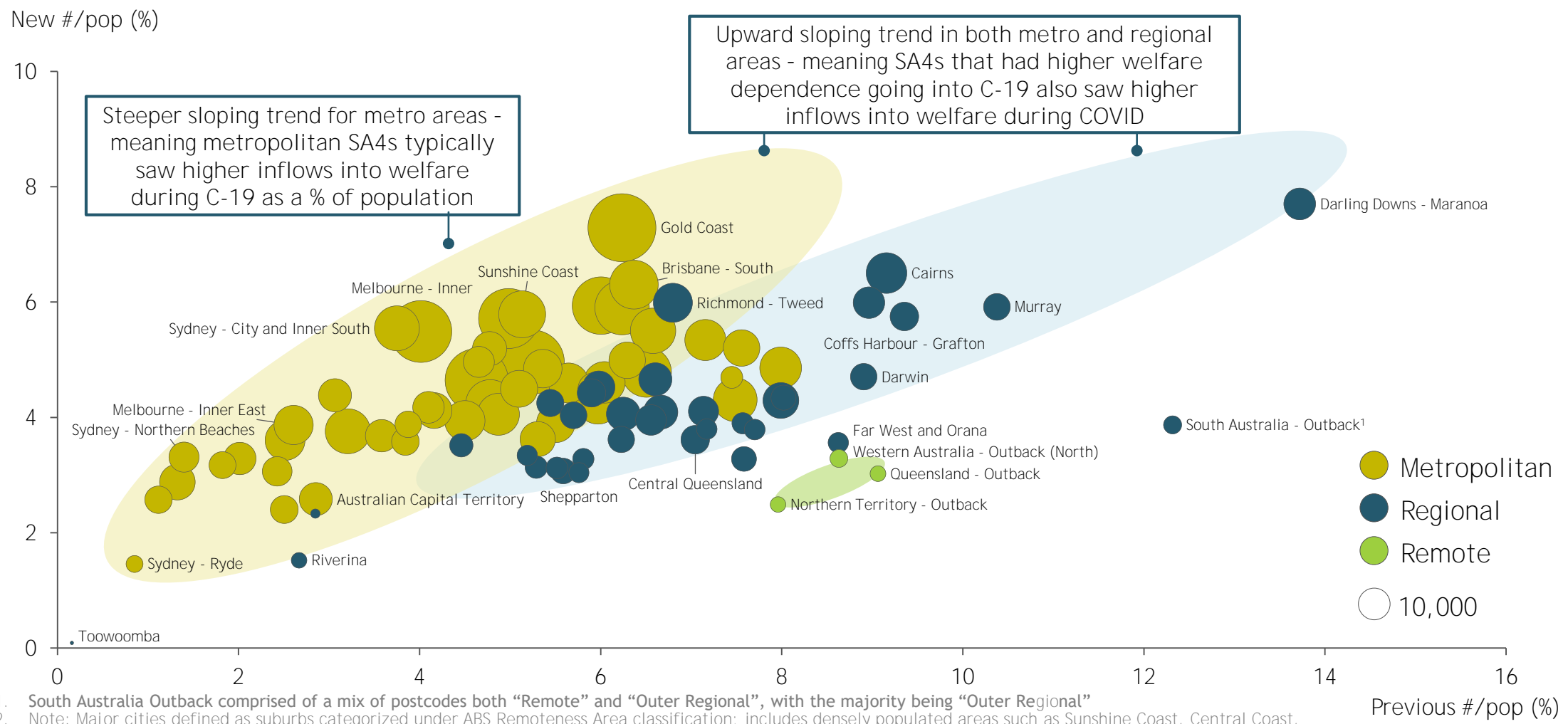
Location	# recipients Feb '20	% of total Feb '20	# new entrants	% of total new entrants
Major Cities	867k	66%	836k	75%
Regional Australia	425k	32%	257k	24%
Remote Australia	24k	2%	8k	1%
Total	1,316k	100%	1,101k	100%

Within Major Cities:

- 640k (77%) of the new recipients live in a capital city
- 195k (23%) live in other major cities in Australia (e.g. Gold Coast, Geelong, Newcastle)

Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast, Geelong; where an SA4 covers multiple Remoteness Areas, the area with majority locality crossover is selected
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

High levels of disadvantage pre-COVID correlates with a high proportion of new ISP entrants, with metropolitan areas worse off than regional and remote areas

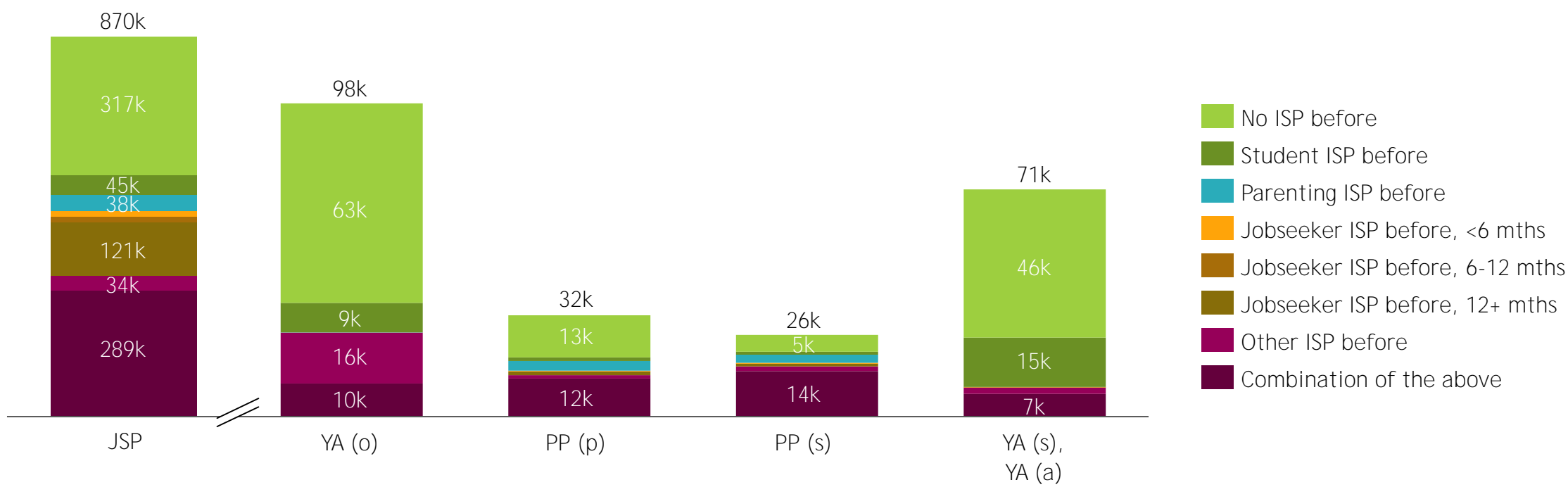


1. South Australia Outback comprised of a mix of postcodes both "Remote" and "Outer Regional", with the majority being "Outer Regional"
 2. Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast, Geelong; where an SA4 covers multiple Remoteness Areas, the area with majority locality crossover is selected
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Almost 40% of new jobseekers and parents have not received welfare in the last 20 years, a further ~5% have been on just a student payment before

Extent of previous engagement with income support (since 2000), for recipients that commenced on payment after 28 February 2020, as at 3 July 2020

398k (39%) of new jobseekers and parents since February have not received welfare at any stage in the last 20 years

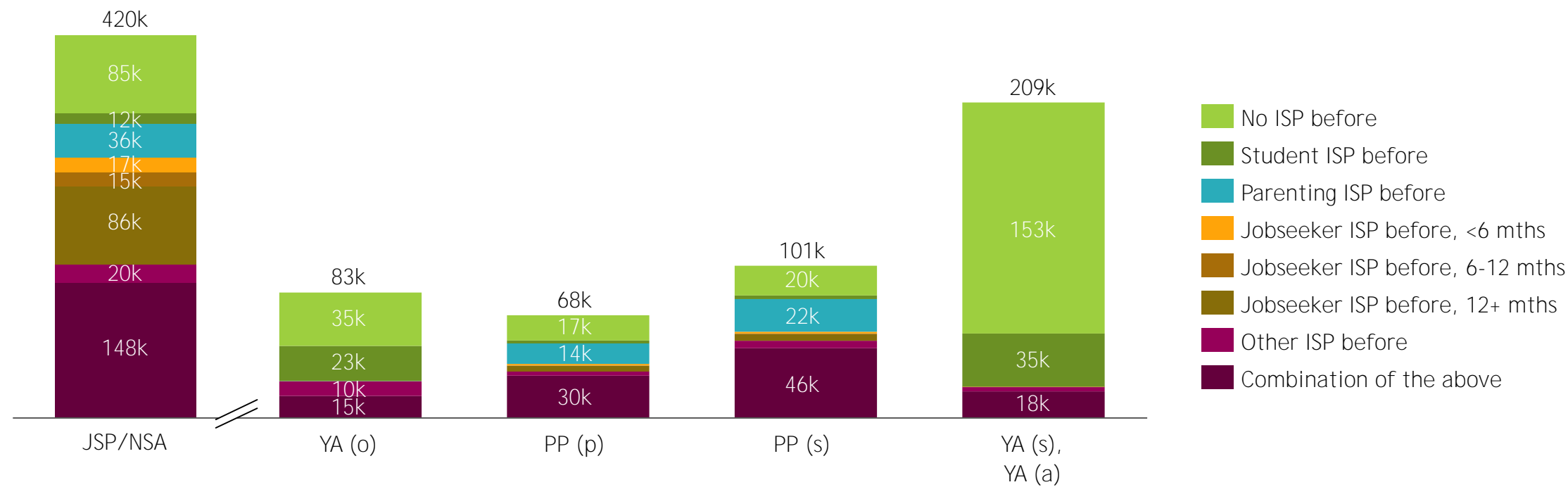


Note: "Jobseeker ISP" includes Jobseeker Payment and Youth Allowance (other); "Student ISP" includes Austudy, Youth Allowance (student) and ABSTUDY; "Parenting ISP" includes Parenting Payment Partnered and Parenting Payment Single
Source: DSS data as at 28 February 2020, 3 July 2020; Project analysis

In GFC, only 23% of new jobseekers and parents were new to income support, a with a further ~6% having been on just a student payment before

Extent of previous engagement with income support (since 2000), for recipients that commenced on payment after 27 June 2008, as at 10 March 2010

157k (23%) of new jobseekers and parents after the GFC had not received welfare at any stage since 2000



Note: "Jobseeker ISP" includes Jobseeker Payment and Youth Allowance (other); "Student ISP" includes Austudy, Youth Allowance (student) and ABSTUDY; "Parenting ISP" includes Parenting Payment Partnered and Parenting Payment Single
Source: DSS data as at 27 June 2008, 10 March 2010; Project analysis

Thank you

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Discussion Paper

Key changes in the welfare system since February 2020

AUGUST 2020

This research responds to three key questions

- 1 What are the characteristics of those who have commenced on a working-age payment since February 2020? (pg 4 - 21)
- 2 How have the working arrangements of working-age welfare recipients changed since February 2020? (pg 22 - 25)
- 3 As the economy improves what is the likely recovery pathway for employment and the welfare system? (pg 26 - 30)

Executive Summary (I/II)

1

Characteristics of those who have commenced since Feb '20

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The new cohort is younger (50% of jobseekers <35 yo vs 35% in old cohort), wealthier (13% with assets >\$100k vs 6%) more likely to be partnered (36% of jobseekers vs 19%), and their partners typically earn more (52% partners of earning \$1600+ vs 21% in old cohort)

The new cohort is more heavily weighted toward the major cities (75% of new cohort live in a major city vs 65% previously). The greatest inflows have come from traditionally disadvantaged areas, while more affluent areas have seen the greatest relative change in the proportion of population in income support.

Among the new commencements on jobseeker and parenting payments, ~40% have had no prior engagement with the welfare system since 2000, and ~5% have only engaged on student payments. This is distinctly different to the GFC when just 23% of new commencements on jobseeker and parenting payments were entirely new to welfare, with a further 6% having been on a student payment

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- Older workers 55+, typically with assets to fall back on, and owning a home, 40% with year-12 qualifications or less (14% of commencements)
 - Risk of challenges in reskilling/retaining to find new work, may benefit from intensive supports, particularly those without higher ed or tertiary qualifications
- Young & middle aged parents, typically modest assets, often own a home if partnered, typically higher ed/tertiary quals (14% of commencements)
 - Pressure from parenting responsibilities under social distancing, single parents particularly vulnerable (85% female), mortgage pressure among homeowners. May benefit from differentiated approach to mutual obligations and social supports
- Young and middle aged couples with no dependents, typically moderate assets, higher ed or tertiary qualifications, many owning a home (19% of commencements)
 - Natural safety net for many in having a partner with income, although likely mortgage pressure for many after loan deferrals come to an end

Executive Summary (II/II)

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Changes to working arrangements since Feb '20

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In contrast, recipients of parenting payment and student payments have seen decreases in earned income and hours worked

As at 30 June 2020, 187k recipients were on nil-rates **s47C / 47G**



3
What should we be expecting to see during recovery?

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Observation of the recovery pathway in the 1991 recession and GFC suggests that 40% - 80% of new working age ISP recipients may remain in the welfare system over the medium term, with older workers being over-**represented in this “sticky” cohort**, even as jobs growth in the economy resumes

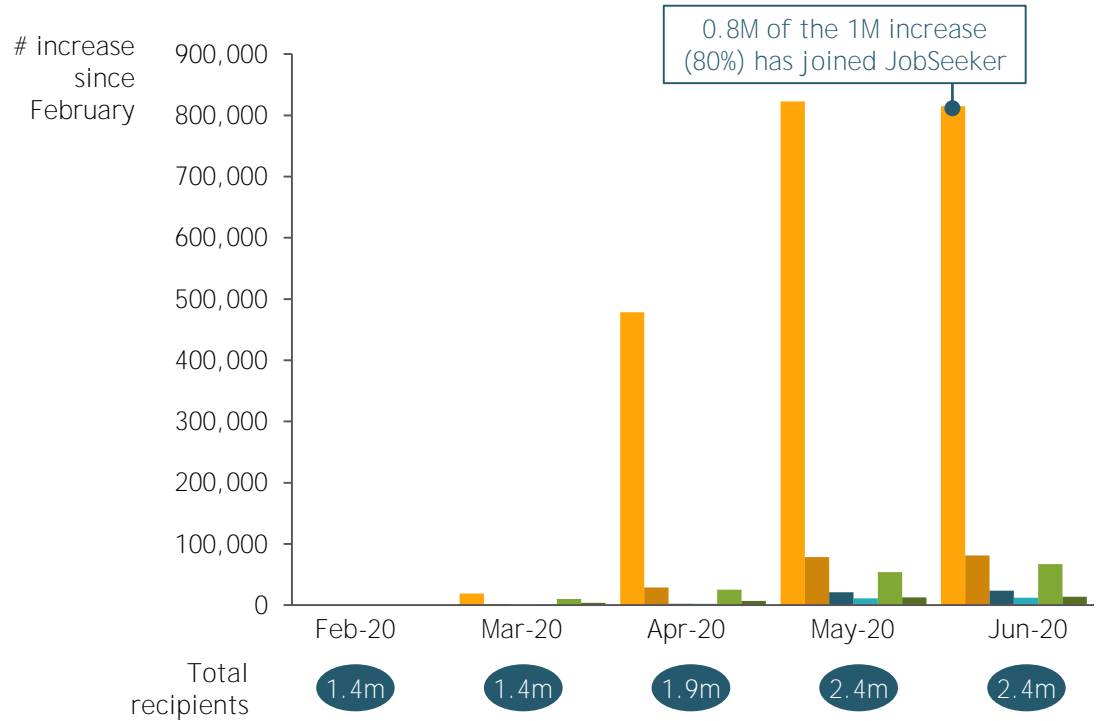
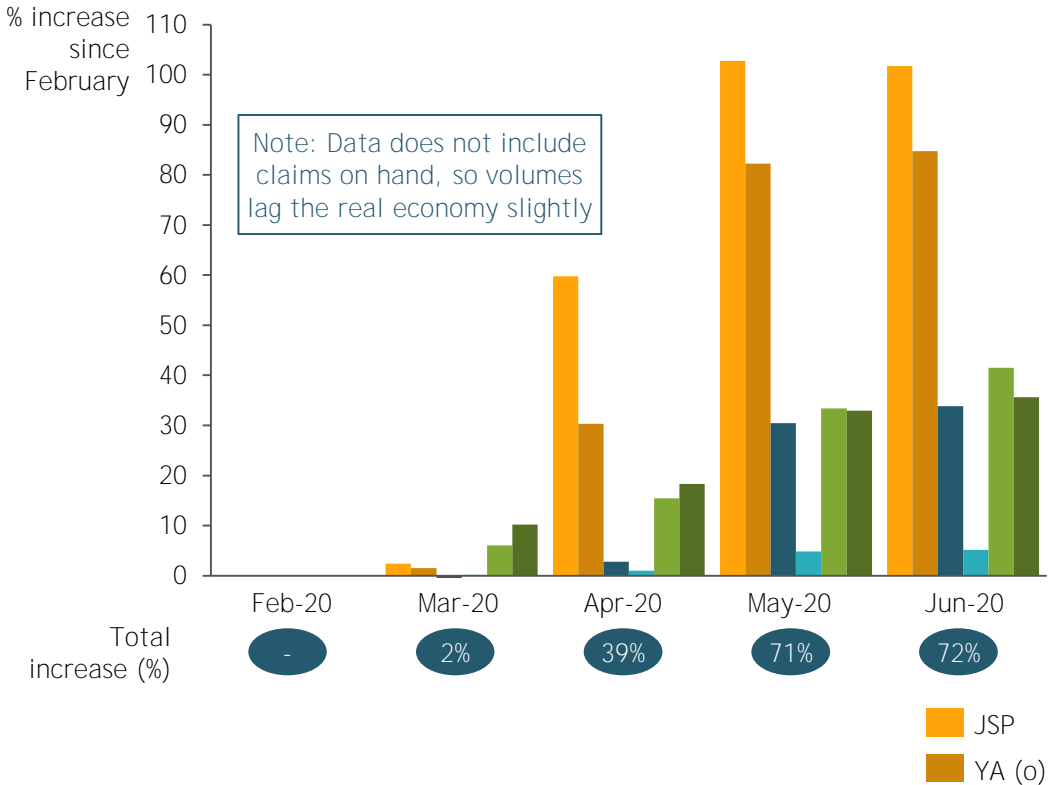
Observation of the 1991 recession and GFC also indicates we should anticipate substantial numbers of payment transfers from jobseeker payments to student payments from 2021 onwards for several years

1. The characteristics of those who have commenced on a working-age payment since February 2020

Overall, the number of working age welfare recipients has increased by 72% since February, with 80% of new entrants joining JobSeeker

Working-age ISP recipients increased 72% since Feb '20, with biggest % increases in JSP & YA(o)

Of those new entrants, 80% have been on JobSeeker

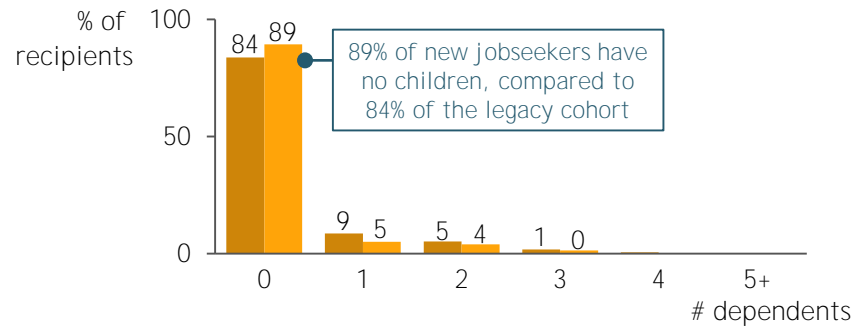


Note: Does not include pending claims, shows actual recipients on ISP at the point in time; includes nil-rate recipients
Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

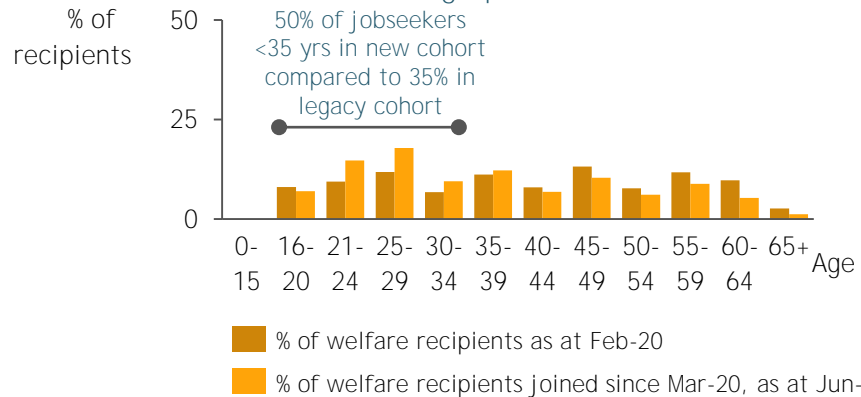
The new cohort is typically younger, with fewer children, particularly among jobseekers

Jobseekers

Number of dependent children¹

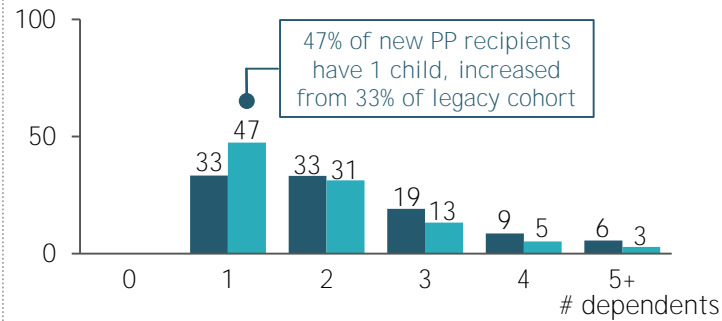


Age profile

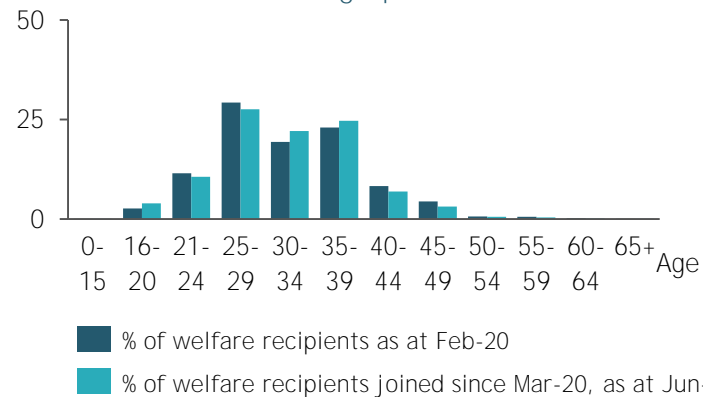


Parents

Number of dependent children¹

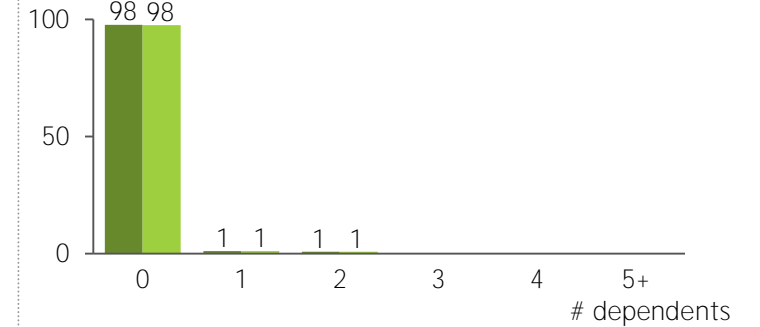


Age profile

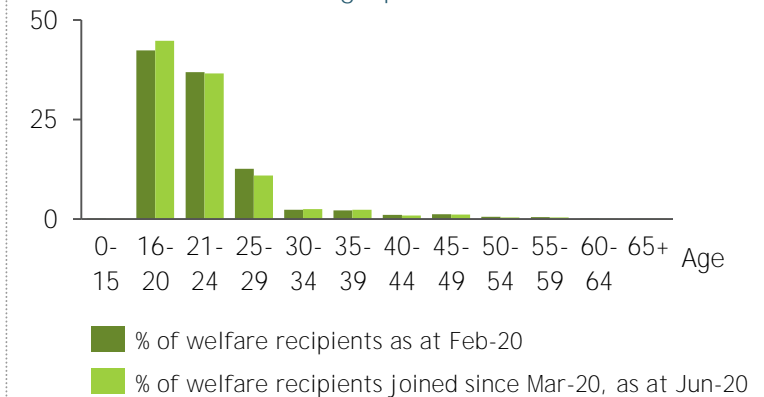


Students

Number of dependent children¹



Age profile

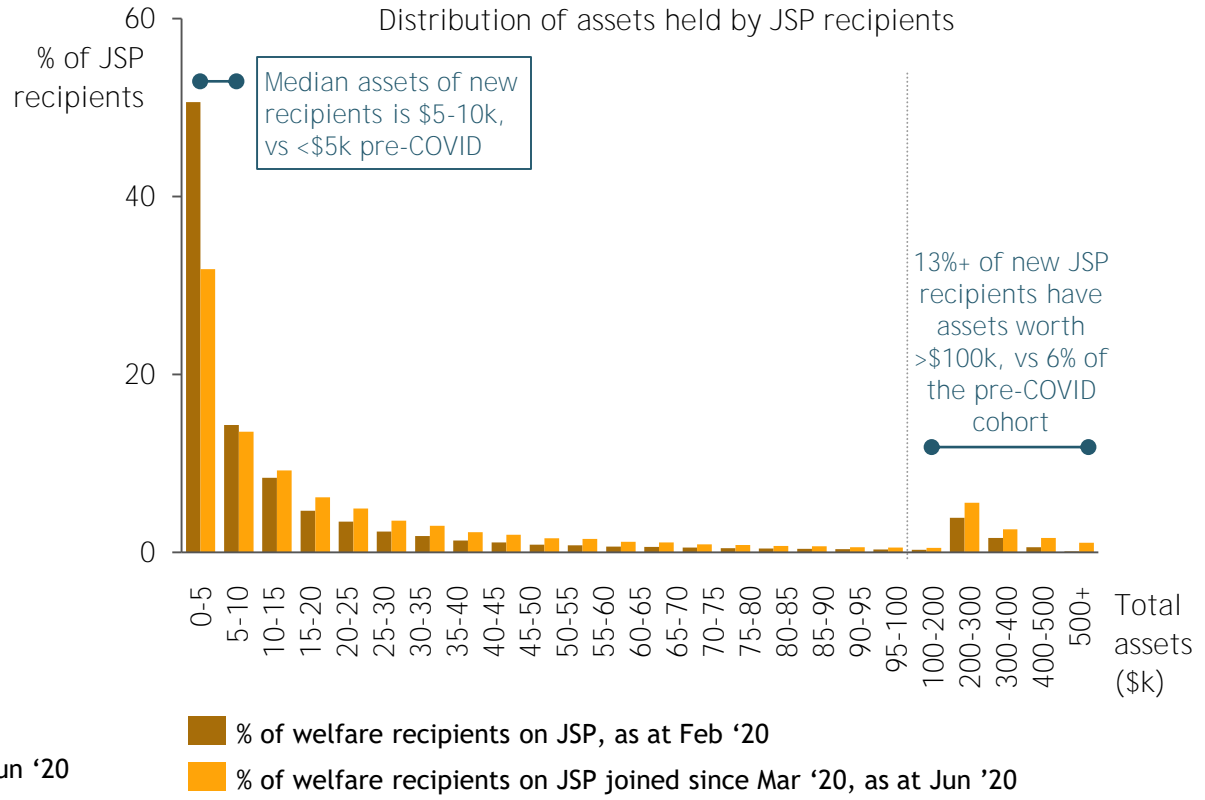
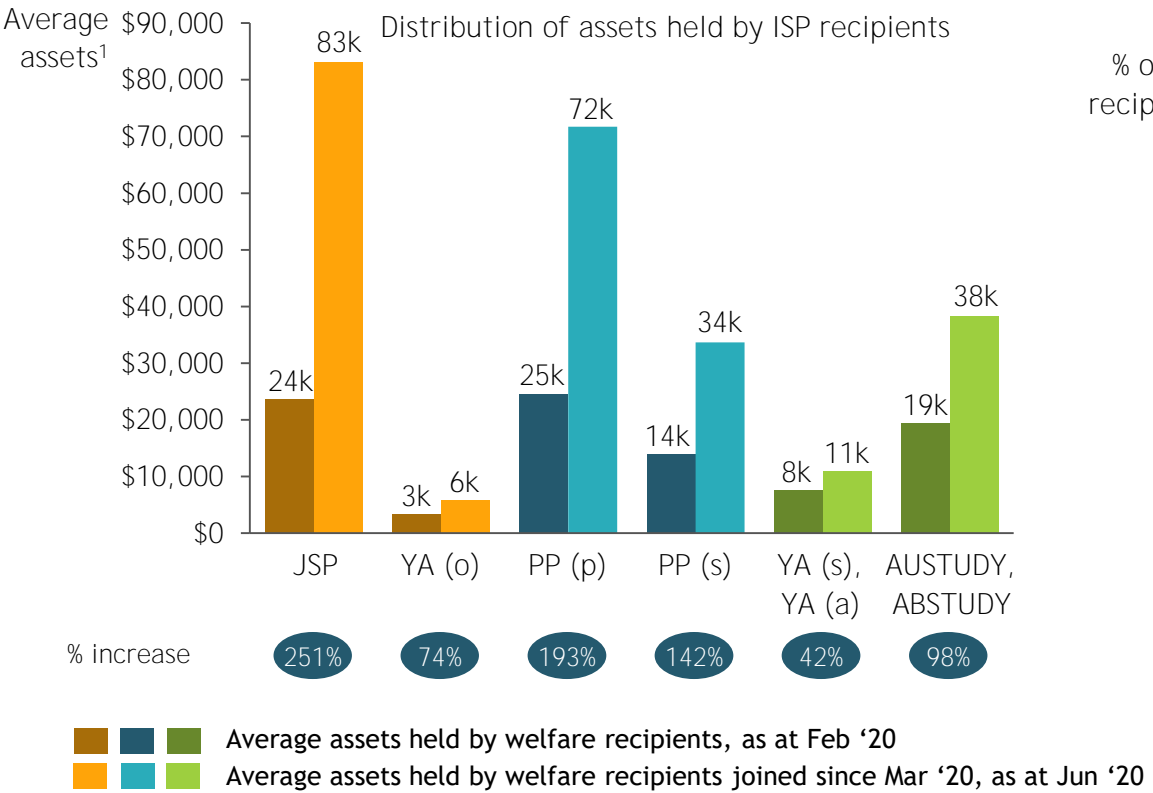


1. Number of dependents taken as the maximum of dependent children, primary carer children and family tax benefit children
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

New welfare recipients are on average wealthier, with the largest increase in assets among JSP and PPP recipients

There has been an increase in average (mean) assets held, particularly in JSP and PPP...

...Although this increase is partly driven by those with very high assets (>\$100k)

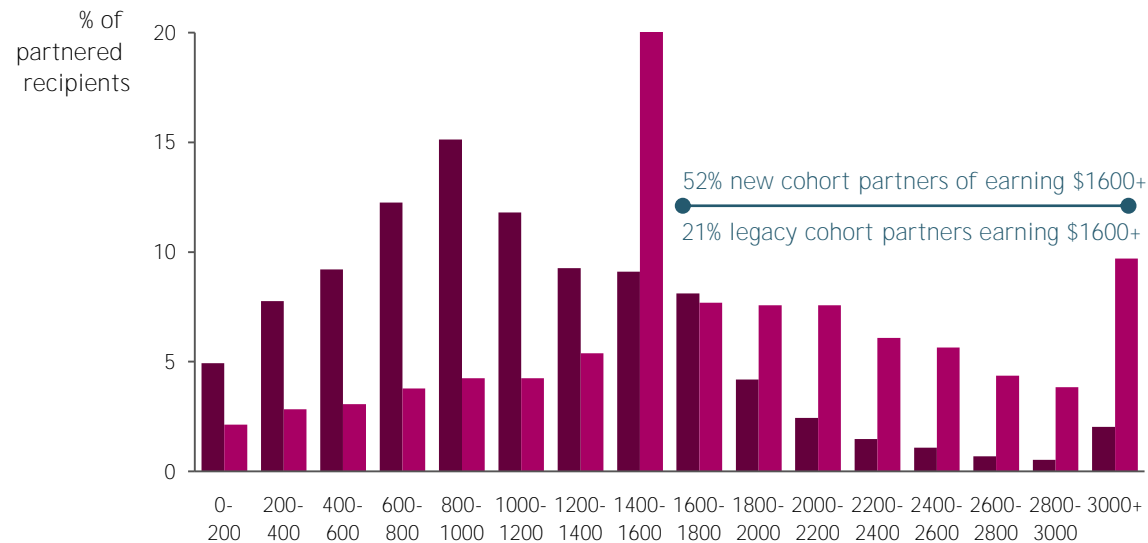
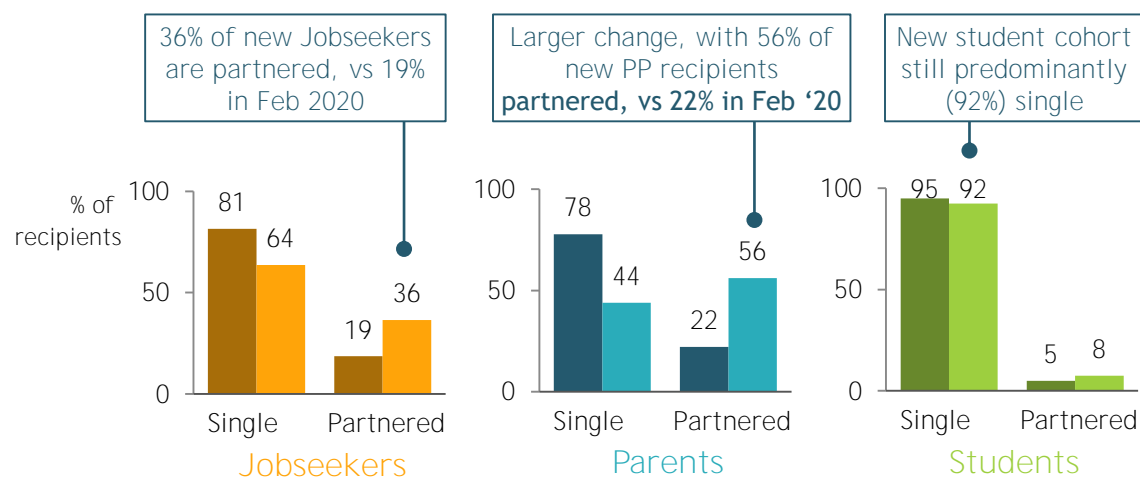


1. Average assets is an approximation calculated using the midpoint of each asset bracket
 Note: 20 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

New welfare recipients are more likely to be partnered, and with higher-earning partners, compared to the legacy cohort

New cohort are more likely to be partnered, across jobseeker, parenting, and student payments...

...and partners of the new cohort are typically higher earning



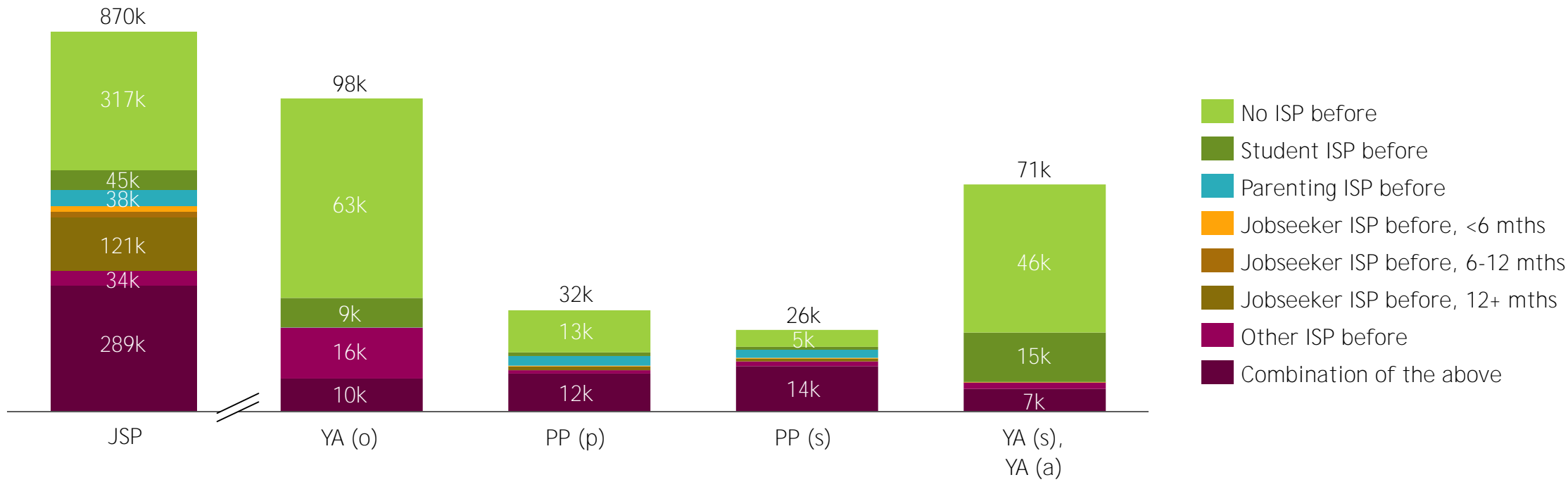
Legend: Relationship status of welfare recipients, as at Feb 2020 (Dark Blue, Dark Green); Relationship status of welfare recipients joined since Mar 2020, as at Jun 2020 (Orange, Light Green)

Legend: Earnings of partners of welfare recipients, as at Feb 2020 (Dark Purple); Earnings of partners of welfare recipients joined since Mar 2020, as at Jun 2020 (Light Purple)

Almost 40% of new jobseekers and parents have not received welfare in the last 20 years, a further ~5% have been on just a student payment before

Extent of previous engagement with income support (since 2000), for recipients that commenced on payment after 28 February 2020, as at 3 July 2020

398k (39%) of new jobseekers and parents since February have not received welfare at any stage in the last 20 years

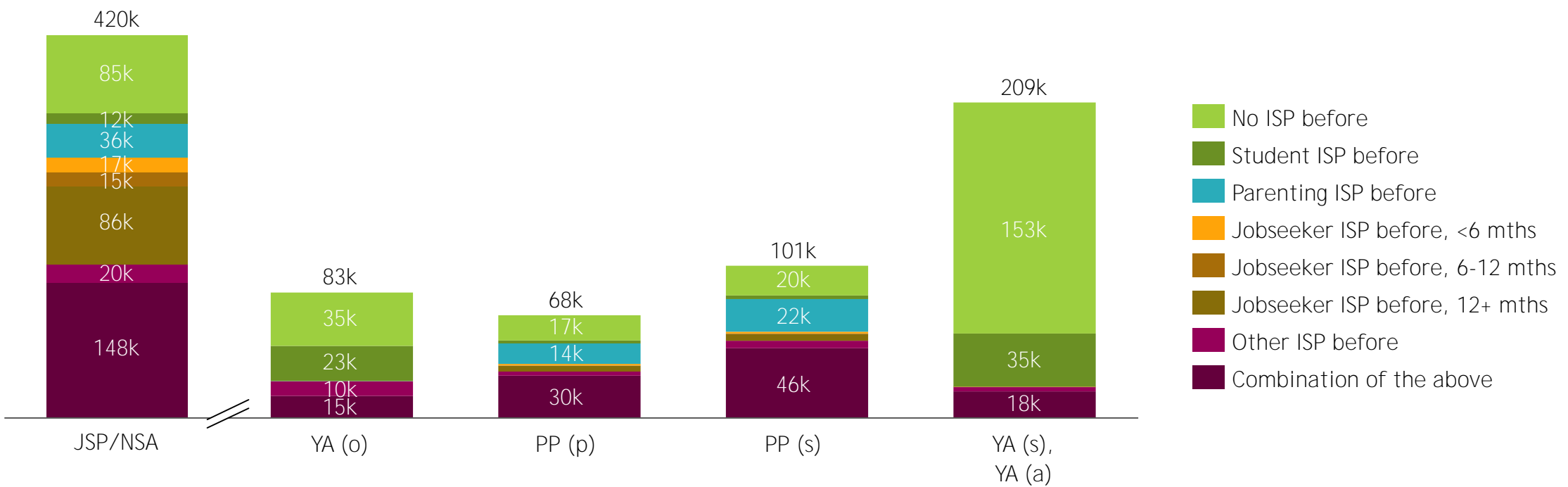


Note: "Jobseeker ISP" includes Jobseeker Payment and Youth Allowance (other); "Student ISP" includes Austudy, Youth Allowance (student) and ABSTUDY; "Parenting ISP" includes Parenting Payment Partnered and Parenting Payment Single
Source: DSS data as at 28 February 2020, 3 July 2020; Project analysis

In GFC, only 23% of new jobseekers and parents were new to income support, a with a further ~6% having been on just a student payment before

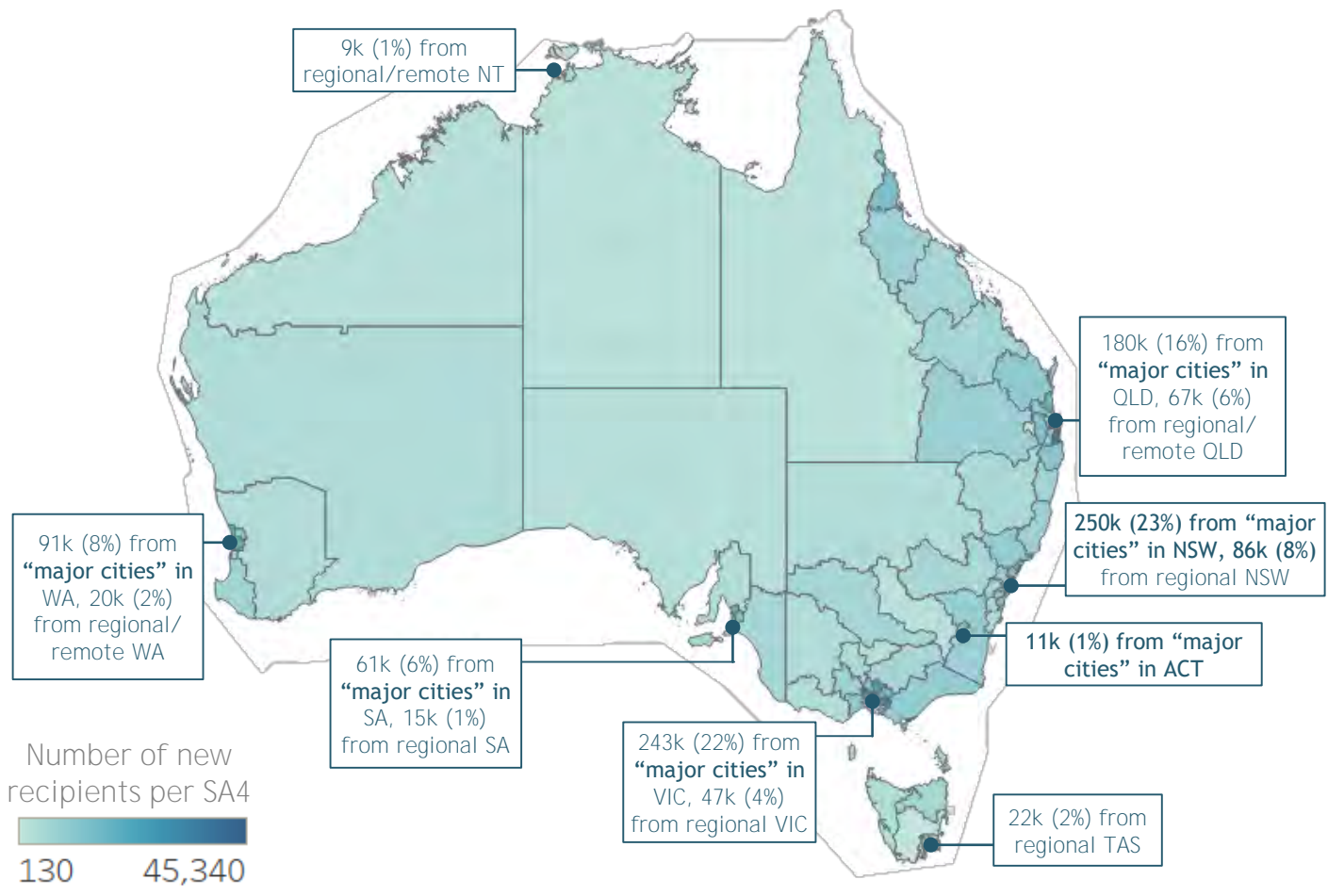
Extent of previous engagement with income support (since 2000), for recipients that commenced on payment after 27 June 2008, as at 10 March 2010

