

Media Release



13 May 2014

Federal Budget Response: Economics of the poor ignored

The Salvation Army is gravely concerned that the federal government has inadvertently ignored the needs of vulnerable Australians, who already live on the margins, in the search for savings in the budget delivered by the treasurer earlier this evening.

Salvation Army National Secretary, Major Kelvin Alley, says while it is a noble goal for the government to get the nation's finances in the black, it is important that this goal is achieved without putting a further burden on those who are already finding it tough to provide the basics for themselves and their families.

"In looking for '*long term solutions*' to Australia's current budget challenges, we are deeply concerned that this budget means '*long term pain*' for the most marginalised in the community," Major Alley said.

"There has been a lot of talk about how everyone must share the burden, but unfortunately this burden might mean many individuals and families buckle under the additional pressure which will be placed on them as a consequence of the budget delivered this evening."

One area of real concern for The Salvation Army is the announced changes to the New Start and Youth Allowance payments. Job seekers under the age of 30 will face far more stringent requirements, amounting to enormous challenges to survive let alone get meaningful employment. This in turn will place even more demands upon The Salvation Army in terms of our financial counselling and basic family support services.

The budget tonight was unclear and did not specify ongoing funding commitments in the areas of Emergency Relief and Financial Counselling which are fundamental to The Salvation Army's support of disadvantaged and marginalised Australians.

"When a person loses their job or suffers from some other calamity like long-term sickness, in many cases it is a financial counsellor from a financial counselling service such as The Salvation Army Moneycare that is able to pick up the pieces and help put people's lives back on track," Major Alley said.

"It is our experience that when individuals reach these desperate points in their lives, it truly can be a matter of life and death in some situations."

The Salvation Army is also concerned about the Medicare co-contribution fee which is set to become a reality and which ignores the economic circumstances of the poor.

"While for most Australians a fee of \$7 might not sound like much, for someone who lives on less than \$35 per day, this is yet another burden for their already fragile financial situation," Major Alley said.

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“The reality is that people on low incomes are not weighing up the economics of whether or not they will go on an overseas holiday, but instead they will be weighing up whether or not they have the money to see the doctor when necessary or using that \$7 to pay for bread to feed themselves or their family for the week. When individuals and families live at-or-below the poverty-line, these are the sorts of economic decisions they are forced to make.”

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For further information or media comment, please contact:

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