

MEDIA RELEASE – 13/05/2014

FOR IMMEDIATE RELEASE

Federal Budget to hit low income families hardest

The AASW recognise the government's responsibility to build a strong national economy, however, we are alarmed that the Federal Budget will lead to a less just society. The budget will hit individuals and families on low incomes hardest and will lead to reduced access to the high quality education required to participate in Australia's knowledge economy.

Disadvantaged young people will be badly affected by the "learn or earn" approach. In the Budget it was announced that young people under 25 years will be ineligible for Newstart allowance, while those between 25 and 30 years, will need to wait 6 months for payments. We are concerned that these young people will experience extreme vulnerability. Professor Karen Healy, National President of the AASW, expressed alarm about the plight of the thousands of young people who leave the child protection system's 'out of home care' programs every year. She stated that "these young people already face enormous challenges in managing living costs without the family support on which many other young people rely. The cuts to welfare will have a devastating impact for these young people." This is just one example of the many thousands of people under 30 affected by this extraordinary policy.

The AASW is concerned that the introduction of a \$7 Medicare co-payment and additional \$5 pharmaceutical benefits charge will have a serious impact on Australians who are struggling financially and those living with chronic health conditions. We believe that these co-payments will be a major disincentive to lower income families accessing the health care they need.

The changes to family benefits will negatively affect low and middle income families, such as where there is only one parent in the workforce. The announcement that welfare benefit eligibility thresholds will be frozen will mean many people will lose access to the benefits on which they currently rely to survive day to day. This policy shift will contribute to social marginalisation of our most vulnerable citizens.

The AASW raises concern about the deregulation of university of fees. Access to education is vital for individuals to achieve sustainable incomes and employment in Australia's knowledge economy. We believe this policy change will make high quality education increasingly out of the reach of students especially those from disadvantaged backgrounds. The flow on effect for generations of Australians trapped in poorly paid jobs will be significant and will increase the class divide which our society has tried so hard to eliminate.

Finally, the AASW is alarmed by the decision to cut Foreign Aid by almost \$8 billion. Australia is a country rich in capacity and resources and we have a responsibility to play our role in promoting the economic and social well-being of our fellow citizens globally.

The AASW is concerned for the voiceless, the less powerful and the vulnerable who have been impacted by this budget. We urge the Government to take measures to lessen the impact of this budget upon the groups who can least afford it.

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