157k (23%) of new jobseekers and parents after the GFC had not received welfare at any stage since 2000



Note: "Jobseeker ISP" includes Jobseeker Payment and Youth Allowance (other); "Student ISP" includes Austudy, Youth Allowance (student) and ABSTUDY; "Parenting ISP" includes Parenting Payment Partnered and Parenting Payment Single
Source: DSS data as at 27 June 2008, 10 March 2010; Project analysis

The majority of new entrants live in Australia's major cities (75%), not regional or remote areas (25%)



Overall key figures

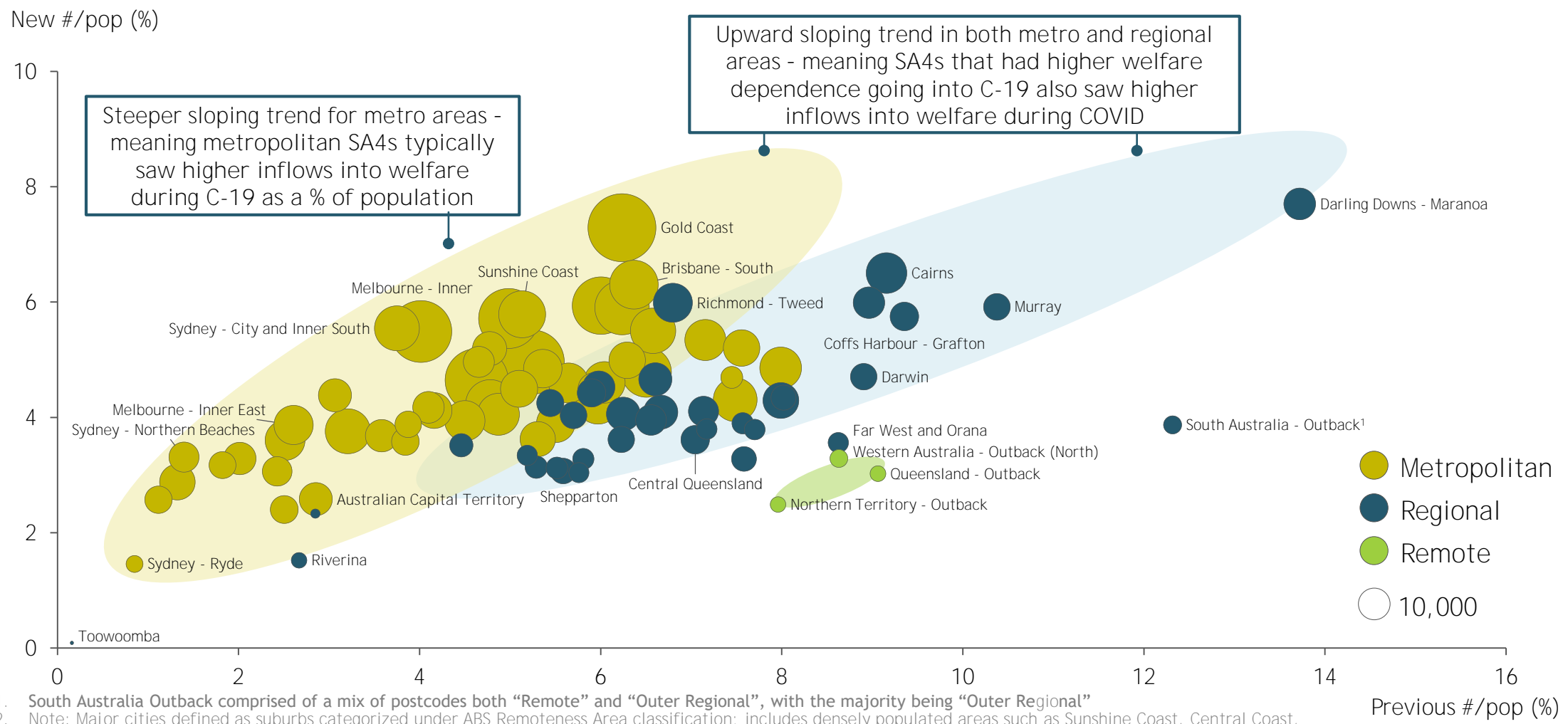
Location	# recipients Feb '20	% of total Feb '20	# new entrants	% of total new entrants
Major Cities	867k	66%	836k	75%
Regional Australia	425k	32%	257k	24%
Remote Australia	24k	2%	8k	1%
Total	1,316k	100%	1,101k	100%

Within Major Cities:

- 640k (77%) of the new recipients live in a capital city
- 195k (23%) live in other major cities in Australia (e.g. Gold Coast, Geelong, Newcastle)

Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast, Geelong; where an SA4 covers multiple Remoteness Areas, the area with majority locality crossover is selected
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

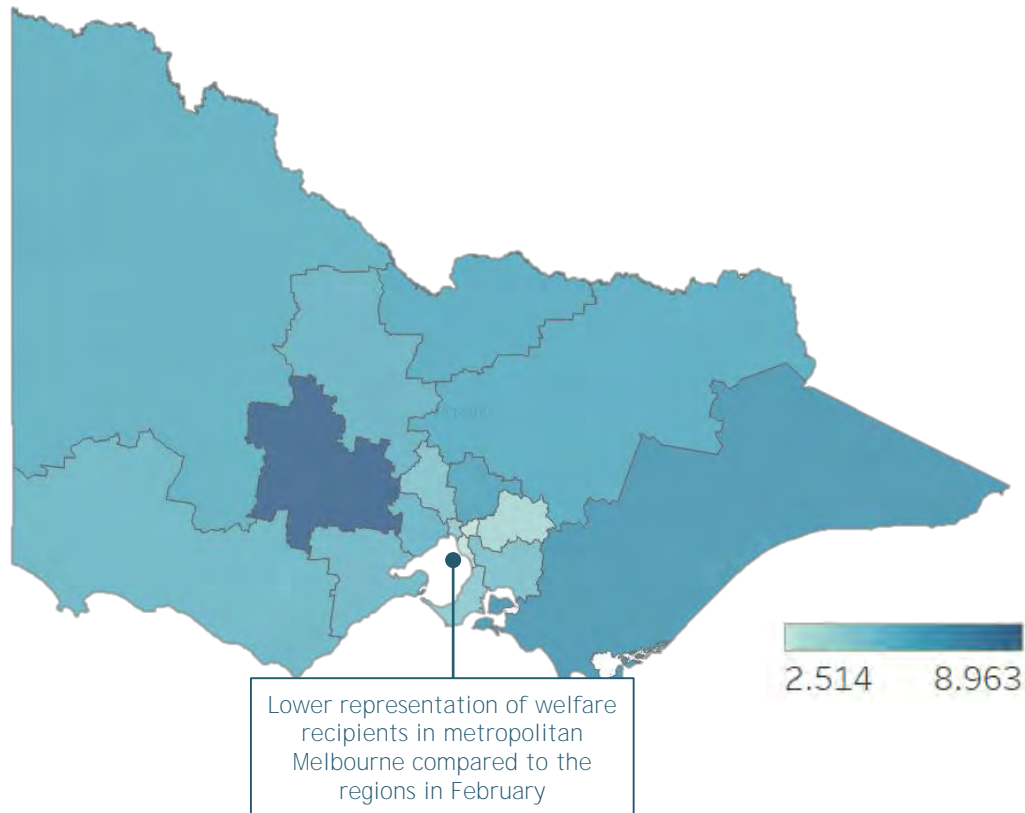
High levels of disadvantage pre-COVID correlates with a high proportion of new ISP entrants, with metropolitan areas worse off than regional and remote areas



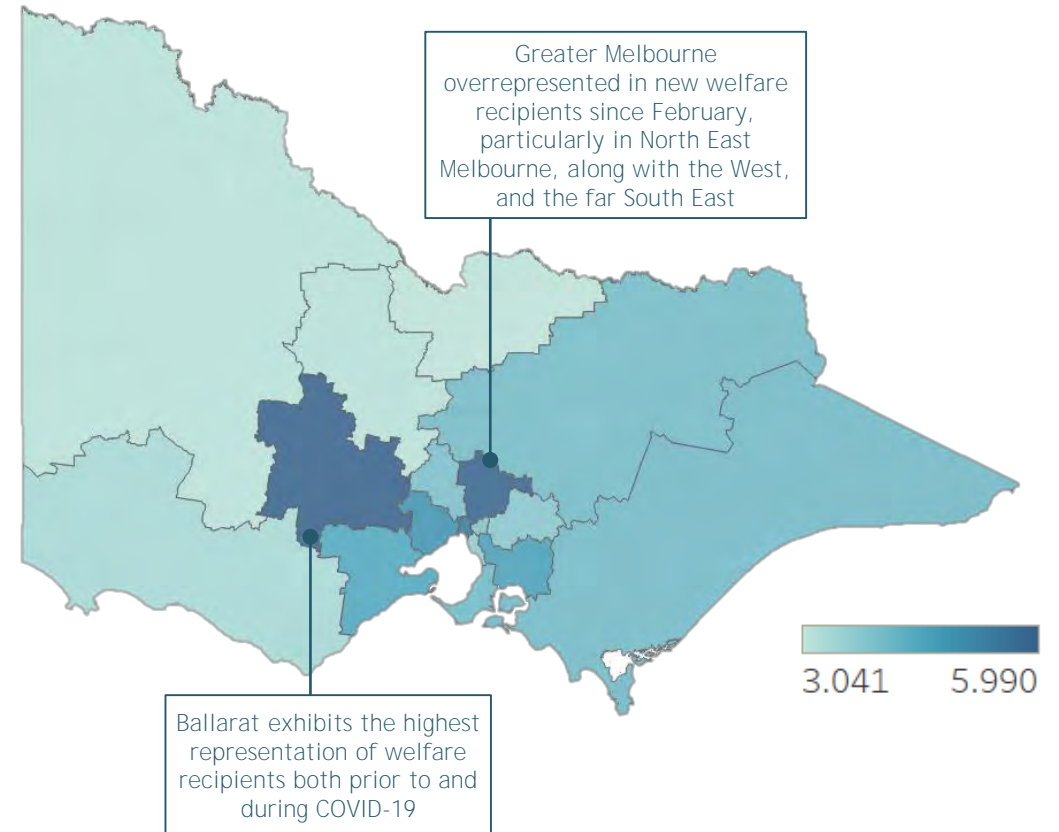
1. South Australia Outback comprised of a mix of postcodes both "Remote" and "Outer Regional", with the majority being "Outer Regional"
 2. Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast, Geelong; where an SA4 covers multiple Remoteness Areas, the area with majority locality crossover is selected
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

In Victoria, Melbourne has been hit much harder than the regions, with the metropolitan areas of long-term disadvantage seeing the most new entrants

Proportion of SA4 population receiving welfare in February in Victoria

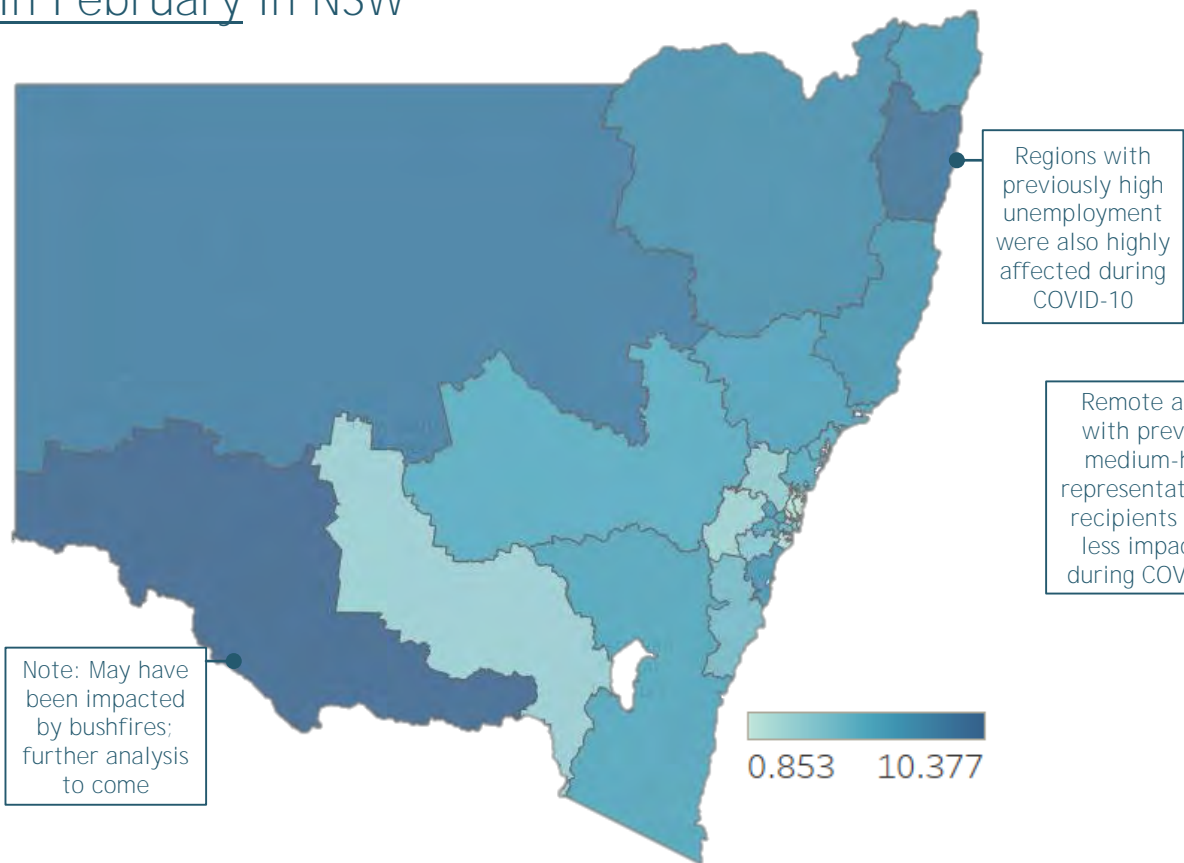


Proportion of SA4 population commencing welfare since February in Victoria

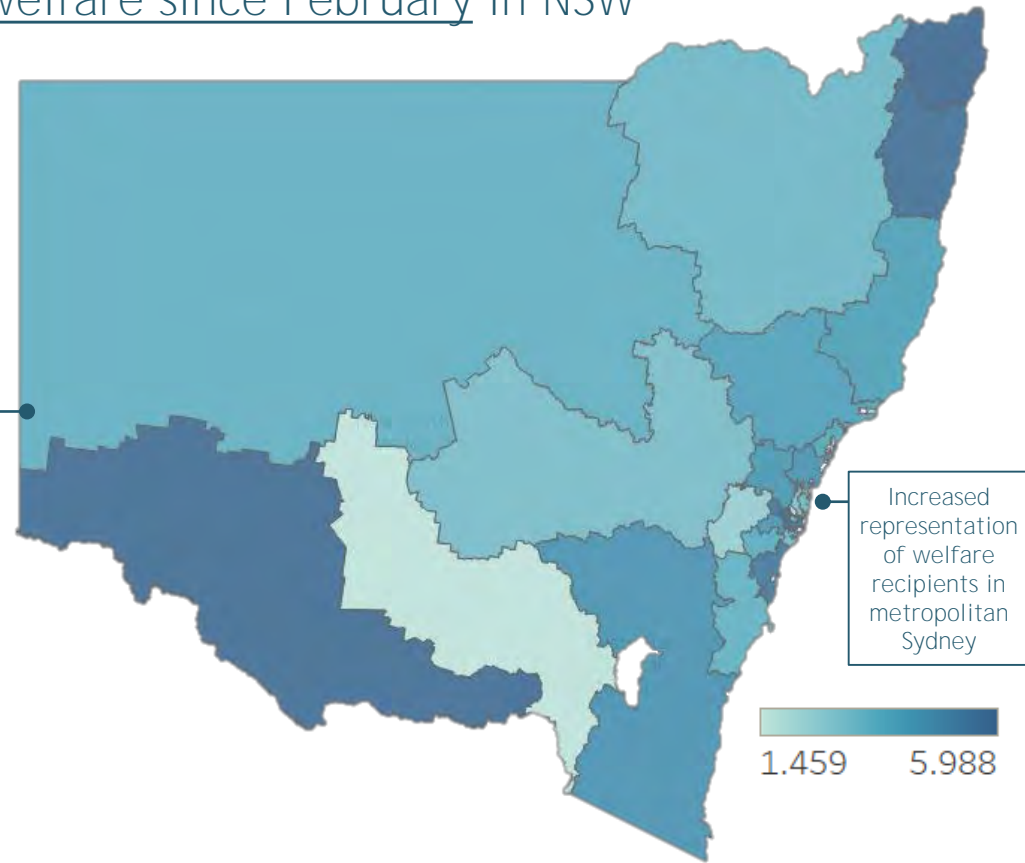


In NSW, metro areas typically hit hardest, although some regions with previous high unemployment also were substantially impacted

Proportion of SA4 population receiving welfare in February in NSW



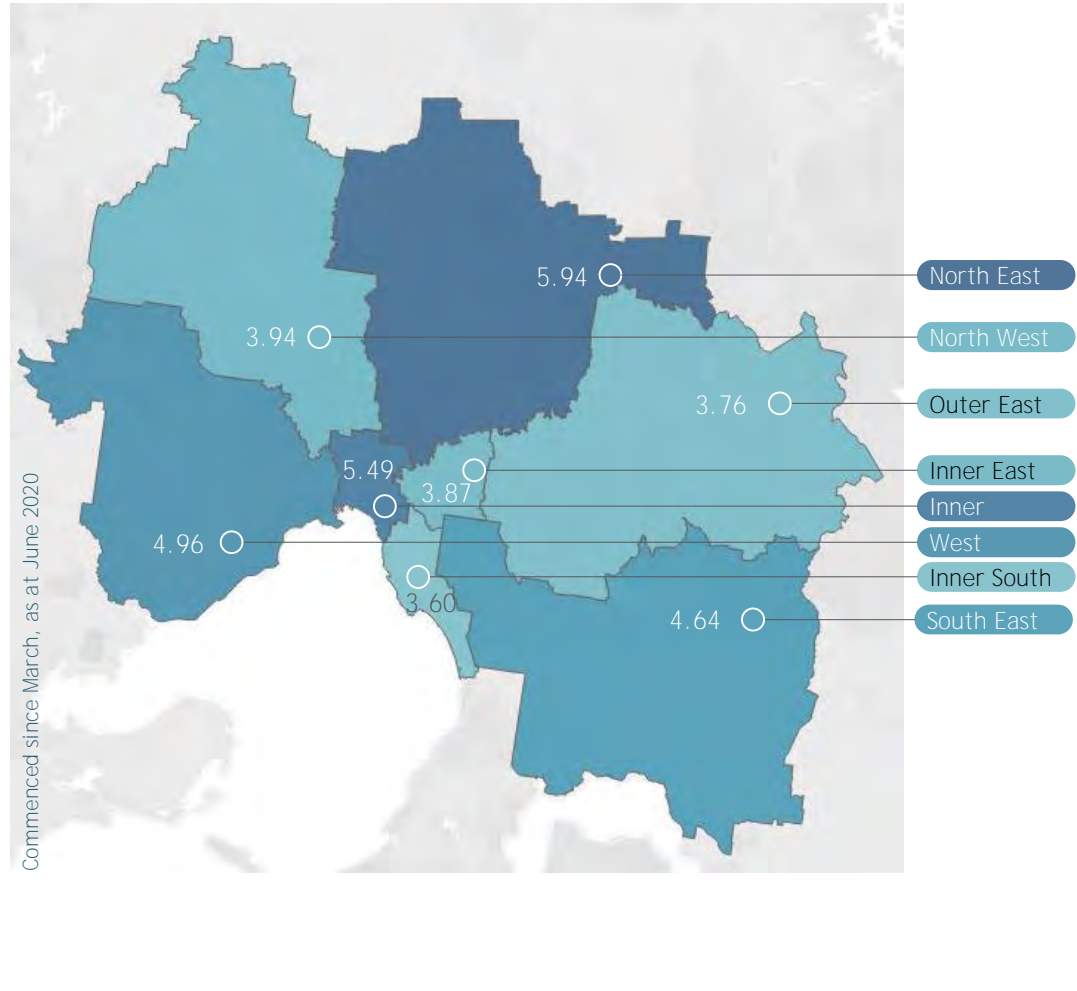
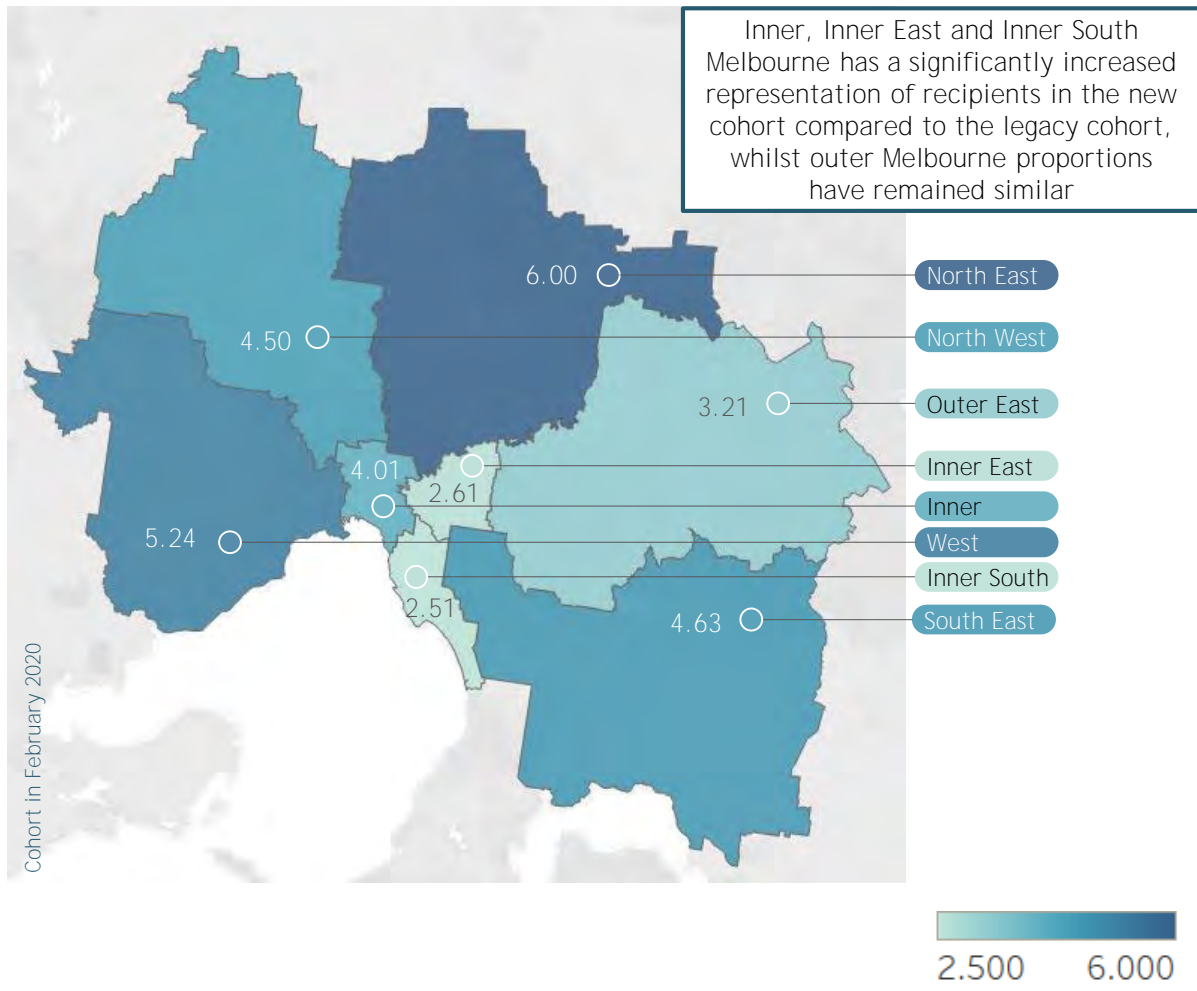
Proportion of SA4 population commencing welfare since February in NSW



Backup: Representation of welfare recipients in inner Melbourne has significantly increased during COVID-19

Melbourne: February (% of population)

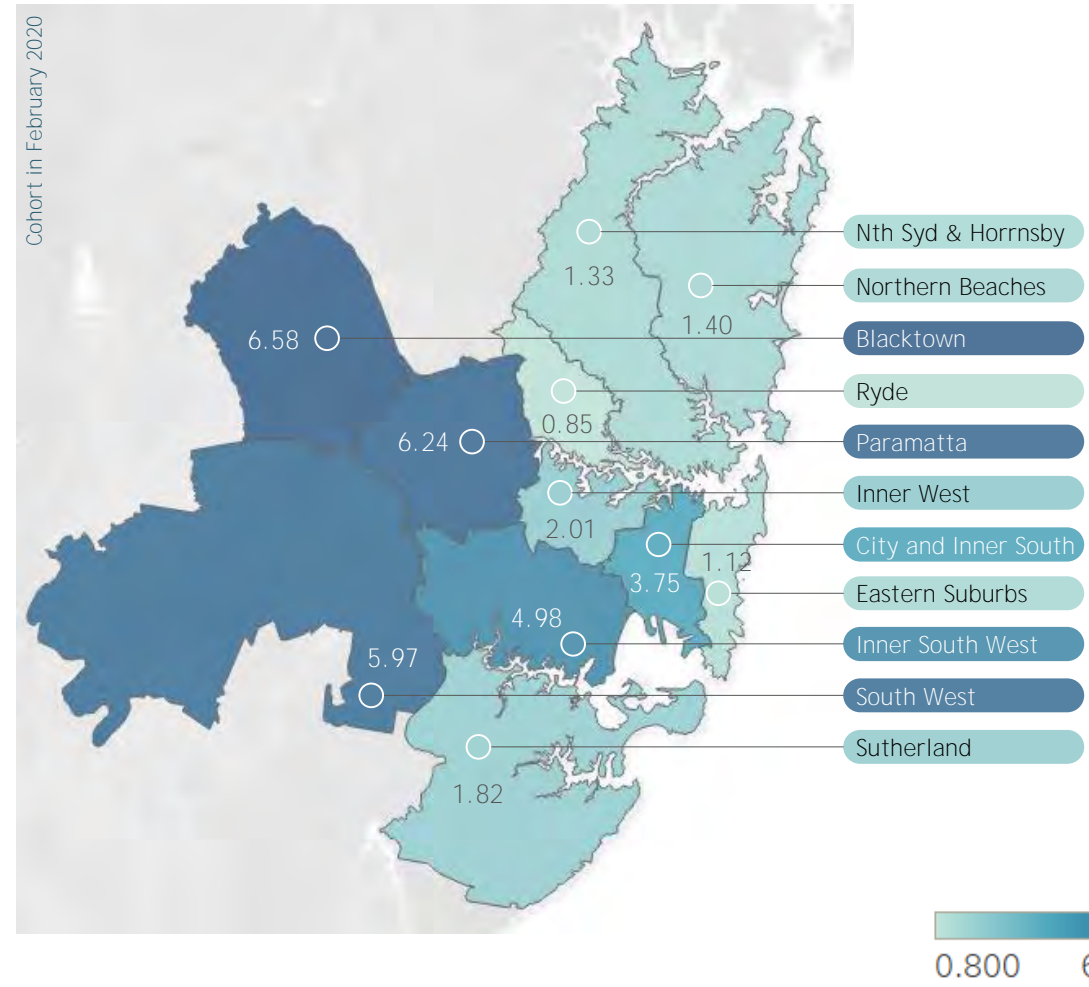
Melbourne: New entrants (% of population)



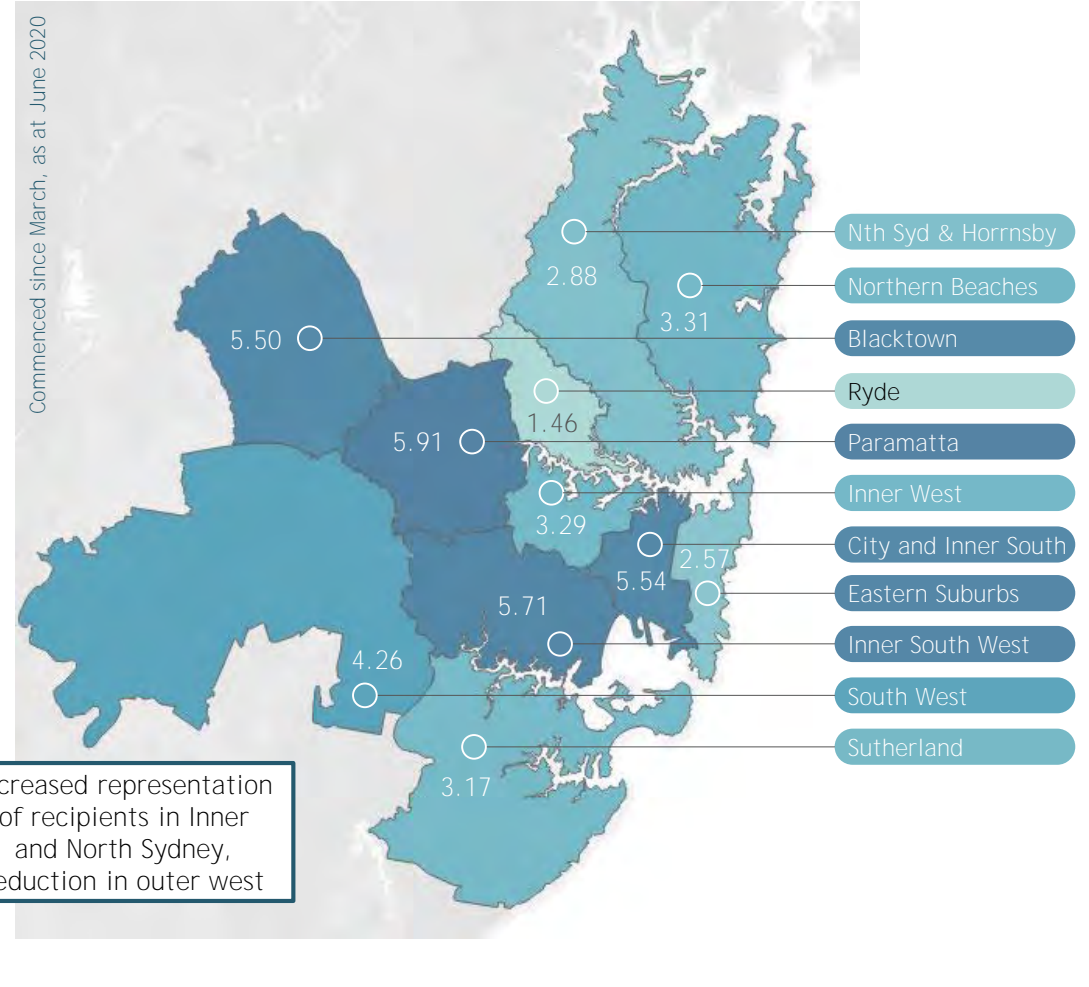
Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Areas surrounding Sydney with previously low rates of welfare representation have been impacted

Sydney: February (% of population)



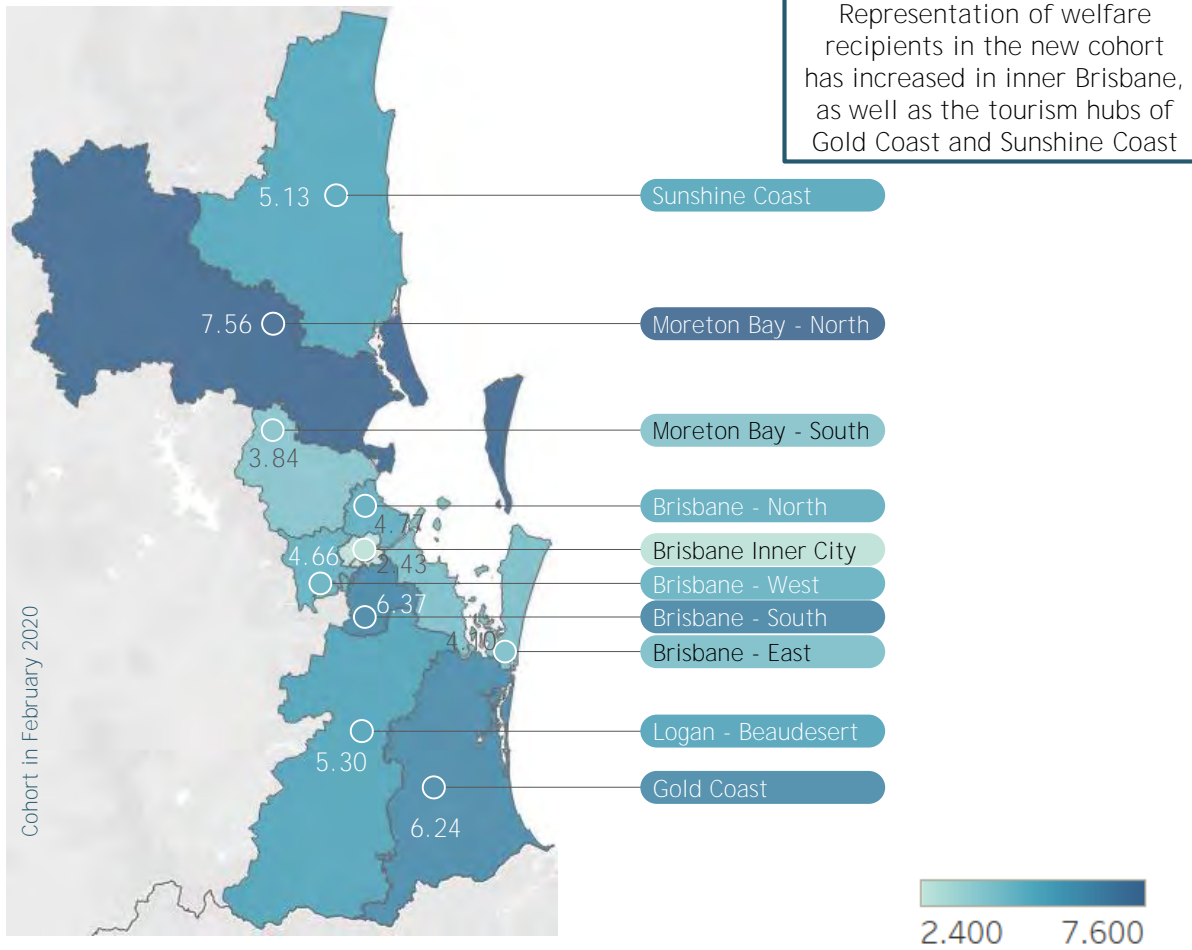
Sydney: New entrants (% of population)



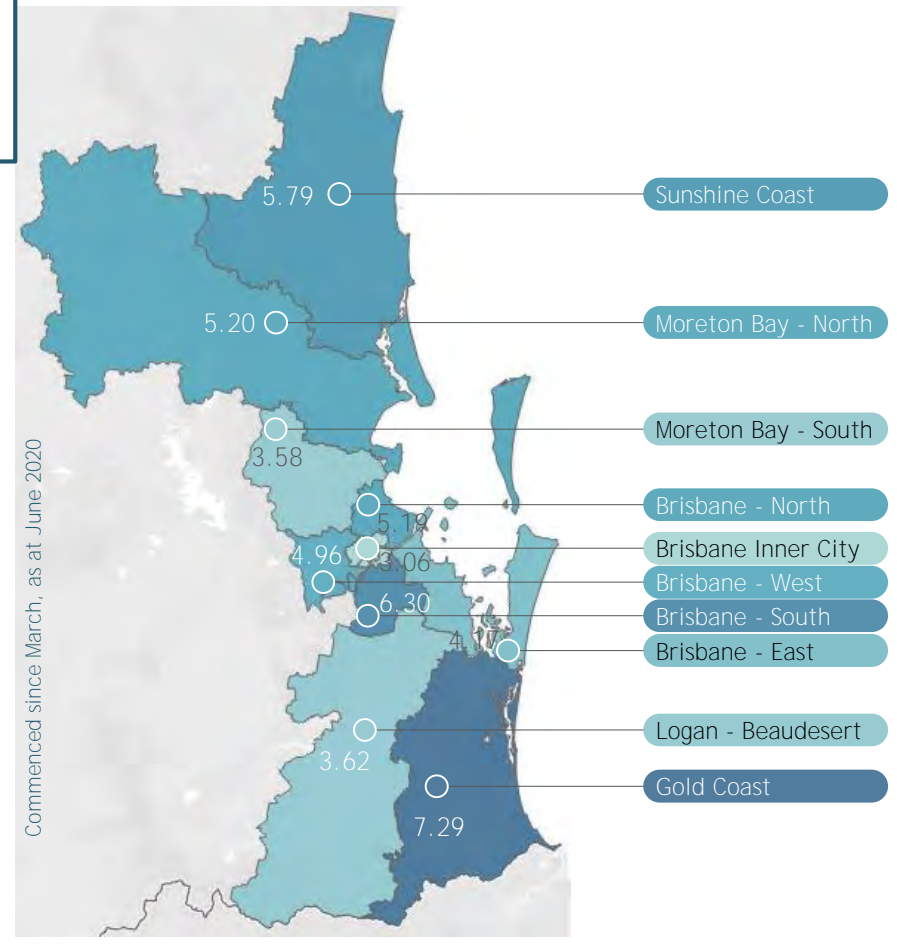
Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Welfare representation has increased in the tourism hubs of Gold Coast and Sunshine Coast, as well as in inner Brisbane

Brisbane: February (% of population)



Brisbane: New entrants (% of population)



Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Segmentation analysis shows the largest inflows to income support among young singles, couples without children, and people living in major city areas...

