



MEDIA RELEASE
26 April, 2016

Galaxy Survey finds Australian's fear the upcoming federal budget will further squeeze household finances

With the vast majority of Australians already struggling to cope with the rising costs of living, there is currently a real sense of uncertainty across the country. The upcoming federal budget on May 3 is now looming large and most people are concerned about what it will mean for them financially.

A new **Galaxy survey** recently conducted on behalf of **Fox Symes and Associates**, the leading provider of debt solutions in Australia, found 90 per cent of people polled nationwide fear that the budget will worsen their financial situation. As many as 88 per cent say rising costs have already made sticking to a monthly budget almost impossible.

"It is clear there is a sense of uncertainty in Australia amongst all age groups," says **Fox Symes** director Deborah Southon. "People have very real concerns about the budget. Many are struggling to make ends meet and are scared the budget will make life even harder."

Almost half (46 per cent) are concerned any budgetary benefits will go towards wealthy, high income earners or big business, with lower income households (55 per cent) and those aged 50 plus (56 per cent) most concerned. A further 27 per cent feel promised income tax cuts won't materialise. Meanwhile 34 per cent think the government will over-promise on new spending and increase Australia's debt levels even more, fuelling the need for higher taxes in the future.

"In the last two years Fox Symes has seen an increase in demand for its services," says Ms Southon. "What's more, between 2014 and 2016 the number of people we saw with serious debt problems aged 18-25 increased from 10 per cent to 15 per cent, and those aged 26 – 35 increased from 41 per cent to 45 per cent, which is concerning."

FOOD: Some 55 per cent of Australians surveyed feel the rising cost of food is making life very challenging. Along with 46 per cent of people who are worried the rate of GST will increase from 10 per cent to 15 per cent, 40 per cent are concerned the current GST of 10 per cent will be applied to fresh foods such as fruit, vegetables, milk and bread, putting additional pressure on consumers. "Wages have been flat for a long time," says Ms Southon. "So people are concerned and wondering if there is an increase in the GST, how will it affect them, their household budget and finances?"

UTILITY BILLS: One of the biggest concerns was the escalating costs of utility bills - 60 per cent say increasing electricity and gas bills are causing financial strain. Both lower income earners (69 per cent) and older Australians (69 per cent) are feeling the pinch most. Ms Southon says worries about utilities, particularly going into winter - a heavy usage time, was understandable. "Gas and electricity are things you can't do without so what happens if bills rise?" asks Ms Southon. "If you're on a fixed income, that can have a significant impact on your finances and quality of life."

HEALTH INSURANCE: With health insurance premiums recently rising on April 1, the issue was not surprisingly a major sore point. Overall 49 per cent of people were fearful about increases to health insurance with 58 per cent of older people particularly concerned. "You spend more on health insurance, as you get older and health needs increase," says Ms Southon. "Rising premiums put pressure on budgets. Plus by a certain age you're at your

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maximum earning capacity, so you have to carefully budget with the future in mind.”

FAMILY: In the ongoing challenge of raising a family, many parents are struggling to pay for child care and to meet the costs of schooling. Many hold real fears the budget may slash family payments. With little money to spare now, people are afraid they’ll have even less to cover these expenses. Some 40 per cent of respondents with children under 18 living at home are concerned about the rising costs of sending their kids to school including fees, uniforms and books. Additionally, 41 per cent in the same category were concerned about family payment cuts.

“It is worrying because changes to family payment and/or the childcare rebate may put more pressure on families,” Ms Southon says. “If people are used to getting a certain income stream and this could include family tax benefits for example, then a reduction in one source of income can really negatively impact an already stretched budget.”

HOUSING: Despite interest rates remaining steady, one in five people still fear the budget will significantly impact the economy which could force up home loan interest rates. Respondents aged 18 – 49 (24%) had the most concern, reflecting pressures facing home owners. This demographic (43 per cent) also say rising rents or mortgage payments is already making it hard to stick to a monthly budget. “The cost of buying a home in Australia is very high compared with other countries” says Ms Southon. “So if interest rates go up, and they will eventually rise, it will put even more pressure on home buyers.”

Ms Southon feels it would be most helpful if the government focuses on the positives in the federal budget, to help create a feeling of optimism and certainty. “Apart from outlining the positives, the budget needs to allay people’s fears by clarifying where the costs and offsets will be to help reduce the level of concern out there in the public.”

About the research

The study was conducted by Galaxy Research between 14-17 April, 2016. The survey was administered online amongst a nationally representative sample of 1,000 Australians aged 18 years and older covering: NSW, ACT, VIC, TAS, QLD, SA and WA.

About Fox Symes and Associates

[Fox Symes and Associates](#) is the largest provider of debt solutions in Australia assisting over 100,000 Australians each year. Fox Symes offers a range of debt solutions to individuals which include budgeting assistance, informal creditor arrangements, arrangement of third party debt consolidation loans and mortgage finance, debt agreements, personal insolvency agreements and bankruptcy assistance. You can also follow the [Fox Symes Facebook](#) page.

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