

feeling the pinch

NATIONAL ECONOMIC AND
SOCIAL IMPACT SURVEY 2018



AUSTRALIA



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Social Programme Department

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The Salvation Army is very grateful to everyone who supported this year’s national Economic and Social Impact Survey (ESIS). Thank you to each person who took the time to complete the questionnaire and participate in the telephone interviews. We appreciate your time, willingness and openness to speak with us and share your views and experiences.

Thank you to all the wonderful Salvation Army officers, staff and volunteers who make our Doorways Emergency Relief and Community Support centres a welcoming, safe and supportive place for people to come to during some of their toughest times.

This report demonstrates the hardships and challenges many Australians experience and are forced to contend with every day.

This survey is solely funded by The Salvation Army.

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about the salvation army

The Salvation Army is an international movement, recognised as part of the Christian Church, and is one of the world's largest Christian social welfare organisations. Operating in Australia since 1880, The Salvation Army is also one of Australia's largest providers of social services and programs for the most disadvantaged and marginalised people in our communities.

The Salvation Army has a national annual operating budget of more than \$700 million and provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country.

Programs delivered include:

- Emergency Relief, material aid and case work
- Financial counselling
- Accommodation and homelessness services
- Family and domestic violence services
- Drug and alcohol support and treatment services
- Out-of-home care
- Child, youth and family services
- Emergency disaster response and recovery services
- Education, training and employment support services
- Personal counselling and support
- Chaplaincy
- Migrant and refugee services, and
- Aged care services.

The Salvation Army operates more than 280 community support services and Emergency Relief centres and continues to be a leading provider of Emergency Relief services in Australia. In addition to government funding, The Salvation Army contributes more than \$20 million of internally generated funds¹ each year to further support our Emergency Relief centres to deliver material aid, practical assistance and case work to people facing financial hardship and disadvantage. In 2016/17, The Salvation Army's Emergency Relief centres supported more than 125,000² distinct clients across Australia and delivered more than 506,000³ sessions⁴ of ER and case work support.

Over the past few years, The Salvation Army has observed an increase in the number of people presenting with multiple and complex needs.

Many people in financial hardship are also struggling with mental health issues, disability, persistent unemployment, family violence, homelessness and addictions. Our data suggests that people are presenting more frequently, requiring more intensive support and advocacy, and seeking assistance from multiple agencies.

In order to respond to the changing needs of people and to deliver a more integrated service model, The Salvation Army operates Emergency Relief programs through the *Doorways* philosophy. This approach concentrates on a holistic and capacity building framework that recognises people's strengths, supports them to achieve their personal goals and actively works to alleviate the underlying factors that lead to poverty and persistent disadvantage.



our mission



- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

our values



- Integrity
- Compassion
- Respect
- Diversity
- Collaboration

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

about this report

The Economic and Social Impact Survey (ESIS) is a national research project The Salvation Army conducts each year, examining the challenges, obstacles and experiences of disadvantage for people who access our Emergency Relief (ER) services. This is the seventh consecutive year the ESIS report has captured the responses and personal views of people trying to live day-to-day with limited financial means and social resources. Over this period, the situation for many impoverished Australians has remained unchanged, with people continuing to face housing stress, rising utility costs and struggling to have enough money to buy food.

Data for this report was gathered from a seven-part questionnaire distributed nationally through 281 Salvation Army Emergency Relief and community support centres, and to randomly selected individuals who had received mail-out assistance in 2017. A total of 1,267 respondents completed the questionnaire during early February 2018.

This year, semi-structured interviews were conducted with people who accessed The Salvation Army's Emergency Relief and case management services. Sixteen individuals took part and shared their perspectives and views about their individual day-to-day experiences. This provided a deeper understanding of people's experiences of hardship, with a particular focus on their cost of living and housing situations. It also enabled a new depth to the ESIS report, with increased clarity about specific life circumstances and key turning points in participants' lives. We are very grateful to everyone who completed the questionnaire and participated in the interviews.

Information collected from the questionnaire and telephone interviews were analysed and compiled into this national report. The data and participant feedback in the report demonstrate the struggles, harsh realities and tough choices people with limited resources had to make just to get by.



executive summary

Overview

For the past seven years, The Salvation Army has invited people who access our Emergency Relief services to share their experiences of financial hardship, disadvantage and the challenges they face each day. Our data suggests that the majority of respondents continue to experience extreme housing stress, face multiple barriers finding work and are forced to manage on very little income each week. This means they struggle to maintain a basic standard of living, often go without essential items, and at times, are unable to feed themselves or their families.

Children continue to be deprived of basic necessities due to the lack of economic resources that creates hardship within their families. When compared to last year, there has been a **13% increase** in the level of deprivation experienced by children.

Our research also found that children were excluded and frequently missed out on opportunities to participate in recreational and leisure activities, such as team sports, hobbies and having fun with friends. Increasing financial hardship meant that children missed out on educational opportunities and activities at school and many were unable to participate in or have access to technology or the internet at home.

The gap continues to widen between the experiences of children represented in this survey compared to the average Australian child. Frequently, respondents commented that they would 'go without' so that their children did not have to do so. Despite their parents' best intentions and efforts, children continue to live in hardship and experience disadvantage.

THIS REPORT DEMONSTRATES THAT THE MAJORITY OF RESPONDENTS STRUGGLED TO MANAGE ON LIMITED INCOMES AND WERE UNABLE TO AFFORD BASIC ESSENTIALS FOR THEMSELVES AND THEIR FAMILIES. THEY EXPERIENCED MULTIPLE DEPRIVATIONS, A LOWER STANDARD OF LIVING AND WERE SUBJECTED TO IMPOVERISHED LIVING CONDITIONS. THIS REMAINS THE HARSH REALITY FOR MANY DISADVANTAGED PEOPLE WHO ACCESS THE SALVATION ARMY'S EMERGENCY RELIEF SERVICES.

what we found this year

A large proportion of individuals and families who accessed The Salvation Army's Emergency Relief support services experienced:

- Financial hardship due to limited economic resources and multiple barriers to employment
- Food insecurity, outstanding debt and inability to meet cost of living expenses
- Housing stress, inadequate housing conditions and transience
- Reduced participation and access to opportunities for individuals and their families
- Multiple daily challenges and social disconnectedness

INCOME support payments and government allowances are designed to be a safety net for those who need it. However, payment levels were not enough for the majority of respondents to be able to maintain an adequate standard of living for themselves or their families. After paying for their accommodation,⁵ ESIS respondents were left with **\$21 per day**⁶ to live on, with **almost all** respondents **living below the poverty line**;⁷ including **more than 96%** of households **with children**. Single parent households and couples with children experienced the lowest standard of living and the biggest gap below the poverty line. This gap widens even further with each additional child in the family. Newstart Allowance recipients had the least amount of income to live on, left with **less than \$17 per day**⁸ after housing costs and experienced the **largest gap** below the poverty line.

