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## Budget fails struggling Aussies

While 2018 Federal Budget contains some positive initiatives, it fails to deliver on one of the biggest drivers of poverty and disadvantage in the country – the cost of housing.

Every day, The Salvation Army sees thousands of Australians struggling to keep up with everyday living expenses, one in three of whom are paying more than two thirds of their income on rent.

Captain Jason Davies-Kildea, a principal Salvation Army social policy manager, says “for those who rely on Newstart or Youth Allowance to survive, the picture is even worse with some paying 80 per cent or more to keep a roof over their head. Under these conditions, it is no surprise that the number of people falling into homelessness has been increasing.”

The Salvation Army’s National Head of Government Relations, Major Brad Halse, says budgets are how governments make choices that reflect their values. Canada recently put a \$40 billion 10-year plan behind their vision to tackle homelessness and housing affordability. New Zealand has just announced a \$100 million injection to get all their rough sleepers housed before winter.

“Many of our states are doing their best with the resources at their disposal. However, the problems we are experiencing in housing and homelessness must be driven by a national strategy, using the levers available to the Commonwealth Government and ensuring that funding is available that meets the scale of need both now and into the future. Last year’s promising beginning in housing investment appears to have been a one-off, rather than the much needed starting point for the future.”

Captain Davies-Kildea adds, “While some low-income earners gain a little from taxation changes in this budget, there’s nothing for those surviving on the lowest income support payments. It’s this group who are most in need, who are driven by desperation to the doors of The Salvation Army for help, but who are judged as undeserving by our government”.

In The Salvation Army’s 2018-19 budget submission, we called on the Government to:

- Develop a comprehensive and long-term strategy to address homelessness and housing affordability.
- Commit to 200,000 new units of social housing.
- Increase the Newstart Allowance by at least \$75 per week.

None of these measures, which would make a real difference to the people who seek our help every day, are present in the budget.

There are some positive elements:

- An extra 14,000 home care packages for the aged, over four years.
- An increase of nearly \$340M in mental health funding, including the provision of \$37.6M, over four years, for mental health aftercare for people hospitalised after a suicide attempt.
- The establishment of an anti-slavery unit, committing \$3.6M, over four years.

Captain Davies-Kildea also notes new areas of concern.

“Given the debacle of Centrelink’s ‘robodebt’ recovery system, the extension of welfare ‘crackdowns’ which have already proven to be misdirected seems to be an unnecessary targeting of already vulnerable people. About ten per cent or almost 30,000 people who seek help from homelessness services each year are receiving no income at all when they first come to the service – an example of the consequences of ‘welfare reform’.

Another concern is the mandatory recouping of fine repayments, which is likely to see people who are marginally housed move further towards homelessness. According to Captain Davies-Kildea, “People shouldn’t have to make a choice between having food in the cupboard or keeping the electricity on. While the Government extracts their penalties from the little you have left, even these choices are going to evaporate and we will see more people on the doorsteps of The Salvation Army.”

## **ENDS**

For further details or comment from;

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A full copy of The Salvation Army’s 2018-19 Pre-Budget Submission can be found here:

[https://consult.treasury.gov.au/budget-policy-division/2018-19-pre-budget-submissions/consultation/download\\_public\\_attachment?sqlId=question.2017-09-12.3768452384-publishablefilesubquestion&uuld=1025055046](https://consult.treasury.gov.au/budget-policy-division/2018-19-pre-budget-submissions/consultation/download_public_attachment?sqlId=question.2017-09-12.3768452384-publishablefilesubquestion&uuld=1025055046)