		Australia			Major Cities			Regional Areas		
		18-29 53% of total	30-54	55+	18-29 75% of total	30-54	55+	18-29	30-54	55+
Single (no dep. children)	New entrants	388k (+92%)	200k (+80%)	64k (+48%)	302k (+100%)	152k (+94%)	44k (+52%)	86k (+71%)	48k (+54%)	20k (+40%)
	Average assets	\$11k (+251%)	\$46k (+394%)	\$100k (+304%)	\$12k (+245%)	\$51k (+425%)	\$107k (+345%)	\$8k (+252%)	\$30k (+272%)	\$84k (+233%)
	Homeowners	3% (+1ppt)	19% (+11ppt)	45% (+15ppt)	3% (+1ppt)	18% (+11ppt)	43% (+15ppt)	3% (+1ppt)	20% (+12ppt)	50% (+16ppt)
Single (dep. children)	New entrants	14k (+12%)	48k (+21%)	2k (+22%)	8k (+13%)	33k (+23%)	1k (+25%)	5k (+11%)	15k (+18%)	1k (+19%)
	Average assets	\$10k (+187%)	\$40k (+210%)	\$78k (+290%)	\$11k (+194%)	\$43k (+218%)	\$81k (+305%)	\$9k (+176%)	\$32k (+184%)	\$74k (+264%)
	Homeowners	8% (+5ppt)	28% (+11ppt)	44% (+16ppt)	8% (+5ppt)	28% (+11ppt)	43% (+15ppt)	8% (+5ppt)	27% (+11ppt)	46% (+18ppt)
Partnered (no dep. children)	New entrants	57k (+250%)	155k (+300%)	81k (+115%)	43k (+335%)	121k (+389%)	55k (+123%)	14k (+140%)	34k (+164%)	26k (+102%)
	Average assets	\$37k (+382%)	\$98k (+371%)	\$192k (+227%)	\$38k (+335%)	\$99k (+367%)	\$186k (+251%)	\$32k (+446%)	\$94k (+369%)	\$206k (+199%)
	Homeowners	18% (+15ppt)	52% (+27ppt)	77% (+14ppt)	18% (+15ppt)	51% (+25ppt)	75% (+17ppt)	19% (+16ppt)	55% (+33ppt)	81% (+10ppt)
Partnered (dep. children)	New entrants	22k (+69%)	71k (+105%)	3k (+67%)	15k (+81%)	56k (+115%)	2k (+74%)	7k (+51%)	15k (+78%)	1k (+49%)
	Average assets	\$32k (+282%)	\$74k (+257%)	\$124k (+248%)	\$34k (+279%)	\$74k (+261%)	\$121k (+265%)	\$29k (+277%)	\$74k (+247%)	\$132k (+225%)
	Homeowners	27% (+17ppt)	51% (+20ppt)	62% (+16ppt)	27% (+16ppt)	51% (+18ppt)	61% (+17ppt)	27% (+19ppt)	51% (+26ppt)	67% (+16ppt)

Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast; where an SA4 covers multiple Remoteness Areas, the area with majority crossover is selected; Children determined by dependent children, primary carer and family tax benefit flags; 1660 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

...while gender is balanced at 51% male/49% female, men more likely to be young & single, while higher proportion of women have dependent children

		Australia			Male (51% of total)			Female (49% of total)		
		18-29	30-54	55+	18-29 60% of males	30-54	55+	18-29 46% of females	30-54	55+
Single (no dep. children)	New entrants	388k (+92%)	200k (+80%)	64k (+48%)	209k (+95%)	129k (+79%)	32k (+51%)	178k (+89%)	71k (+80%)	32k (+45%)
	Average assets	\$11k (+251%)	\$46k (+394%)	\$100k (+304%)	\$11k (+255%)	\$45k (+452%)	\$106k (+354%)	\$12k (+248%)	\$47k (+322%)	\$94k (+265%)
	Homeowners	3% (+1ppt)	19% (+11ppt)	45% (+15ppt)	3% (+1ppt)	16% (+9ppt)	38% (+14ppt)	3% (+1ppt)	24% (+14ppt)	52% (+17ppt)
Single (dep. children)	New entrants	14k (+12%)	48k (+21%)	2k (+22%)	1k (+26%)	8k (+36%)	1k (+33%)	13k (+12%)	40k (+20%)	1k (+19%)
	Average assets	\$10k (+187%)	\$40k (+210%)	\$78k (+290%)	\$8k (+190%)	\$33k (+245%)	\$80k (+302%)	\$10k (+190%)	\$41k (+211%)	\$77k (+284%)
	Homeowners	8% (+5ppt)	28% (+11ppt)	44% (+16ppt)	6% (+4ppt)	22% (+11ppt)	41% (+16ppt)	8% (+5ppt)	29% (+12ppt)	45% (+16ppt)
Partnered (no dep. children)	New entrants	57k (+250%)	155k (+300%)	81k (+115%)	28k (+198%)	94k (+260%)	43k (+132%)	29k (+335%)	61k (+392%)	38k (+101%)
	Average assets	\$37k (+382%)	\$98k (+371%)	\$192k (+227%)	\$33k (+377%)	\$90k (+399%)	\$180k (+266%)	\$41k (+365%)	\$110k (+312%)	\$205k (+207%)
	Homeowners	18% (+15ppt)	52% (+27ppt)	77% (+14ppt)	16% (+13ppt)	49% (+28ppt)	76% (+19ppt)	21% (+17ppt)	56% (+24ppt)	78% (+10ppt)
Partnered (dep. children)	New entrants	22k (+69%)	71k (+105%)	3k (+67%)	2k (+100%)	16k (+166%)	1k (+85%)	20k (+67%)	55k (+94%)	1k (+51%)
	Average assets	\$32k (+282%)	\$74k (+257%)	\$124k (+248%)	\$32k (+286%)	\$67k (+233%)	\$108k (+219%)	\$32k (+282%)	\$76k (+264%)	\$146k (+289%)
	Homeowners	27% (+17ppt)	51% (+20ppt)	62% (+16ppt)	23% (+15ppt)	44% (+17ppt)	57% (+13ppt)	28% (+18ppt)	53% (+22ppt)	70% (+22ppt)

Note: Number of dependents taken as the maximum of the dependent children, primary carer children and family tax benefit children
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

In education, largest segment are young year-12 graduates, although more than half of new entrants have a higher ed or tertiary qualification

		< Year 12 (17% of total)			Year 12 (31% of total)			Certificate (26% of total)			Tertiary (26% of total)		
		18-29	30-54	55+	18-29	30-54	55+	18-29	30-54	55+	18-29	30-54	55+
Single (no dep. children)	New entrants	55k (+68%)	24k (+45%)	10k (+27%)	155k (+81%)	28k (+82%)	16k (+36%)	66k (+73%)	54k (+51%)	14k (+31%)	66k (+130%)	47k (+113%)	11k (+53%)
	Average assets	\$4k (+269%)	\$86k (+1035%)	\$70k (+242%)	\$9k (+181%)	\$31k (+267%)	\$71k (+213%)	\$9k (+266%)	\$23k (+228%)	\$64k (+202%)	\$19k (+206%)	\$47k (+269%)	\$102k (+266%)
	Homeowners	2% (+1ppt)	15% (+9ppt)	41% (+14ppt)	2% (+0ppt)	16% (+8ppt)	41% (+10ppt)	3% (+2ppt)	14% (+7ppt)	39% (+11ppt)	4% (+2ppt)	20% (+9ppt)	48% (+15ppt)
Single (dep. children)	New entrants	4k (+11%)	7k (+15%)	0k (+11%)	3k (+14%)	3k (+20%)	0k (+17%)	4k (+10%)	3k (+17%)	0k (+18%)	1k (+13%)	10k (+25%)	1k (+34%)
	Average assets	\$7k (+196%)	\$26k (+204%)	\$51k (+231%)	\$10k (+174%)	\$37k (+180%)	\$73k (+258%)	\$8k (+159%)	\$26k (+165%)	\$57k (+221%)	\$14k (+177%)	\$50k (+190%)	\$99k (+271%)
	Homeowners	6% (+4ppt)	21% (+10ppt)	34% (+12ppt)	8% (+5ppt)	28% (+9ppt)	42% (+11ppt)	6% (+4ppt)	20% (+7ppt)	35% (+8ppt)	9% (+4ppt)	33% (+10ppt)	52% (+14ppt)
Partnered (no dep. children)	New entrants	6k (+103%)	15k (+106%)	12k (+57%)	14k (+214%)	19k (+248%)	7k (+67%)	12k (+165%)	25k (+158%)	12k (+70%)	12k (+430%)	34k (+443%)	11k (+115%)
	Average assets	\$22k (+567%)	\$73k (+394%)	\$178k (+218%)	\$30k (+281%)	\$81k (+310%)	\$177k (+218%)	\$28k (+328%)	\$72k (+277%)	\$170k (+189%)	\$50k (+249%)	\$103k (+282%)	\$211k (+242%)
	Homeowners	14% (+13ppt)	48% (+29ppt)	75% (+13ppt)	14% (+11ppt)	48% (+24ppt)	72% (+8ppt)	17% (+14ppt)	46% (+24ppt)	75% (+9ppt)	19% (+14ppt)	49% (+19ppt)	76% (+12ppt)
Partnered (dep. children)	New entrants	3k (+37%)	7k (+46%)	0k (+26%)	5k (+64%)	10k (+85%)	0k (+49%)	5k (+56%)	11k (+73%)	0k (+50%)	3k (+91%)	17k (+122%)	1k (+79%)
	Average assets	\$21k (+273%)	\$55k (+275%)	\$84k (+202%)	\$29k (+247%)	\$68k (+235%)	\$109k (+270%)	\$25k (+211%)	\$54k (+189%)	\$101k (+199%)	\$43k (+238%)	\$85k (+220%)	\$132k (+224%)
	Homeowners	19% (+12ppt)	46% (+21ppt)	58% (+13ppt)	25% (+14ppt)	50% (+19ppt)	56% (+7ppt)	22% (+14ppt)	45% (+17ppt)	56% (+7ppt)	34% (+16ppt)	52% (+15ppt)	64% (+16ppt)

Note: Number of dependents taken as the maximum of the dependent children, primary carer children and family tax benefit children; 98,193 “NA” entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

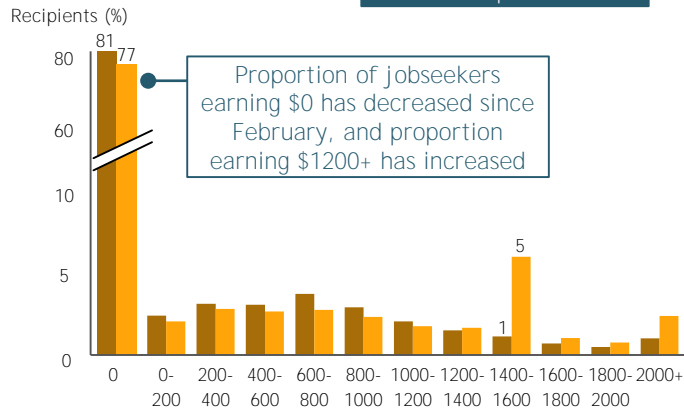
2. Changes in the working arrangements of working-age welfare recipients since February 2020

Earned income and hours worked has increased for jobseekers, and decreased for parenting payment and student recipients

Income p/f

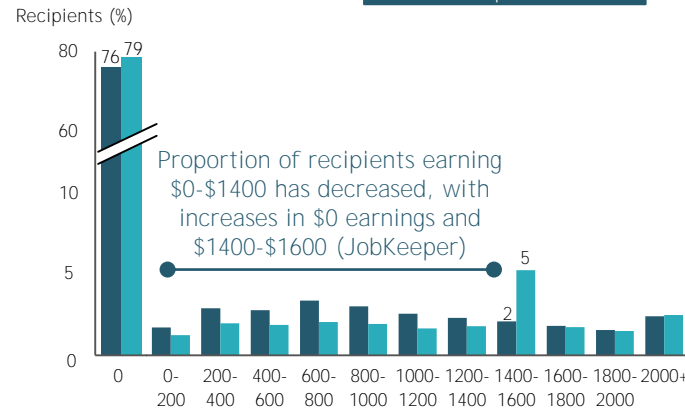
Jobseekers

Total recipients: 1.8M



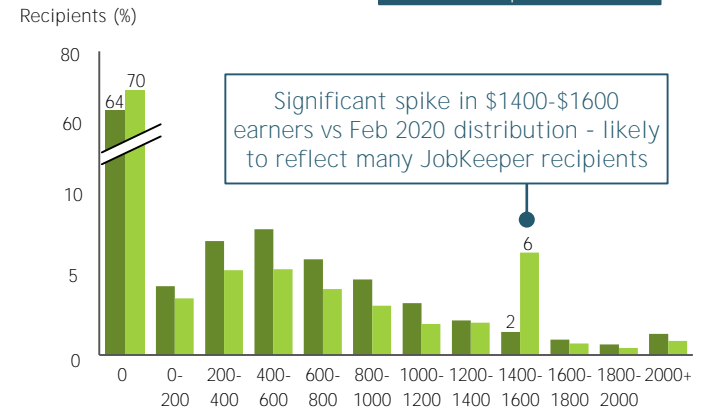
Parents of young children

Total recipients: 337k

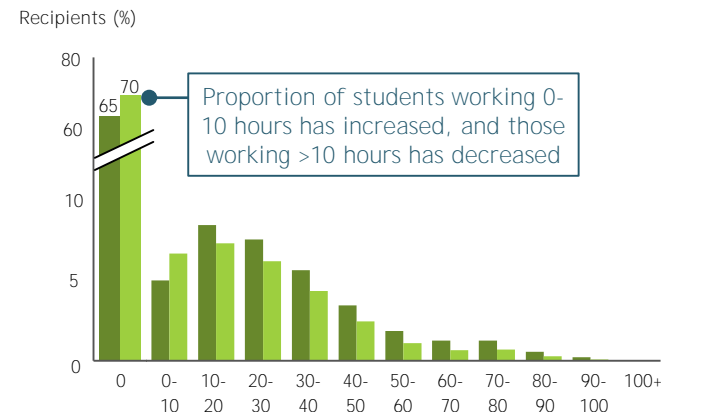
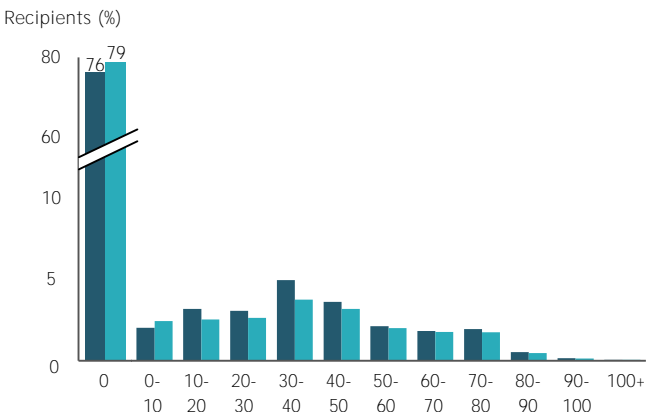
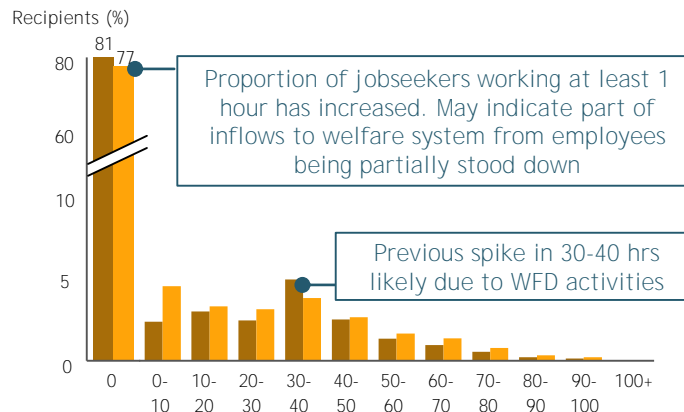


Students

Total recipients: 280k



Hours worked p/f



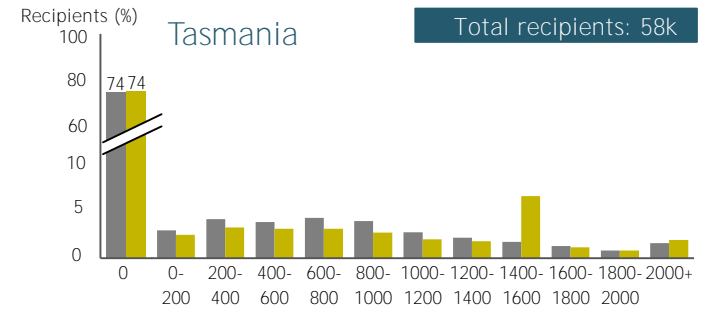
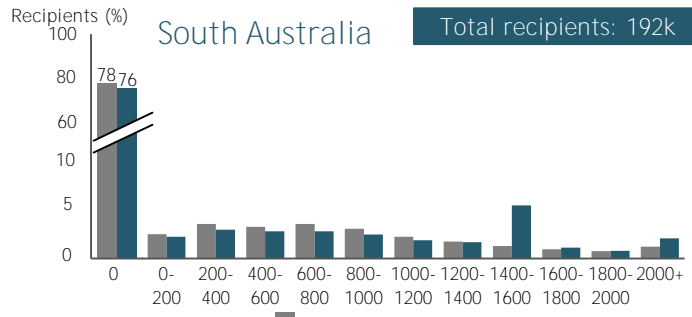
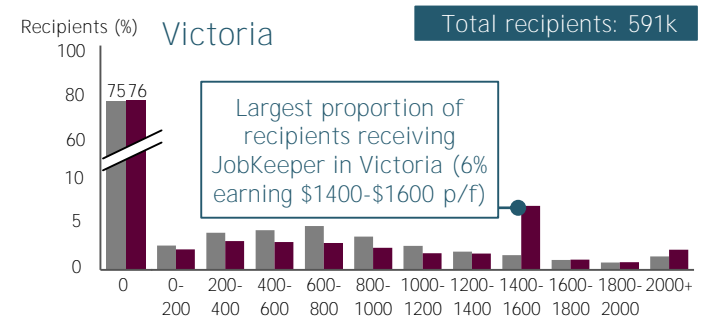
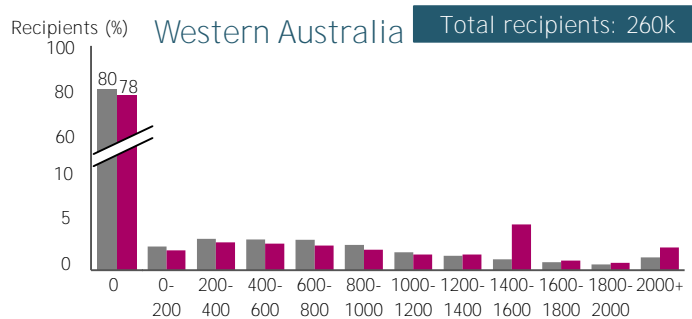
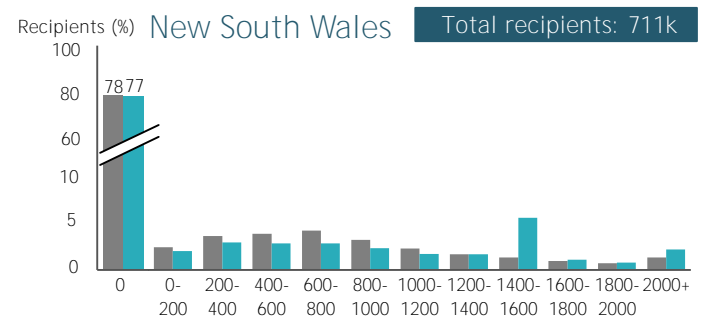
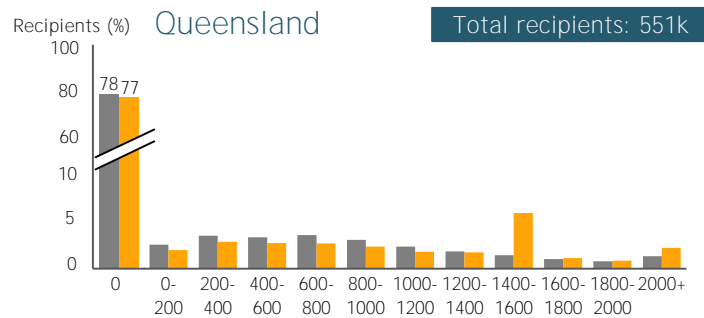
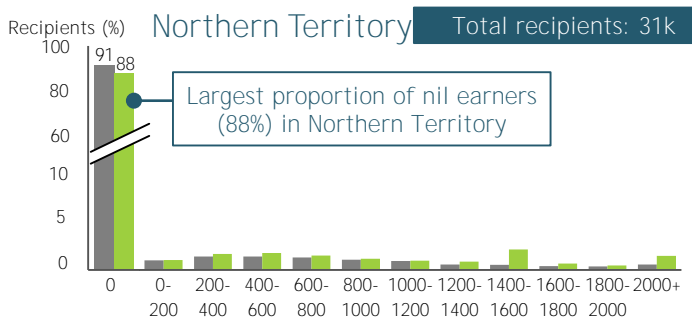
■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

Note: 440 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

Geography: Victoria has the largest proportion of welfare recipients on JobKeeper



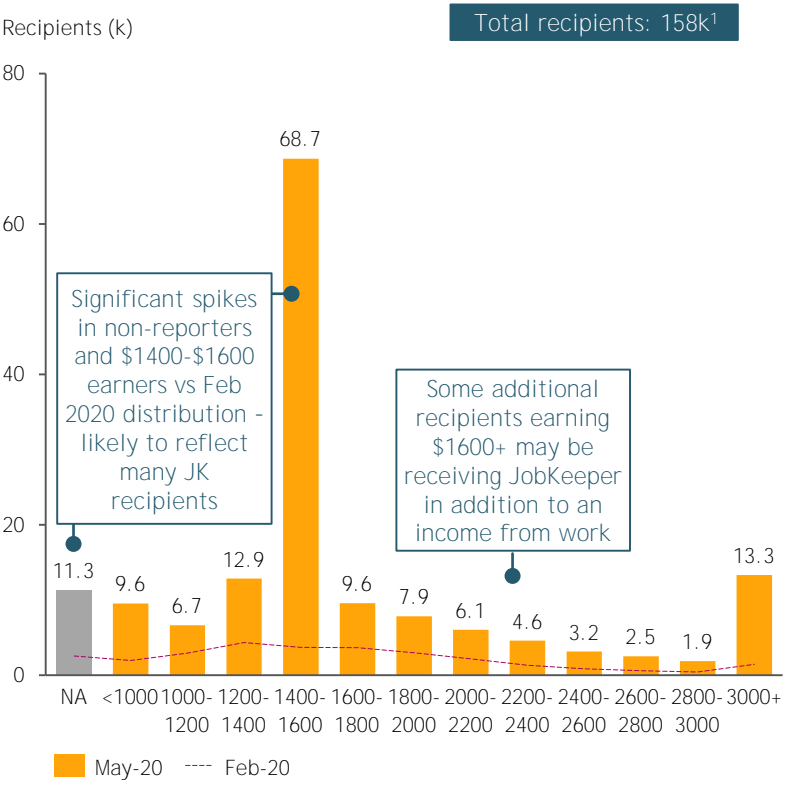
■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

Note: 1099 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

187k recipients are currently on nil-rates,

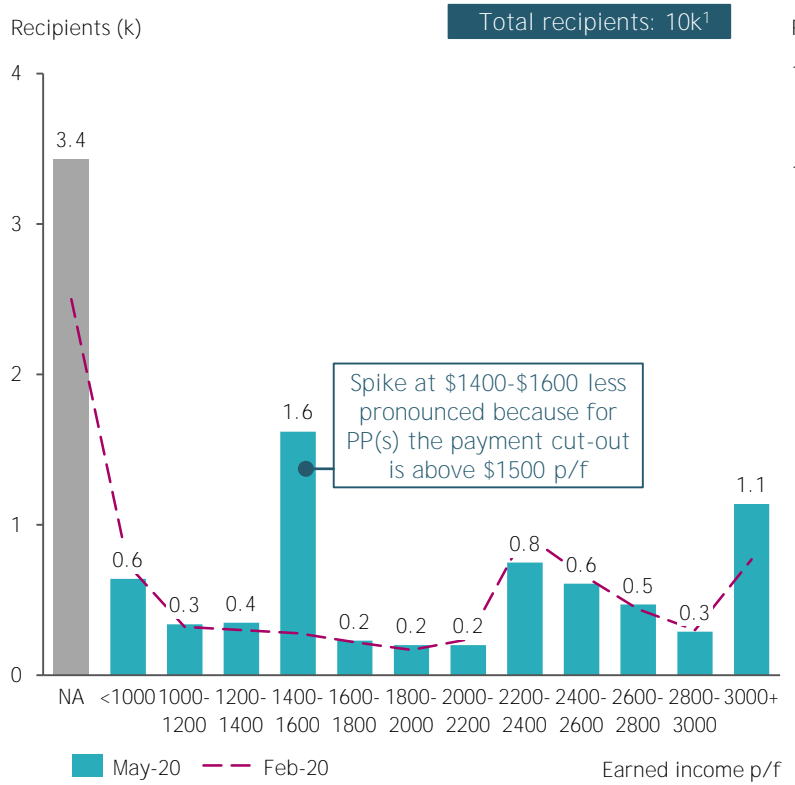
\$47C / 47G

Jobseekers



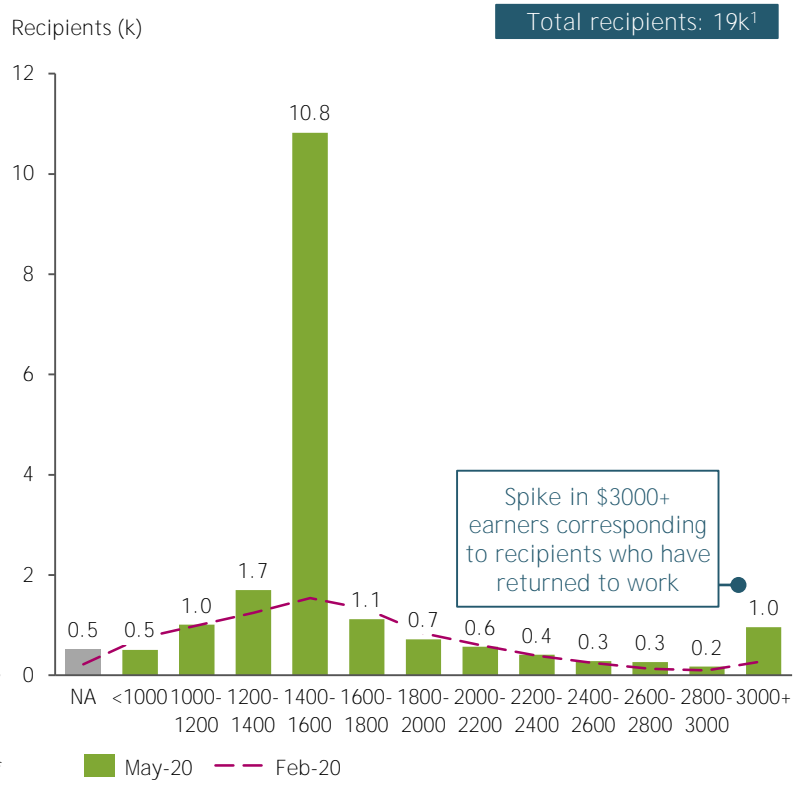
~59k 'extra' recipients earning \$1500-1600³
 ~2.5k 'extra' recipients ceased reporting⁴

Parents of young children



~1.4k 'extra' recipients earning \$1500-1600³
 ~0.4k 'extra' recipients ceased reporting⁴

Students²



~10k 'extra' recipients earning \$1500-1600³
 ~0.3k 'extra' recipients ceased reporting⁴

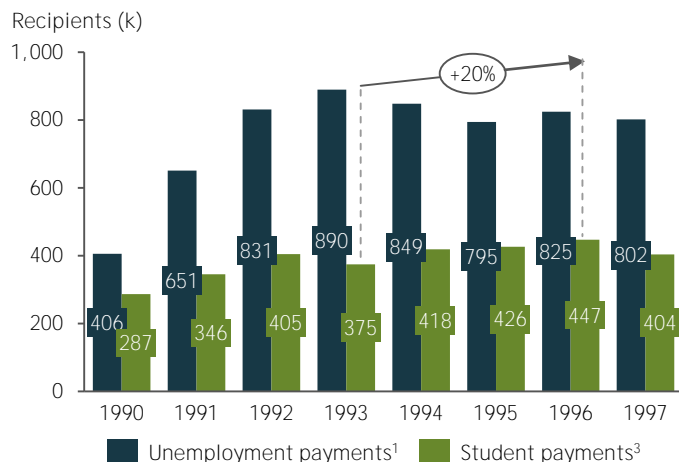
1. Total recipients includes those who did not report income 2. Less than 5 ABSTUDY recipients on nil rates as at 29 May 2020 3. 'Extra' recipients in the \$1500-\$1600 income band means the additional number of recipients beyond what the shape of the distribution would suggest 4. 'Extra' recipients who ceased reporting means the additional recipients beyond what would be expected by extrapolating Feb 2020 figures upward in line with the growth in working age recipient numbers since Feb 2020

Source: DSS Data as at 28 February 2020, 29 May 2020: Project analysis

3. As the economy improves what is the likely recovery pathway for employment and the welfare system?

Takeaways from previous downturns: 60-80% of new entrants remain on payment over medium term; student peak lags adult payments by 1-3 years

'91 recession: longer-term increase in student payment volumes post-recession



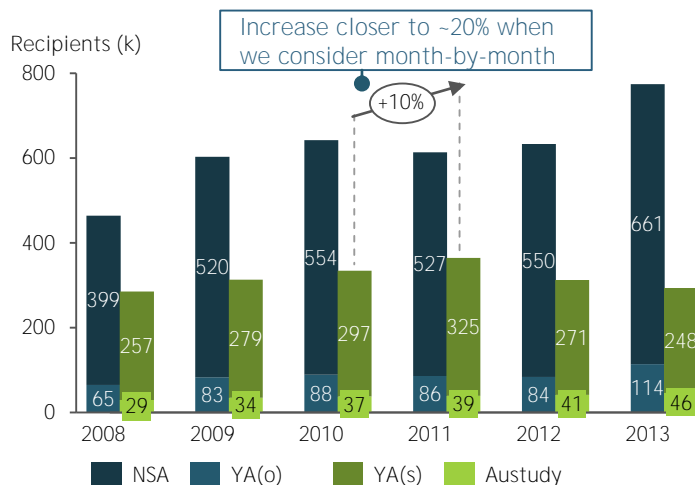
Student payment volumes continues to climb by ~20% over 3 years beyond level in '93 (job seeker peak):

- Despite youth unempl. rate peaking in 1992, # of student payment recipients remained high till 1996

~80% of new volume in the welfare system from '91 recession remained in system 5+ years

- For job seekers, we take '93 as the peak and use '95 as the long-term steady state (80%)
- For students, we take '96 as the peak and use '97 as the long-term steady state (74%)

GFC: longer term increase in unempl. and student payment volumes post-GFC



Increases in welfare volumes were smaller than in '91; less comparable to COVID

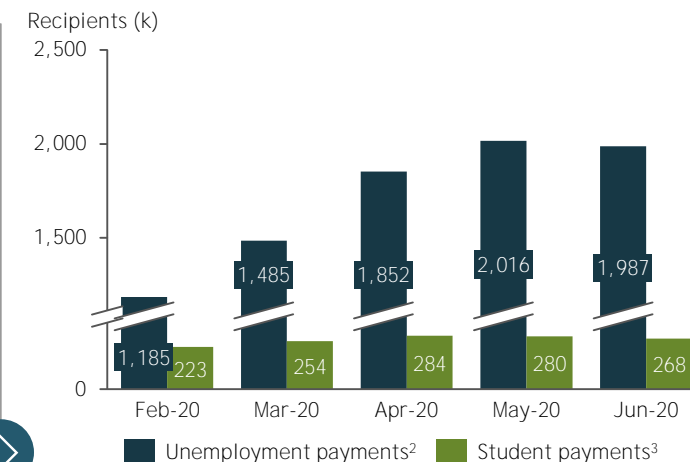
- Only ~15% increase from Sept '08 to March '10 (peak), vs ~85% for '91

However, sequential relationship between student and job seeker volumes similar to '91

- Student peak lagged job seeker by over a year
- Peak was ~20% greater than volumes in March '10

~60% of new entrants into welfare system from GFC remained in system 5+ years

C-19: steep increase in student and unempl. payments resembling '91 recession



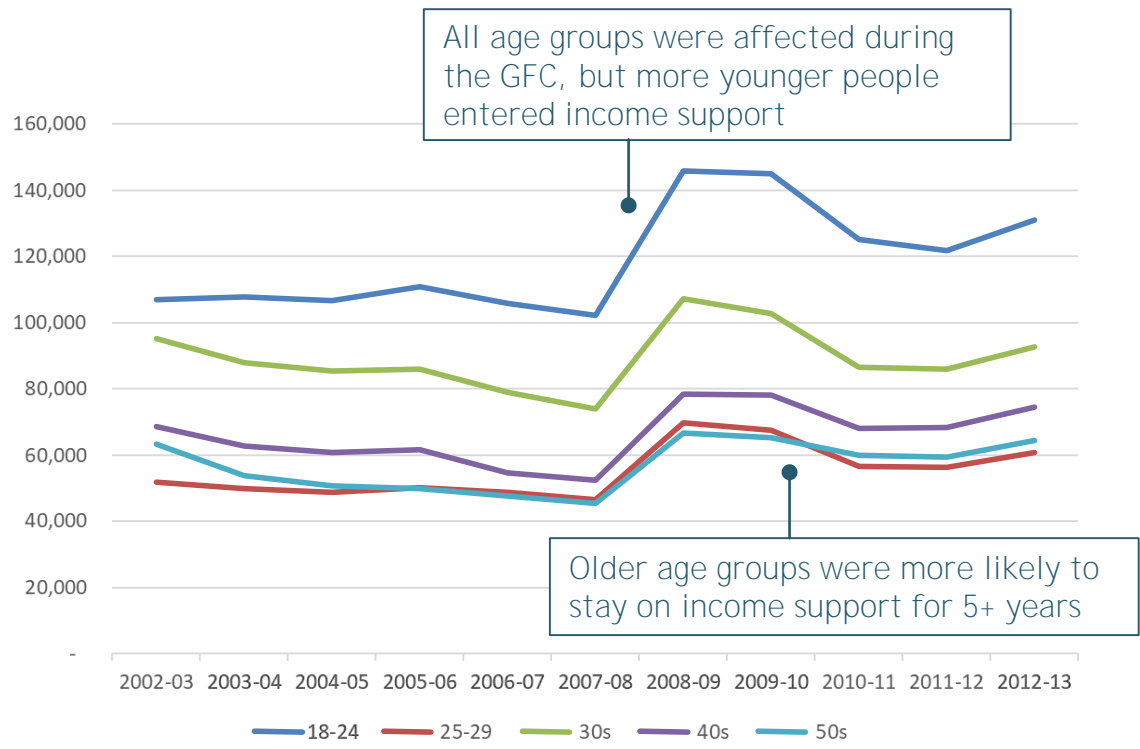
~65% increase in total working age recipient volumes from Feb '20 to May '20, with further bump expected

- Increase driven by job seeker cohorts. Students expected to lag by 1-2 years

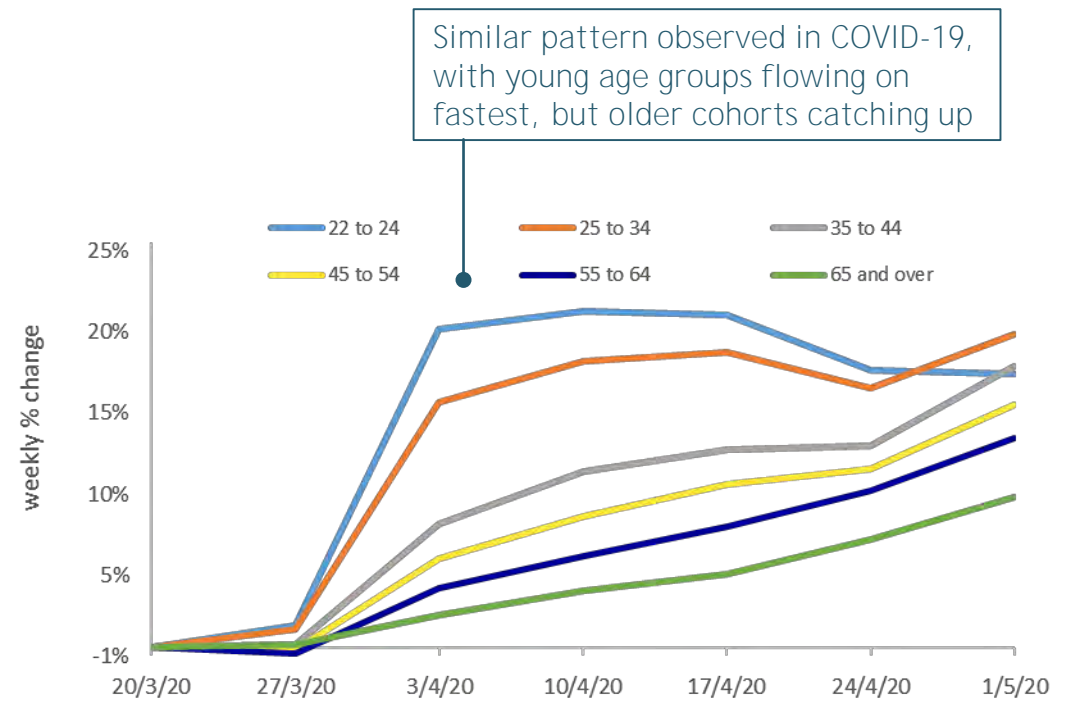
1. Consists of Unemployment Benefit, Job Search Allowance, Newstart Allowance 2. Consists of Newstart Allowance, Jobseeker, YA(o) 4. Consists of YA(s), Austudy, ABSTUDY
 Note: Figures for '91 recession and GFC as at June of year referenced
 Source: Department of Social Services data; Department of Family and Community Services paper (2001); ABS research

Backup: GFC saw young people more likely to enter welfare system, but also faster to leave; COVID-19 followed a similar pattern in early months

GFC: New entrants to income support, by age group



C-19: Entrants to Jobseeker Payment, by age group



Source: DSS data



Appendix

Backup: Major metro areas typically responsible for the largest volumes of new entrants, with increased representation from historically wealthy areas

Victoria

	New entrants	Previous #/pop (%)	New #/pop (%)
Ballarat	9865	8.96	5.99
Latrobe - Gippsland	11583	6.66	4.09
Melbourne - North East	32375	6.01	5.94
Shepparton	4061	5.76	3.04
Hume	7132	5.70	4.04
North West	4746	5.51	3.12
Bendigo	5034	5.29	3.14
Melbourne - West	40610	5.24	4.96
Warrnambool and South West	4177	5.19	3.34
Geelong	13570	5.10	4.50
Melbourne - South East	39119	4.63	4.64
Melbourne - North West	16007	4.50	3.94
Mornington Peninsula	12665	4.16	4.12
Melbourne - Inner	37431	4.01	5.49
Melbourne - Outer East	19939	3.21	3.76
Melbourne - Inner East	15131	2.61	3.87
Melbourne - Inner South	15844	2.51	3.61

South Australia

	New entrants	Previous #/pop (%)	New #/pop (%)
South Australia - Outback	3282	12.31	3.87
Barossa - Yorke - Mid North	4316	7.70	3.79
Adelaide - North	18890	7.49	4.31
South Australia - South East	6942	6.23	3.62
Adelaide - South	16947	6.04	4.61
Adelaide - West	10654	5.93	4.49
Adelaide - Central and Hills	14651	5.36	4.85

ACT

	New entrants	Previous #/pop (%)	New #/pop (%)
Australian Capital Territory	10871	2.85	2.58

New South Wales

	New entrants	Previous #/pop (%)	New #/pop (%)
Murray	7109	10.38	5.92
Coffs Harbour - Grafton	8120	9.35	5.75
Far West and Orana	4178	8.63	3.56
New England and North West	6127	7.58	3.28
Illawarra	16623	7.16	5.34
Mid North Coast	9057	7.14	4.10
Richmond - Tweed	15032	6.80	5.99
Sydney - Blacktown	20323	6.58	5.50
Hunter Valley exc Newcastle	11247	6.25	4.06
Sydney - Parramatta	29144	6.24	5.91
Capital Region	10319	5.98	4.53
Sydney - South West	18947	5.97	4.26
Central Coast	15734	5.65	4.60
Central West	6533	5.59	3.07
Newcastle and Lake Macquarie	14652	5.50	3.90
Sydney - Inner South West	35438	4.98	5.71
Southern Highlands and Shoalhaven	5435	4.46	3.51
Sydney - City and Inner South	19918	3.75	5.54
Sydney - Outer South West	10438	3.58	3.68
Sydney - Baulkham Hills and Hawkesbury	10773	3.06	4.39
Riverina	2445	2.67	1.52
Sydney - Outer West and Blue Mountains	7777	2.51	2.40
Sydney - Inner West	10494	2.01	3.29
Sydney - Sutherland	7260	1.82	3.17
Sydney - Northern Beaches	8979	1.40	3.31
Sydney - North Sydney and Hornsby	12581	1.32	2.88
Sydney - Eastern Suburbs	7541	1.12	2.57
Sydney - Ryde	2913	0.85	1.46

Tasmania

	New entrants	Previous #/pop (%)	New #/pop (%)
Launceston and North East	6304	8.02	4.35
West and North West	4249	7.18	3.80
Hobart	10841	6.60	4.66
South East	902	2.84	2.34

Queensland

	New entrants	Previous #/pop (%)	New #/pop (%)
Darling Downs - Maranoa	9917	13.72	7.70
Cairns	16394	9.16	6.50
Queensland - Outback	2489	9.06	3.02
Wide Bay	12738	7.99	4.29
Ipswich	17087	7.99	4.86
Moreton Bay - North	13092	7.55	5.20
Central Queensland	8154	7.05	3.61
Townsville	9354	6.55	3.96
Brisbane - South	23320	6.37	6.30
Gold Coast	45339	6.24	7.29
Mackay - Isaac - Whitsunday	7326	5.44	4.25
Logan - Beaudesert	12370	5.30	3.62
Sunshine Coast	21715	5.13	5.79
Brisbane - North	11544	4.77	5.19
Brisbane - West	9497	4.66	4.96
Brisbane - East	9923	4.10	4.17
Moreton Bay - South	7655	3.84	3.58
Brisbane Inner City	8660	2.43	3.06
Toowoomba	138	0.16	0.09

Western Australia

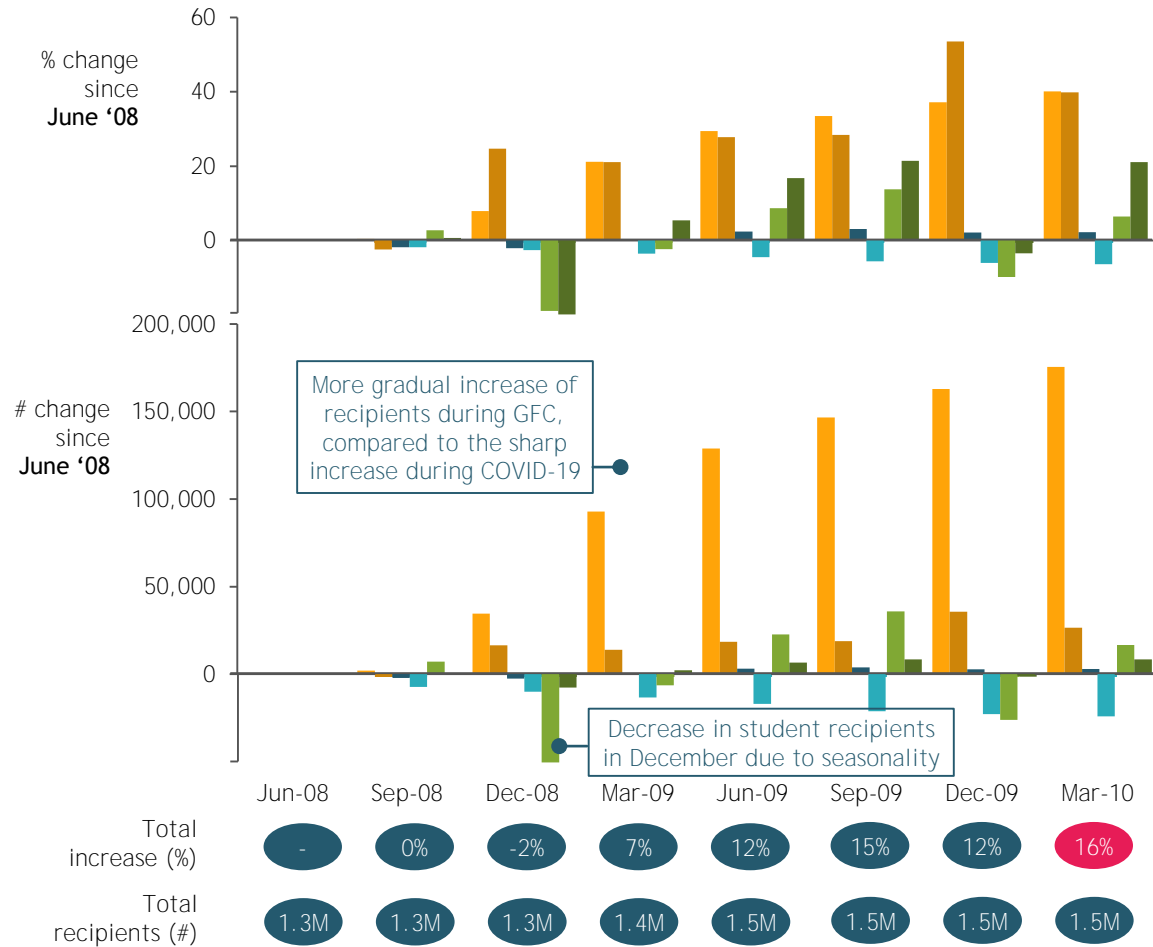
	New entrants	Previous #/pop (%)	New #/pop (%)
Western Australia - Outback (North)	3207	8.64	3.28
Western Australia - Outback (South)	4606	7.56	3.89
Mandurah	4794	7.45	4.70
Perth - South East	24647	6.51	4.78
Perth - North East	13257	6.29	4.99
Bunbury	8076	5.90	4.42
Western Australia - Wheat Belt	4502	5.81	3.28
Perth - South West	17440	4.87	4.05
Perth - North West	23914	4.78	4.23
Perth - Inner	7011	3.87	3.88

Northern Territory

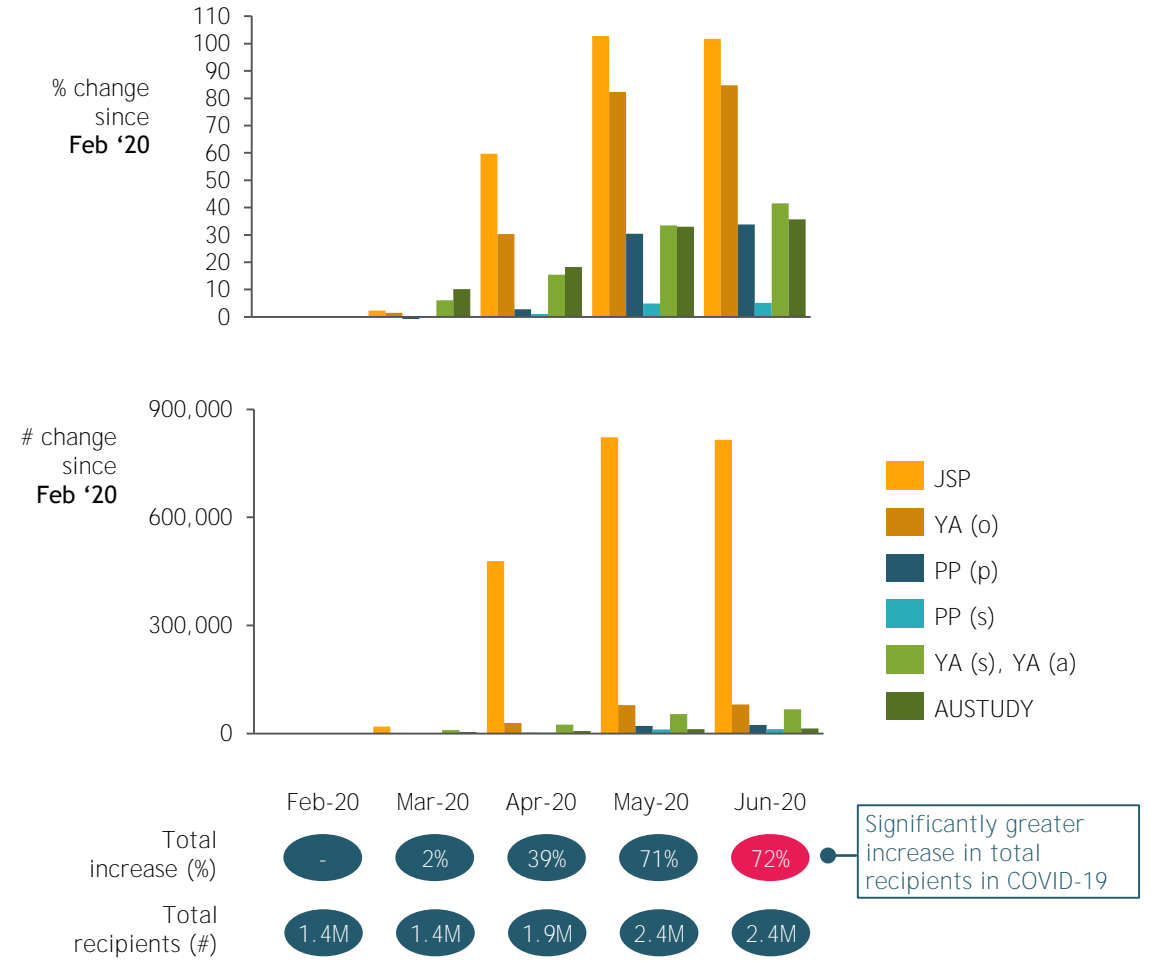
	New entrants	Previous #/pop (%)	New #/pop (%)
Darwin	6988	8.91	4.70
Northern Territory - Outback	2462	7.96	2.49