Over the past decade there have been minimal increases to government income support rates which certainly have **not matched** the increases to cost of living expenses. With continually rising electricity and gas bills, increasing housing and rental costs, and rises to education expenses and childcare costs, it is inevitable that ESIS respondents are struggling to pay their bills.

'The bills keep getting higher and my income hasn't increased...things feel impossible [and the] financial stress is making me lose unhealthy amounts of weight. I feel like I'm stuck in a rut.' —*Respondent*

EMPLOYMENT is a way out of poverty. However, **almost half** of respondents reported finding a job was the greatest challenge they faced each day. Nearly **one third** of respondents were actively **looking for a job**. Prolonged unemployment, parenting responsibilities, and cost of transport were their **main barriers** to finding work. Young people seeking employment found it hard to find work due to their lack of experience, education and skills. The labour market is highly competitive, especially for entry level positions.

'I live alone. There's no help, there's just you. If you can't work you're really stuffed.' —*Respondent*

‘The hardest points in my life [have been] homelessness and unemployment. I’m looking for employment...rejection often occurs due to my age and lack of skills.’

—Respondent

Further investment in developing suitable education and training programs that build on the skills and capabilities of people looking for employment would prepare them to enter the workforce. This year there were many respondents who were not able to work. Our findings highlight that **mental health** was the main reason that precluded nearly **two in five** respondents from the labour force.

COST OF LIVING expenses are becoming unmanageable. Respondents reported soaring power and utility prices, transport costs and basic essentials imposed enormous financial burdens. **Seventy six per cent** of ESIS households experienced financial stress and struggled to pay unexpected bills and expenses.

Over the past 10 years, power prices have risen dramatically, and left many Australian households struggling to afford home utilities. Respondents were spending **\$48 per week⁹** on electricity and gas bills, accounting for **11%** of their weekly household income.

Respondents were spending **\$148 per week¹⁰** on food—**more than one third** of their weekly household income. The cost of food has become a pressure point for many ESIS households, with **two thirds** of respondents reporting that food affordability was their greatest day-to-day challenge. **Three quarters** of households were affected by **food insecurity¹¹**, with at least **three in five** respondents unable to afford enough food to eat or regularly skipping meals. **More than 70%** sought assistance and food vouchers from charity organisations. With limited financial resources, many ESIS respondents are forced to make difficult decisions and many simply go without.

‘It’s a heavy load for me and the bills still keep rolling in... Everything adds up.’ —Respondent

More than half of all respondents reported they were **in need** and did not have enough money for basic essentials. **Half** reported that their financial situation had **become worse** over the past 12 months, with **52%** indicating that they were **worse off financially** compared to their parents at a similar age. Many respondents were trying to pay back debts, **nearly half** sold goods to pawnbrokers and **55%** were spending more than they received. The situation for some was dire.

‘Our budget is tight every day. Paid that day. Broke the same day. Dad and I will go without food so our kids have [enough] food...I know they will be better off than me.’

—Respondent

Joseph*
 (He said his situation was desperate and when he had no money he would be forced to...) Go hungry, sleep on friends’ couches or in the car... Go without. Visit charities. Pawn. Borrow. Steal.

*Name changed to protect the privacy of respondent.



HOUSING & RENTAL AFFORDABILITY

is at crisis point for many Australians. High rent and low income situations for ESIS respondents have placed considerable financial strain on households. Housing costs remain the largest budgetary expense, with some families paying **up to \$300 per week** for rent. After rent and mortgage payments, ESIS respondents were left with **\$147 per week** or **\$21 per day¹²** to live on. **More than four in five** households experienced **extreme housing stress** and spent more than 50% of their income on housing costs. Single parents and couple households with children were worst affected.

Respondents reported they frequently had to cut back on spending on essential items like food, transport and health, to meet housing costs. Private renters were most disadvantaged and spent the majority of their income on housing, leaving less than **\$20 per day¹³** to live on.

‘Rent is my biggest killer. Hopefully I will be able to get into government housing. I am on the list but it’s a very lengthy wait.’ —Respondent

More than one third of respondents reported that their home was in poor condition, and household items did not work properly. For some respondents, they had little choice and took what housing options were available and what they could afford; many just wanted a ‘roof’ over their head. Many respondents reported their housing situation was the cause for great uncertainty and insecurity, and renting did not guarantee a stable place to call home. Respondents frequently reported that insecure housing tenure came at a personal cost. The stress and anxiety of being able to afford the rent, finding a safe and secure home, and concerns about eviction impacted on many respondents’ physical and mental health and emotional wellbeing.

HOMELESSNESS & TRANSIENCY

was a critical issue for ESIS respondents. **More than one in ten** people were homeless or residing in temporary accommodation; of these, **half were homeless** for more than 12 months. These figures are significantly higher when compared to the national average of one in 200 people. This indicates that the people who access Salvation Army Emergency Relief services are among the most disadvantaged and marginalised in the community.

‘I’ve just struggled and struggled... yes, I’ve been to dark places, you know, like trying to work out how to keep going.’ —Respondent

Nearly half of all ESIS respondents moved house in the past 12 months, with private renters and people in share and temporary accommodation or homeless being the most transient. Private renters were particularly vulnerable to changes in financial situations, with **almost one in five** respondents residing in private rental before they became homeless. For some, there was a fine line between ‘getting by’ and spiralling into homelessness.

Family violence remained the main reason that people moved house. **One quarter** of respondents relocated in the past year and **59% of households with children** changed schools due to family violence, creating further isolation, disconnection and hardship for families.

‘My biggest challenge is being unemployed, being in domestic violence and having nowhere to go.’ —Respondent

1,470 CHILDREN aged between 0–17 years were represented in this year's ESIS data. **Two thirds** of households with children experienced severe deprivation and went without essential day-to-day items. This is a **13% increase** in the level of deprivation compared to last year's findings. Most children were deprived of social and recreational activities, educational opportunities and access to technology. **Three in five** respondents could not afford the cost for their children to participate in school trips, and **more than half** could not afford up-to-date schoolbooks and school uniforms. **Three in five** could not afford a **computer**, laptop or tablet, and **almost half** could not afford an **internet** connection for their household.

There is a growing divide between children from advantaged and disadvantaged families, with marginalised children being left behind without the same opportunities as their peers. With high rent and low income, the majority of households, especially those with children, are living below the poverty line and are unable to afford the basics. Although many respondents reported that they 'go without', so that their children did not have to, for some this was still not enough.

THIS REPORT PROVIDES AN INSIGHT INTO THE STRUGGLES AND DIFFICULTIES MANY AUSTRALIANS FACE TRYING TO MEET RISING ENERGY PRICES, PAY THE RENT AND FEED THEIR FAMILIES. ESIS RESPONDENTS ARE CERTAINLY **FEELING THE PINCH** AND FACING UNPRECEDENTED HARDSHIPS. MANY CANNOT EVEN MAINTAIN A BASIC STANDARD OF LIVING.

