



MEDIA RELEASE

30 September 2014

EMBARGOED UNTIL 1 AM TUESDAY 30 SEPTEMBER

Federal cuts will hurt unemployed and the NT economy

Proposed changes by the Federal Government, announced in the May Budget, will see many job seekers under the age of 30 lose income support for six months of the year, if implemented from July 2015.

Individuals affected by the suspension will lose half of their annual income. Young people on Youth Allowance will lose at least \$5,382 over 6 months, and older job seekers aged over 21, on Newstart, will lose at least \$6636 over 6 months. On top of the loss of their base payment, these job seekers will also lose supplementary benefits such as Rent Assistance, further eroding what little income people had.

“Rather than help push people into work, these proposed changes will push people, already doing it tough, deeper into poverty and many into homelessness.” “We actually don’t know how the Federal Government expects people to survive”, stated Jonathan Pilbrow, Policy Advisor for the Northern Territory Council of Social Service (NTCOSS).

NTCOSS estimates that nearly 7000 suspensions will be placed on NT jobseekers in the next 4 years. As a result of the loss of income to jobseekers there will be a loss for the NT economy of \$42.4M, over the coming four years.

“This won’t just hurt the people whose incomes will be cut for 6 months, who are going to be financially devastated by the changes, but this is going to hurt all of us here in the Territory”, Mr Pilbrow added.

Pulling money out of the local NT economy is going to be bad for business, bad for jobs and bad for the future of the NT. The people expected to find work when their payments are cut – will find fewer jobs available as the local economy shrinks.” Reducing the waiting period from six months to one month in any compromise deal will not do. Depriving people of income for any period will be harmful.

The Department of Social Security (DSS) has budgeted for extra assistance for emergency relief services to respond to the crisis that may result from this measure. NTCOSS expects nearly 9000 extra requests for assistance at NT Emergency Relief (ER) centres over the next four years. “It makes no sense to introduce a measure that you know will be harmful,” Mr Pilbrow said.

“It is anticipated that job seekers may be eligible for a one off payment - which will hardly make any inroads into covering rent, food, health care and other

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essentials for people. NTCOSS calls on the Federal Government to abandon the proposed changes and provide support – not take it away," Mr Pilbrow concluded.

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