

Budget Spill - Don't worry about the \$7, I can't pay my rent!!!

Everyone is outraged about the proposed bulk billing co-payment of \$7 in the Federal Budget – lots of people recognise this will just be out of reach for people who are already struggling. Dr. Alice Clark, Executive Director of Shelter SA warns, “Unfortunately, the \$7 co-payment issue will pale into insignificance if the proposed changes to income support go ahead and people become homeless”.

People who are homeless are socially excluded and face particular barriers to remaining engaged in education, looking for a job and keeping a job when they have nowhere to live. Dr. Clark said today, “if the proposed changes to income support go ahead, and people under the age of 30 have no income for six months, it will be a disaster in terms of their housing. People simply won't be able to pay their rent or their mortgage”. Dr. Clark is also wondering what impact the measure will have on landlords – young people are already discriminated against in the private rental market, it's worrying that landlords and real estate agents may not even consider renting to people under the age of 30. Given the relatively high youth unemployment rate, a casualised workforce and the barriers people face to finding work Dr. Clark is afraid that there is going to be a massive increase in homelessness, at the very time that changes are being considered to the way homelessness services are funded. We also don't know exactly how these changes will impact on the financial sustainability of public and community housing if households do not have any income for six months.

An OECD¹ report about labour under-utilisation in the Australian workforce shows us the link between not having a job and being socially excluded - the groups most at risk are lone parents, people with a disability and Aboriginal Australians - the very people who will be affected if the Federal Government's proposed 'earn or learn' scheme is supported by the Commonwealth Parliament. Better integration of these groups into the labour market would enhance their inclusion but the same report recommends that education and training are only one aspect of how to increase labour utilisation. A strategy is needed that includes the following elements: improving the functioning of labour market institutions, reforming the tax and transfer system and maintaining labour market flexibility. The critical ingredient though is an education system that better promotes equity and integrated services that assist people with disabilities and those who are homeless – Dr. Clark would like to hear what the Federal Government is planning in this area.

Shelter SA has a particular interest in the issues experienced by Aboriginal people in relation to affordable housing and homelessness – another area where Aboriginal people are overrepresented. If older Australians are not eligible for the aged pension until they are 70, effectively Aboriginal people are being asked to work until they die – with male life expectancy at 69.1 years and this is also of deep concern. Dr. Clark commented, “some of the changes to income support and responsibilities for disadvantaged people contained in the budget just don't seem to have been thought through and we are hoping that they do not become a reality”. You can tune in to “Housing Matters” – Shelter SA's radio program on Radio Adelaide 101.5 fm this Thursday at 3pm to hear more about the Federal Budget from Minister Zoe Bettison, Duncan McFetridge (Liberal) and Adrian Pisarski, CEO of National Shelter.

Media Contact

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¹ Koutsogeorgopoulou (2011) Enhancing Labour Utilisation in a Socially Inclusive Society in Australia, Economics Department Working Papers No. 852