The Salvation Army supports the development of a national plan to focus on reducing rates of poverty and inequality in Australia, and welcomes government investment to strategically and jointly address the structural barriers that lead to disadvantage and poverty.

main themes

The 2018 Economic Social Impact Survey (ESIS) report demonstrates the experiences of disadvantage and struggles of those seeking assistance from The Salvation Army Emergency Relief services. This research highlights five main themes where respondents experienced financial hardship and disadvantage due to:

- 1** Limited economic resources and multiple barriers to employment
- 2** Food insecurity, outstanding debt and inability to meet cost of living expenses
- 3** Housing stress, inadequate housing conditions and transience
- 4** Reduced participation and access to opportunities for individuals and their families
- 5** Daily challenges and social disconnectedness

key findings

Income



95% of respondents relied on government income support as their primary source of income



\$435 Respondents had a disposable household income of **\$435 per week**,¹⁴ which is less than one third of the average Australian median income

After paying accommodation expenses:¹⁵



\$21 Respondents were left with **\$21 per day**¹⁶ to live on



\$17 Newstart Allowance recipients had the least amount to live on with **\$17 per day**¹⁷



95% of all households were under the poverty line¹⁸

Employment



32% were unemployed and actively looking for work; of these, **two thirds** had been looking for employment for more than six months

Main barriers for **job seekers** finding work:



46% prolonged unemployment



29% parenting responsibilities



19% of respondents were **out of the labour force completely**; of these, **almost 2 in 5** reported that mental health and physical conditions were the main barriers preventing them from working

Cost of Living

Food



\$148 Respondents spent **\$148 per week**¹⁹ on food, accounting for **more than one third** of their weekly household income



74% of all households experienced food insecurity²⁰



67% of respondents reported food affordability was the greatest challenge on a day-to-day basis



61% regularly went without meals

Electricity and Power



\$48 Respondents spent **\$48 per week**²¹ on electricity and gas bills



59% could not afford to pay their gas, electricity or phone bills on time



34% could not afford to heat or cool their home

Transport



\$50 Respondents spent **\$50 per week**²² on transport



3/10 Transport was one of the main barriers for nearly **3 in 10 job seekers** to find employment

Financial Stress



\$48 Respondents spent **\$48 per week**²³ repaying creditors



76% of respondents were unable to raise **\$500** in case of an emergency



76% of households experienced financial stress²⁴



60% of respondents reported managing financial stress and difficulties was their greatest challenge on a day-to-day basis



47% sold or pawned items

Housing

Housing Stress*



\$250 Respondents paid **\$250 per week**²⁵ for housing



81% experienced **extreme** housing stress,²⁶ paying more than half of their income on housing

Homelessness



11% of respondents were homeless or living in temporary accommodation



1/5 Almost **1 in 5** respondents who became homeless in the last 12 months, were previously living in private rental

Mobility



49% of all respondents moved house in the past 12 months



25% moved house due to family violence

*Private rent and mortgage respondents only.

Children

Going Without



67% of children experienced severe deprivation,²⁷ where parents could not afford more than five essential items for their children

Parents **COULD NOT AFFORD** for their children:



63% regular leisure activities or hobbies



63% money to participate in school activities, trips and events



61% computer, laptop or tablet



55% up-to-date school books and school uniforms



48% an internet connection at home

ESIS respondent households with children are **10 times** more likely to live in high rent, low income situations²⁸ and experience financial hardships, compared to the average Australian child.

Wellbeing

Social Connections



59% of respondents reported managing their mental health and emotional wellbeing was their greatest challenge on a day-to-day basis



54% were unable to seek support from friends and family in a time of crisis



43% had very limited social connections and felt isolated most of the time

methodology

Overview

The national Economic and Social Impact Survey (ESIS) is a tool to collect information about the experiences of those individuals and families who access The Salvation Army's Emergency Relief and community support services. This year, the questionnaire was redesigned to understand more about respondents' economic resources and financial stress, cost of living expenses, housing situations, and living conditions and social connections with others.

Questionnaire Design

The questionnaire comprised of seven sections:

Part 1 Demographic profile

- Personal and family circumstances and household details

Part 2 Income and employment

- Income source
- Employment status and barriers to employment

Part 3 Cost of living

- Household expenditure²⁹ and living expenses
- Actions when short of money
- Financial stress³⁰ and resources
- Financial situation

Part 4 Housing

- Housing costs
- Living arrangements and housing conditions
- Housing transience and mobility

Part 5 Children

- Essential items for children³¹
- Social exclusion³²

Part 6 Opinion and views

- Daily challenges
- What makes a difference

Part 7 Wellbeing

- Support and social connections

Questionnaire Distribution

The questionnaire was distributed nationally via The Salvation Army's 281 Emergency Relief and community support centres, and mailed directly to 500 randomly selected clients who received mail-out assistance in rural and remote areas.³³ The data collection period was open from 29 January to 16 February 2018. The questionnaires were paper-based hard copies, and an online version was also available. Questionnaires were provided to individuals to complete; centre staff and volunteers were available to help participants if they requested assistance. Participation was voluntary and responses were anonymous. Completed questionnaires were returned to The Salvation Army's Melbourne and Sydney headquarters.

Data Entry

Completed hardcopy questionnaires were manually entered into an online survey tool and internal database for qualitative and quantitative analysis. Non-responses (NR) were excluded from the calculations and figures are displayed on each chart. The majority of questions had a low non-response rate (less than 10%); caution should be exercised when interpreting non-response rates higher than 10%. Open-ended responses and comments were coded and categorised according to recurring themes in participant responses.

Sample Size

A total of 1,267 respondents completed the questionnaire during early February 2018. The sample size was large enough to conduct national and state based analysis.

Interviews

Sixteen individuals participated in semi-structured telephone interviews through December 2017 to February 2018. Individuals who accessed to The Salvation Army Emergency Relief and case work services were invited to participate in the interview. Participation was voluntary and written consent was obtained from each interviewee. A set of open ended interview questions were designed to explore the cost of living, housing situations and experiences of homelessness. Telephone interviews lasted between 15–25 minutes, were audio recorded and then transcribed verbatim. All transcripts were de-identified, themed, coded and analysed. All participants received a \$30 Woolworths Essentials gift card in appreciation of their time. No identifying participant details were published in the report and participants' identities will remain confidential. The interviews were illustrative of participant experiences, and the sample is not considered representative of the wider population.