During the GFC, the increase in working-age welfare recipients was smaller, and more gradual, compared to COVID-19

Change in welfare recipients following GFC



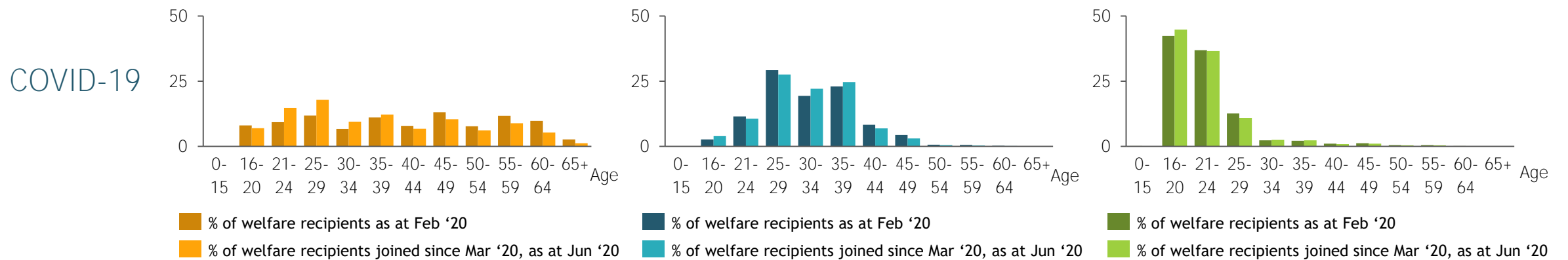
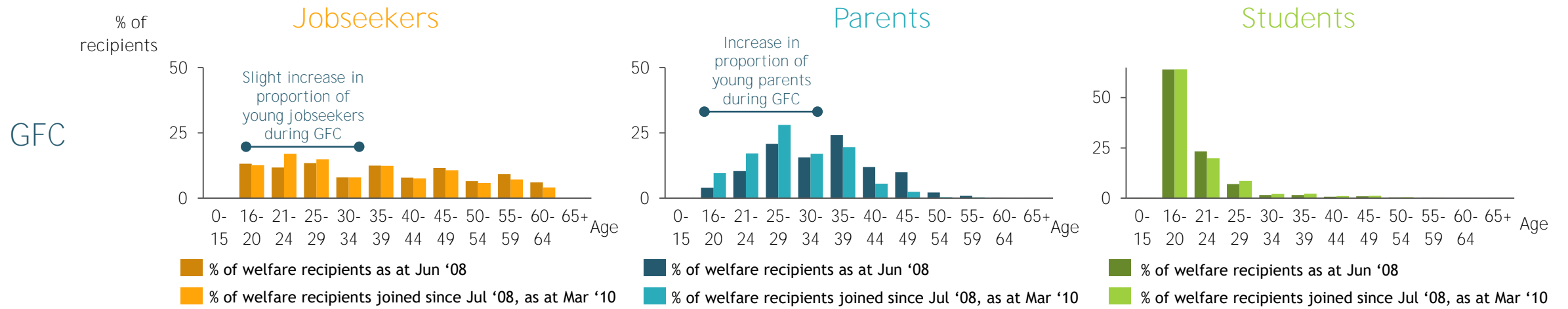
Change in welfare recipients following COVID-19



Note: Does not include pending claims, shows actual recipients on ISP at the point in time
 Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

During both the GFC and COVID-19, new entrants are more likely to be younger

GFC comparison - Age distribution

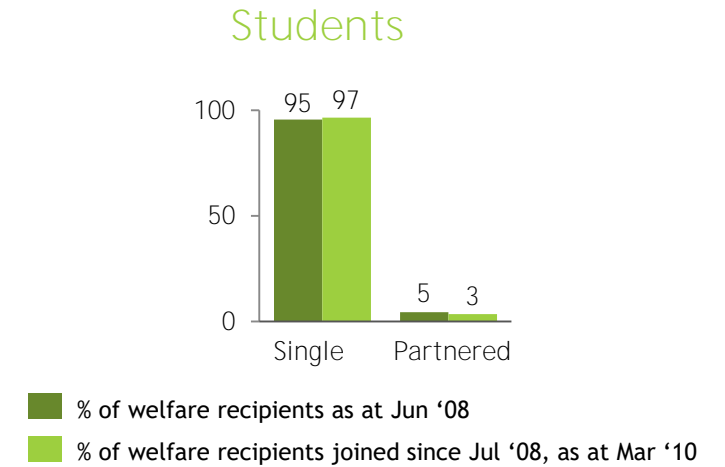
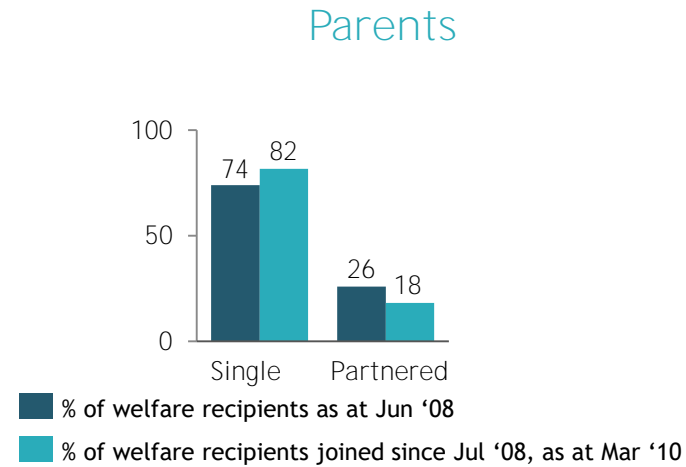
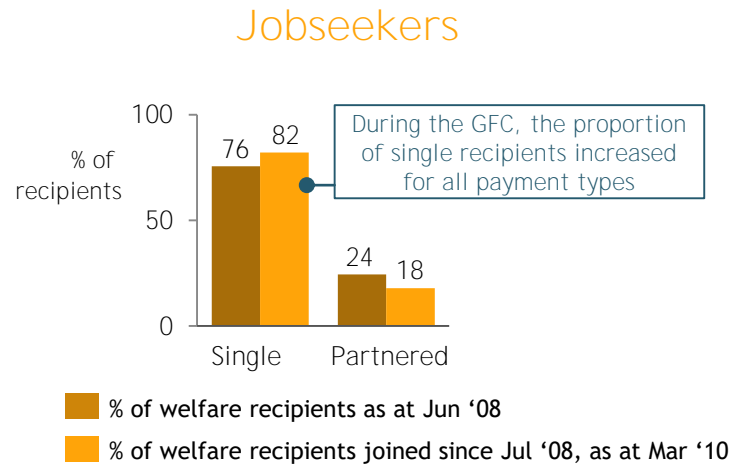


1. Where number of children is marked as NA, zero is assumed
 Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

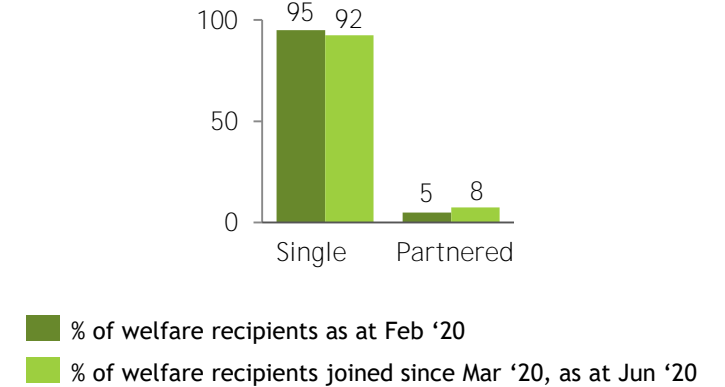
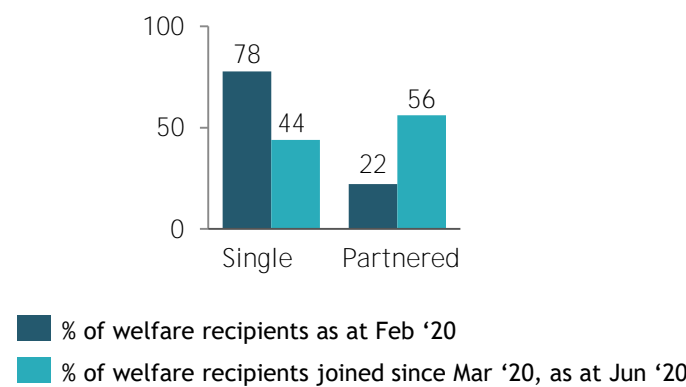
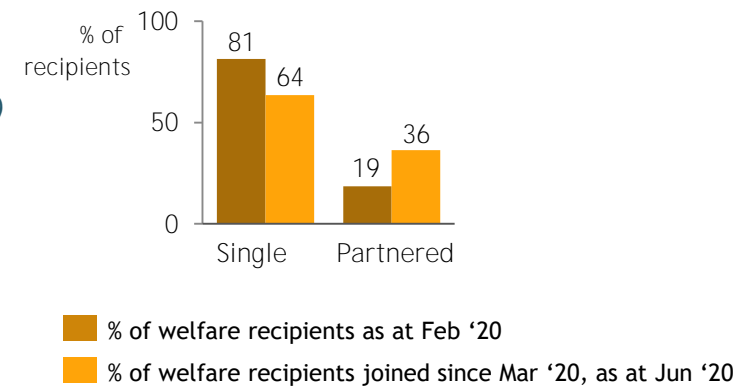
Proportion of single recipients increased during GFC, decreased during COVID-19

GFC comparison - Relationship status

GFC



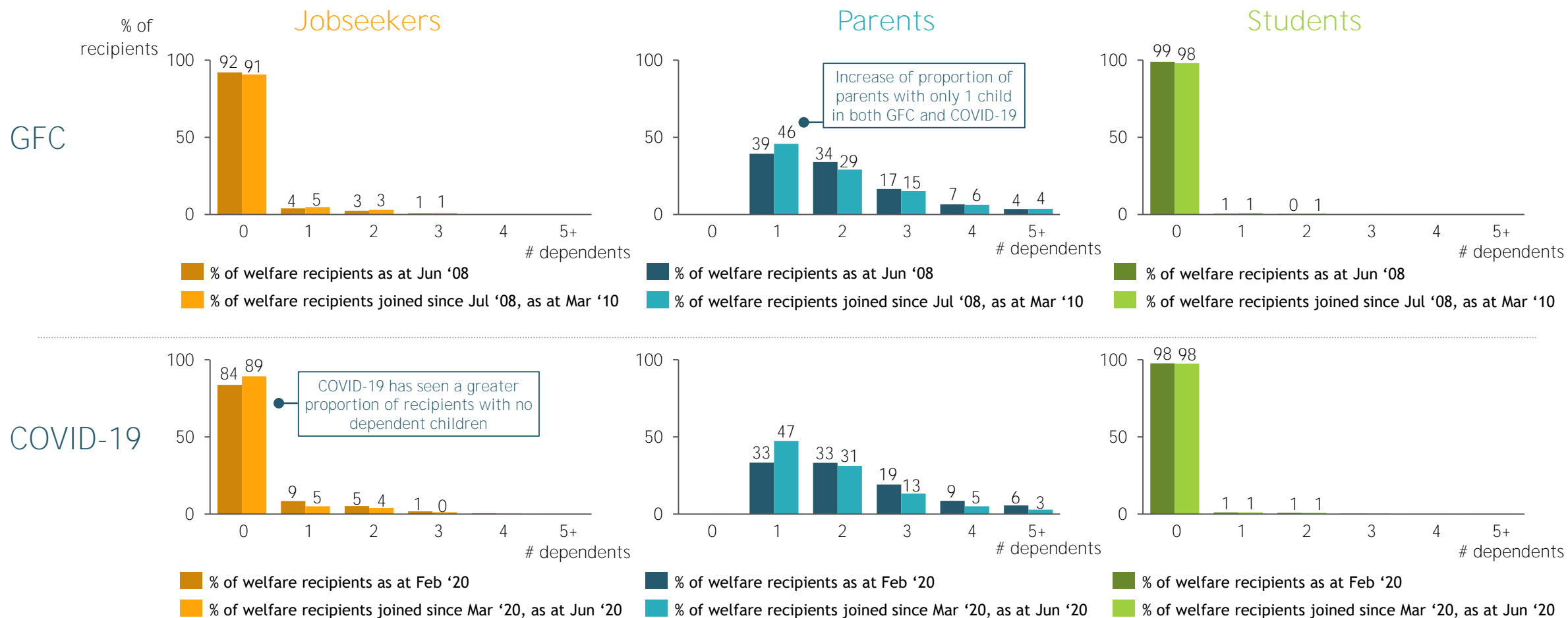
COVID-19



1. Where number of children is marked as NA, zero is assumed
 Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

Shift toward smaller & no-child families more pronounced in COVID-19

GFC comparison - Dependent children



Note: Number of children assumed to be maximum out of dependent children flag, principal carer flag and family tax benefit flag
 Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

Thank you

DRAFT FOR DISCUSSION - NOT FOR CIRCULATION

s47C / 47G

Phase II - Compendium of materials

7 AUGUST 2020

Contents

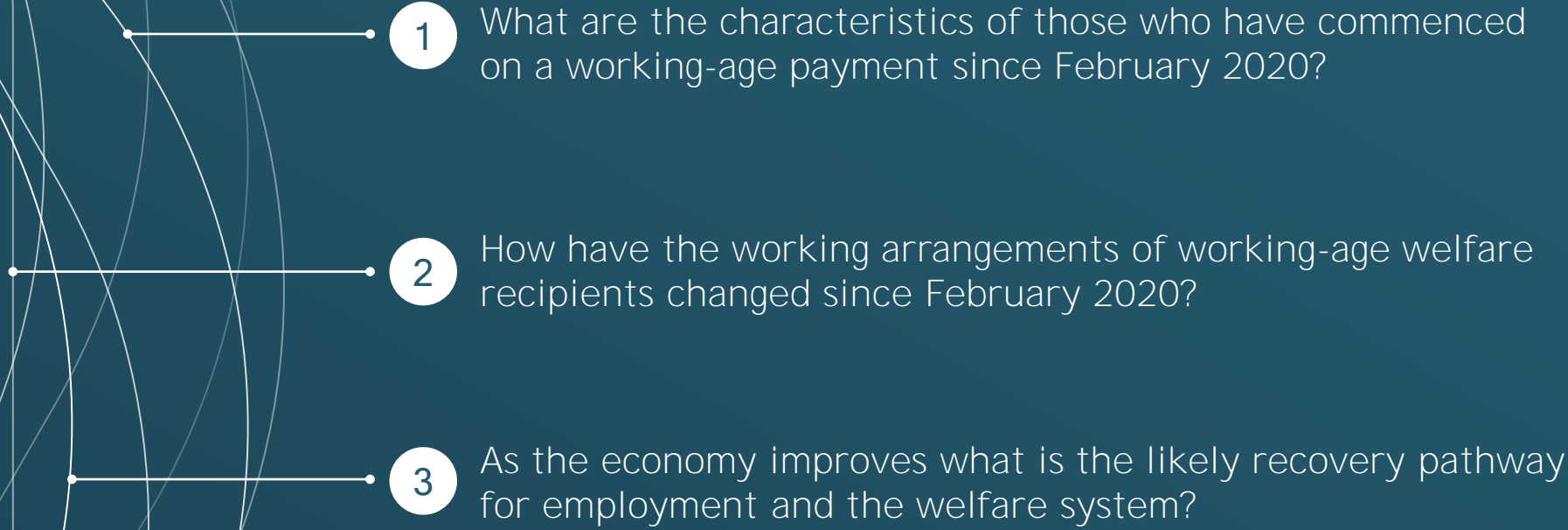
s47C / 47G





Stage 1a Further Analysis

Stage 1a:
Three key
questions
posed

- 
- 1 What are the characteristics of those who have commenced on a working-age payment since February 2020?
 - 2 How have the working arrangements of working-age welfare recipients changed since February 2020?
 - 3 As the economy improves what is the likely recovery pathway for employment and the welfare system?

Summary: Stage 1a (I/II)

1

*Characteristics
of those who
have
commenced
since Feb '20*

The number of working age income support recipients has increased by 1m to 2.4m (72% increase) since February 2020. Of these, 80% have commenced on JobSeeker Payment.

The new cohort is younger (50% of jobseekers <35 yo vs 35% in old cohort), wealthier (13% with assets >\$100k vs 6%) more likely to be partnered (36% of jobseekers vs 19%), and their partners typically earn more (52% partners of earning \$1600+ vs 21% in old cohort)

The new cohort is more heavily weighted toward the major cities (75% of new cohort live in a major city vs 65% previously). The greatest inflows have come from traditionally disadvantaged areas, while more affluent areas have seen the greatest relative change in the proportion of population in income support.

Among the new commencements on jobseeker and parenting payments, ~40% have had no prior engagement with the welfare system since 2000, and ~5% have only engaged on student payments. This is distinctly different to the GFC when just 23% of new commencements on jobseeker and parenting payments were entirely new to welfare, with a further 6% having been on a student payment

Segmentation analysis of new commencements suggests four key groups to consider in shaping policy responses. Each group faces different pressures:

- Young, single, no dependents, with limited assets, half with year-12 qualifications or less (53% of commencements)
 - Risk of disengagement from labour market if ongoing lack of opportunity in entry-level roles. May benefit from supports for study, training, & entrepreneurship, as well as clear incentives to remain engaged in the labour force
- Older workers 55+, typically with assets to fall back on, and owning a home, 40% with year-12 qualifications or less (14% of commencements)
 - Risk of challenges in reskilling/retaining to find new work, may benefit from intensive supports, particularly those without higher ed or tertiary qualifications
- Young & middle aged parents, typically modest assets, often own a home if partnered, typically higher ed/tertiary quals (14% of commencements)
 - Pressure from parenting responsibilities under social distancing, single parents particularly vulnerable (85% female), mortgage pressure among homeowners. May benefit from differentiated approach to mutual obligations and social supports
- Young and middle aged couples with no dependents, typically moderate assets, higher ed or tertiary qualifications, many owning a home (19% of commencements)
 - Natural safety net for many in having a partner with income, although likely mortgage pressure for many after loan deferrals come to an end

Summary: Stage 1a (II/II)

2
Changes to working arrangements since Feb '20

Compared to February 2020, Jobseeker recipients are receiving more income while on welfare (23% receiving income in June vs 19% in February), noting that this is not explained by JobKeeper alone, since working hours also increased (23% working hours in June vs 19% in Feb). This increase was greatest among young jobseekers aged under 30 (23% receiving income in June vs 16% in Feb)

In contrast, recipients of parenting payment and student payments have seen decreases in earned income and hours worked

As at 30 June 2020, 187k recipients were on nil-rates **s47C / 47G**



3
What should we be expecting to see during recovery?



Observation of the recovery pathway in the 1991 recession and GFC suggests that 40% - 80% of new working age ISP recipients may remain in the welfare system over the medium term, with older workers being over-**represented in this “sticky” cohort**, even as jobs growth in the economy resumes

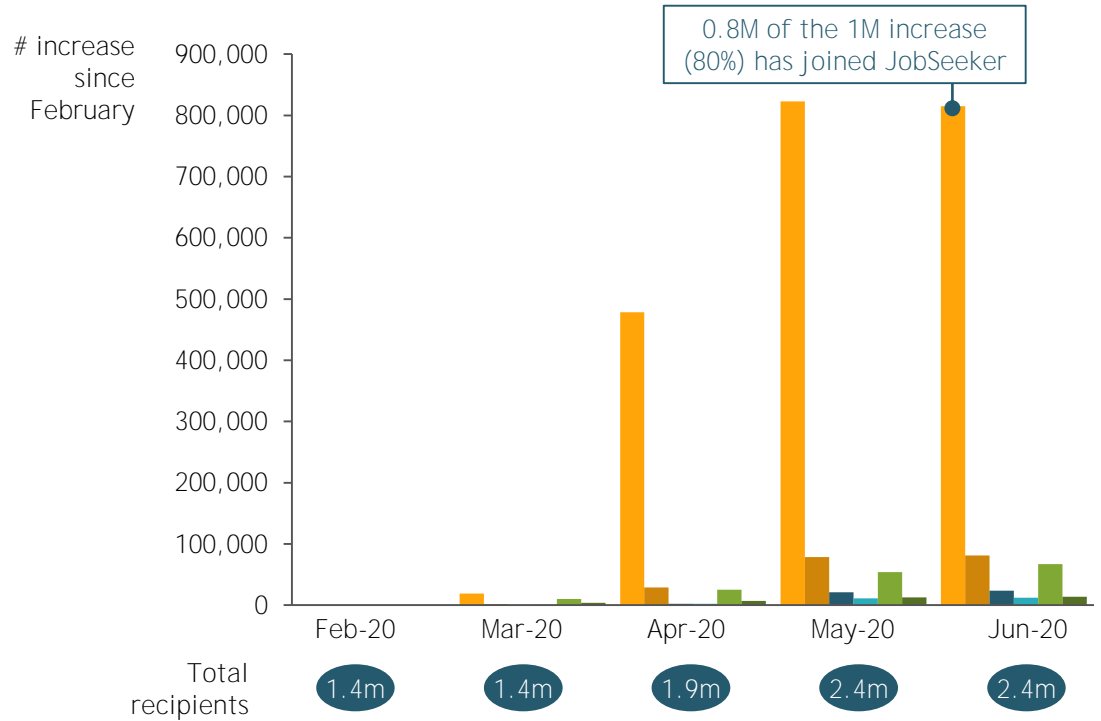
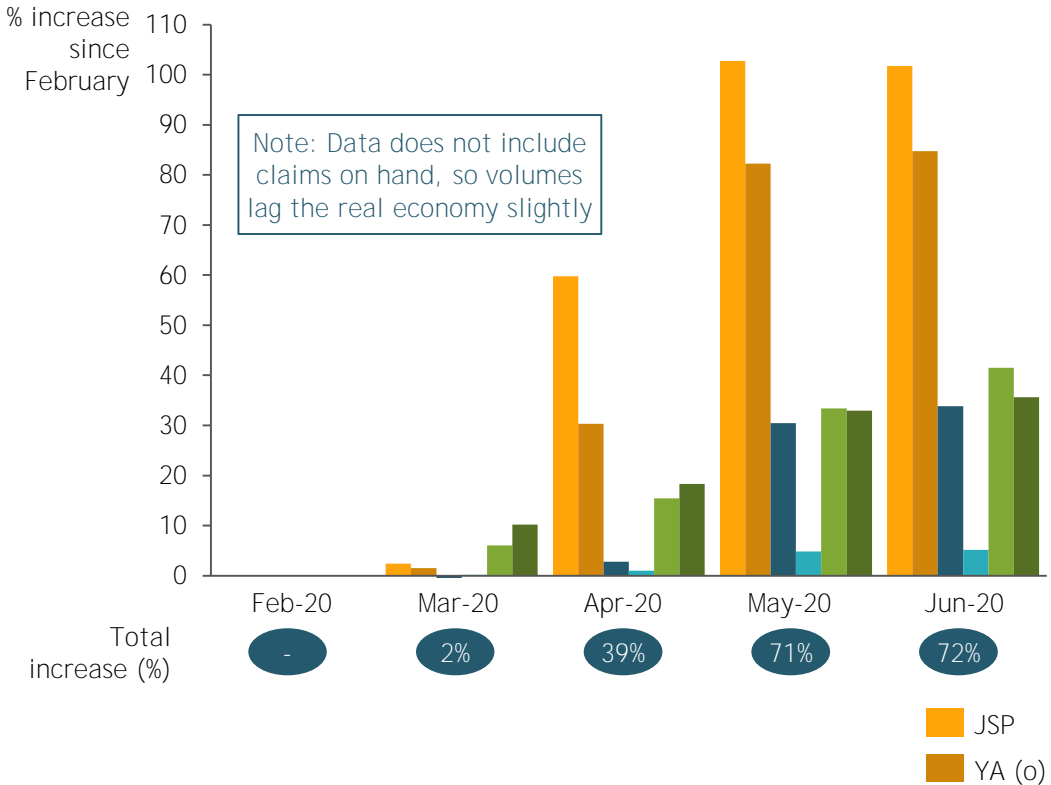
Observation of the 1991 recession and GFC also indicates we should anticipate substantial numbers of payment transfers from jobseeker payments to student payments from 2021 onwards for several years

1. The characteristics of those who have commenced on a working-age payment since February 2020

Overall, the number of working age welfare recipients has increased by 72% since February, with 80% of new entrants joining JobSeeker

Working-age ISP recipients increased 72% since Feb '20, with biggest % increases in JSP & YA(o)

Of those new entrants, 80% have been on JobSeeker

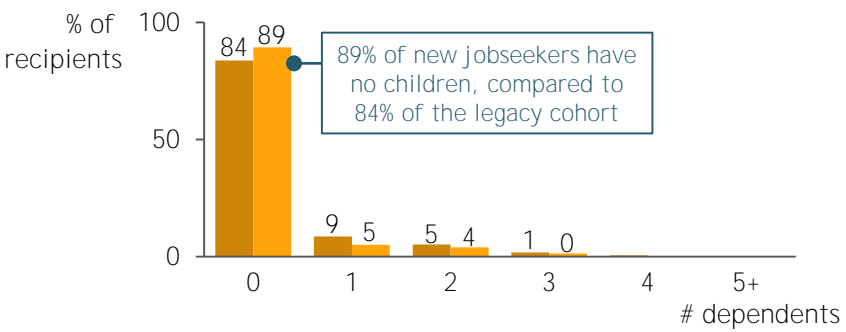


Note: Does not include pending claims, shows actual recipients on ISP at the point in time; includes nil-rate recipients
Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

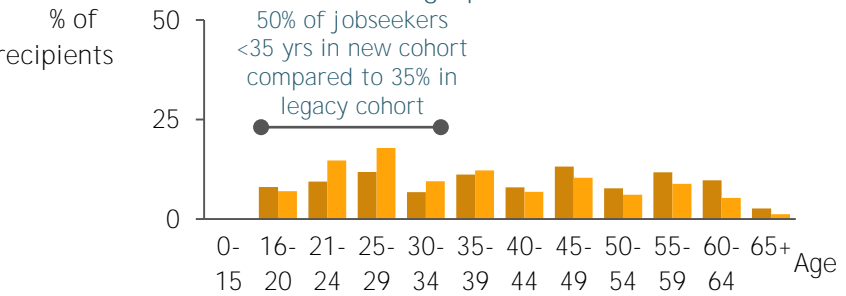
The new cohort is typically younger, with fewer children, particularly among jobseekers

Jobseekers

Number of dependent children¹



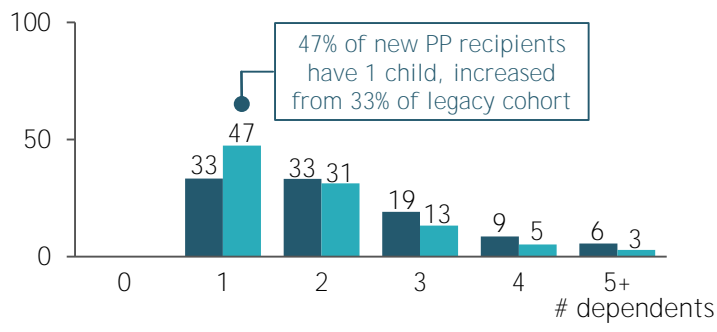
Age profile



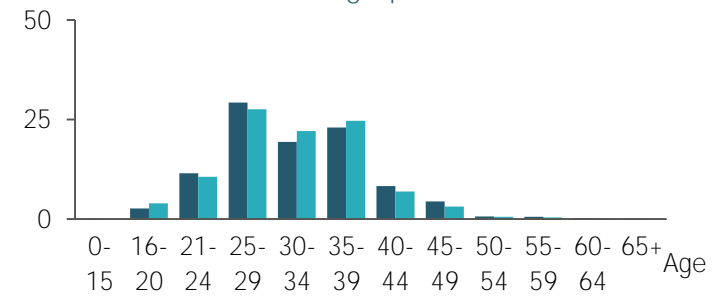
■ % of welfare recipients as at Feb-20
 ■ % of welfare recipients joined since Mar-20, as at Jun-20

Parents

Number of dependent children¹



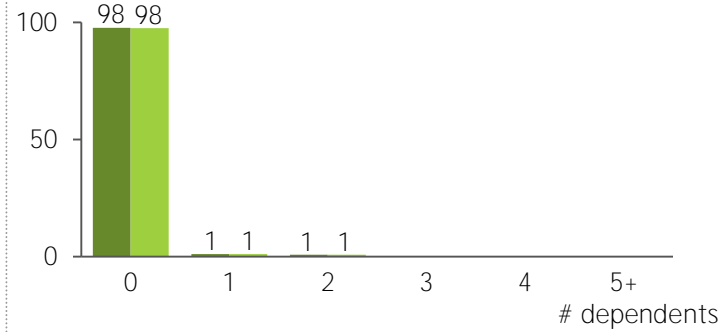
Age profile



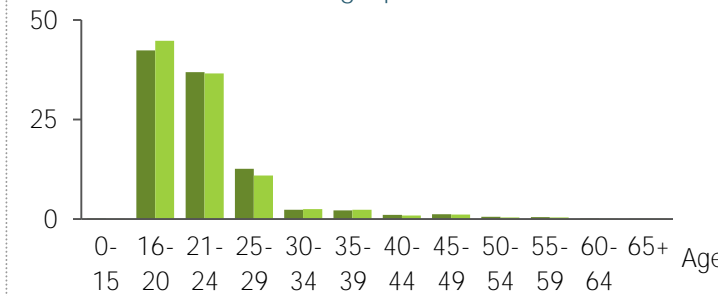
■ % of welfare recipients as at Feb-20
 ■ % of welfare recipients joined since Mar-20, as at Jun-20

Students

Number of dependent children¹



Age profile



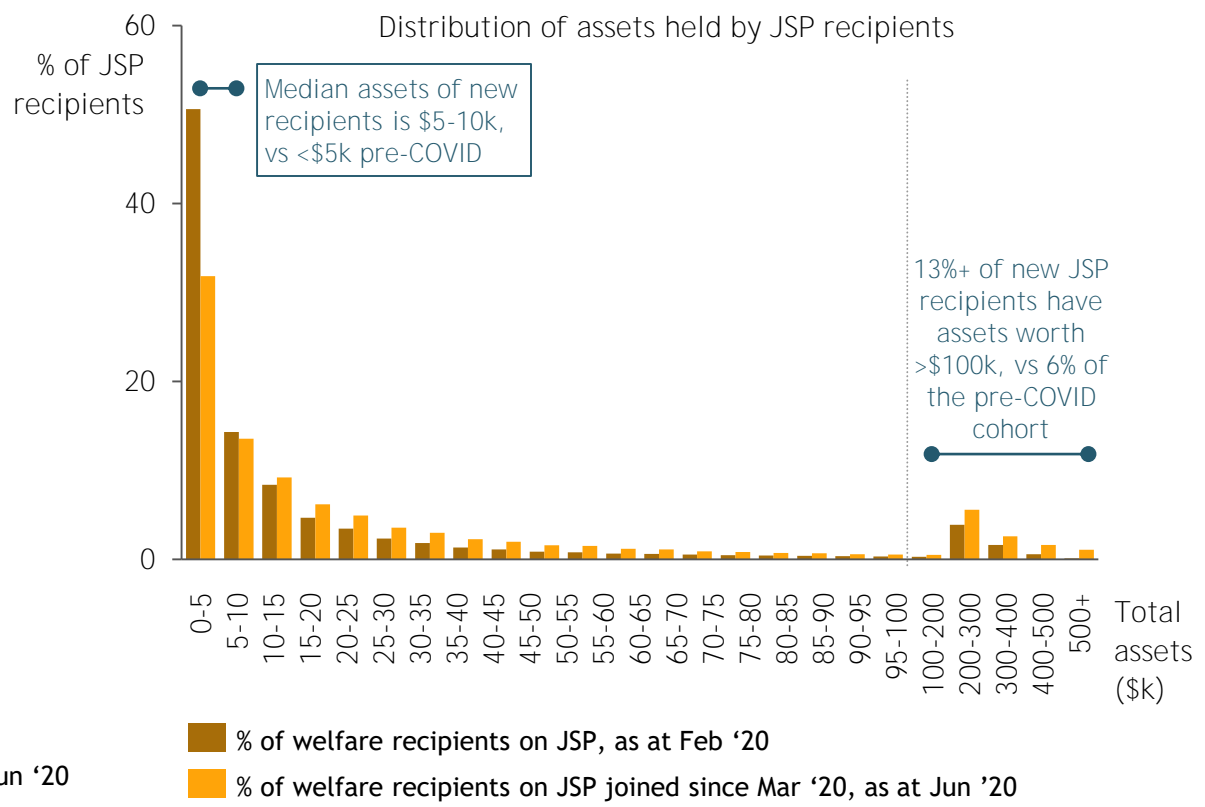
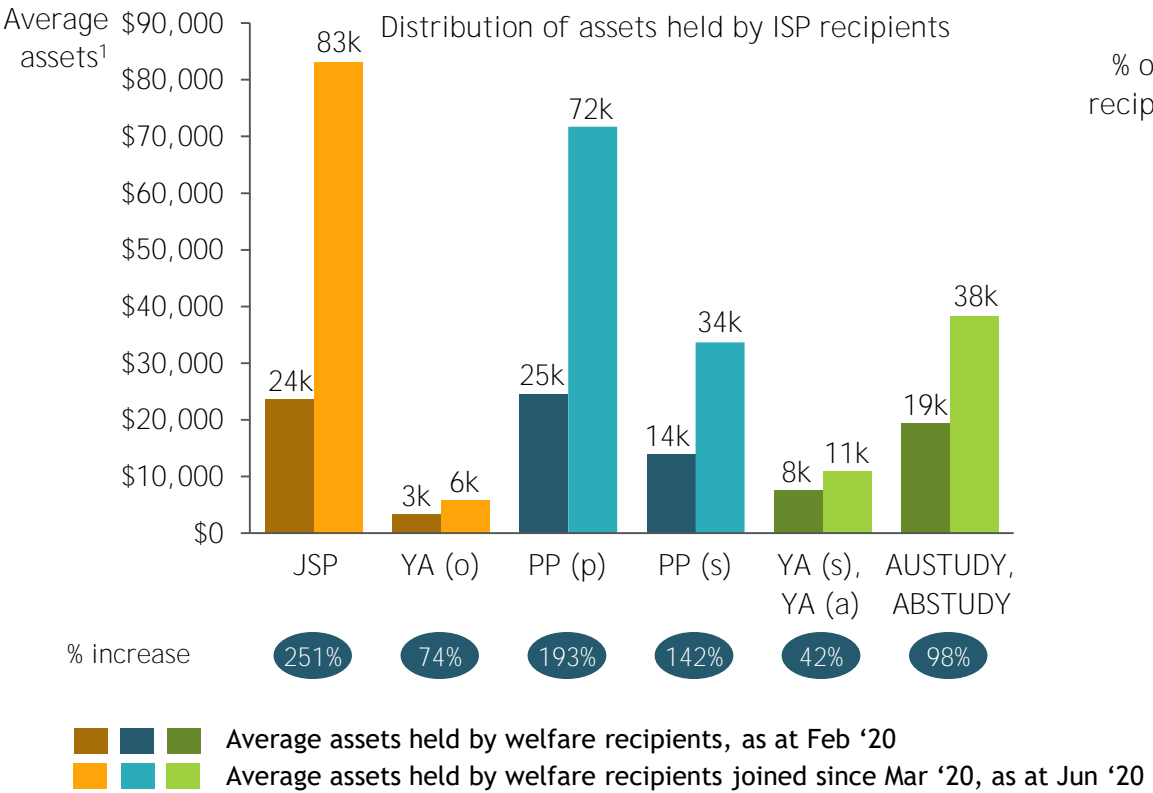
■ % of welfare recipients as at Feb-20
 ■ % of welfare recipients joined since Mar-20, as at Jun-20

1. Number of dependents taken as the maximum of dependent children, primary carer children and family tax benefit children
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

New welfare recipients are on average wealthier, with the largest increase in assets among JSP and PPP recipients

There has been an increase in average (mean) assets held, particularly in JSP and PPP...

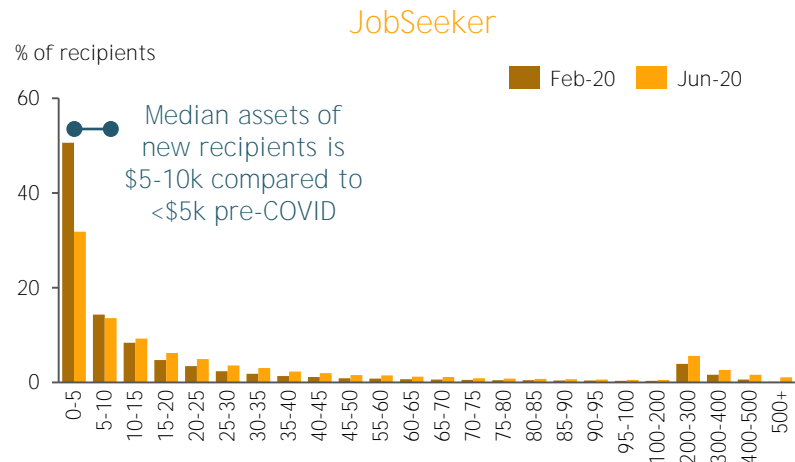
...Although this increase is partly driven by those with very high assets (>\$100k)



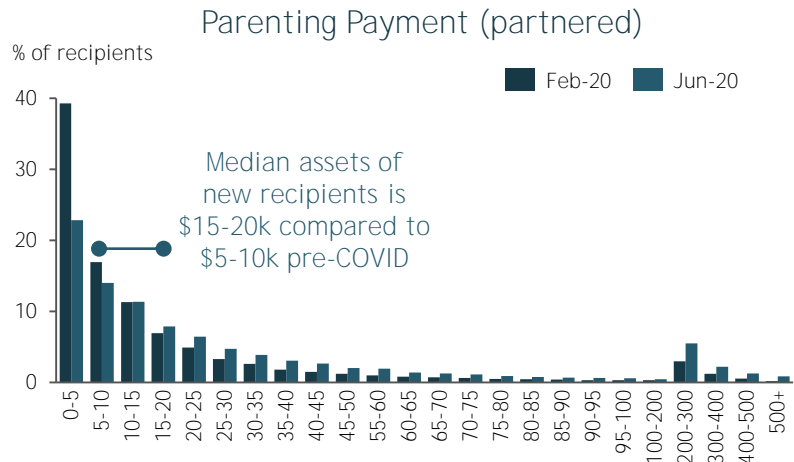
1. Average assets is an approximation calculated using the midpoint of each asset bracket
Note: 20 "NA" entries excluded from analysis
Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

Backup: Largest increase in median assets among PPP, PPS and JSP recipients

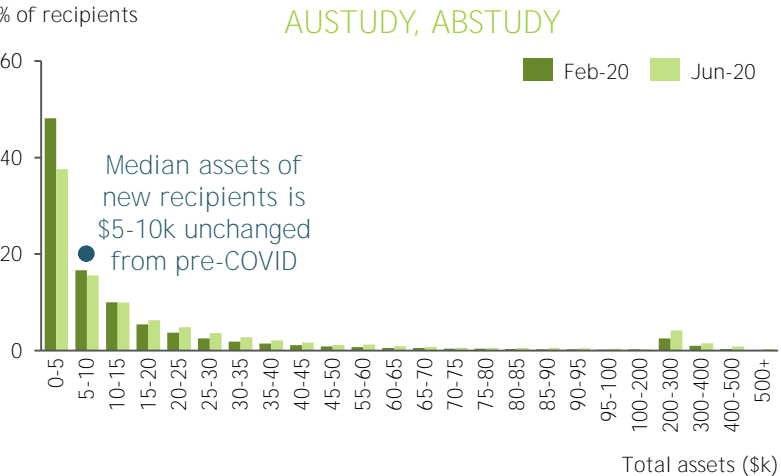
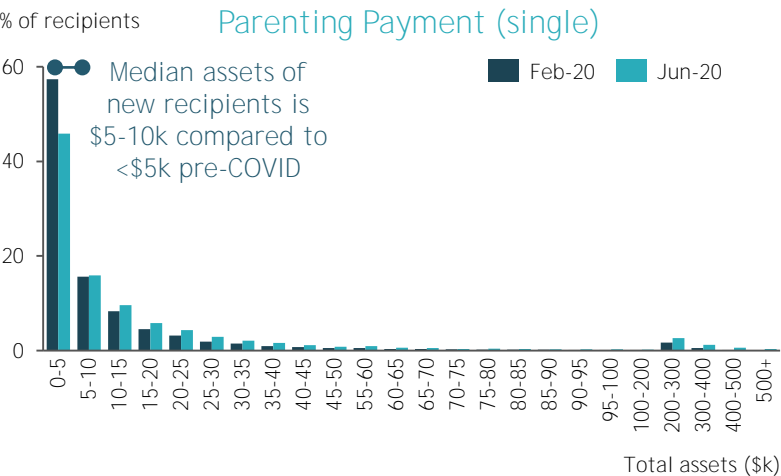
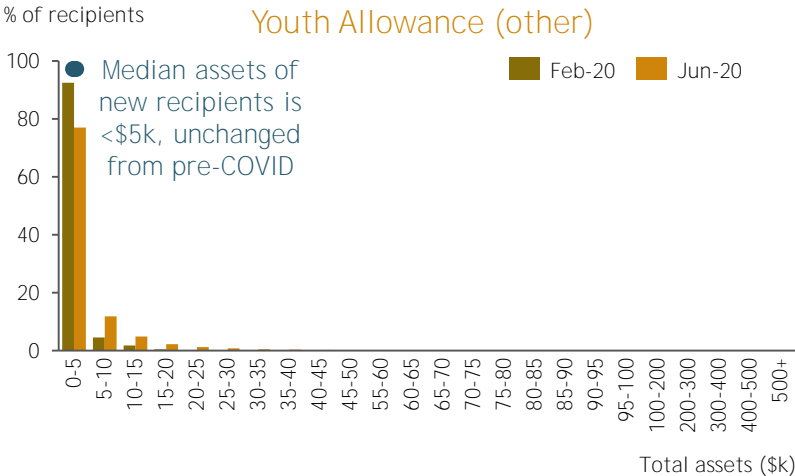
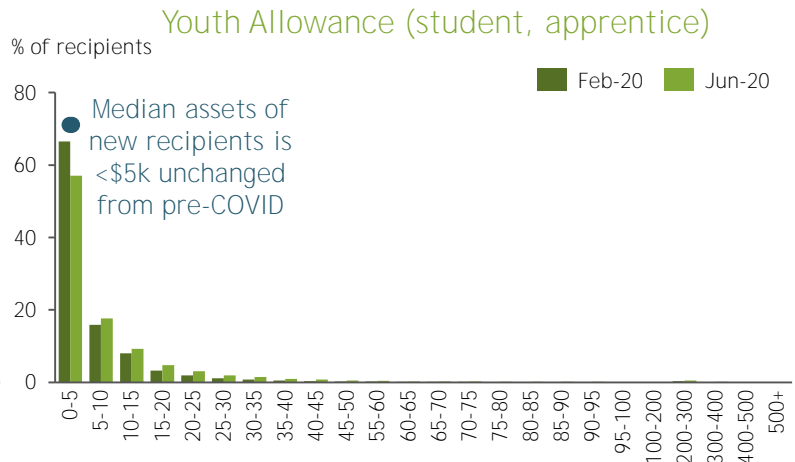
Jobseekers



Parents of young children



Students

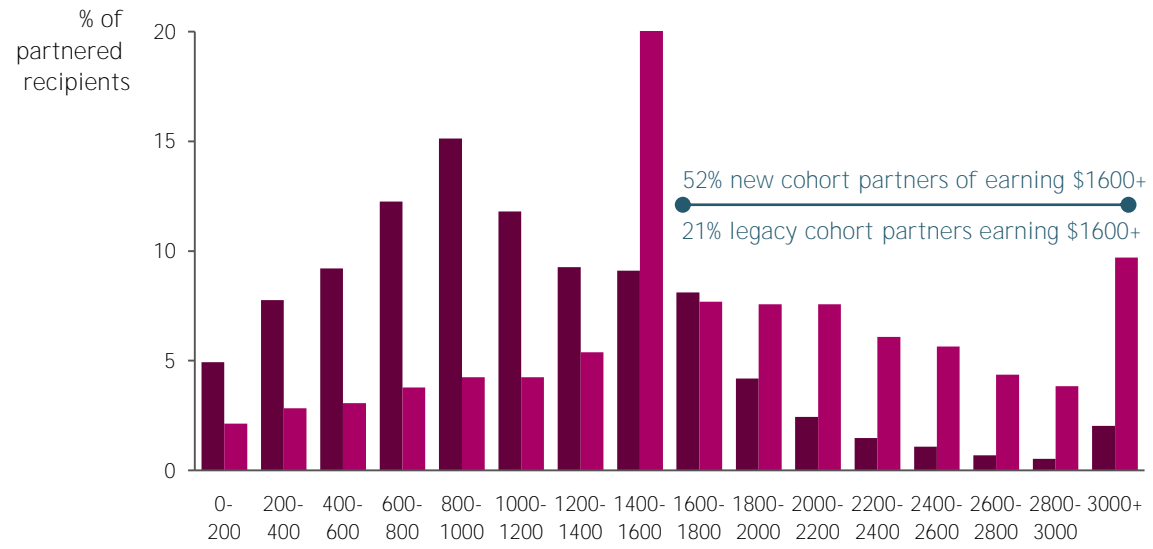
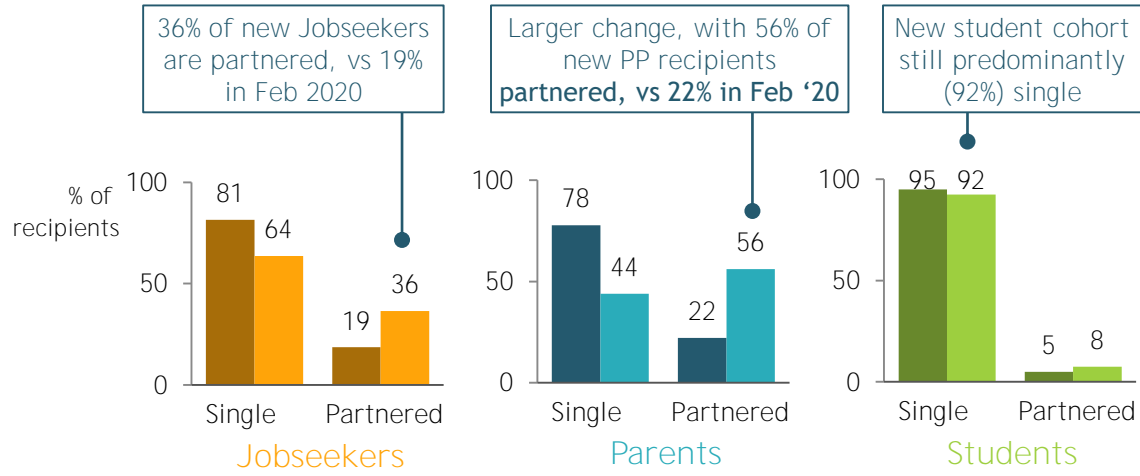


Note: 20 "NA" entries excluded from analysis
Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

New welfare recipients are more likely to be partnered, and with higher-earning partners, compared to the legacy cohort

New cohort are more likely to be partnered, across jobseeker, parenting, and student payments...

