



Moonee Valley's rising bankruptcies a sign of area's 'hidden poverty'

JUNE 8.2014 10:37 AM

BY SUE HEWITT

The number of Moonee Valley residents declaring bankruptcy is on the rise, and it's just the tip of a growing problem, a charity group has warned.

The number of Moonee Valley residents made bankrupt almost doubled in the March quarter compared with the December quarter, according to the federal government's Australian Financial Security Authority.

The Salvation Army's social program secretary, Jenny Begent, said although the figures were small, they were indicative of a deeper problem affecting seemingly affluent residents in suburbs such as Essendon and Moonee Ponds.

Five Moonee Valley residents each month in the March quarter were declared bankrupt, bringing the total to 15, up from eight in the previous quarter.

The figures showed only two of the 15 bankruptcies in the March quarter were related to failed business ventures.

Ms Begent said the June quarter bankruptcy figures due for release shortly would establish if the trend was continuing.

As previously reported by *TWR*, the Salvation Army is seeing more middle- income earners seeking help because of mortgage stress and rising utility bills in Moonee Valley.

Ms Begent said people living in expensive properties were juggling mortgages, utility bills and grocery bills.

Many seemingly wealthy residents in Moonee Valley were the “working poor” and an increasing number were coming to the Salvation Army for food vouchers, she said.

The situation was likely to worsen when the federal government made unemployed people under 30 wait six months before getting the dole, placing a further burden on their families, she said.

Danny Pearson, the state Labor candidate for Essendon, said mortgage stress was significant in areas such as Essendon and Aberfeldie, where independent financial analyst Fitch Ratings ranked the 3040 postcode as having one of the nation’s highest mortgage default rates.

Fitch Ratings showed 3.5 per cent of residents in this postcode were more than 30 days in arrears on their mortgages, the fifth highest in the nation in the September 2013 quarter, he said.

Helen Cooney, chief executive of the Moonee Valley-based Caroline Chisholm Society, which helps families, said Moonee Valley had “hidden poverty”.

“There are people who are seemingly well off but they are struggling,” she said.

She said some women came for food parcels but did not want their husbands to know that charity was “putting food on the table”.

People who had been financially “comfortable” until a change in their employment often left it too late to get help to prevent bankruptcy, she said.