Qualitative Analysis

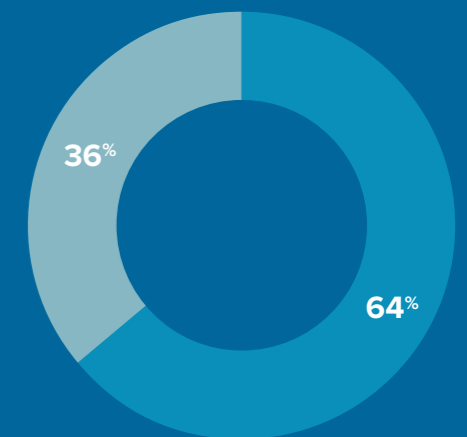
A thematic analysis was undertaken with NVivo qualitative data analysis software. Coding was conducted deductively to identify themes relating to the cost of living, individuals housing situation and experiences of homelessness and inductively to identify any emerging themes from the data. Case scenarios were compiled from the interview transcripts to illustrate the experiences of individuals; these have been included in this report.

In 2016/17, The Salvation Army's Doorways and Community Support Services assisted more than 125,000³⁴ people and delivered more than 506,000³⁵ Emergency Relief and case work support sessions³⁶ across Australia. The demographic profile of respondents from this year's ESIS was largely representative of individuals who accessed Salvation Army Doorways Emergency Relief services. The survey results highlighted consistent themes across The Salvation Army's wider client group.

1 demographic profile

1 Gender

Female
Male
(n=1,247, nr=20)



5%
18-24



25-34



35-44



45-54



55-64



65+

2 Age

Almost one third of respondents are in the age range of 35-44. Eighty-nine percent are in the optimum age range for work participation (25-64).

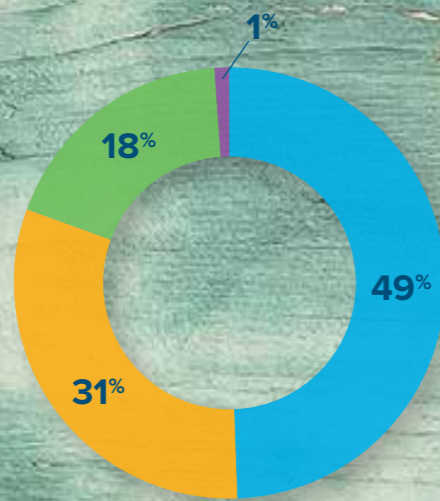
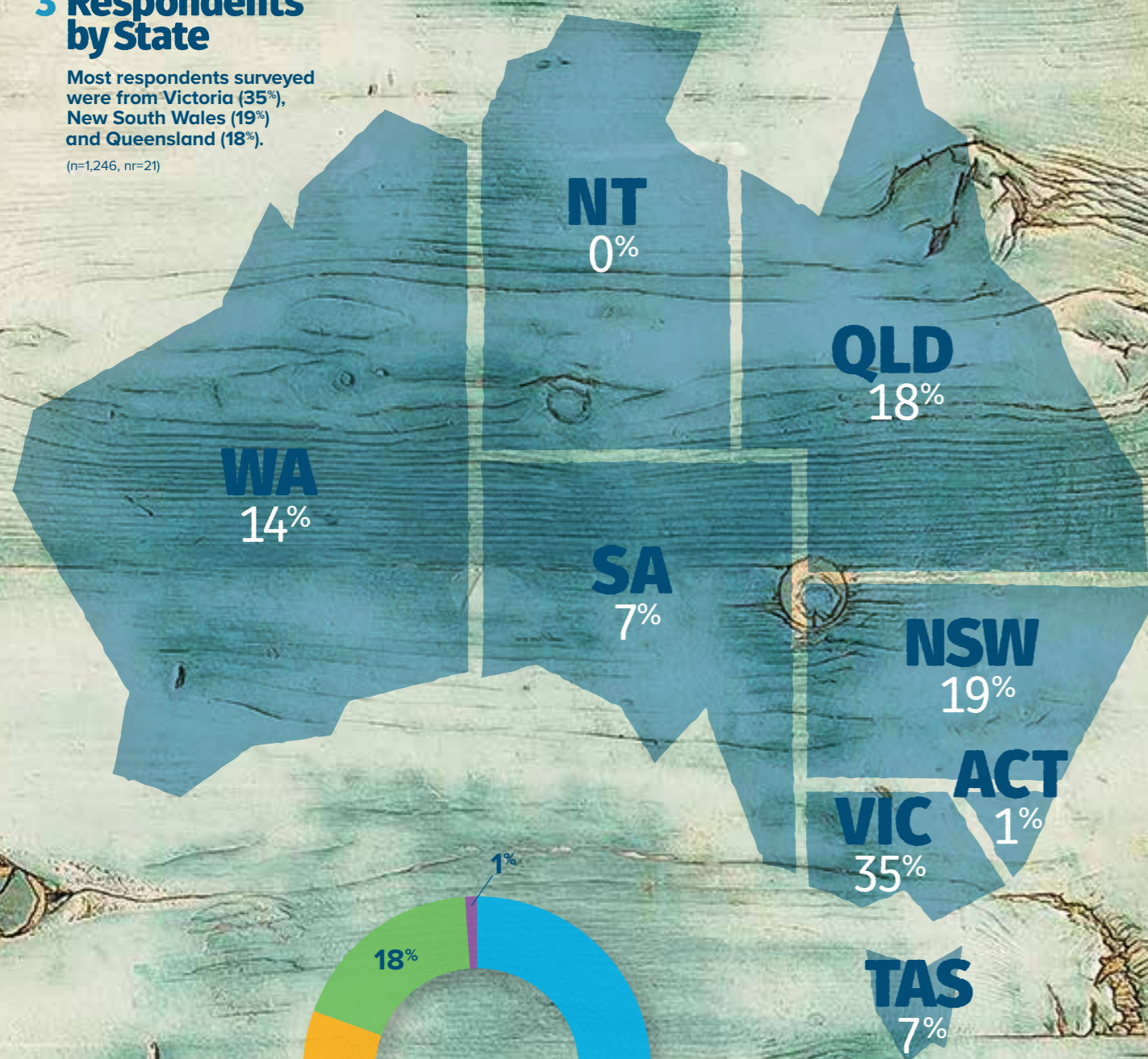
Optimal age range for work participation

(n=1,238, nr=29)

3 Respondents by State

Most respondents surveyed were from Victoria (35%), New South Wales (19%) and Queensland (18%).