...and partners of the new cohort are typically higher earning



Legend for Jobseekers, Parents, and Students charts:
 - Brown, Dark Blue, Green: Relationship status of welfare recipients, as at Feb 2020
 - Orange, Light Blue, Light Green: Relationship status of welfare recipients joined since Mar 2020, as at Jun 2020

Legend for Partner Earnings chart:
 - Dark Purple: Earnings of partners of welfare recipients, as at Feb 2020
 - Bright Purple: Earnings of partners of welfare recipients joined since Mar 2020, as at Jun 2020

Segmentation analysis shows the largest inflows to income support among young singles, couples without children, and people living in major city areas...

		Australia			Major Cities			Regional Areas		
		18-29 53% of total	30-54	55+	18-29 75% of total	30-54	55+	18-29	30-54	55+
Single (no dep. children)	New entrants	388k (+92%)	200k (+80%)	64k (+48%)	302k (+100%)	152k (+94%)	44k (+52%)	86k (+71%)	48k (+54%)	20k (+40%)
	Average assets	\$11k (+251%)	\$46k (+394%)	\$100k (+304%)	\$12k (+245%)	\$51k (+425%)	\$107k (+345%)	\$8k (+252%)	\$30k (+272%)	\$84k (+233%)
	Homeowners	3% (+1ppt)	19% (+11ppt)	45% (+15ppt)	3% (+1ppt)	18% (+11ppt)	43% (+15ppt)	3% (+1ppt)	20% (+12ppt)	50% (+16ppt)
Single (dep. children)	New entrants	14k (+12%)	48k (+21%)	2k (+22%)	8k (+13%)	33k (+23%)	1k (+25%)	5k (+11%)	15k (+18%)	1k (+19%)
	Average assets	\$10k (+187%)	\$40k (+210%)	\$78k (+290%)	\$11k (+194%)	\$43k (+218%)	\$81k (+305%)	\$9k (+176%)	\$32k (+184%)	\$74k (+264%)
	Homeowners	8% (+5ppt)	28% (+11ppt)	44% (+16ppt)	8% (+5ppt)	28% (+11ppt)	43% (+15ppt)	8% (+5ppt)	27% (+11ppt)	46% (+18ppt)
Partnered (no dep. children)	New entrants	57k (+250%)	155k (+300%)	81k (+115%)	43k (+335%)	121k (+389%)	55k (+123%)	14k (+140%)	34k (+164%)	26k (+102%)
	Average assets	\$37k (+382%)	\$98k (+371%)	\$192k (+227%)	\$38k (+335%)	\$99k (+367%)	\$186k (+251%)	\$32k (+446%)	\$94k (+369%)	\$206k (+199%)
	Homeowners	18% (+15ppt)	52% (+27ppt)	77% (+14ppt)	18% (+15ppt)	51% (+25ppt)	75% (+17ppt)	19% (+16ppt)	55% (+33ppt)	81% (+10ppt)
Partnered (dep. children)	New entrants	22k (+69%)	71k (+105%)	3k (+67%)	15k (+81%)	56k (+115%)	2k (+74%)	7k (+51%)	15k (+78%)	1k (+49%)
	Average assets	\$32k (+282%)	\$74k (+257%)	\$124k (+248%)	\$34k (+279%)	\$74k (+261%)	\$121k (+265%)	\$29k (+277%)	\$74k (+247%)	\$132k (+225%)
	Homeowners	27% (+17ppt)	51% (+20ppt)	62% (+16ppt)	27% (+16ppt)	51% (+18ppt)	61% (+17ppt)	27% (+19ppt)	51% (+26ppt)	67% (+16ppt)

Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast; where an SA4 covers multiple Remoteness Areas, the area with majority crossover is selected; Children determined by dependent children, primary carer and family tax benefit flags; 1660 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

...while gender is balanced at 51% male/49% female, men more likely to be young & single, while higher proportion of women have dependent children

		Australia			Male (51% of total)			Female (49% of total)		
		18-29	30-54	55+	18-29 60% of males	30-54	55+	18-29 46% of females	30-54	55+
Single (no dep. children)	New entrants	388k (+92%)	200k (+80%)	64k (+48%)	209k (+95%)	129k (+79%)	32k (+51%)	178k (+89%)	71k (+80%)	32k (+45%)
	Average assets	\$11k (+251%)	\$46k (+394%)	\$100k (+304%)	\$11k (+255%)	\$45k (+452%)	\$106k (+354%)	\$12k (+248%)	\$47k (+322%)	\$94k (+265%)
	Homeowners	3% (+1ppt)	19% (+11ppt)	45% (+15ppt)	3% (+1ppt)	16% (+9ppt)	38% (+14ppt)	3% (+1ppt)	24% (+14ppt)	52% (+17ppt)
Single (dep. children)	New entrants	14k (+12%)	48k (+21%)	2k (+22%)	1k (+26%)	8k (+36%)	1k (+33%)	13k (+12%)	40k (+20%)	1k (+19%)
	Average assets	\$10k (+187%)	\$40k (+210%)	\$78k (+290%)	\$8k (+190%)	\$33k (+245%)	\$80k (+302%)	\$10k (+190%)	\$41k (+211%)	\$77k (+284%)
	Homeowners	8% (+5ppt)	28% (+11ppt)	44% (+16ppt)	6% (+4ppt)	22% (+11ppt)	41% (+16ppt)	8% (+5ppt)	29% (+12ppt)	45% (+16ppt)
Partnered (no dep. children)	New entrants	57k (+250%)	155k (+300%)	81k (+115%)	28k (+198%)	94k (+260%)	43k (+132%)	29k (+335%)	61k (+392%)	38k (+101%)
	Average assets	\$37k (+382%)	\$98k (+371%)	\$192k (+227%)	\$33k (+377%)	\$90k (+399%)	\$180k (+266%)	\$41k (+365%)	\$110k (+312%)	\$205k (+207%)
	Homeowners	18% (+15ppt)	52% (+27ppt)	77% (+14ppt)	16% (+13ppt)	49% (+28ppt)	76% (+19ppt)	21% (+17ppt)	56% (+24ppt)	78% (+10ppt)
Partnered (dep. children)	New entrants	22k (+69%)	71k (+105%)	3k (+67%)	2k (+100%)	16k (+166%)	1k (+85%)	20k (+67%)	55k (+94%)	1k (+51%)
	Average assets	\$32k (+282%)	\$74k (+257%)	\$124k (+248%)	\$32k (+286%)	\$67k (+233%)	\$108k (+219%)	\$32k (+282%)	\$76k (+264%)	\$146k (+289%)
	Homeowners	27% (+17ppt)	51% (+20ppt)	62% (+16ppt)	23% (+15ppt)	44% (+17ppt)	57% (+13ppt)	28% (+18ppt)	53% (+22ppt)	70% (+22ppt)

Note: Number of dependents taken as the maximum of the dependent children, primary carer children and family tax benefit children
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

In education, largest segment are young year-12 graduates, although more than half of new entrants have a higher ed or tertiary qualification

		< Year 12 (17% of total)			Year 12 (31% of total)			Certificate (26% of total)			Tertiary (26% of total)		
		18-29	30-54	55+	18-29	30-54	55+	18-29	30-54	55+	18-29	30-54	55+
Single (no dep. children)	New entrants	55k (+68%)	24k (+45%)	10k (+27%)	155k (+81%)	28k (+82%)	10k (+36%)	66k (+73%)	54k (+51%)	14k (+31%)	66k (+130%)	47k (+113%)	11k (+53%)
	Average assets	\$4k (+269%)	\$86k (+1035%)	\$70k (+242%)	\$9k (+181%)	\$31k (+267%)	\$71k (+213%)	\$9k (+266%)	\$23k (+228%)	\$64k (+202%)	\$19k (+206%)	\$47k (+269%)	\$102k (+266%)
	Homeowners	2% (+1ppt)	15% (+9ppt)	41% (+14ppt)	2% (+0ppt)	16% (+8ppt)	41% (+10ppt)	3% (+2ppt)	14% (+7ppt)	39% (+11ppt)	4% (+2ppt)	20% (+9ppt)	48% (+15ppt)
Single (dep. children)	New entrants	4k (+11%)	7k (+15%)	0k (+11%)	3k (+14%)	3k (+20%)	0k (+17%)	4k (+10%)	3k (+17%)	0k (+18%)	1k (+13%)	10k (+25%)	1k (+34%)
	Average assets	\$7k (+196%)	\$26k (+204%)	\$51k (+231%)	\$10k (+174%)	\$37k (+180%)	\$73k (+258%)	\$8k (+159%)	\$26k (+165%)	\$57k (+221%)	\$14k (+177%)	\$50k (+190%)	\$99k (+271%)
	Homeowners	6% (+4ppt)	21% (+10ppt)	34% (+12ppt)	8% (+5ppt)	28% (+9ppt)	42% (+11ppt)	6% (+4ppt)	20% (+7ppt)	35% (+8ppt)	9% (+4ppt)	33% (+10ppt)	52% (+14ppt)
Partnered (no dep. children)	New entrants	6k (+103%)	15k (+106%)	12k (+57%)	14k (+214%)	19k (+248%)	7k (+67%)	12k (+165%)	25k (+158%)	12k (+70%)	12k (+430%)	34k (+443%)	11k (+115%)
	Average assets	\$22k (+567%)	\$73k (+394%)	\$178k (+218%)	\$30k (+281%)	\$81k (+310%)	\$177k (+218%)	\$28k (+328%)	\$72k (+277%)	\$170k (+189%)	\$50k (+249%)	\$103k (+282%)	\$211k (+242%)
	Homeowners	14% (+13ppt)	48% (+29ppt)	75% (+13ppt)	14% (+11ppt)	48% (+24ppt)	72% (+8ppt)	17% (+14ppt)	46% (+24ppt)	75% (+9ppt)	19% (+14ppt)	49% (+19ppt)	76% (+12ppt)
Partnered (dep. children)	New entrants	3k (+37%)	7k (+46%)	0k (+26%)	5k (+64%)	10k (+85%)	0k (+49%)	5k (+56%)	11k (+73%)	0k (+50%)	3k (+91%)	17k (+122%)	1k (+79%)
	Average assets	\$21k (+273%)	\$55k (+275%)	\$84k (+202%)	\$29k (+247%)	\$68k (+235%)	\$109k (+270%)	\$25k (+211%)	\$54k (+189%)	\$101k (+199%)	\$43k (+238%)	\$85k (+220%)	\$132k (+224%)
	Homeowners	19% (+12ppt)	46% (+21ppt)	58% (+13ppt)	25% (+14ppt)	50% (+19ppt)	56% (+7ppt)	22% (+14ppt)	45% (+17ppt)	56% (+7ppt)	34% (+16ppt)	52% (+15ppt)	64% (+16ppt)

22% of total new entrants

48% of singles without children

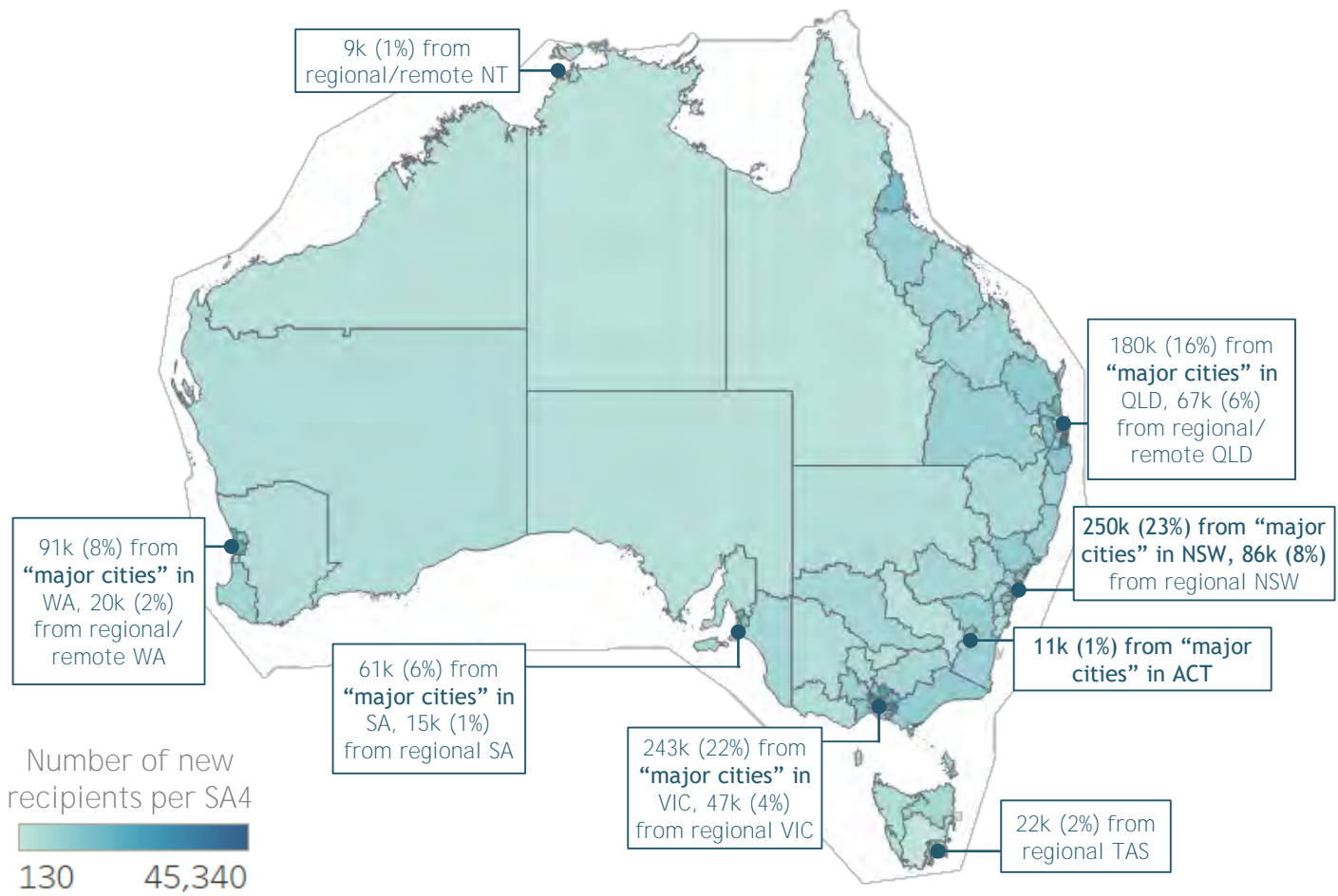
57% of singles with children

59% of partnered with children

60% of partnered without children

Note: Number of dependents taken as the maximum of the dependent children, primary carer children and family tax benefit children; 98,193 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

The majority of new entrants live in Australia’s major cities (75%), not regional or remote areas (25%)



Overall key figures

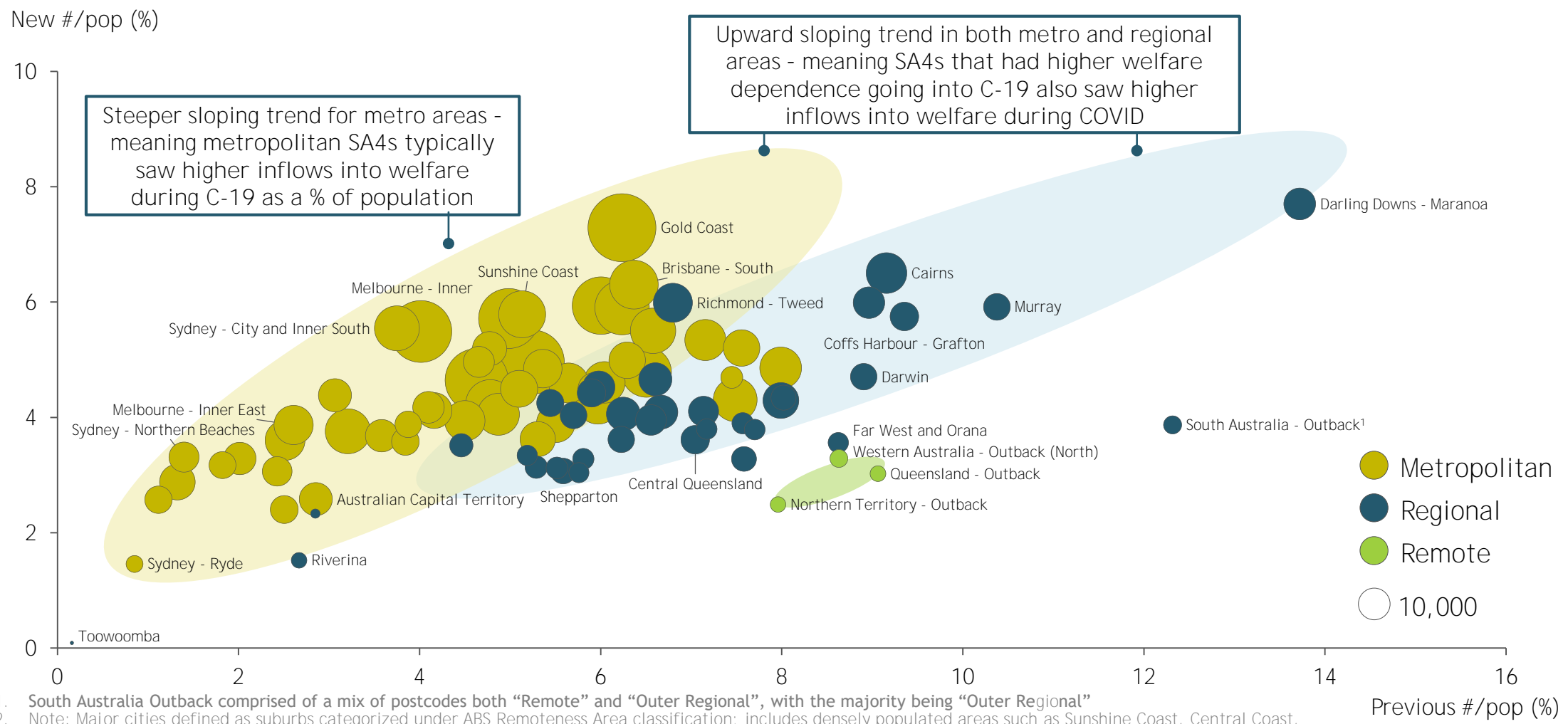
Location	# recipients Feb '20	% of total Feb '20	# new entrants	% of total new entrants
Major Cities	867k	66%	836k	75%
Regional Australia	425k	32%	257k	24%
Remote Australia	24k	2%	8k	1%
Total	1,316k	100%	1,101k	100%

Within Major Cities:

- 640k (77%) of the new recipients live in a capital city
- 195k (23%) live in other major cities in Australia (e.g. Gold Coast, Geelong, Newcastle)

Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast, Geelong; where an SA4 covers multiple Remoteness Areas, the area with majority locality crossover is selected
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

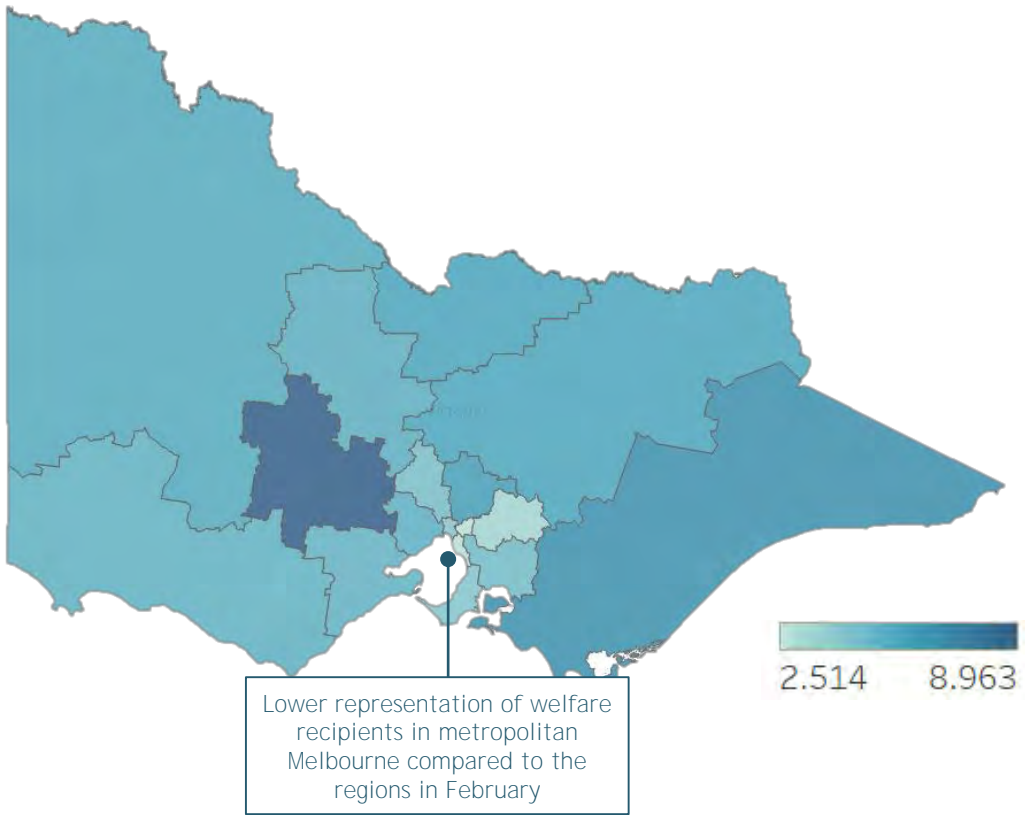
High levels of disadvantage pre-COVID correlates with a high proportion of new ISP entrants, with metropolitan areas worse off than regional and remote areas



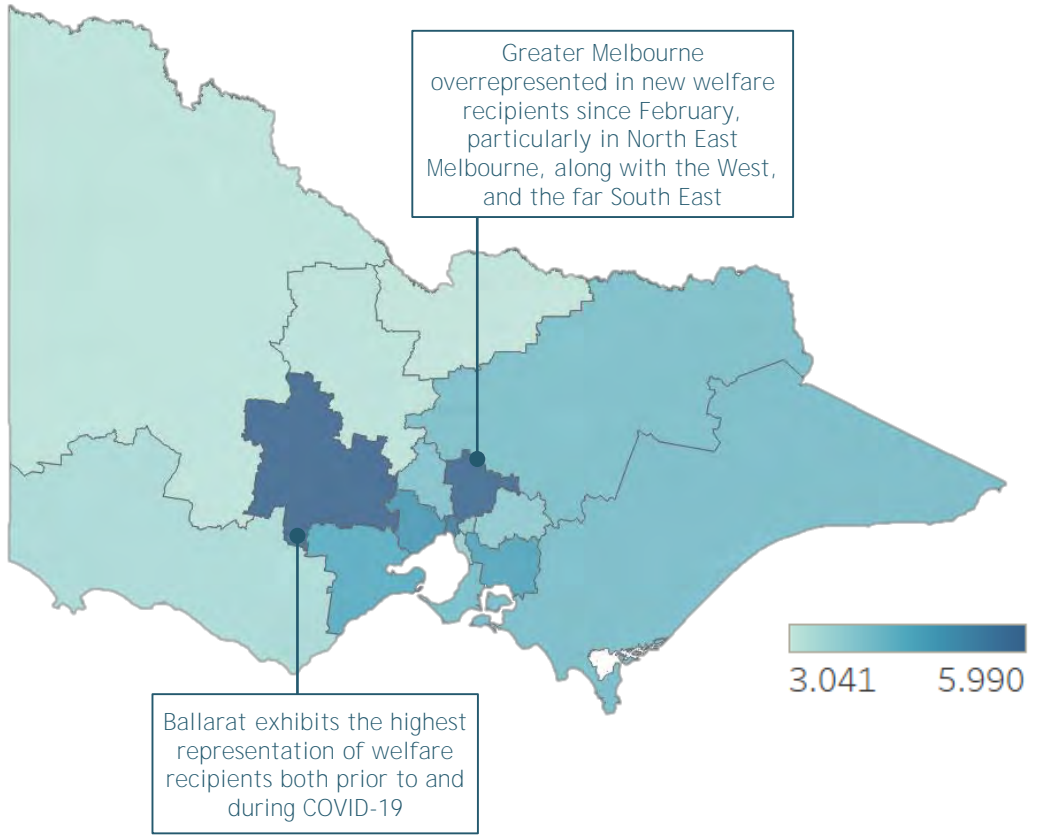
1. South Australia Outback comprised of a mix of postcodes both "Remote" and "Outer Regional", with the majority being "Outer Regional"
 2. Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast, Geelong; where an SA4 covers multiple Remoteness Areas, the area with majority locality crossover is selected
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

In Victoria, Melbourne has been hit much harder than the regions, with the metropolitan areas of long-term disadvantage seeing the most new entrants

Proportion of SA4 population receiving welfare in February in Victoria



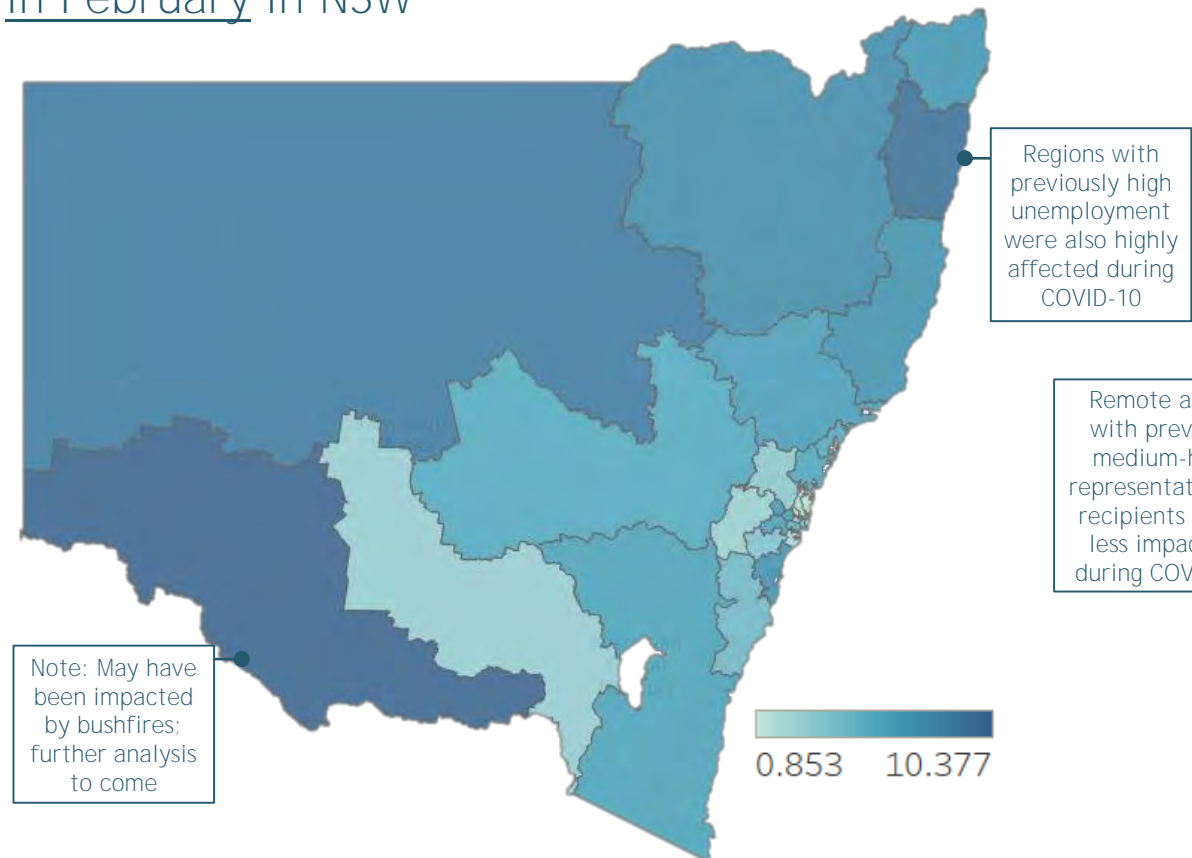
Proportion of SA4 population commencing welfare since February in Victoria



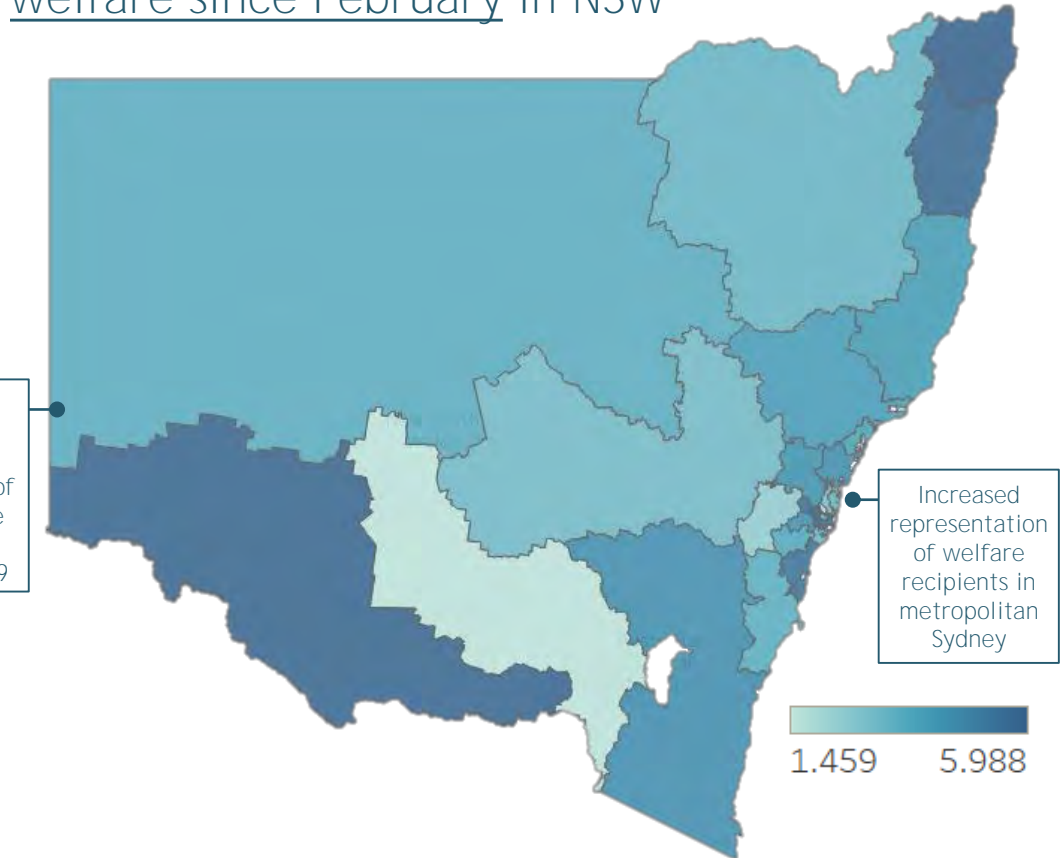
Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

In NSW, metro areas typically hit hardest, although some regions with previous high unemployment also were substantially impacted

Proportion of SA4 population receiving welfare in February in NSW



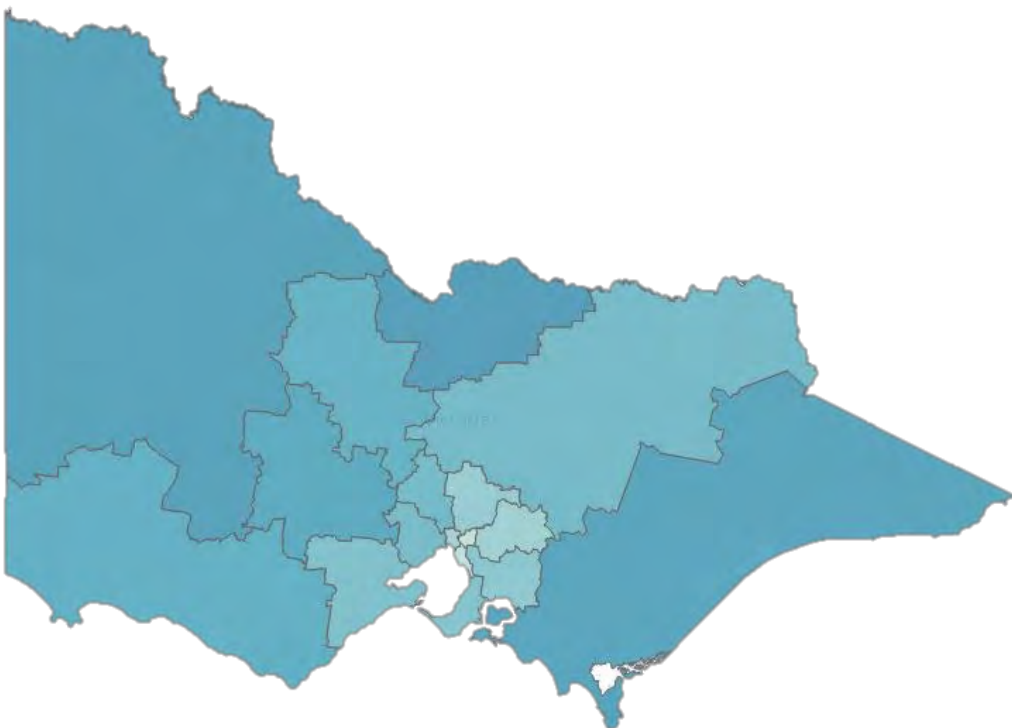
Proportion of SA4 population commencing welfare since February in NSW



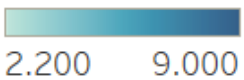
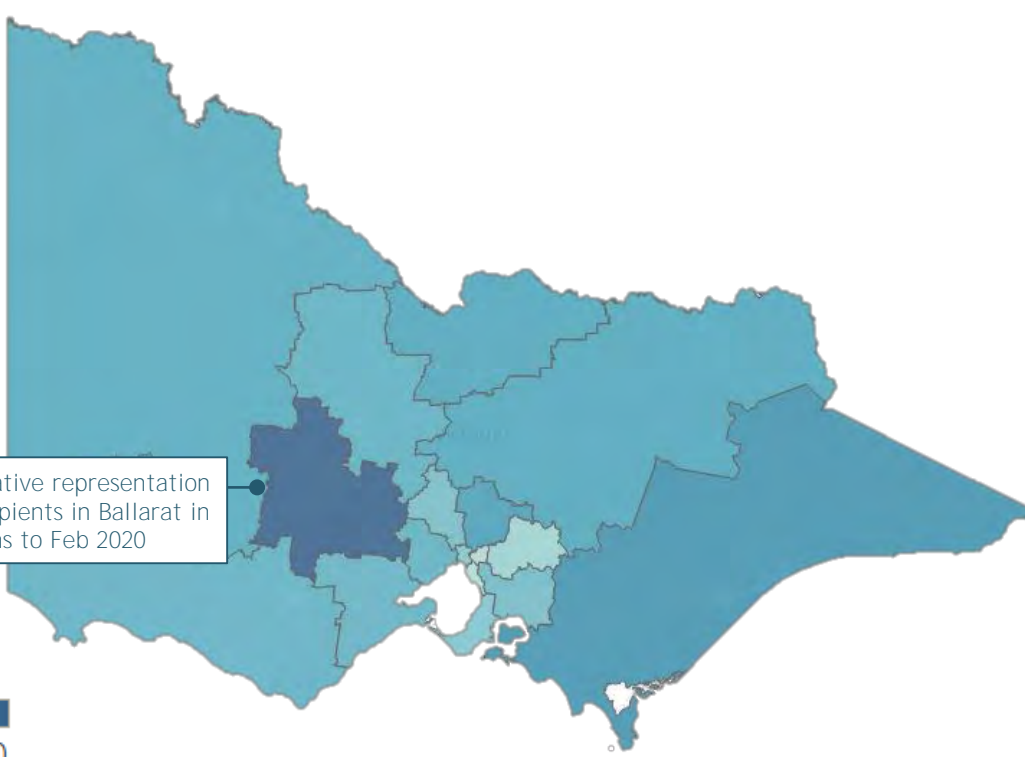
Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Representation of welfare recipients in Ballarat increased significantly between 2019-20

Proportion of SA4 population receiving welfare in February 2019 in Victoria



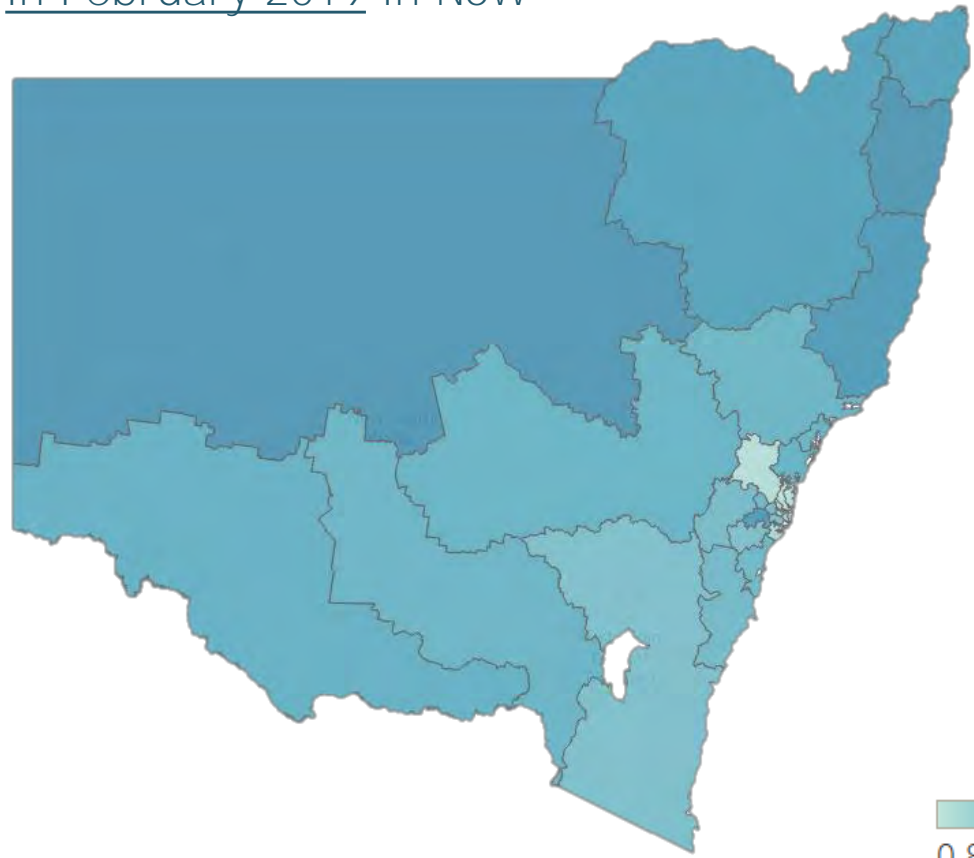
Proportion of SA4 population receiving welfare in February 2020 in Victoria



