



Australia's leading community groups join with ACOSS to oppose cuts to social security payments.

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Five of Australia's leading community service organisations have joined with ACOSS to call on Federal Parliament to reject the proposed cuts to social security payments by the Federal Government.

Mission Australia, the St Vincent De Paul Society, Catholic Social Services Australia, Anglicare Australia and the Salvation Army who provide services to hundreds of thousands of Australians living in poverty have joined together to speak out against the proposed cuts.

The Energy Supplement will be removed for new social security claimants, over time cutting the incomes of 2.2 million people on the lowest incomes, including pensioners, sole parents, single-income families and Newstart recipients. Its removal will mean a loss of \$4 a week to the \$38-per-day Newstart Allowance, which has not otherwise been increased in real terms since 1994.

Catherine Yeomans CEO Mission Australia said: "We have been lobbying the government about the inadequacy of Newstart for years and these changes, rather than being beneficial, are heading absolutely in the wrong direction.

"As an organisation that supports the most vulnerable, we know that people on Newstart are already struggling to make ends meet, with exorbitant rents and rising cost of living many of them are already on the verge of homelessness. We need a fair and equitable Australia.

"Those on the lowest incomes should not be asked to shoulder the burden of budget repair," she said.

Marcelle Mogg, CEO Catholic Social Services Australia said the rate of poverty is growing with an estimated 2.5 million people or 13.9% of all people living below the internationally accepted poverty line.

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“The current level of welfare payments to individuals and families is inadequate and is set and adjusted by the Government based on budgetary priorities rather than being evidenced based,” she said.

Dr John Falzon, Chief Executive of the St Vincent de Paul Society National Council said it is unconscionable that we have a government that is intent on cutting unemployment benefits, which are already at razor-thin levels, while at the same time defending generous tax concessions and delivering tax cuts to companies and those on higher incomes.

“You don’t help people into a job by forcing them deeper into poverty. Social security payments are shamefully low, and slashing these payments further will only compound the poverty and desperation of people already living well below the poverty line.” he said.

Anglicare Australia Executive Director Kasy Chambers said “The current rates of the Newstart and Youth allowance are grossly inadequate. They actually make it more difficult for people to get work or education, or to participate in any other meaningful way in our society. To ask new applicants to try to get by on even less is unconscionable.

“The question is how soon can these appalling payment rates be lifted and by how much. There is no excuse for looking to balance the national budget by cutting back on this most basic and inadequate support,” she said.

Salvation Army National Commander Commissioner Floyd Tidd said: “The Salvation Army is deeply concerned that these proposed cuts would mean that the Federal Government has ignored the needs of those living on the margins in search of budget savings. Our research shows that many of our clients survive on just \$17 a day once they have paid for accommodation. These welfare cuts would make life even more challenging for the many vulnerable Australians already struggling to survive.”

ACOSS CEO Dr Cassandra Goldie said “These cuts will hurt those on the lowest incomes. \$4 a week doesn’t sound like a lot to some but when you are living below the poverty line it could mean the difference between being able to put food on the table and going without,” Dr Goldie said.

Background

In the 2016 Budget, the Federal Government announced it would cease payment of the Energy Supplement (ES) to new income support recipients. The ES is paid at 100 different rates depending on the base payment, ranging between about \$8 and \$14 per fortnight. For a single Newstart recipient with no children, the ES is \$4.40 per week (\$228.80 per year).

The Government has justified removal of the ES for new recipients on the grounds of there being no carbon price, but tax cuts compensating for the carbon price will continue, seeing those on \$200,000 paying \$6 per week less in tax. It is the first real increase to Newstart since 1994, when it rose by \$2.95 per week above indexation. Contact: Anthony Reed ACOSS - 0419 626 155 or anthony.reed@diplomacy.net.au

**Editor's Note: ACOSS CEO Dr Goldie will be available for interview in Sydney
Anglicare Australia Executive Director Kasy Chambers is available in Canberra**

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