(n=1,246, nr=21)

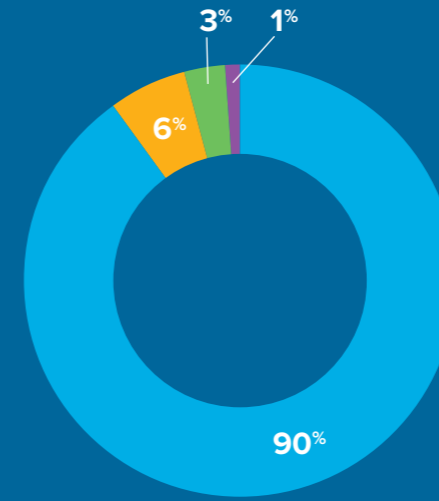


- Major Cities
- Inner Regional
- Outer Regional
- Remote/Very Remote

(n=1,186, nr=81)

4 Where Respondents Live

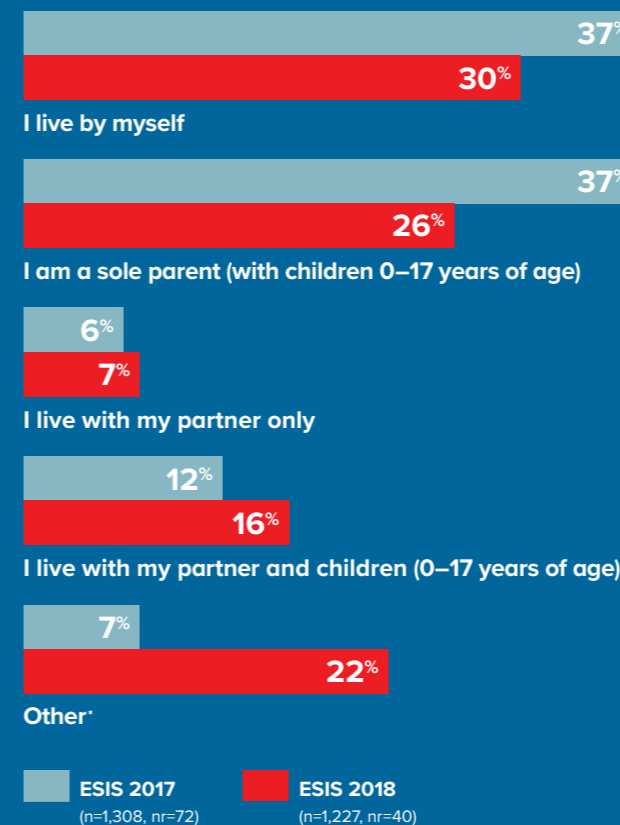
Almost half of respondents were from major cities, and another third from inner regional areas.



- Australian citizen
- Australian permanent resident
- Asylum seeker/refugee
- Other

(n=1,236, nr=31)

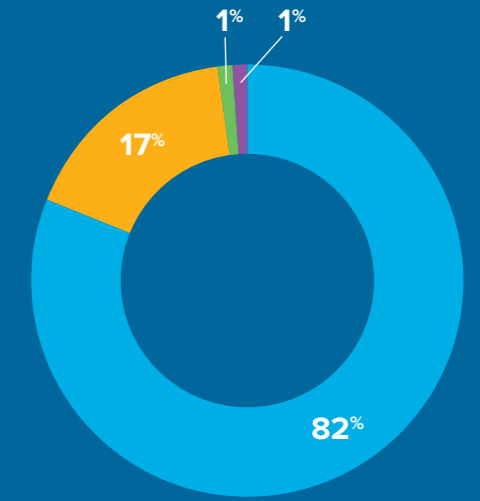
5 Residential Status



7 Household Type

This year there were less single persons (30%) and single parents (26%) among respondents, down from 37% last year, although they still make up the majority household type. There were slightly more couples with children (16%) and an increase in other types of household compositions.

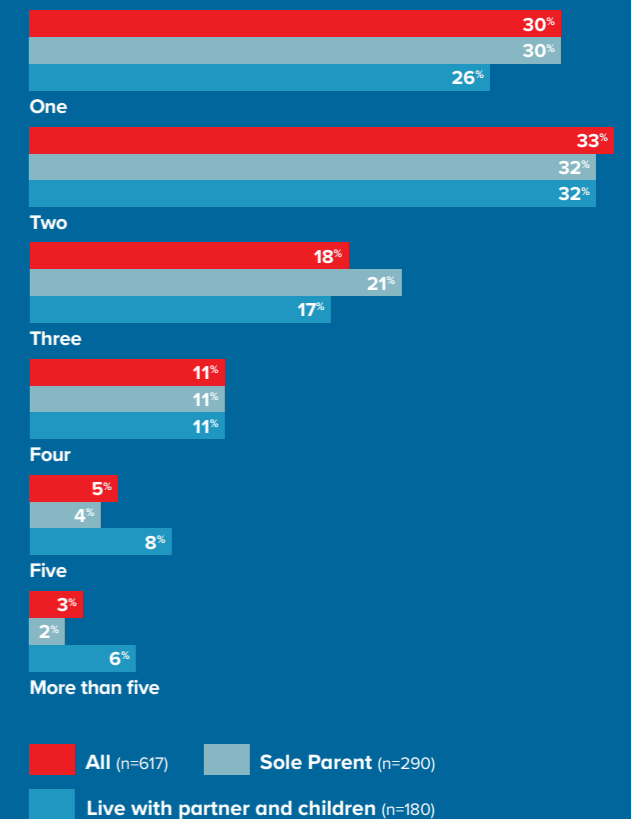
*Other includes living with parents, living in share accommodation, single/couple with children or dependents older than 17 living at home.



- Aboriginal
- Aboriginal and Torres Strait Islander
- Torres Strait Islander
- None of the above

(n=1,179, nr=88)

6 Aboriginal and Torres Strait Islander Peoples



8 Number of Children Under 18 in Household

Fifty-one percent of respondent households had no children. There were 617 (49%) households with children, with a total of 1,470 children under 18 years of age represented in the survey.



“ Inequality of opportunity in employment comes in a number of forms. These include barriers to labour market participation, structural inequalities within the workforce and the uneven impacts of technological change.”

—CEDA, *How unequal? Insights on inequality report (2018)*

2 income & employment

Income Support

Income support is intended as a safety net and an entitlement for those who need it. However, for people receiving government benefits, maintaining an adequate standard of living is proving to be virtually impossible. **Ninety-five per cent** of ESIS respondents relied on government benefits as their primary source of income, with **more than one-third** receiving Newstart Allowance, followed by the Disability Support Pension and Parenting payments for single families. Notably, income support payment rates and allowances, such as Newstart and Youth Allowance, have only increased marginally over the past two decades and have not matched rising living costs, utility bills, education, child care fees and housing costs. This has left many respondents struggling to manage on limited income and unable to afford basic essentials for themselves and their families.

Respondents reported difficulties trying to manage on limited income and described experiences of:

- Ongoing financial stress
- Living day-to-day
- Being stuck or trapped in disadvantage with no way out
- Feeling punished, looked down upon and ostracised by others
- Being forced to make difficult choices
- Resorting to extreme or desperate measures for enough money to live.