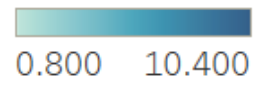
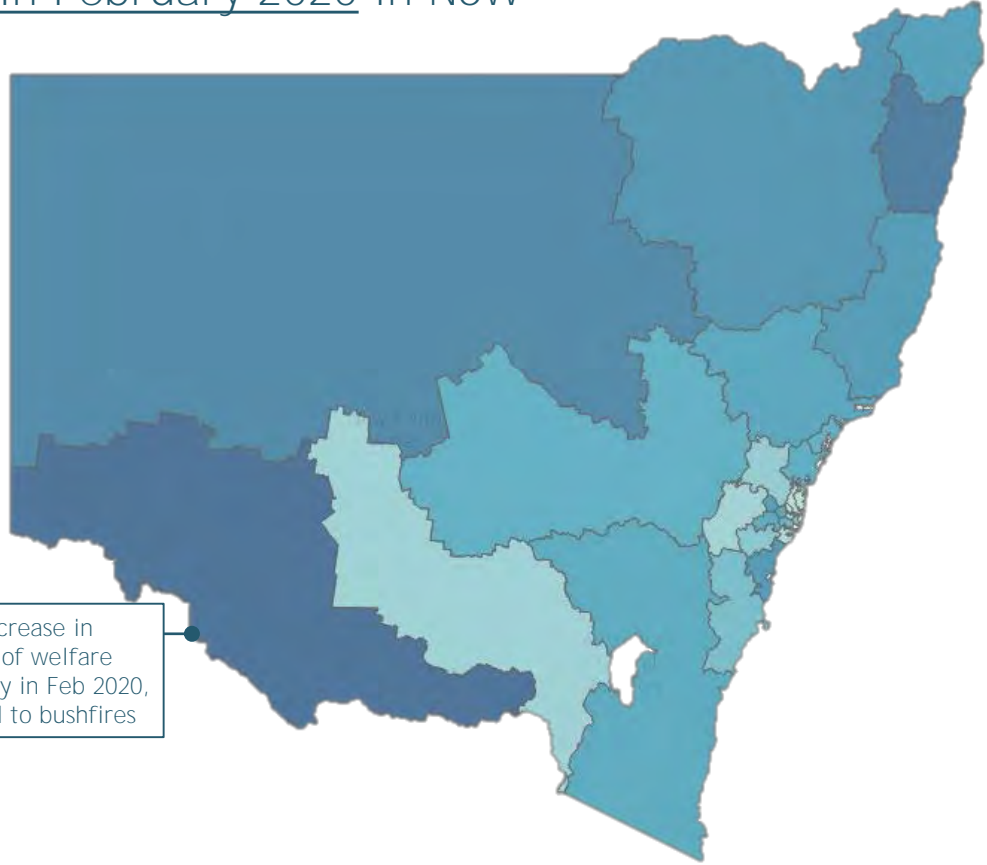
Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Representation of welfare recipients in Murray also increased significantly between 2019-20, potentially linked to bushfires

Proportion of SA4 population receiving welfare in February 2019 in NSW



Proportion of SA4 population receiving welfare in February 2020 in NSW



Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Within Major Cities, the largest number of new entrants have come from more disadvantaged SA4s

Largest % changes in the SA4s with lowest in-going proportion of welfare recipients

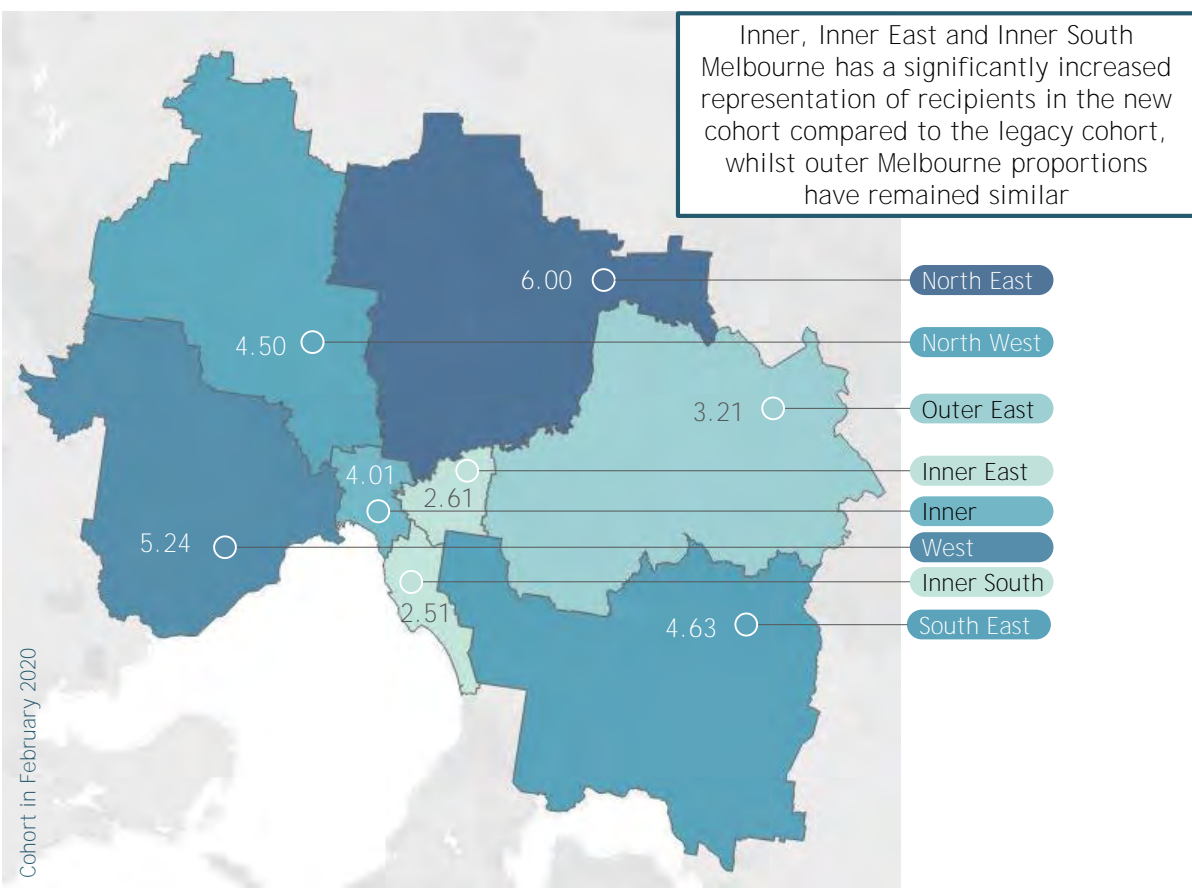
Largest number of new entrants still coming from the more disadvantaged SA4s

		Group 1: <4.05% on ISP in Feb-20			Group 2: 4.1% - 5.6% on ISP in Feb-20			Group 3: >5.6% on ISP in Feb-20		
		18-29	30-54	55+	18-29	30-54	55+	18-29	30-54	55+
Single (no dep. children)	New entrants	88k (+132%)	47k (-132%)	12k (+70%)	98k (+97%)	48k (+91%)	15k (+51%)	116k (+86%)	58k (+77%)	18k (+45%)
	Average assets	\$16k (+234%)	\$49k (+387%)	\$104k (+335%)	\$11k (+234%)	\$76k (+605%)	\$148k (+453%)	\$10k (+241%)	\$32k (+283%)	\$74k (+246%)
	Homeowners	3% (+1ppt)	16% (+11ppt)	41% (+17ppt)	3% (+1ppt)	20% (+11ppt)	45% (+15ppt)	3% (+1ppt)	19% (+11ppt)	44% (+15ppt)
Single (dep. children)	New entrants	1k (+15%)	7k (+30%)	0k (+35%)	3k (+14%)	12k (+23%)	0k (+24%)	4k (+13%)	15k (+21%)	1k (+21%)
	Average assets	\$14k (+224%)	\$64k (+259%)	\$113k (+380%)	\$10k (+176%)	\$40k (+201%)	\$79k (+303%)	\$10k (+188%)	\$34k (+193%)	\$63k (+244%)
	Homeowners	6% (+3ppt)	29% (+12ppt)	46% (+18ppt)	9% (+5ppt)	30% (+11ppt)	45% (+15ppt)	8% (+4ppt)	27% (+11ppt)	41% (+13ppt)
Partnered (no dep. children)	New entrants	11k (+523%)	29k (+778%)	12k (+177%)	14k (+351%)	43k (+393%)	20k (+124%)	18k (+261%)	49k (+293%)	24k (+105%)
	Average assets	\$49k (+292%)	\$140k (+409%)	\$226k (+305%)	\$35k (+325%)	\$91k (+330%)	\$181k (+234%)	\$33k (+333%)	\$82k (+324%)	\$168k (+229%)
	Homeowners	13% (+11ppt)	44% (+22ppt)	73% (+17ppt)	20% (+17ppt)	54% (+26ppt)	78% (+16ppt)	19% (+16ppt)	53% (+27ppt)	75% (+18ppt)
Partnered (dep. children)	New entrants	2k (+118%)	11k (+178%)	0k (+125%)	6k (+85%)	21k (+116%)	1k (+73%)	7k (+71%)	24k (+98%)	1k (+60%)
	Average assets	\$48k (+288%)	\$104k (+287%)	\$162k (+328%)	\$33k (+269%)	\$69k (+243%)	\$104k (+196%)	\$30k (+263%)	\$65k (+247%)	\$113k (+277%)
	Homeowners	26% (+16ppt)	47% (+18ppt)	62% (+19ppt)	28% (+15ppt)	52% (+18ppt)	63% (+14ppt)	28% (+17ppt)	51% (+19ppt)	59% (+16ppt)

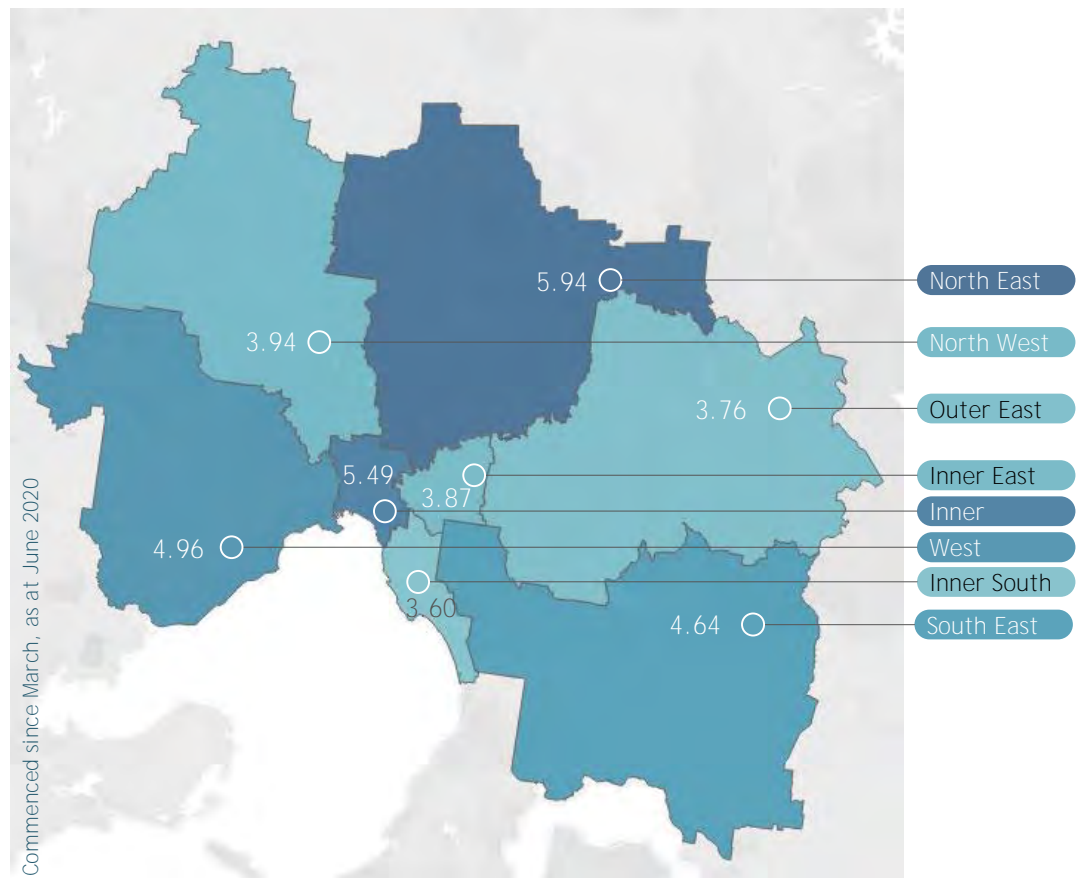
Note: Major cities defined as suburbs categorized under ABS Remoteness Area classification; includes densely populated areas such as Sunshine Coast, Central Coast; where an SA4 covers multiple Remoteness Areas, the area with majority crossover is selected; Children determined by dependent children, primary carer and family tax benefit flags; 1660 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Representation of welfare recipients in inner Melbourne has significantly increased during COVID-19

Melbourne: February (% of population)



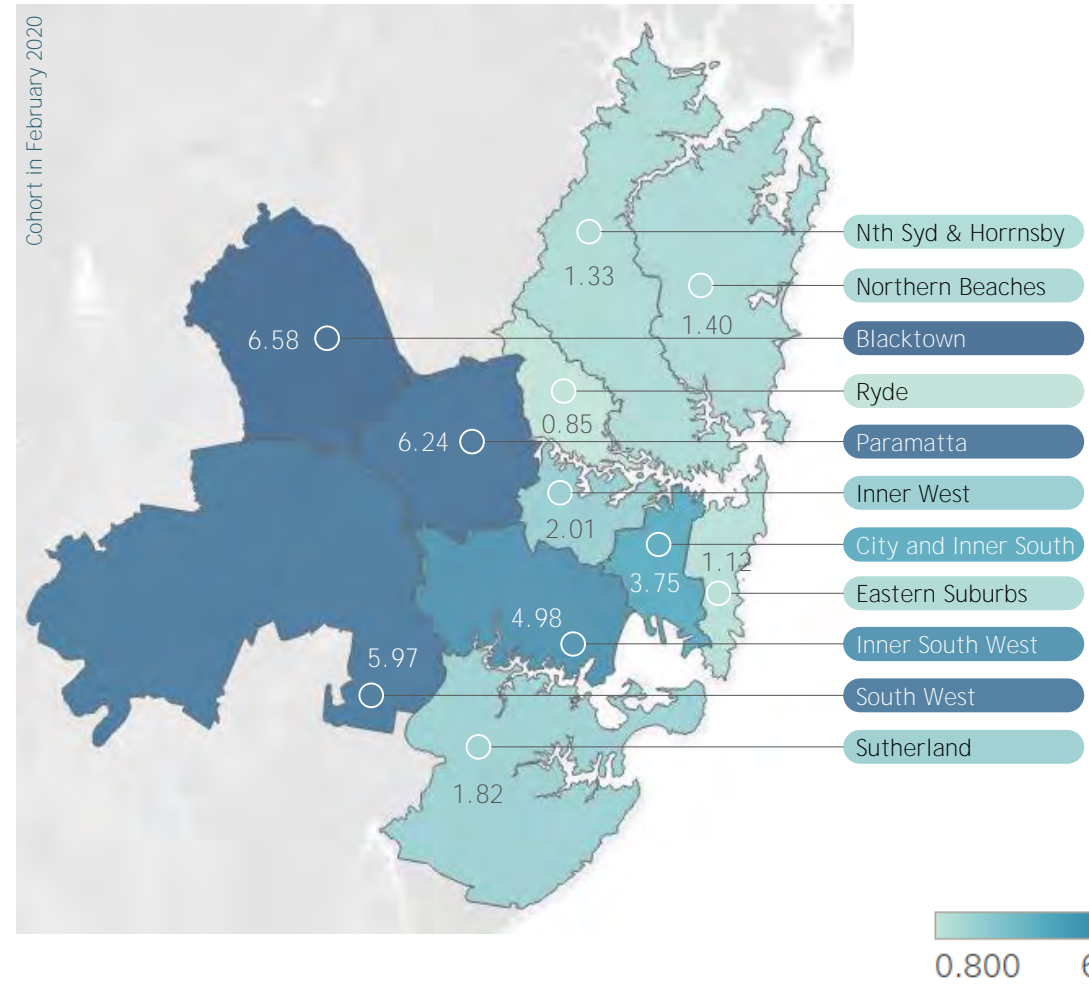
Melbourne: New entrants (% of population)



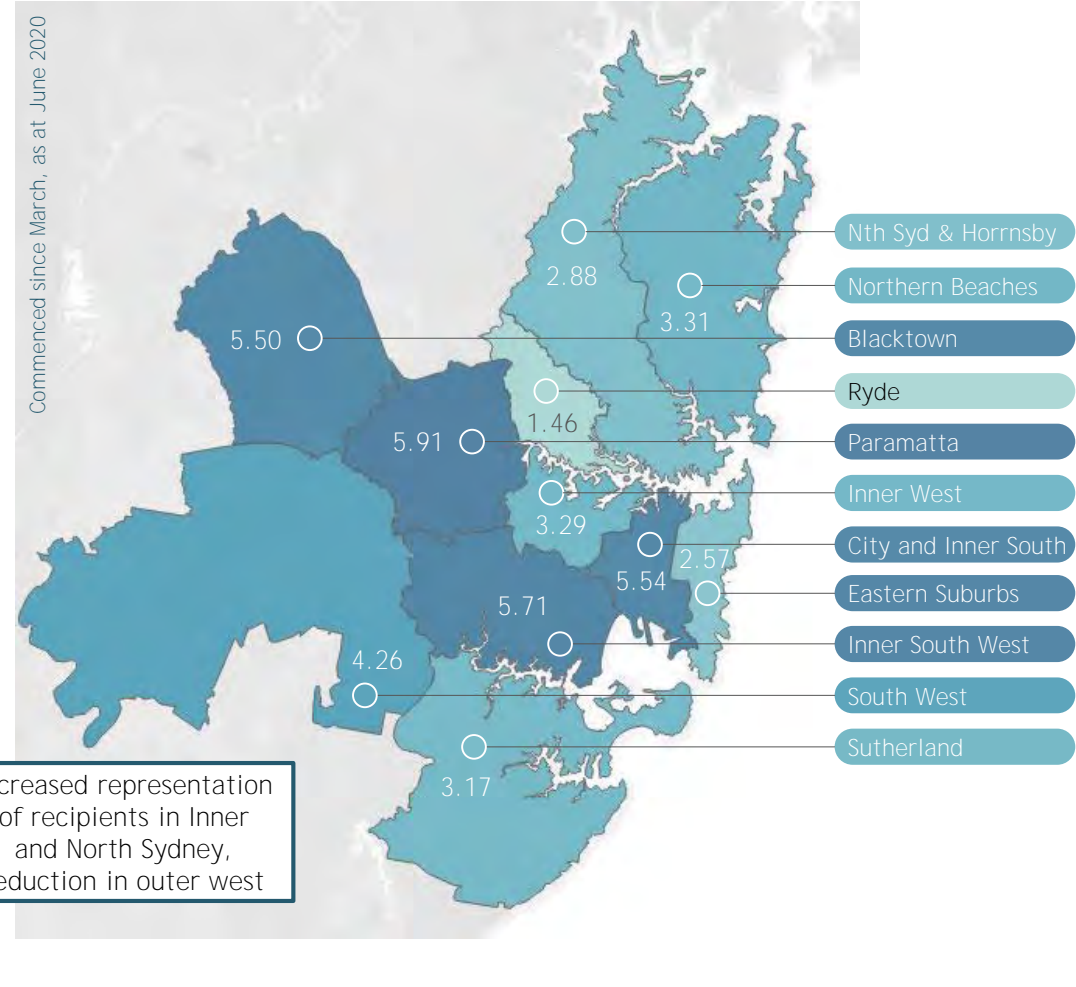
Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Areas surrounding Sydney with previously low rates of welfare representation have been impacted

Sydney: February (% of population)



Sydney: New entrants (% of population)

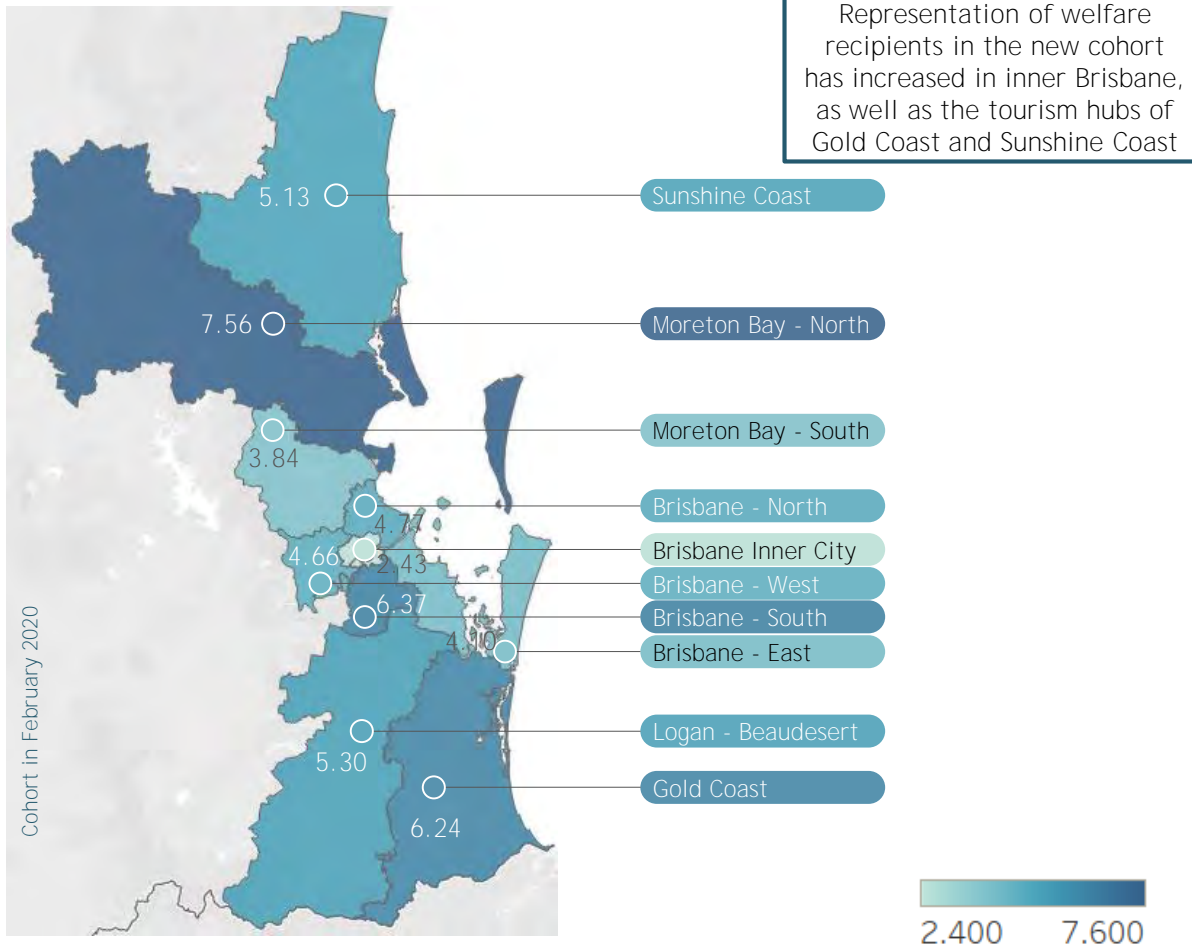


Increased representation of recipients in Inner and North Sydney, reduction in outer west

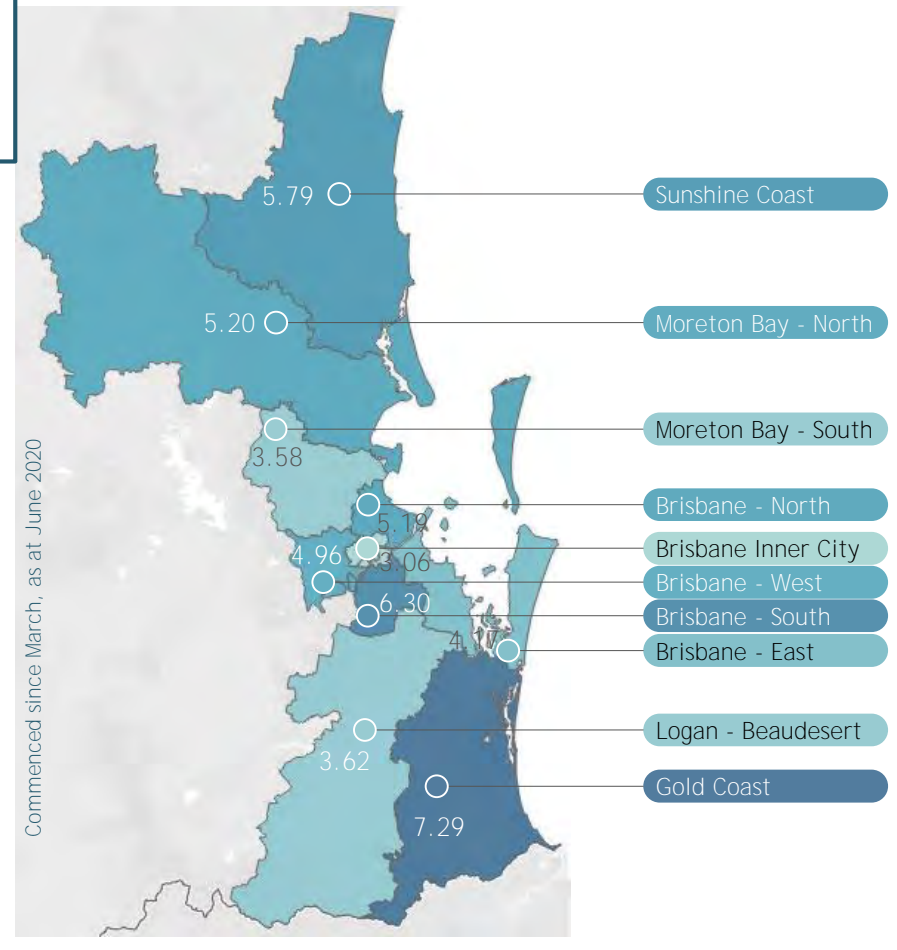
Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Welfare representation has increased in the tourism hubs of Gold Coast and Sunshine Coast, as well as in inner Brisbane

Brisbane: February (% of population)



Brisbane: New entrants (% of population)



Source: DSS Data as at 28 February 2020, 26 June 2020; ABS data; Project analysis

Backup: Major metro areas typically responsible for the largest volumes of new entrants, with increased representation from historically wealthy areas

Victoria

	New entrants	Previous #/pop (%)	New #/pop (%)
Ballarat	9865	8.96	5.99
Latrobe - Gippsland	11583	6.66	4.09
Melbourne - North East	32375	6.01	5.94
Shepparton	4061	5.76	3.04
Hume	7132	5.70	4.04
North West	4746	5.51	3.12
Bendigo	5034	5.29	3.14
Melbourne - West	40610	5.24	4.96
Warrnambool and South West	4177	5.19	3.34
Geelong	13570	5.10	4.50
Melbourne - South East	39119	4.63	4.64
Melbourne - North West	16007	4.50	3.94
Mornington Peninsula	12665	4.16	4.12
Melbourne - Inner	37431	4.01	5.49
Melbourne - Outer East	19939	3.21	3.76
Melbourne - Inner East	15131	2.61	3.87
Melbourne - Inner South	15844	2.51	3.61

South Australia

	New entrants	Previous #/pop (%)	New #/pop (%)
South Australia - Outback	3282	12.31	3.87
Barossa - Yorke - Mid North	4316	7.70	3.79
Adelaide - North	18890	7.49	4.31
South Australia - South East	6942	6.23	3.62
Adelaide - South	16947	6.04	4.61
Adelaide - West	10654	5.93	4.49
Adelaide - Central and Hills	14651	5.36	4.85

ACT

	New entrants	Previous #/pop (%)	New #/pop (%)
Australian Capital Territory	10871	2.85	2.58

New South Wales

	New entrants	Previous #/pop (%)	New #/pop (%)
Murray	7109	10.38	5.92
Coffs Harbour - Grafton	8120	9.35	5.75
Far West and Orana	4178	8.63	3.56
New England and North West	6127	7.58	3.28
Illawarra	16623	7.16	5.34
Mid North Coast	9057	7.14	4.10
Richmond - Tweed	15032	6.80	5.99
Sydney - Blacktown	20323	6.58	5.50
Hunter Valley exc Newcastle	11247	6.25	4.06
Sydney - Parramatta	29144	6.24	5.91
Capital Region	10319	5.98	4.53
Sydney - South West	18947	5.97	4.26
Central Coast	15734	5.65	4.60
Central West	6533	5.59	3.07
Newcastle and Lake Macquarie	14652	5.50	3.90
Sydney - Inner South West	35438	4.98	5.71
Southern Highlands and Shoalhaven	5435	4.46	3.51
Sydney - City and Inner South	19918	3.75	5.54
Sydney - Outer South West	10438	3.58	3.68
Sydney - Baulkham Hills and Hawkesbury	10773	3.06	4.39
Riverina	2445	2.67	1.52
Sydney - Outer West and Blue Mountains	7777	2.51	2.40
Sydney - Inner West	10494	2.01	3.29
Sydney - Sutherland	7260	1.82	3.17
Sydney - Northern Beaches	8979	1.40	3.31
Sydney - North Sydney and Hornsby	12581	1.32	2.88
Sydney - Eastern Suburbs	7541	1.12	2.57
Sydney - Ryde	2913	0.85	1.46

Tasmania

	New entrants	Previous #/pop (%)	New #/pop (%)
Launceston and North East	6304	8.02	4.35
West and North West	4249	7.18	3.80
Hobart	10841	6.60	4.66
South East	902	2.84	2.34

Queensland

	New entrants	Previous #/pop (%)	New #/pop (%)
Darling Downs - Maranoa	9917	13.72	7.70
Cairns	16394	9.16	6.50
Queensland - Outback	2489	9.06	3.02
Wide Bay	12738	7.99	4.29
Ipswich	17087	7.99	4.86
Moreton Bay - North	13092	7.55	5.20
Central Queensland	8154	7.05	3.61
Townsville	9354	6.55	3.96
Brisbane - South	23320	6.37	6.30
Gold Coast	45339	6.24	7.29
Mackay - Isaac - Whitsunday	7326	5.44	4.25
Logan - Beaudesert	12370	5.30	3.62
Sunshine Coast	21715	5.13	5.79
Brisbane - North	11544	4.77	5.19
Brisbane - West	9497	4.66	4.96
Brisbane - East	9923	4.10	4.17
Moreton Bay - South	7655	3.84	3.58
Brisbane Inner City	8660	2.43	3.06
Toowoomba	138	0.16	0.09

Western Australia

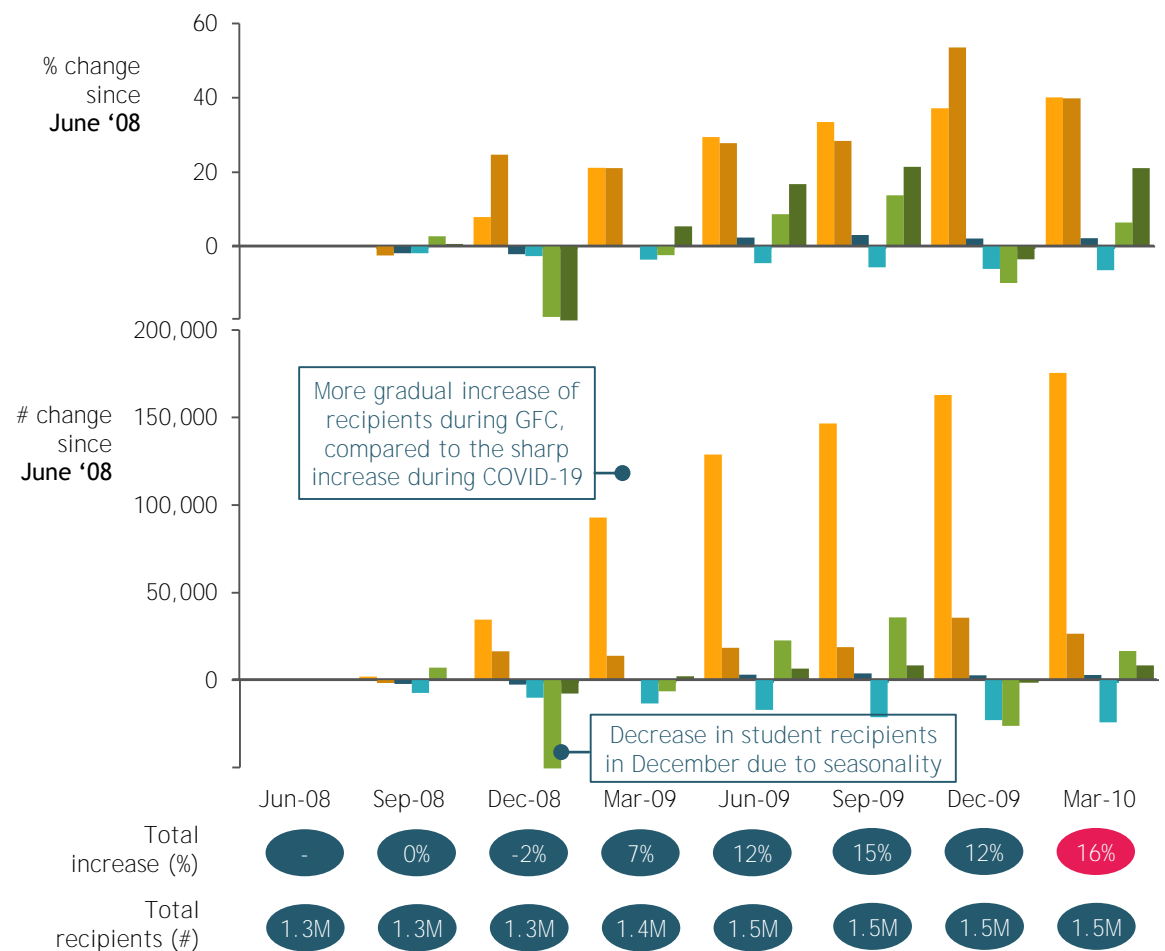
	New entrants	Previous #/pop (%)	New #/pop (%)
Western Australia - Outback (North)	3207	8.64	3.28
Western Australia - Outback (South)	4606	7.56	3.89
Mandurah	4794	7.45	4.70
Perth - South East	24647	6.51	4.78
Perth - North East	13257	6.29	4.99
Bunbury	8076	5.90	4.42
Western Australia - Wheat Belt	4502	5.81	3.28
Perth - South West	17440	4.87	4.05
Perth - North West	23914	4.78	4.23
Perth - Inner	7011	3.87	3.88

Northern Territory

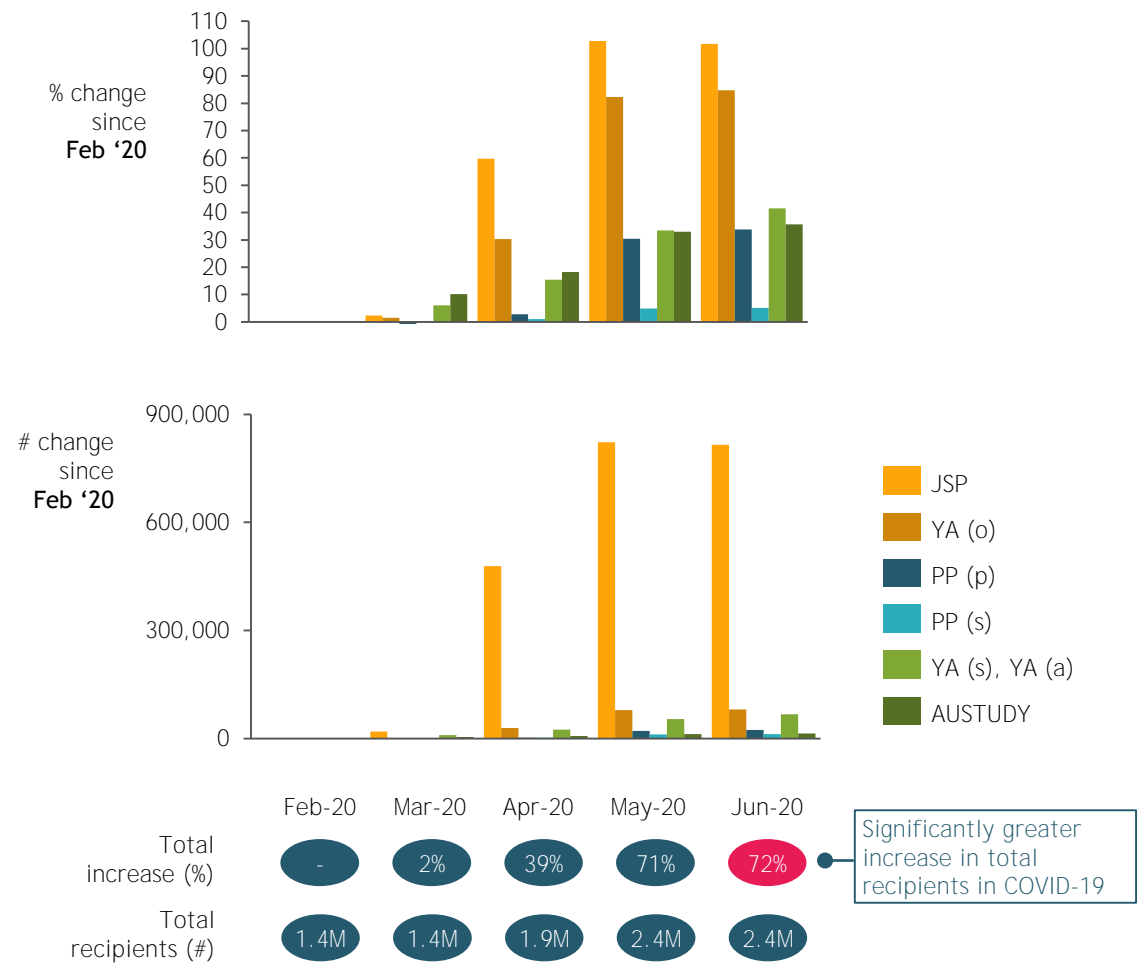
	New entrants	Previous #/pop (%)	New #/pop (%)
Darwin	6988	8.91	4.70
Northern Territory - Outback	2462	7.96	2.49

During the GFC, the increase in working-age welfare recipients was smaller, and more gradual, compared to COVID-19

Change in welfare recipients following GFC

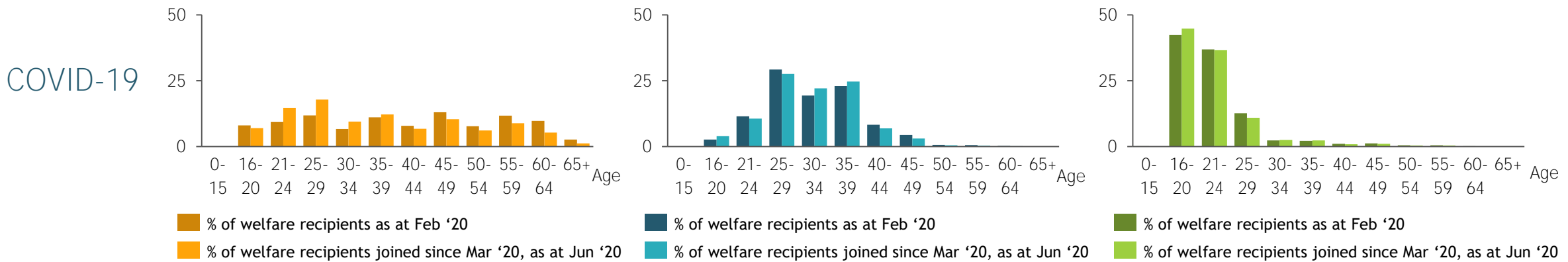
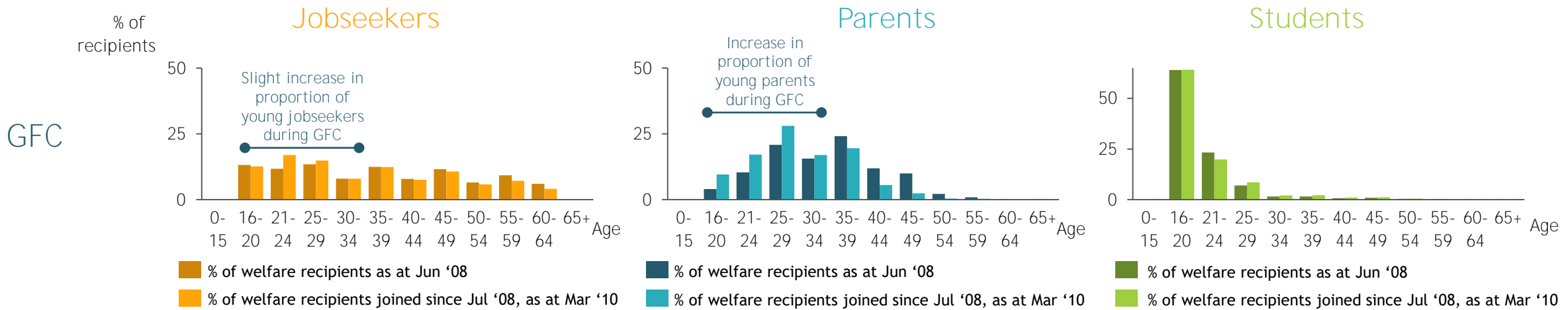


Change in welfare recipients following COVID-19



Note: Does not include pending claims, shows actual recipients on ISP at the point in time
 Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

During both the GFC and COVID-19, new entrants are more likely to be younger GFC comparison - Age distribution



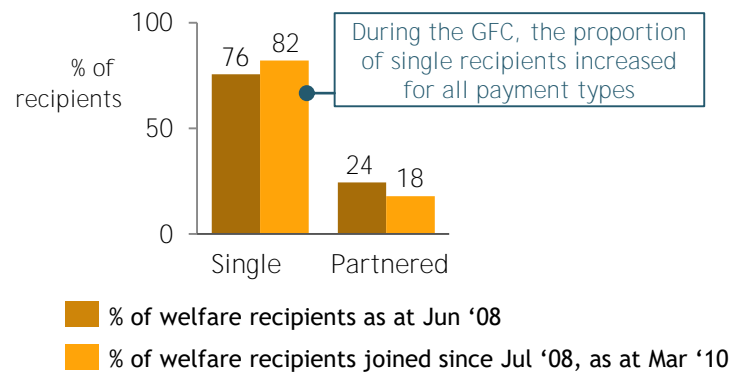
1. Where number of children is marked as NA, zero is assumed
Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