*Ellie**

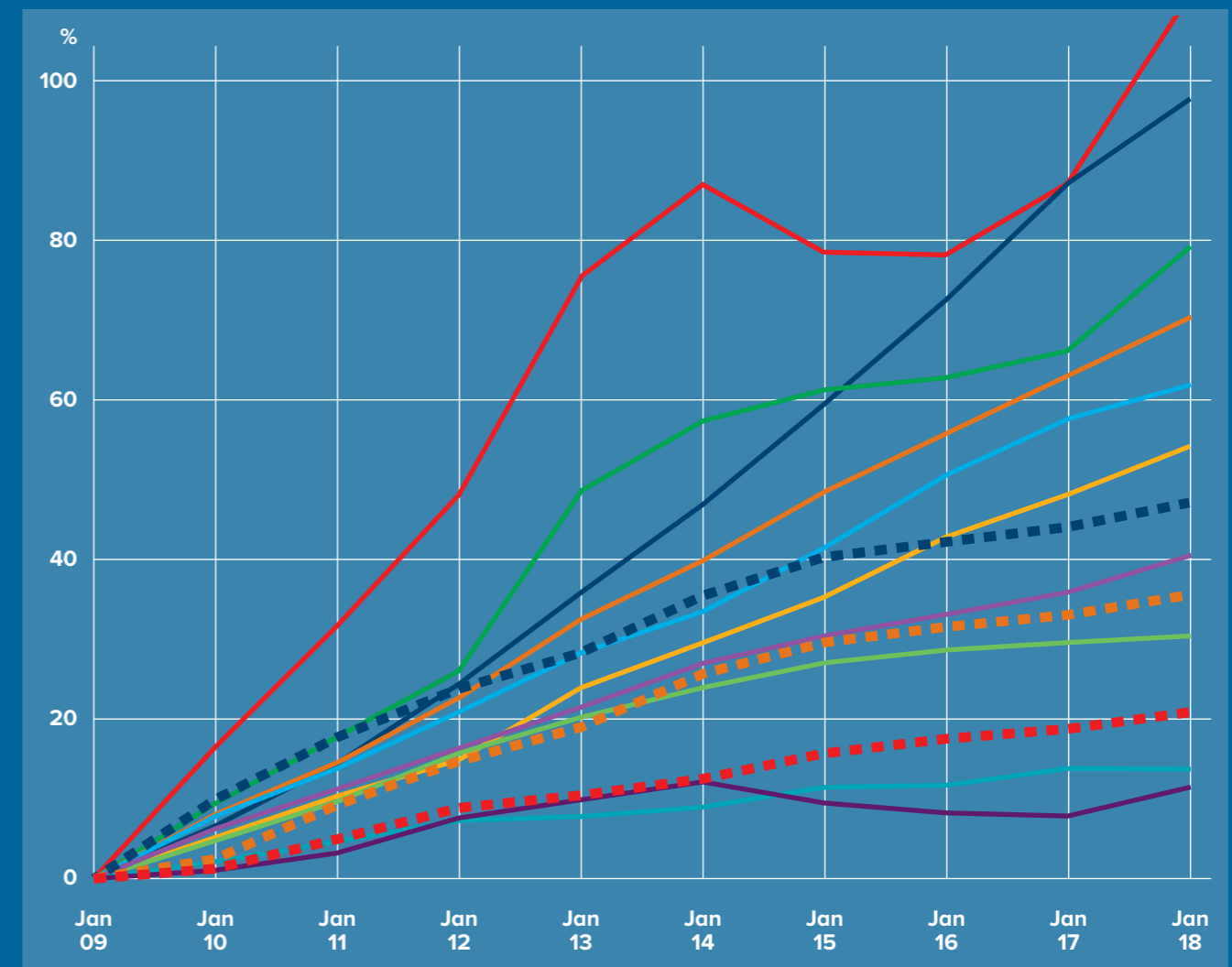
I wouldn't want to wish this upon anybody. You know what I mean? And to let an almost 60 year old woman live on \$186 per week? Now I understand why there is so much poverty out there... Yes, I think Centrelink should have a look... they should look at people's ages and situations, you know? [Living on] Centrelink has absolutely put me into poverty.

*Name changed to protect the privacy of respondent.

'But being on Centrelink is very difficult. And because of the high electric bills that you get, and the rent, it all adds up.' —Respondent



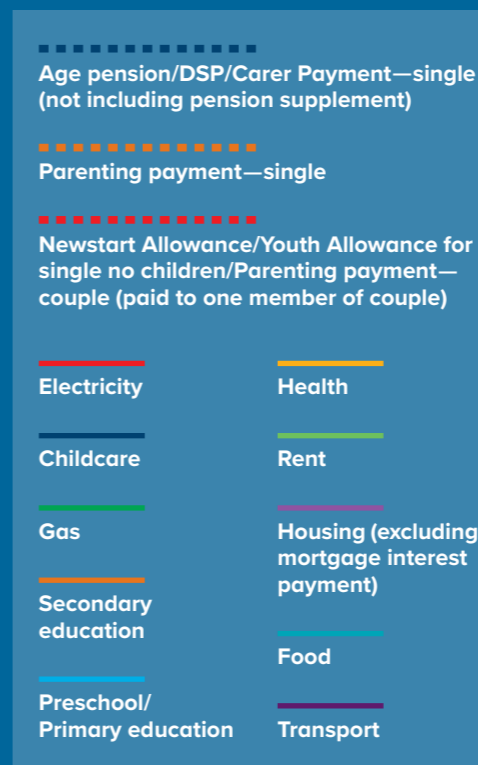
Income support payments have not increased to match rising living costs, such as utility bills, education, childcare fees and housing costs



9 Income Support/ CPI Comparison

The increase in electricity, gas, health, cost of education and housing is clearly not matched by the increase in government income support. The increase in support is particularly minimal for Newstart Allowance, Youth Allowance and Parenting payment for couple.

Source: Department of Human Services, Historical versions of *A Guide to Australian Government Payments*²⁷ and Australian Bureau of Statistics, 2017, cat. 6401.0 Consumer Price Index, Australia.²⁸ Note: Some support payments have different rates (\$AUD) but they have the same increase rate, therefore reflected as one line here, for example: Newstart Allowance and Youth Allowance and Parenting payment for couple. Support payments were converted to index, with base index of 100 for January 2009. CPI index was also converted where the base index was 100 for month December 2008.



Income and the Poverty Line

Overall, ESIS respondents had a median disposable household income of **\$435 per week**. After paying housing costs, their household income reduced to **\$147 per week**, or less than **\$21 per day**,³⁹ to buy all other essentials for their whole family. This equates to an annual income of less than \$23,000 per year, which is **less than one third** of the average Australian median income and well below the poverty line.

After paying housing costs:



\$21 Overall, respondents were left with **\$21 per day** to buy all other essential items for their family



\$24 Single person households were left with **\$24 per day** to live on



\$36–37 Households with children were left with approximately **\$36–37 per day** to buy all other essential items for their family

Table 1 Comparison between Populations, Lowest Income Australians and ESIS Respondents

Group	Total ANNUAL median disposable household income	Total WEEKLY median disposable household income
Australian population	\$72,696	\$1,398
Lowest 20% income Australians	\$24,804	\$477
ESIS respondents	\$22,620	\$435

ESIS Respondents on the Poverty Line



In Australia, nearly 3 million people live below the **poverty line**; of these nearly 25% are children.⁴⁰ These figures have remained relatively static over the past six years; however, rates of child poverty for sole parent households have increased.⁴¹ The situation for ESIS respondents is worse, as **nearly all** ESIS respondents are living below the poverty line.⁴² This year's findings demonstrated after paying for housing, **more than 96%** of ESIS households **with children** were below the poverty line. The gap between maintaining an adequate standard of living and below the poverty line increased with each **additional child**. Compared to other ESIS households, single parent families and couples with children experienced the lowest standard of living and the biggest gap below the poverty line. These results highlight that families are struggling and face additional financial pressures from the costs of raising children.