Proportion of single recipients increased during GFC, decreased during COVID-19

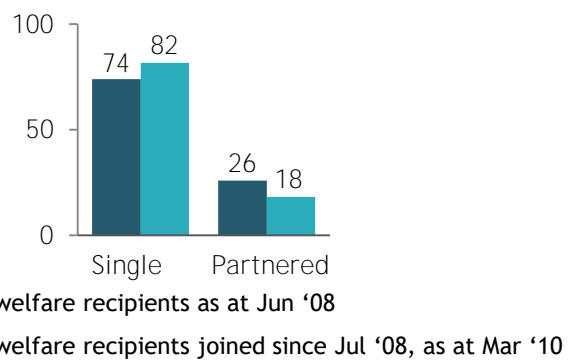
GFC comparison - Relationship status

GFC

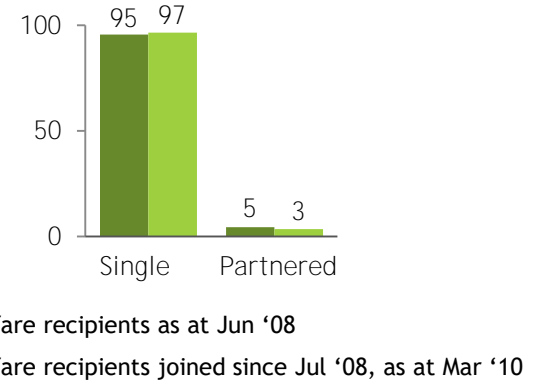
Jobseekers



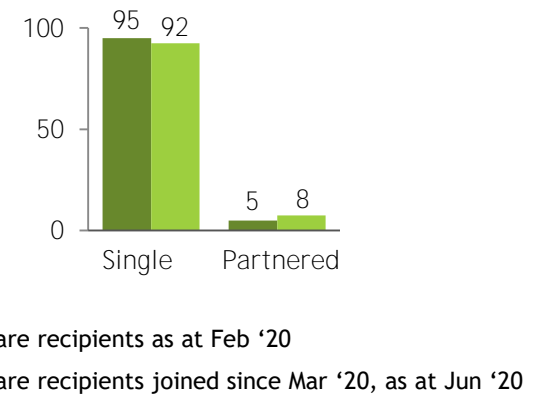
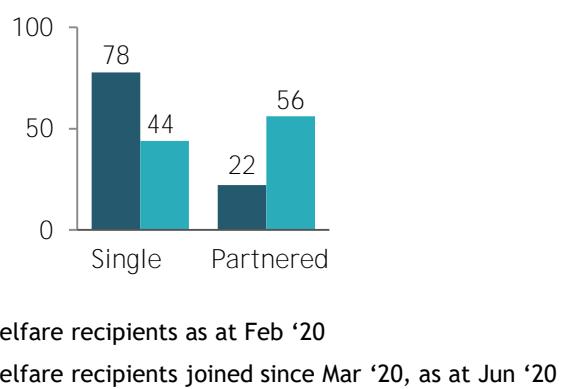
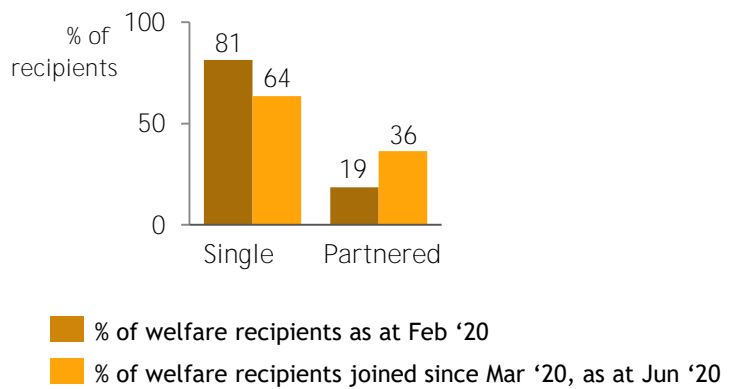
Parents



Students



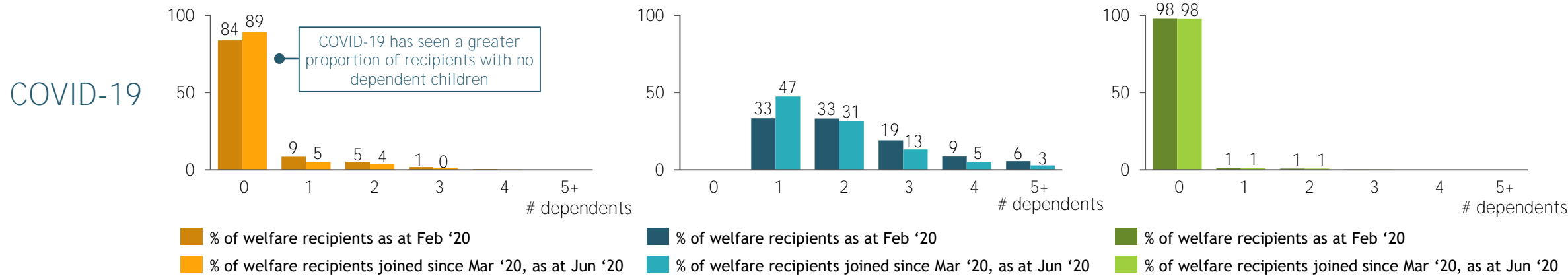
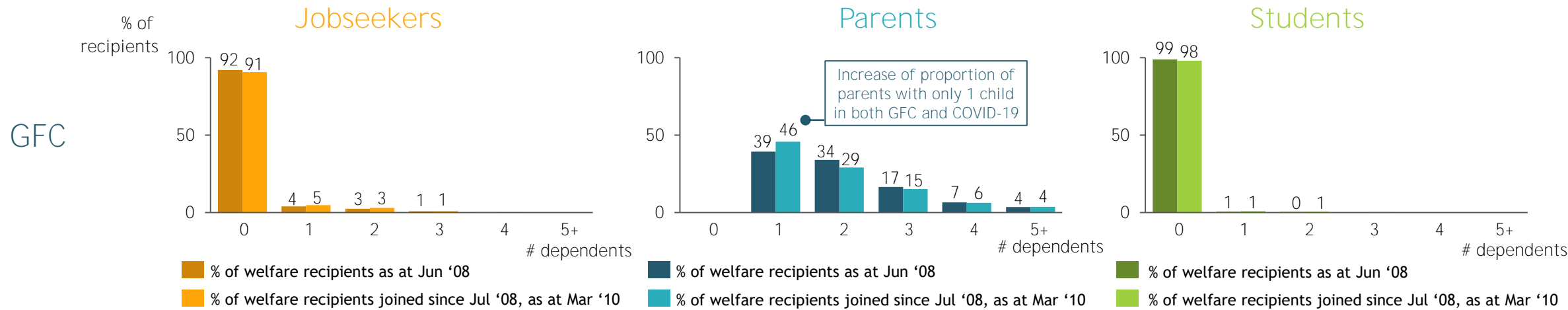
COVID-19



1. Where number of children is marked as NA, zero is assumed
Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

Shift toward smaller & no-child families more pronounced in COVID-19

GFC comparison - Dependent children

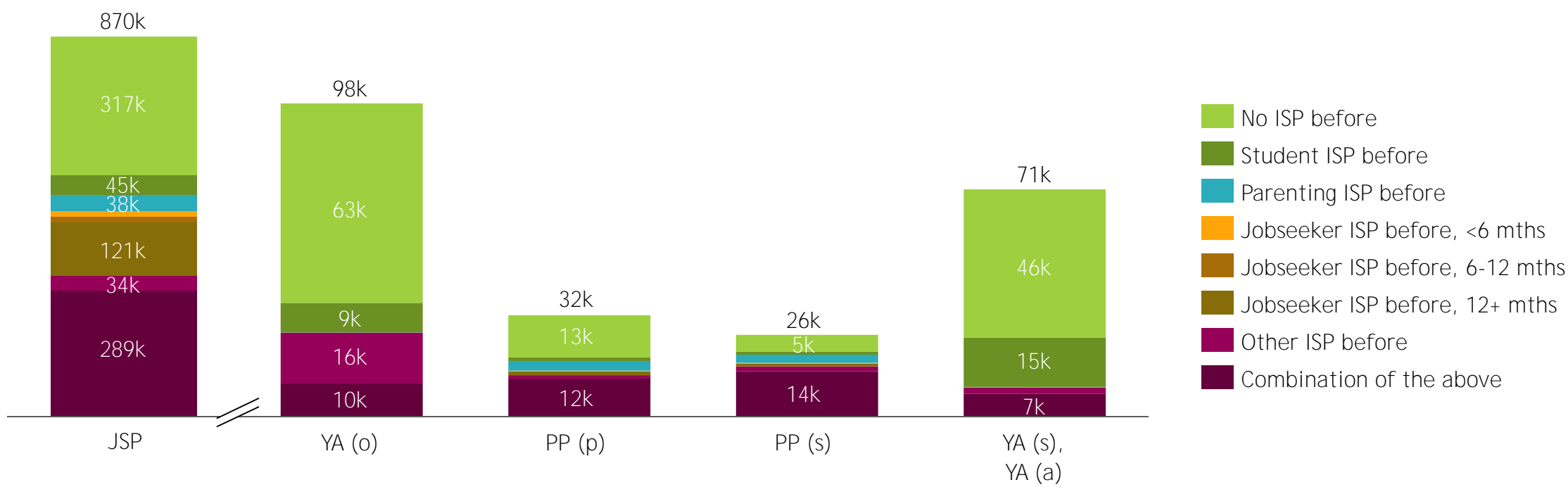


Note: Number of children assumed to be maximum out of dependent children flag, principal carer flag and family tax benefit flag
 Source: DSS data as at 27 June 2008, 26 March 2010, 28 February 2020, 26 June 2020; Project analysis

Almost 40% of new jobseekers and parents have not received welfare in the last 20 years, a further ~5% have been on just a student payment before

Extent of previous engagement with income support (since 2000), for recipients that commenced on payment after 28 February 2020, as at 3 July 2020

398k (39%) of new jobseekers and parents since February have not received welfare at any stage in the last 20 years

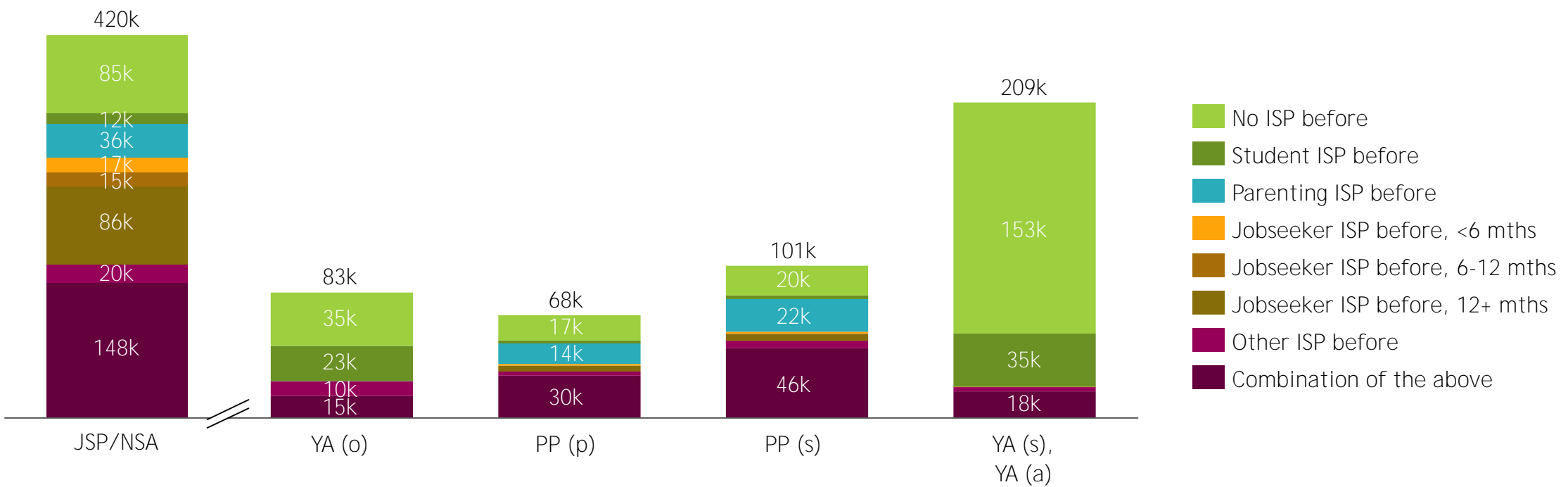


Note: "Jobseeker ISP" includes Jobseeker Payment and Youth Allowance (other); "Student ISP" includes Austudy, Youth Allowance (student) and ABSTUDY; "Parenting ISP" includes Parenting Payment Partnered and Parenting Payment Single
Source: DSS data as at 28 February 2020, 3 July 2020; Project analysis

In GFC, only 23% of new jobseekers and parents were new to income support, a with a further ~6% having been on just a student payment before

Extent of previous engagement with income support (since 2000), for recipients that commenced on payment after 27 June 2008, as at 10 March 2010

157k (23%) of new jobseekers and parents after the GFC had not received welfare at any stage since 2000



Note: "Jobseeker ISP" includes Jobseeker Payment and Youth Allowance (other); "Student ISP" includes Austudy, Youth Allowance (student) and ABSTUDY; "Parenting ISP" includes Parenting Payment Partnered and Parenting Payment Single
Source: DSS data as at 27 June 2008, 10 March 2010; Project analysis

2. Changes in the working arrangements of working-age welfare recipients since February 2020

Earned income and hours worked has increased for jobseekers, and decreased for parenting payment and student recipients

Jobseekers

Total recipients: 1.8M

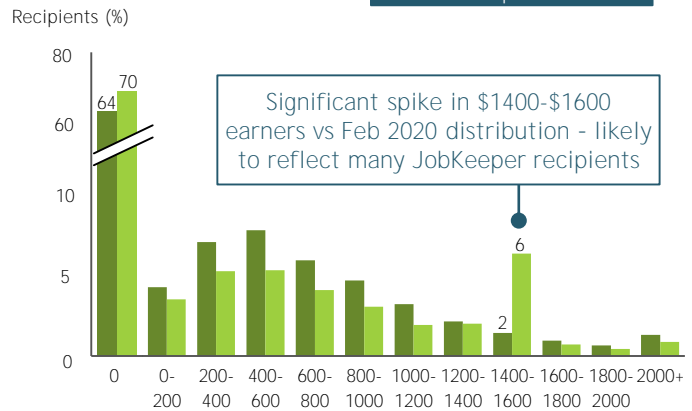
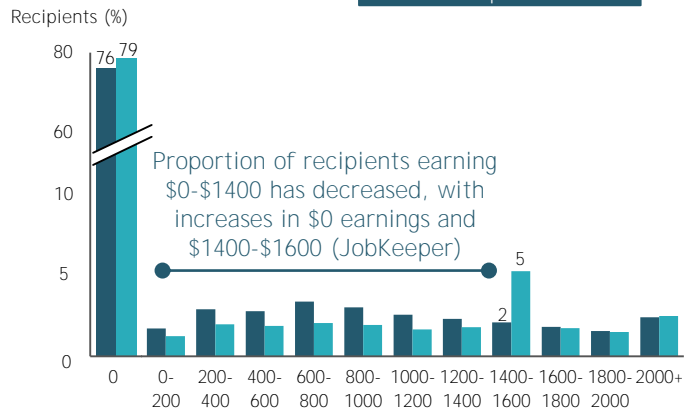
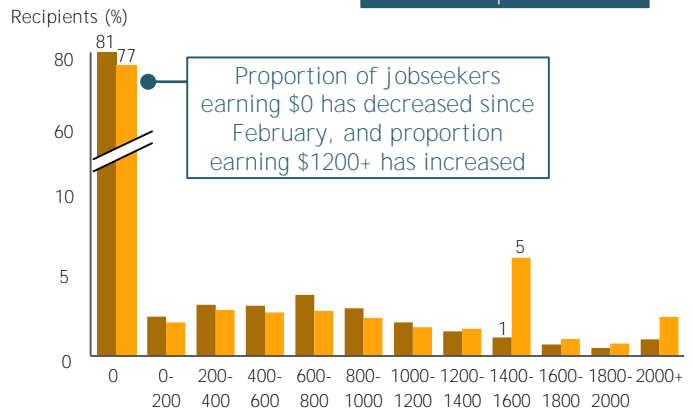
Parents of young children

Total recipients: 337k

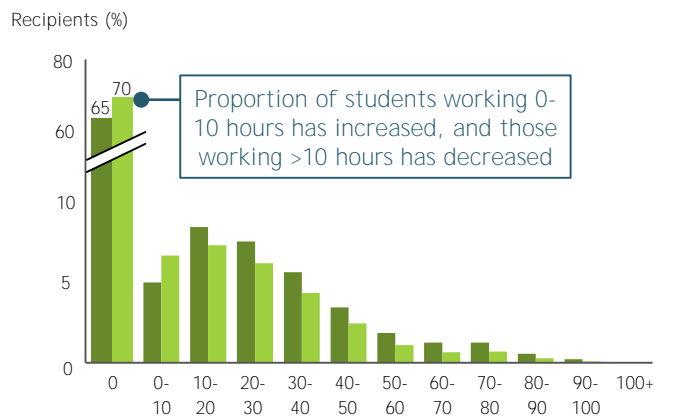
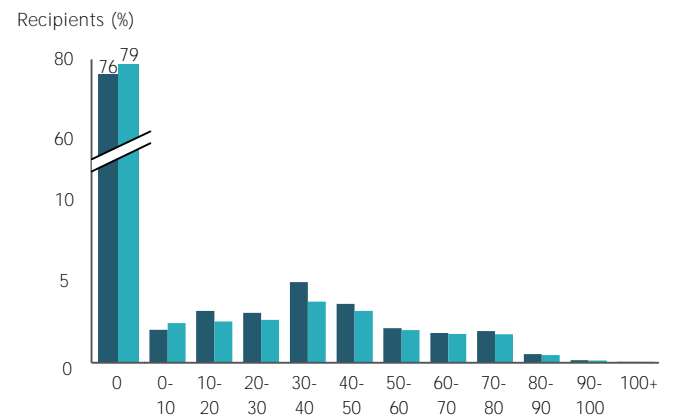
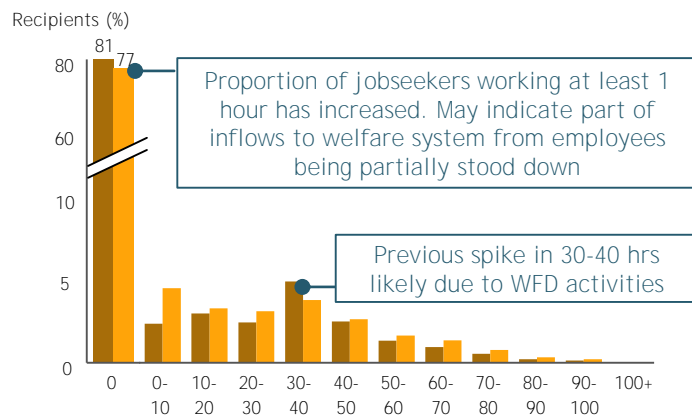
Students

Total recipients: 280k

Income p/f



Hours worked p/f



■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

Note: 440 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

Relationship status: Partnered parents are the largest cohort of nil-earners

Jobseekers

Total recipients: 1.3M

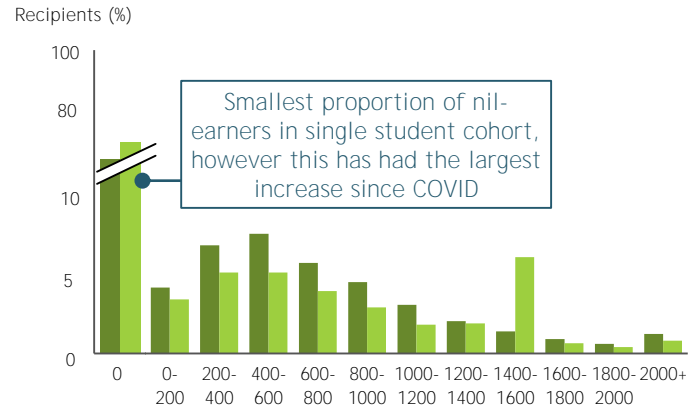
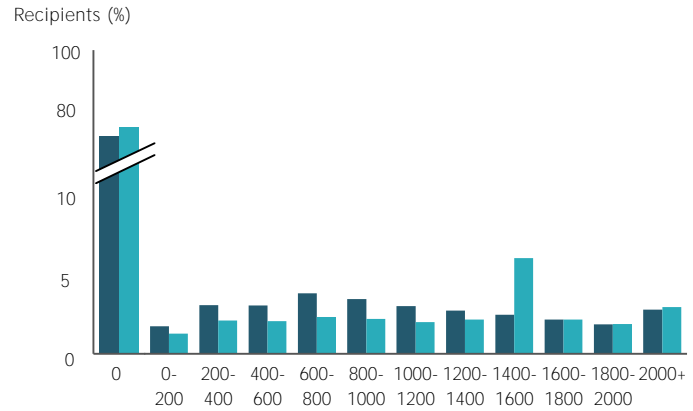
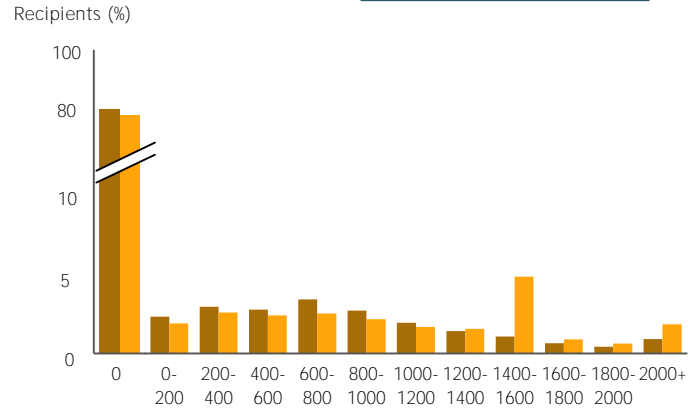
Parents of young children

Total recipients: 244k

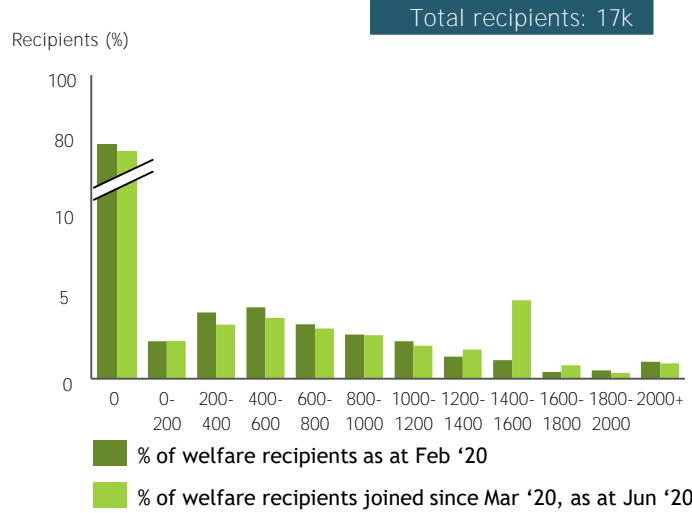
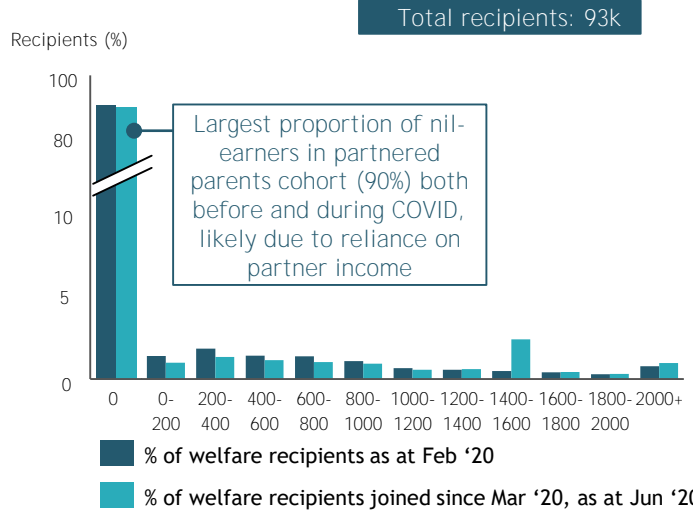
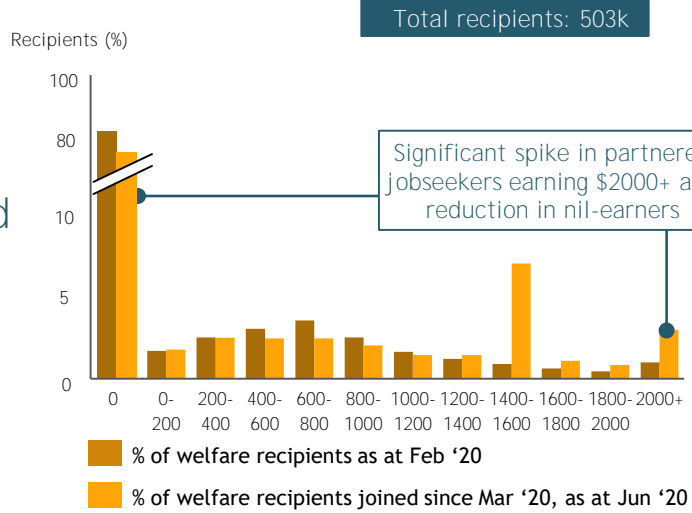
Students

Total recipients: 264k

Single

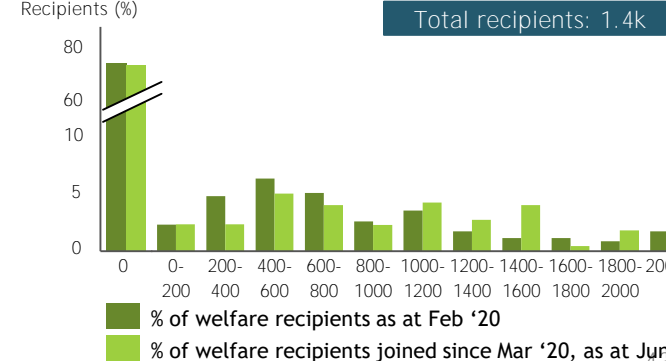
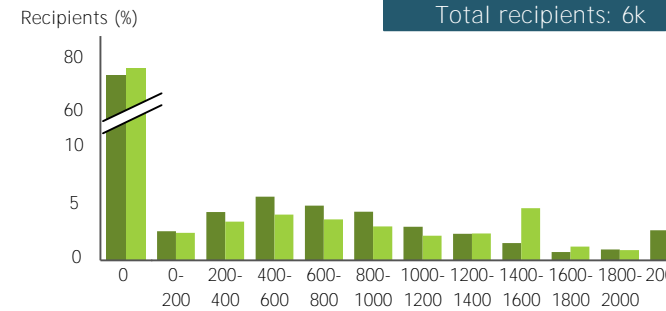
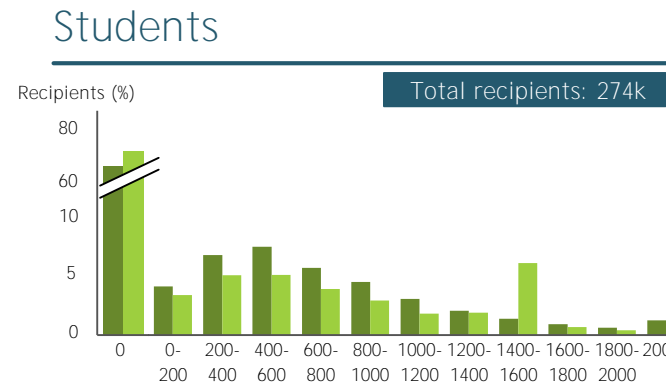
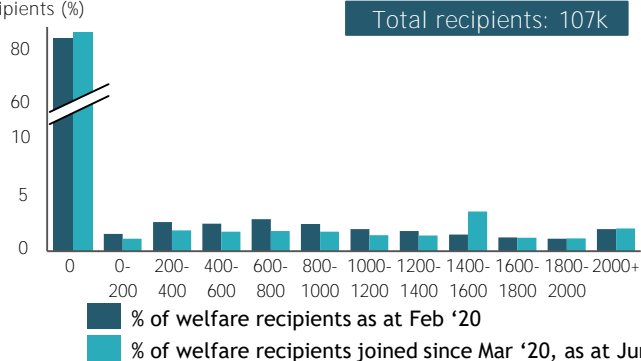
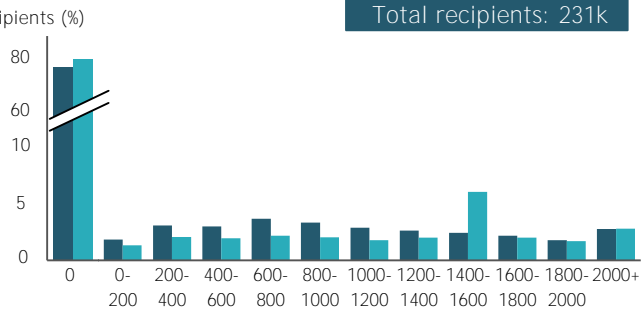
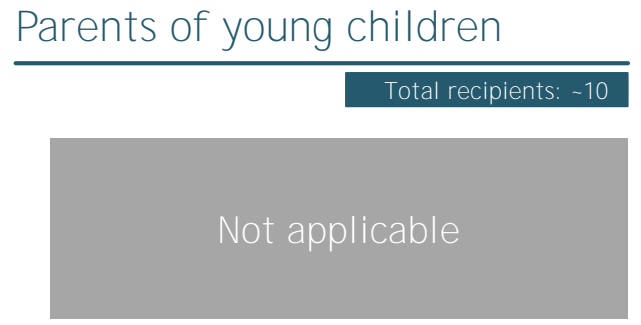
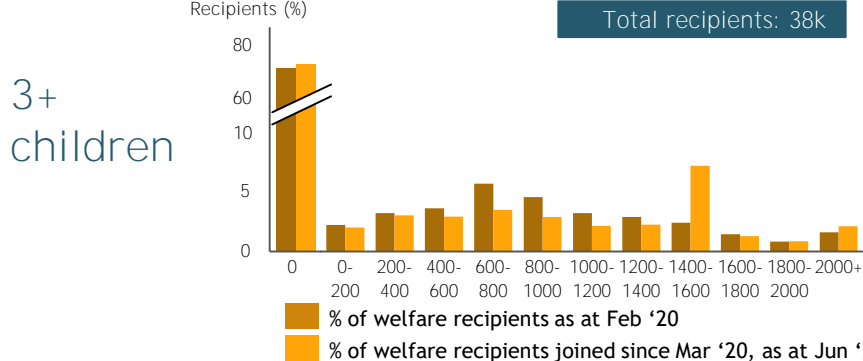
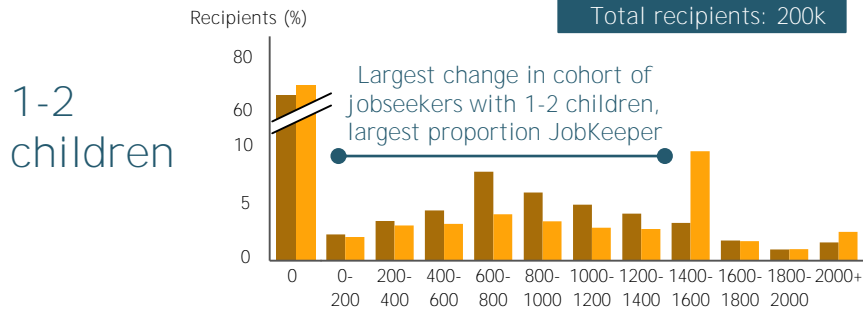
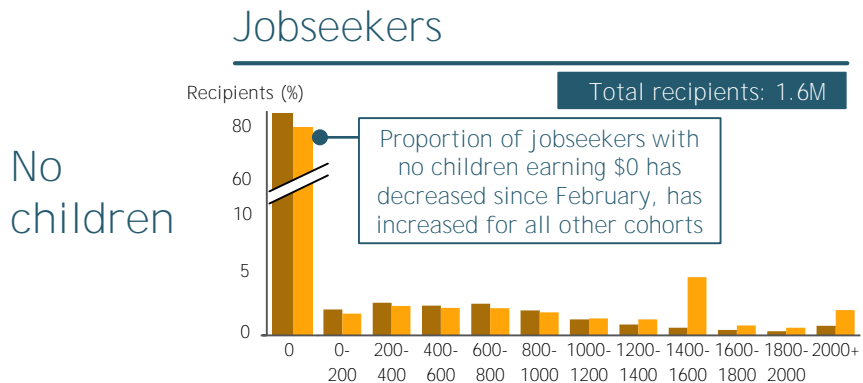


Partnered



Note: 430 "NA" entries excluded from analysis
Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

Household size: Impact of JobKeeper is largest is among jobseekers with 1-2 children



% of welfare recipients as at Feb '20
 % of welfare recipients joined since Mar '20, as at Jun '20
 % of welfare recipients as at Feb '20
 % of welfare recipients joined since Mar '20, as at Jun '20
 % of welfare recipients as at Feb '20
 % of welfare recipients joined since Mar '20, as at Jun '20

Note: Number of children taken as maximum of dependent children, principal carer and family tax benefit records
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

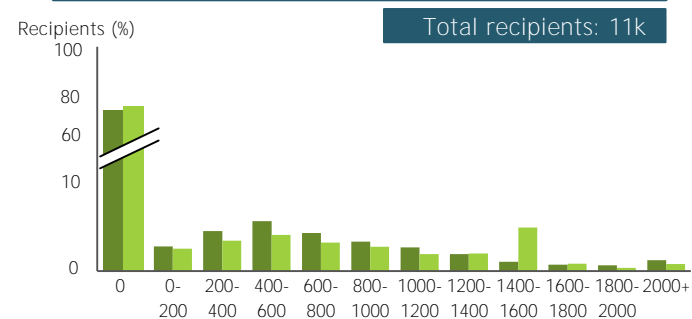
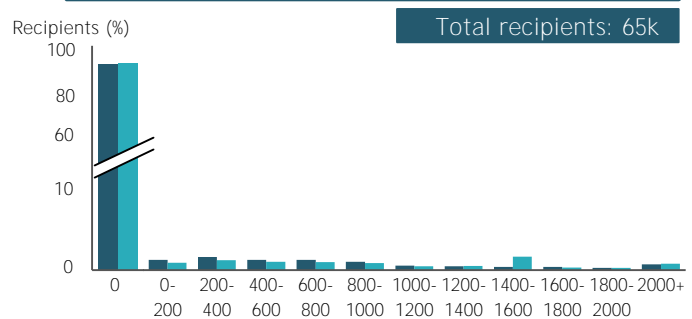
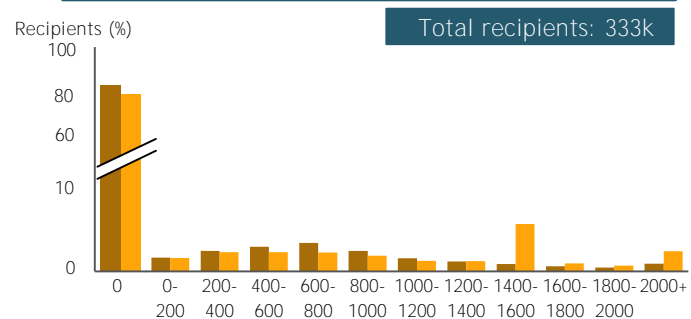
Partner income level: Higher partner income correlates with lower proportion of nil-earners

Jobseekers

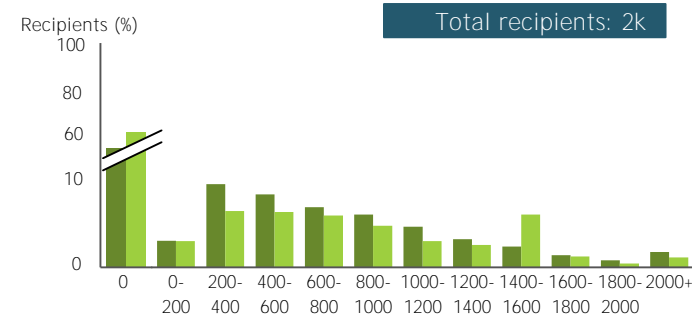
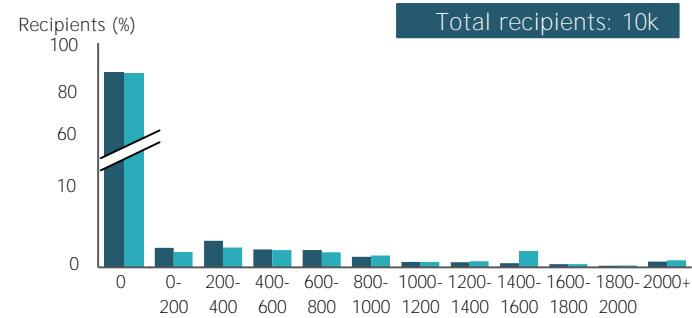
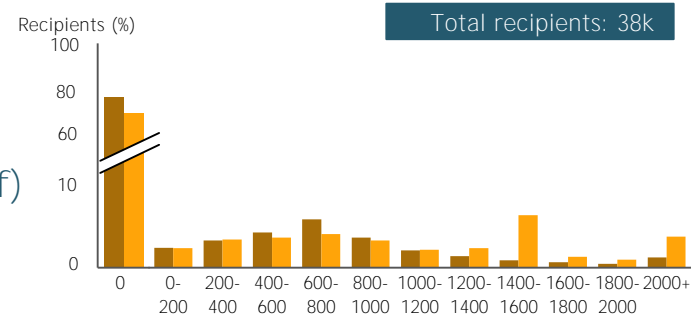
Parents of young children

Students

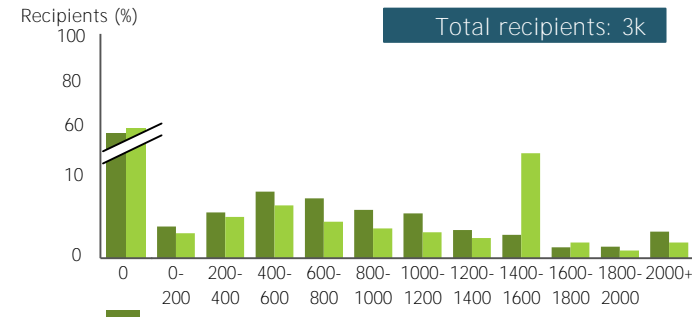
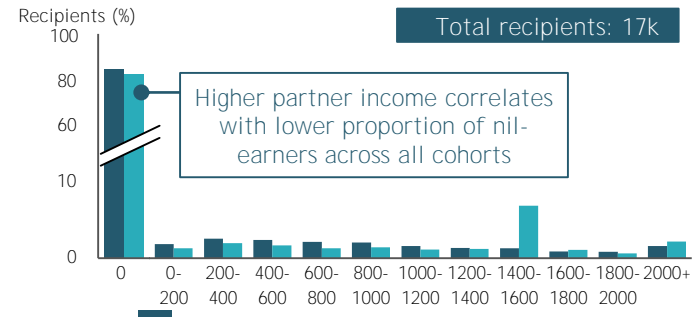
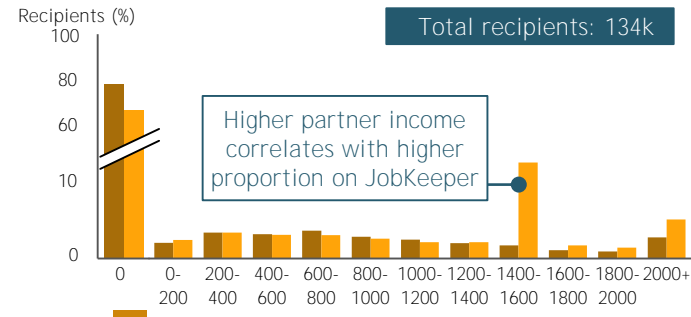
Low (<\$600 p/f)



Low-medium (\$600-\$1400 p/f)



Medium (>\$1400 p/f)



█ % of welfare recipients as at Feb '20
█ % of welfare recipients joined since Mar '20, as at Jun '20

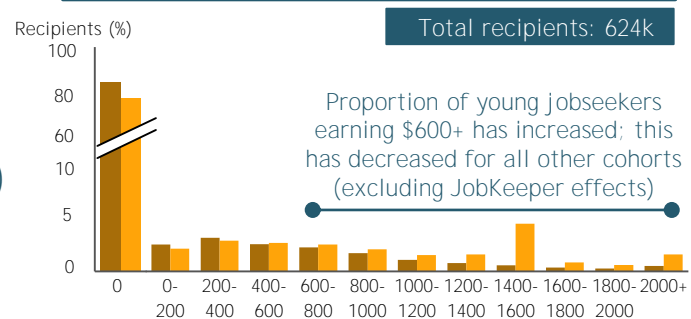
█ % of welfare recipients as at Feb '20
█ % of welfare recipients joined since Mar '20, as at Jun '20

█ % of welfare recipients as at Feb '20
█ % of welfare recipients joined since Mar '20, as at Jun '20

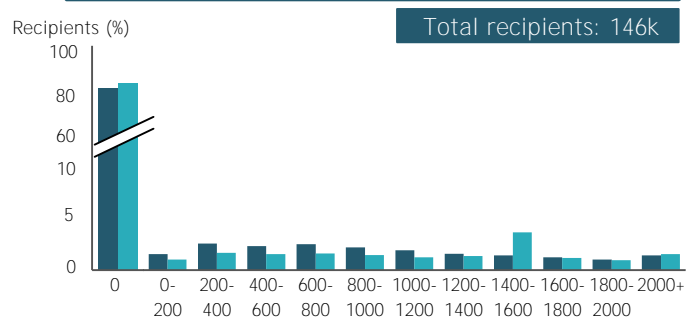
Age: Increase in earned income has been greatest for young jobseekers

Jobseekers

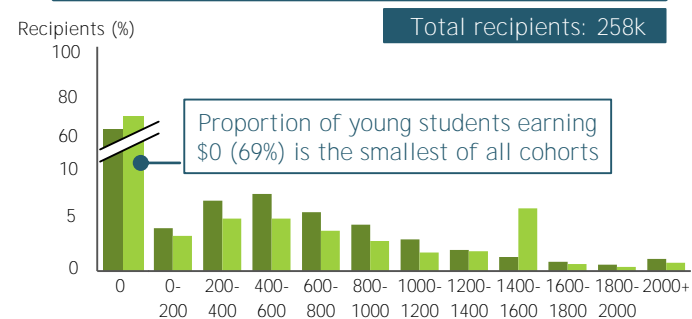
Young (0-29yo)



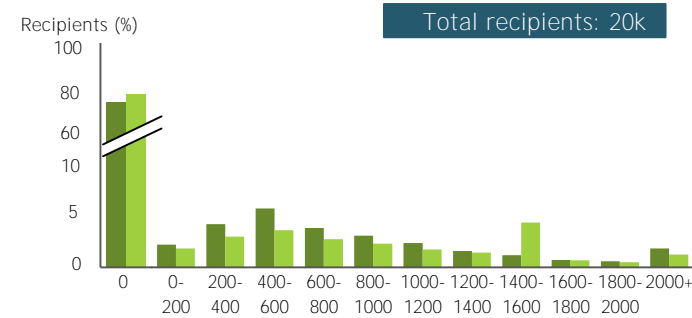
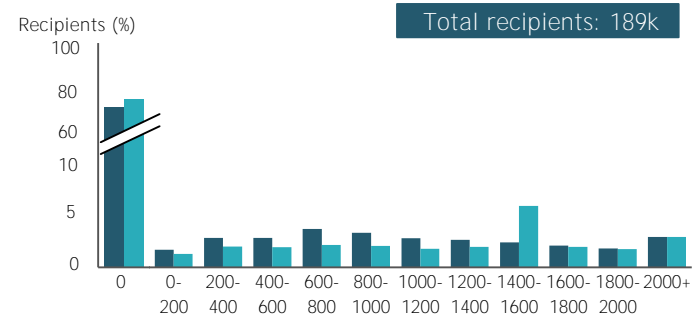
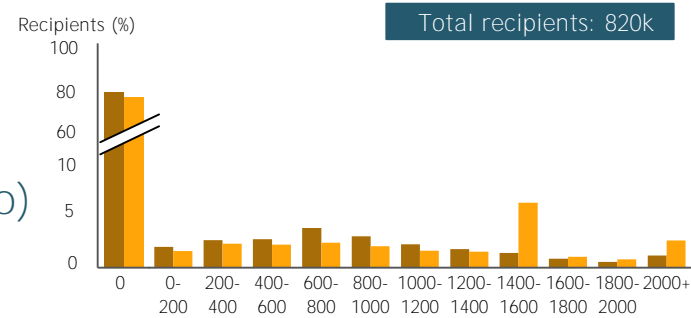
Parents of young children



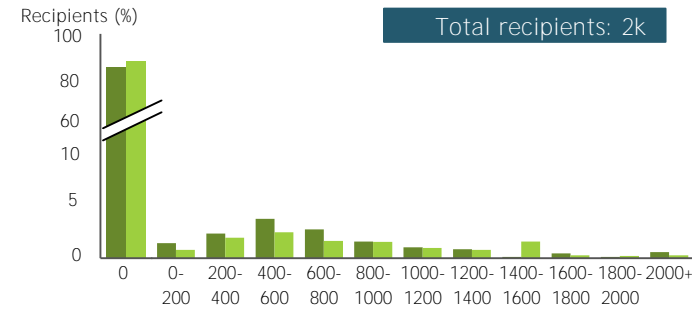
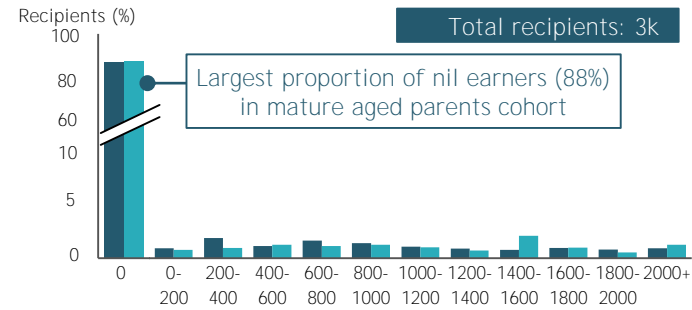
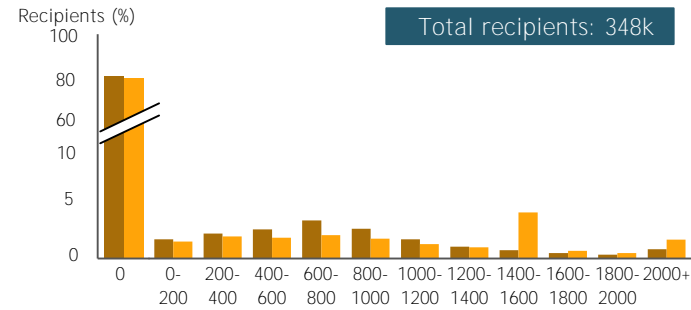
Students



Middle aged (30-54yo)



Mature aged (55yo+)



■ % of welfare recipients as at Feb '20
■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
■ % of welfare recipients joined since Mar '20, as at Jun '20

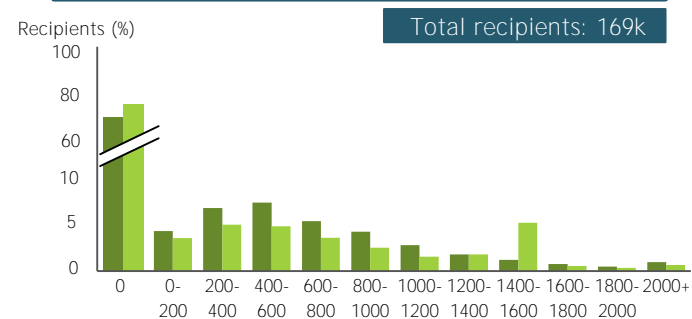
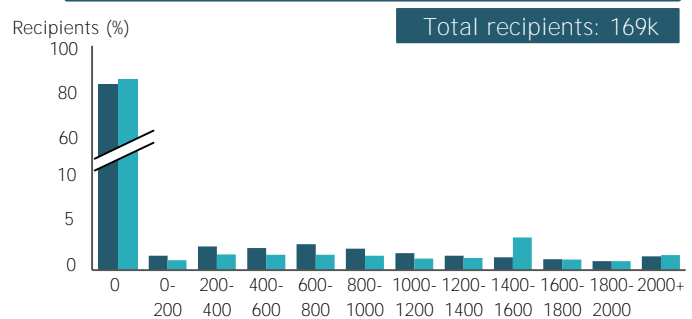
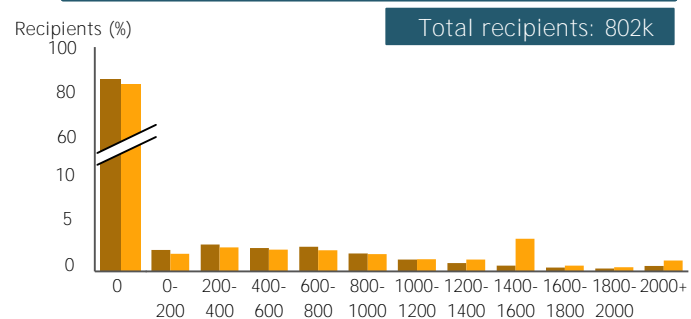
Assets: Higher assets held correlates with lower proportion of nil-earners

Jobseekers

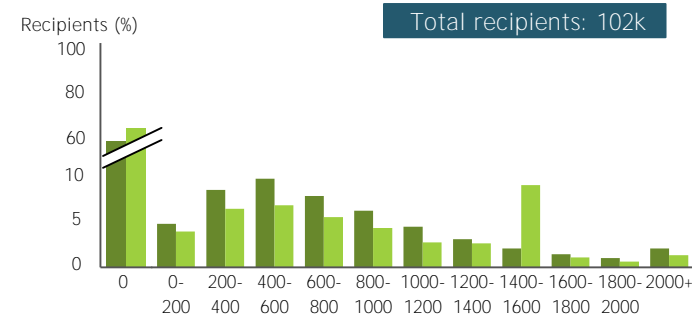
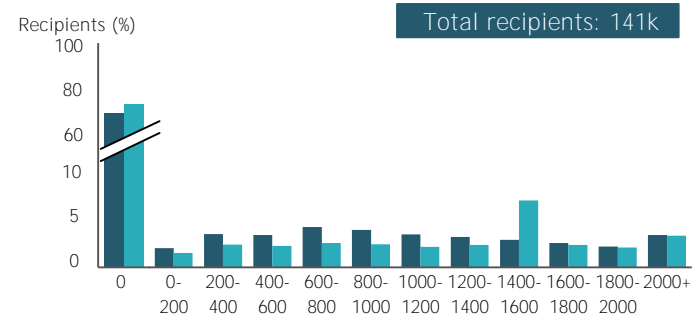
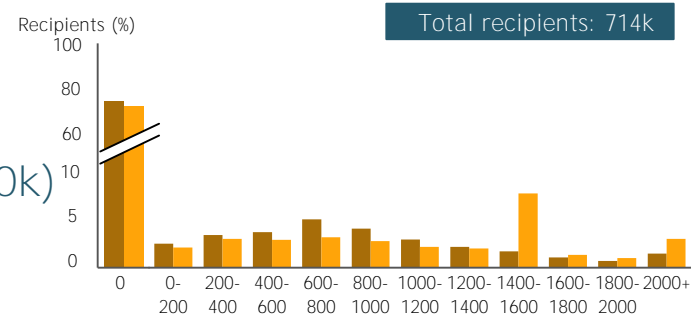
Parents of young children

Students

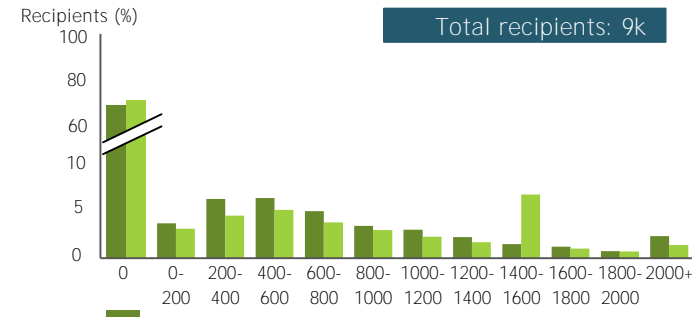
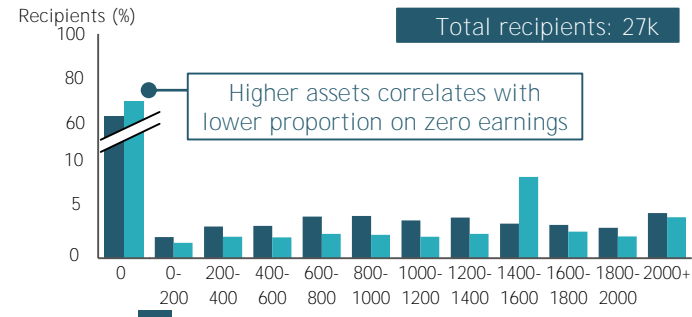
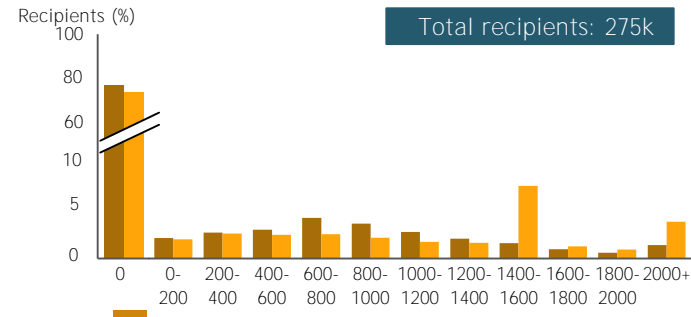
Low (<\$5k)



Low (\$5k-\$50k)



Medium (\$50k+)



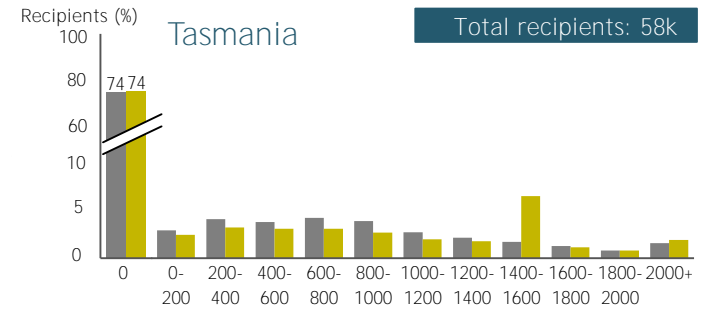
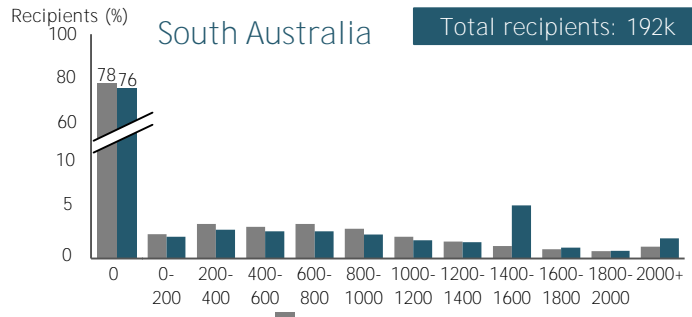
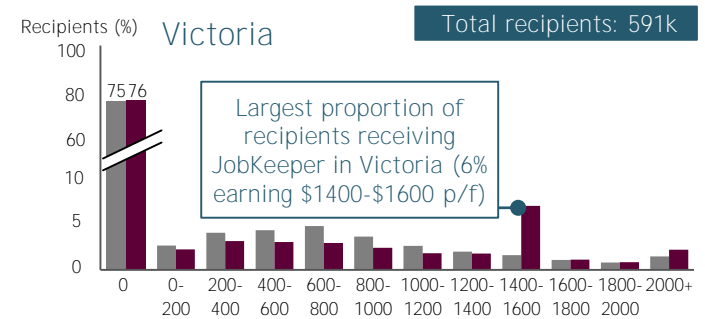
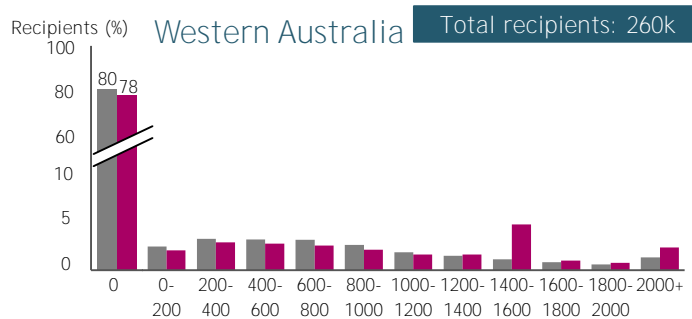
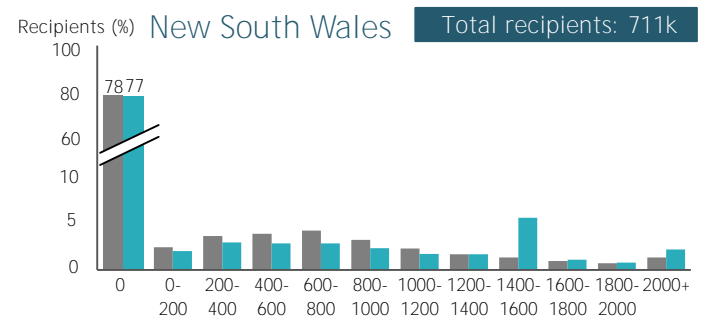
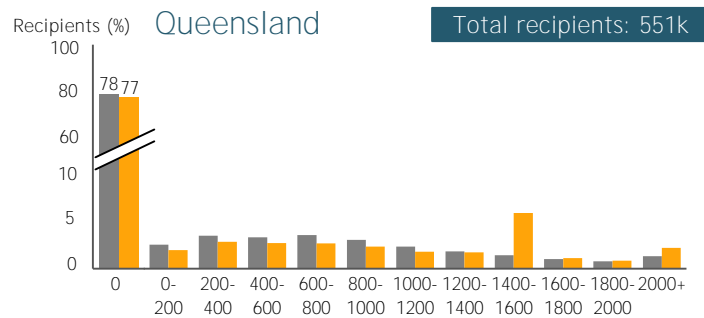
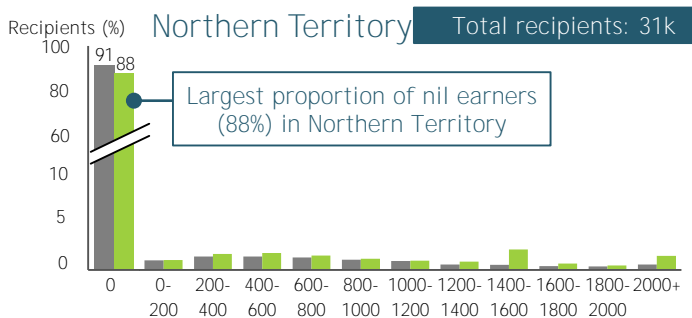
■ % of welfare recipients as at Feb '20
■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
■ % of welfare recipients joined since Mar '20, as at Jun '20

■ % of welfare recipients as at Feb '20
■ % of welfare recipients joined since Mar '20, as at Jun '20

Note: Assets refers to financial and non-financial assets as recorded in the database
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

Geography: Victoria has the largest proportion of welfare recipients on JobKeeper



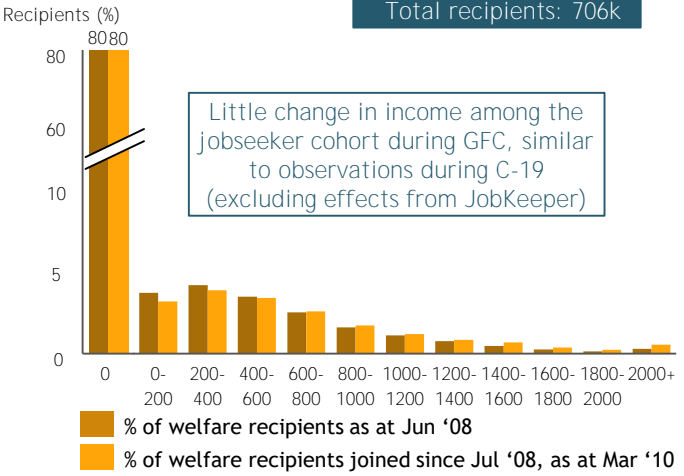
■ % of welfare recipients as at Feb '20
 ■ % of welfare recipients joined since Mar '20, as at Jun '20

Note: 1099 "NA" entries excluded from analysis
 Source: DSS Data as at 28 February 2020, 26 June 2020; Project analysis

C-19 vs GFC: Excluding the effects of JobKeeper, the changes in income distribution are similar during COVID-19 as during the GFC

Jobseekers

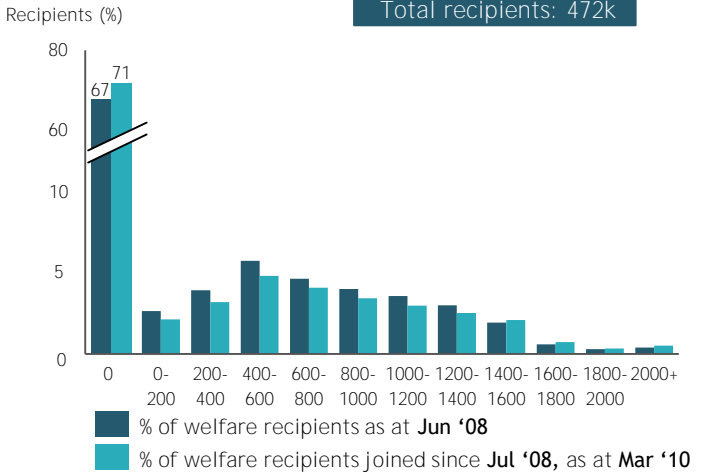
Total recipients: 706k



GFC
(Jul '08 vs Mar '10)

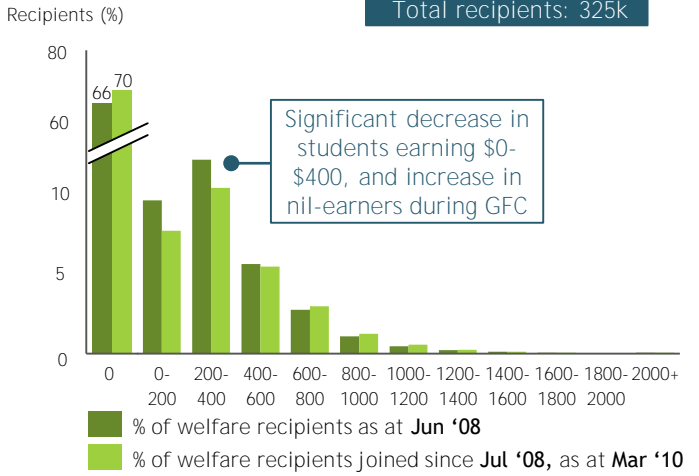
Parents of young children

Total recipients: 472k

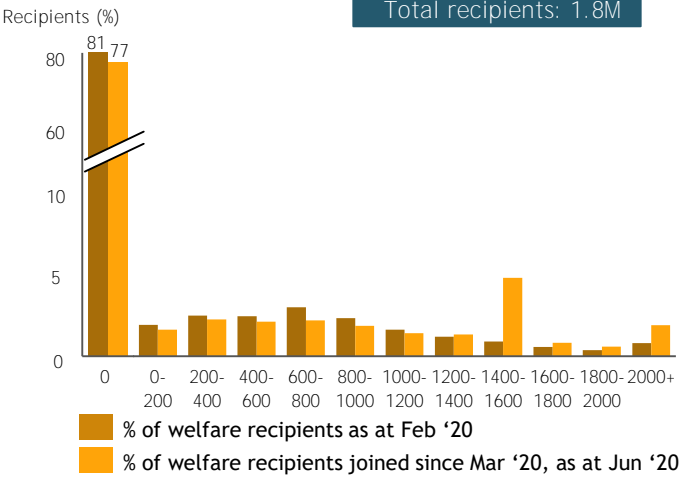


Students

Total recipients: 325k

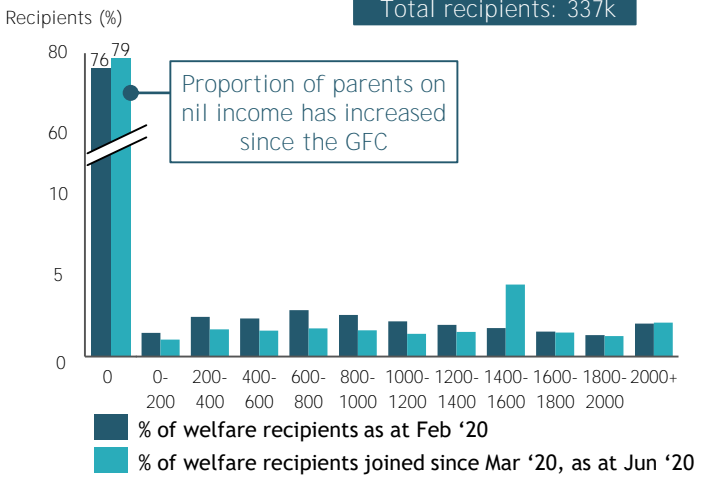


Total recipients: 1.8M

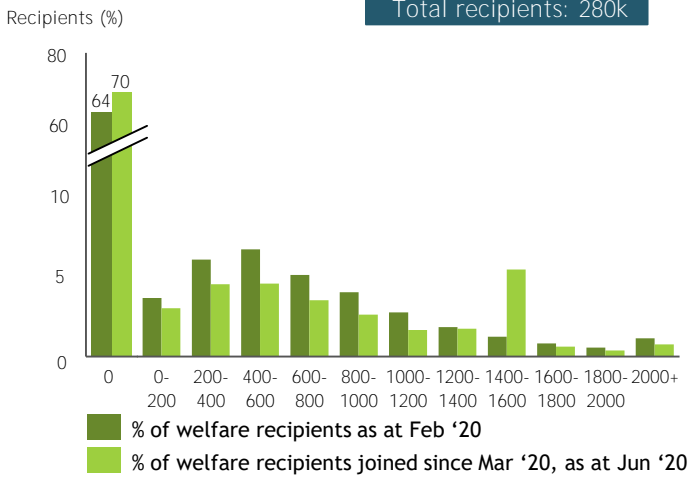


C-19
(Feb '20 vs Jun '20)

Total recipients: 337k



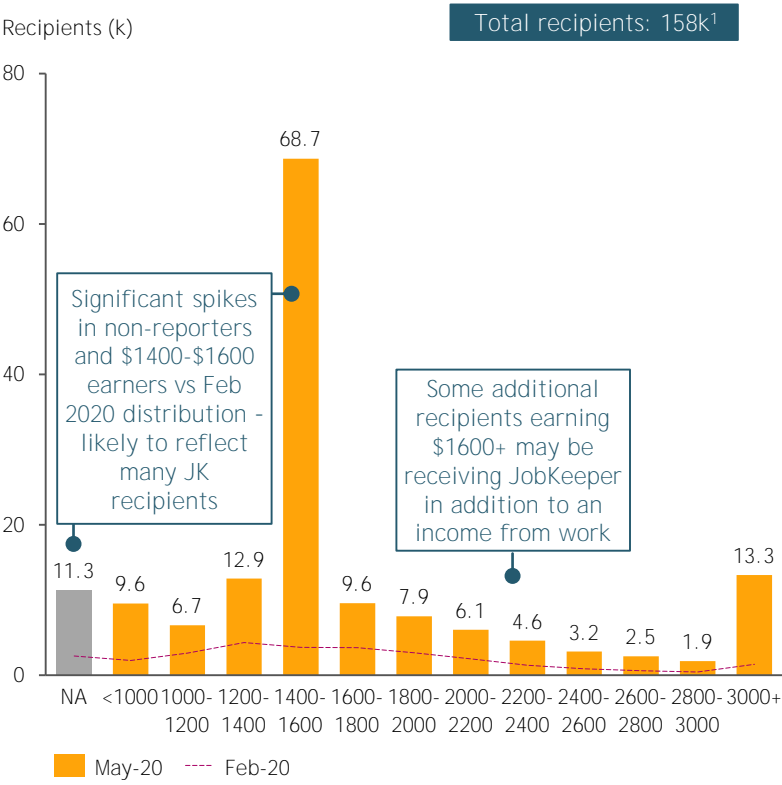
Total recipients: 280k



187k recipients are currently on nil-rates,

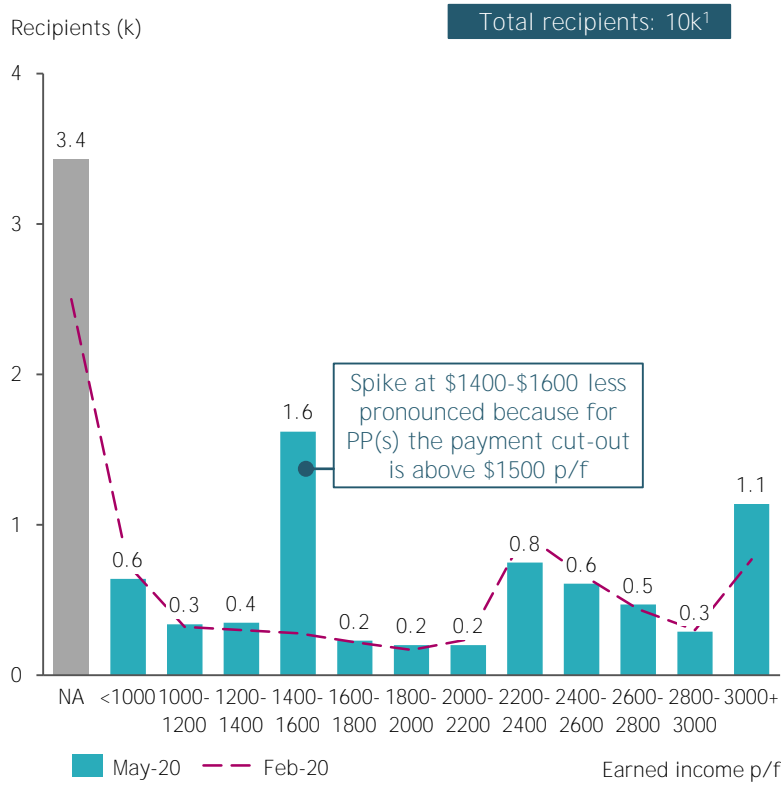
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Jobseekers



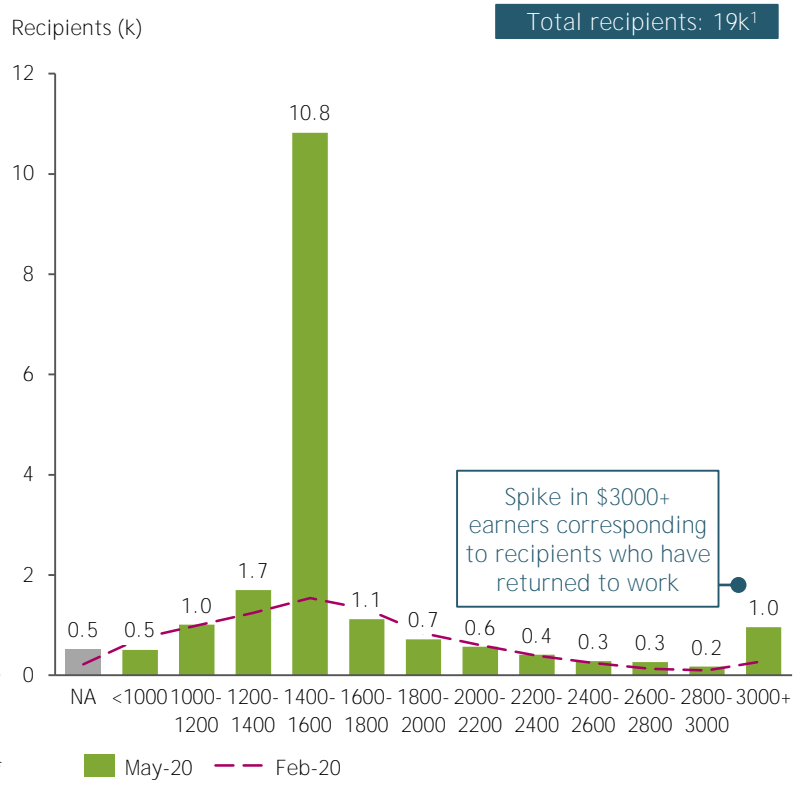
~59k 'extra' recipients earning \$1500-1600³
 ~2.5k 'extra' recipients ceased reporting⁴

Parents of young children



~1.4k 'extra' recipients earning \$1500-1600³
 ~0.4k 'extra' recipients ceased reporting⁴

Students²



~10k 'extra' recipients earning \$1500-1600³
 ~0.3k 'extra' recipients ceased reporting⁴

1. Total recipients includes those who did not report income 2. Less than 5 ABSTUDY recipients on nil rates as at 29 May 2020 3. 'Extra' recipients in the \$1500-\$1600 income band means the additional number of recipients beyond what the shape of the distribution would suggest 4. 'Extra' recipients who ceased reporting means the additional recipients beyond what would be expected by extrapolating Feb 2020 figures upward in line with the growth in working age recipient numbers since Feb 2020
 Source: DSS Data as at 28 February 2020, 29 May 2020: Project analysis

Changes to Mutual obligations in response to COVID-19

Pre-COVID

20 job searches per month, regular appointments

For job seekers (in JobActive):

- Job searches (up to 20 job searches per month)
- Appointments with employment service provider (usually monthly)
- If referred, participation in other activities such as education and training or activities designed to improve **job seekers' employability**.
- After 12 months in jobactive, an Annual Activity Requirement for six months each year, in addition to their regular requirements (usually 50 hours p/f for those under 50).
- Hours of required participation vary according to age and circumstance (generally 50 hours per fortnight for those aged under 50 years)

March to June 2020

Mutual obligations lessened, then lifted altogether

On 20 March the Government announced:

- Changes to eliminate the need for face-to-face contact
- Job Plans adjusted to default of four job searches per month
- Work for the Dole and other group activities suspended
- Job Fairs & other events postponed
- Job service providers were required to perform new risk assessments for a range of activities

From 24 March mutual obligation requirements lifted entirely for job seekers

Jobseekers not penalised for being unable to attend or report

On 22 April the Government announced bringing forward the Employment Fund credit for the most job-ready job seekers to be available immediately

June to Aug 2020

Adjusting requirements reflecting ongoing impact

From 9 June 2020 requirements have been:

- Voluntary job searches
- At least one appointment with an employment services provider (can be online or phone)
- Voluntary participation in activities (online activities and in-person where safe)
- Job seekers in digital services (without providers) to consider their employment and training goals
- Those exempt from mutual obligation requirements include:
 - Sole traders
 - Self-employed
 - Individuals with other exemptions
- Payment suspensions and **penalties don't** apply

August to Sep 2020

Gradual reintroduction of requirements

From 4 August job seekers with providers will be required to:

- Undertake appointments with their employment services provider
- Agree to a Job Plan
- Undertake up to four job searches a month
- Participate in training or other activities, either online or in person where safe
- Special circumstances exemptions will continue

Job seekers will not be subject to payment suspensions or penalties for not meeting the above requirements.

However they must be willing to accept any offer of suitable paid work and penalties apply if a job seeker refuses a job without a reasonable excuse

As announced 2 August, mutual obligation requirements are voluntary and without financial penalty until further notice for Victorians

Sep 2020 onwards

Progressive return to pre-COVID arrangements

On 21 July, the Prime Minister indicated that at the end of September 2020 there will be a move to a higher rate of job search

Subject to health advice, return to normal servicing arrangements including appointments and activities

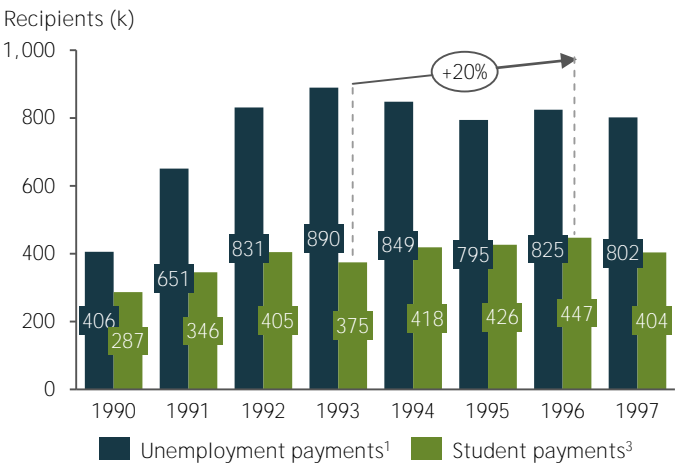
Normal compliance arrangements to resume in future

Note: Likely to be an ongoing need for a gradual return to normal, which also responds to emerging COVID hot-spots (e.g. Victoria in July/August)

3. As the economy improves what is the likely recovery pathway for employment and the welfare system?

Takeaways from previous downturns: 60-80% of new entrants remain on payment over medium term; student peak lags adult payments by 1-3 years

'91 recession: longer-term increase in student payment volumes post-recession



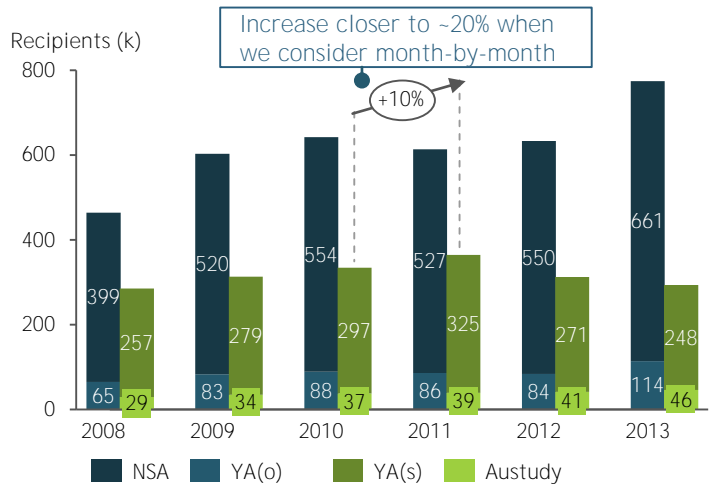
Student payment volumes continues to climb by ~20% over 3 years beyond level in '93 (job seeker peak):

- Despite youth unempl. rate peaking in 1992, # of student payment recipients remained high till 1996

~80% of new volume in the welfare system from '91 recession remained in system 5+ years

- For job seekers, we take '93 as the peak and use '95 as the long-term steady state (80%)
- For students, we take '96 as the peak and use '97 as the long-term steady state (74%)

GFC: longer term increase in unempl. and student payment volumes post-GFC



Increases in welfare volumes were smaller than in '91; less comparable to COVID

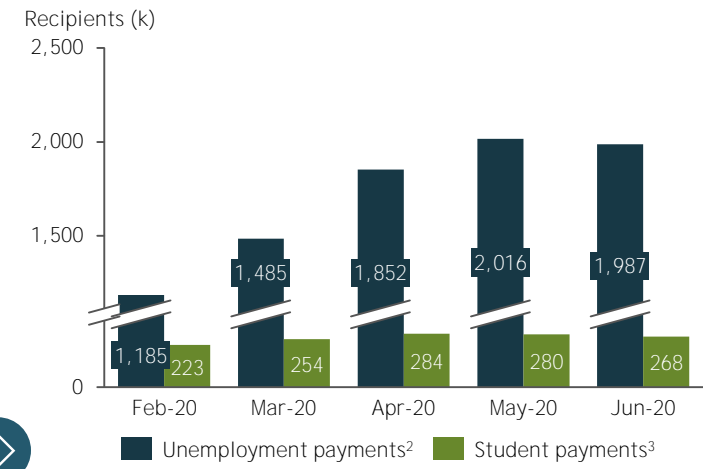
- Only ~15% increase from Sept '08 to March '10 (peak), vs ~85% for '91

However, sequential relationship between student and job seeker volumes similar to '91

- Student peak lagged job seeker by over a year
- Peak was ~20% greater than volumes in March '10

~60% of new entrants into welfare system from GFC remained in system 5+ years

C-19: steep increase in student and unempl. payments resembling '91 recession



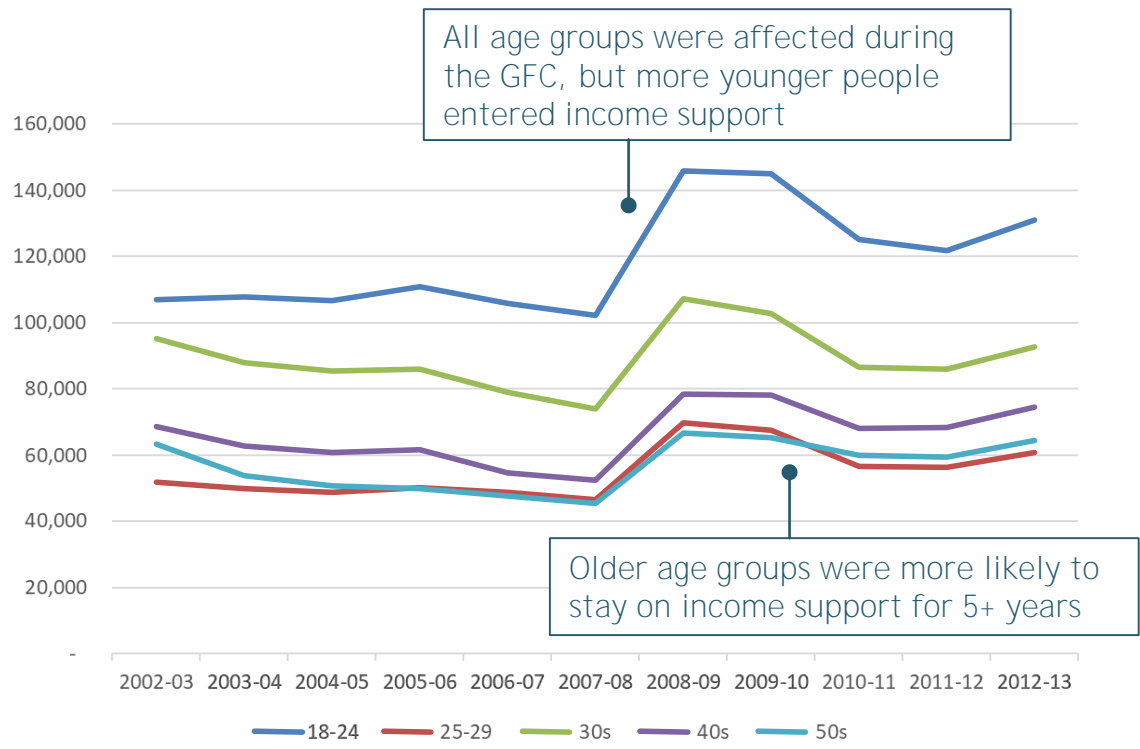
~65% increase in total working age recipient volumes from Feb '20 to May '20, with further bump expected

- Increase driven by job seeker cohorts. Students expected to lag by 1-2 years

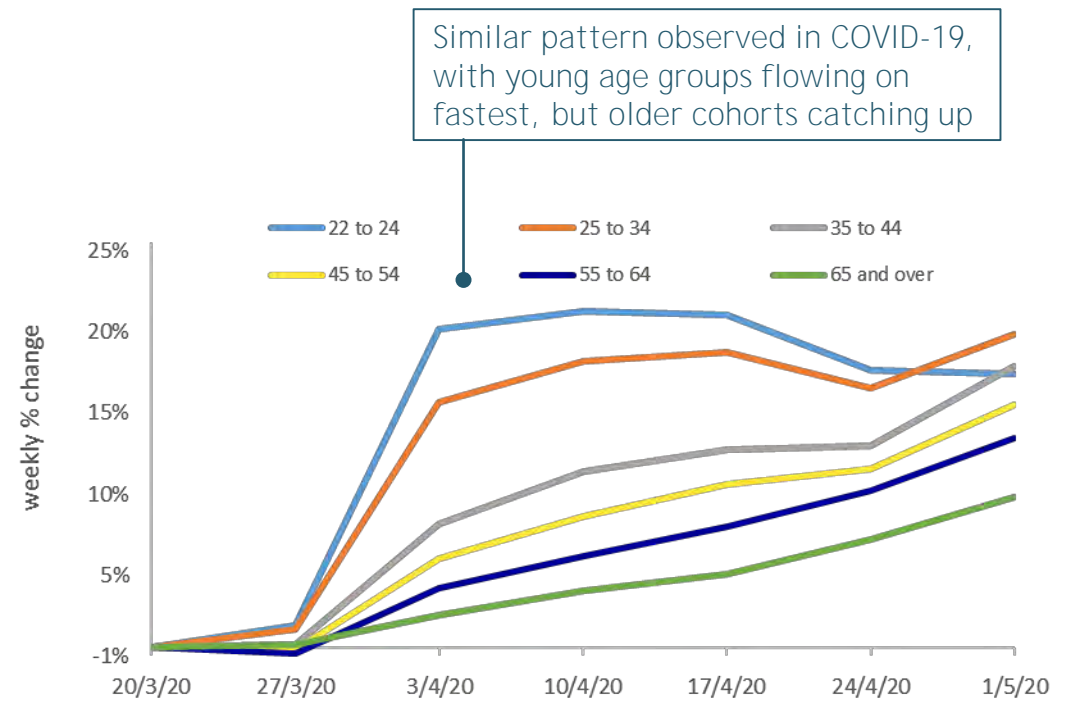
1. Consists of Unemployment Benefit, Job Search Allowance, Newstart Allowance 2. Consists of Newstart Allowance, Jobseeker, YA(o) 4. Consists of YA(s), Austudy, ABSTUDY
 Note: Figures for '91 recession and GFC as at June of year referenced
 Source: Department of Social Services data; Department of Family and Community Services paper (2001); ABS research

Backup: GFC saw young people more likely to enter welfare system, but also faster to leave; COVID-19 followed a similar pattern in early months

GFC: New entrants to income support, by age group



C-19: Entrants to Jobseeker Payment, by age group



Source: DSS data



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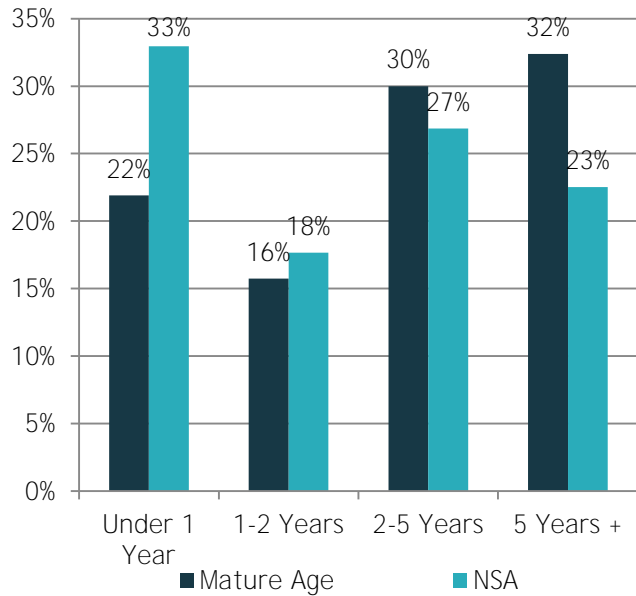


Stage 2 Illustrative Options

Backup: Mature aged recipients stay longer on payment, more likely to remain on income support

Mature Aged recipients stay longer on payment

Duration on Newstart Allowance



Source: DSS data

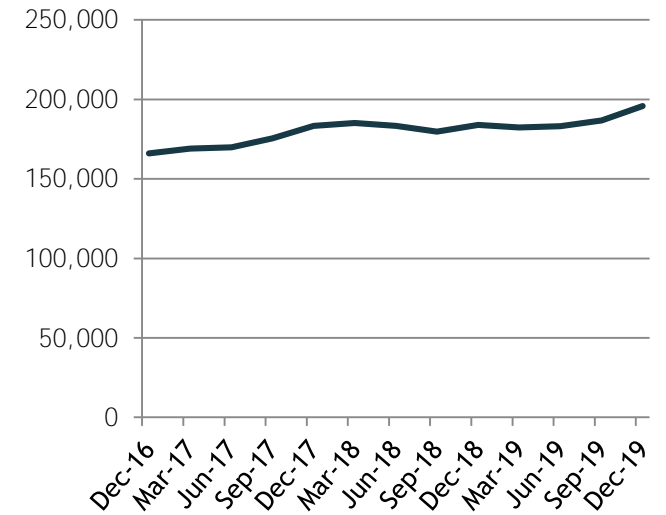
Mature Aged recipients far more likely to remain on income support

New recipients commencing on Newstart from 1 Jan to 31 March 2013, and remaining on income support



Stock of Mature Age recipients increasing over time

Number of >55 yo on Newstart





Suggested next steps



Appendix

Thank you