After paying housing costs:

95% of **all** ESIS respondents are under the poverty line



98% of **single parent families** are under the poverty line



>96% More than 96% of ESIS households **with children** are under the poverty line



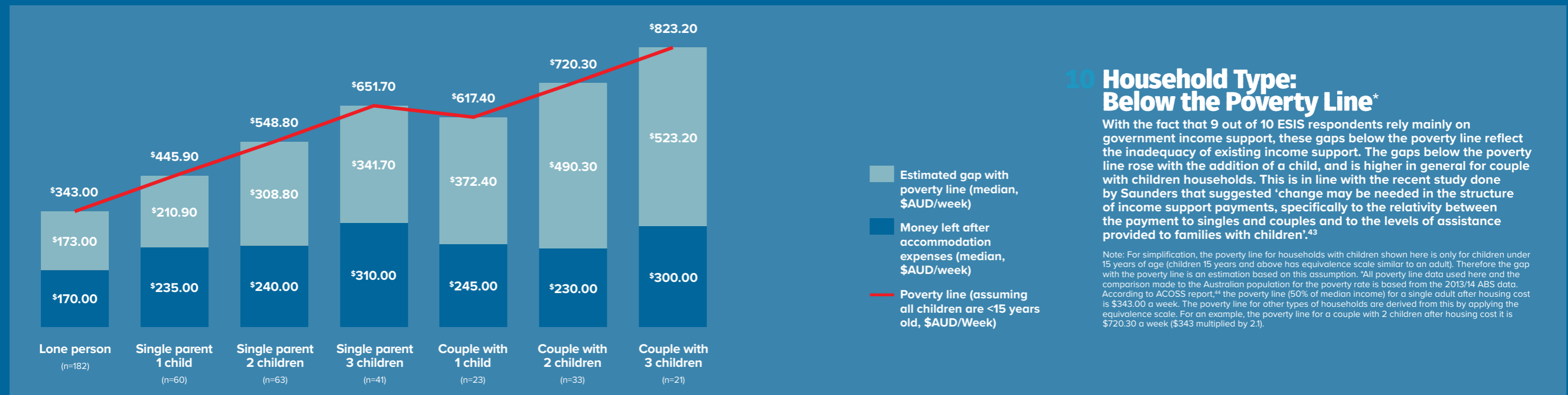


Table 2 Disposable Income Comparison with Australian Population

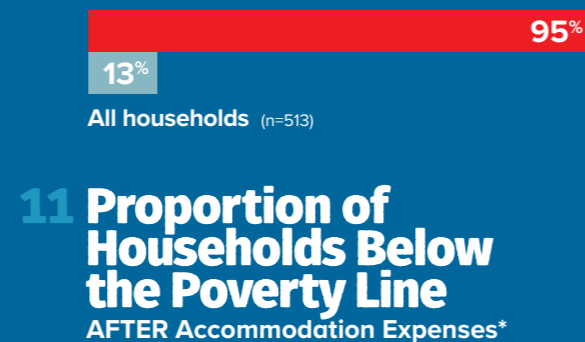
	ESIS 2018 (n=531)	Lowest 20% income in Australia*	Australian Population*
Median disposable income \$AUD/Week	435	477	1,398

*Source: Australian Bureau of Statistics, 2017, Table 1.2.⁴⁵

Table 3 Income, Accommodation and Money Left Per Day

	Median \$AUD/Day ESIS 2018 (n=531)
Disposable income BEFORE accommodation	\$62.14
Accommodation expenses	\$29.86
Money left AFTER accommodation PER PERSON*	\$21.00

*Equivalised according to the number of people in the household and their age. Equivalence scale for the reference person (respondent) is 1, extra adult (15 years and above) is 0.5, children (under 15 years) is 0.3.



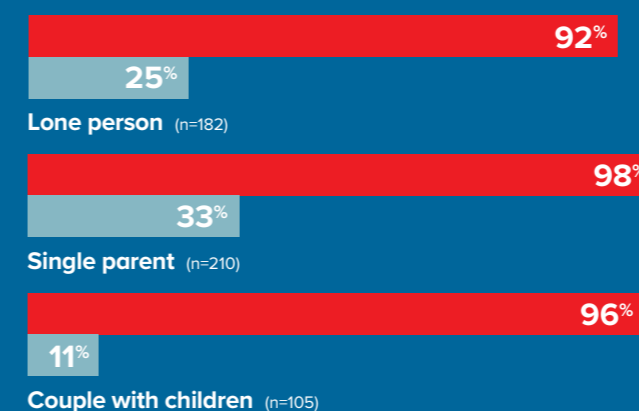
*All poverty line used here and the comparison made to the Australian population for the poverty rate is based from the 2013/14 ABS data. According to ACOSS report,⁴⁶ poverty line (50% of median income) for a single adult in Australia after housing cost is \$343.00 a week.

ESIS 2018
Australian population

Table 4 Income, Accommodation and Money Left Per Day by Household Types

	Median \$AUD/Day		
	Lone person (n=184)	Single, with children (n=210)	Couple with children (n=105)
Disposable income BEFORE accommodation	\$45.96	\$71.43	\$78.57
Accommodation* expenses	\$22.86	\$33.93	\$35.71
Money left AFTER accommodation* PER HOUSEHOLD	\$24.29	\$36.61	\$35.71

Couple without children are not presented here because of small sample size (n=34). *Includes all housing types. *Because we're using median, the money left after accommodation presented here does not equal disposable income minus accommodation expenses. That applies only when we use the mean (average).



12 Proportion of Households Below the Poverty Line AFTER Accommodation Expenses by Household Type*

*All poverty line data used here and the comparison made to the Australian population for the poverty rate is based from the 2013/14 ABS data. According to ACOSS report,⁴⁷ the poverty line (50% of median income) for a single adult in Australia after housing cost is \$343.00 a week. The poverty line for other types of households are derived from this by applying the equivalence scale. For an example, the poverty line for a couple with 2 children after housing cost it is \$720.30 a week (\$343 multiplied by 2.1).


ESIS 2018
Australian population





Newstart Allowance recipients received the least amount of income and after accommodation expenses were left with **less than \$17 per day**⁴⁸ to live on, followed by recipients of Single Parenting payments who were left with approximately **\$22 per day**.⁴⁹ Nearly all respondents receiving income support fell under the poverty line; the gap is widest for those receiving the Newstart Allowance. This highlights the grossly inadequate rates of income support that recipients have to rely on. The government needs to commit to providing an adequate safety net for those in need that will reduce the likelihood of people living in poverty.


THE SALVATION ARMY SUPPORTS CALLS FOR THE FEDERAL GOVERNMENT TO RAISE INCOME SUPPORT PAYMENTS BY A MINIMUM \$75 FOR RECIPIENTS ON THE LOWEST BENEFITS AND ALLOWANCES TO ENSURE PEOPLE CAN MAINTAIN A SATISFACTORY STANDARD OF LIVING.


These findings highlight that households with children and individuals on Newstart are particularly at risk of poverty, particularly when compared to other Australians. ESIS respondents live well below the poverty line and are among the most disadvantaged and marginalised, and impoverished groups.

- 

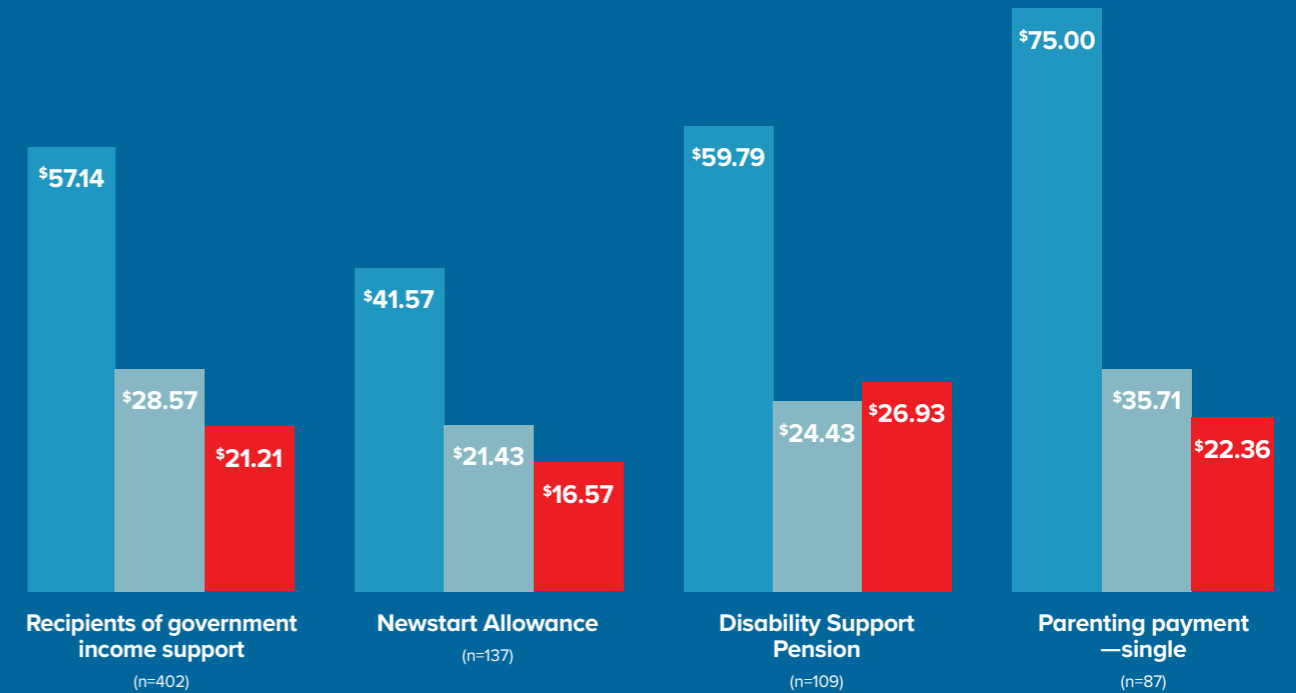
After paying housing costs:
\$17 Newstart Allowance recipients were worst affected, left with **less than \$17 per day** to live on
- 

\$22 Single Parenting payment recipients were left with **\$22 per day** to live on
- 

After paying housing costs:
97% of ALL income support recipients fall under the poverty line
- 

98% of Single Parenting payment recipients fall under the poverty line
- 

99% of Newstart Allowance recipients fall under the poverty line



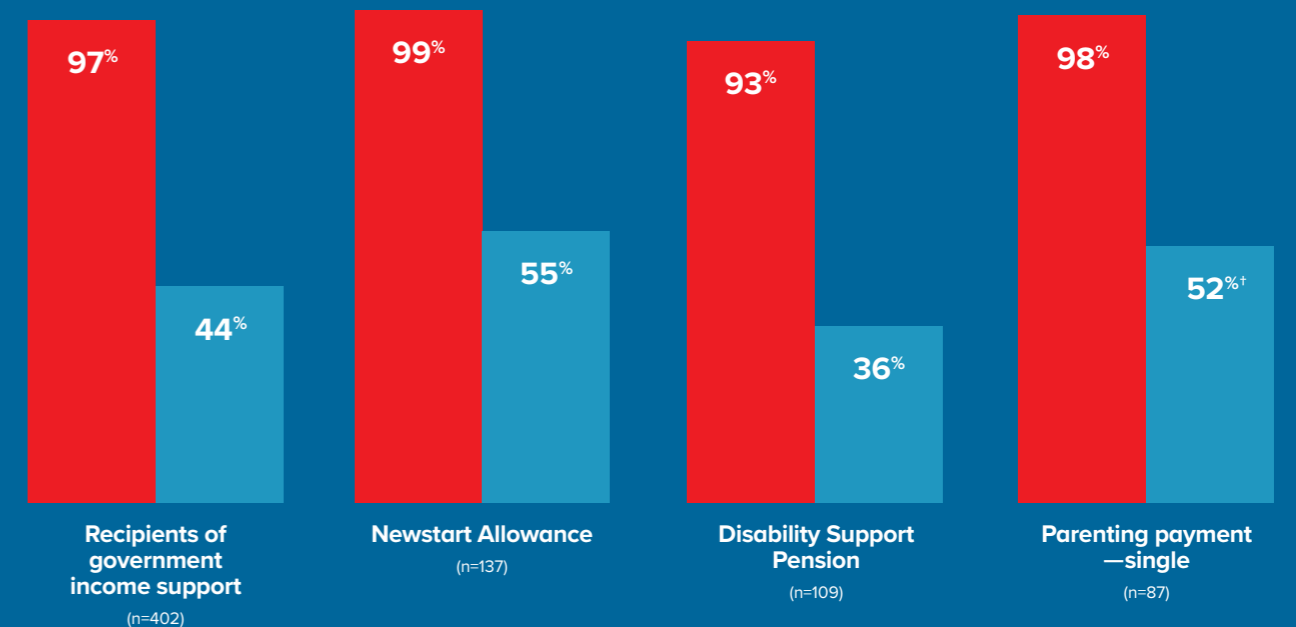
13 Income Support Type

Income, Accommodation and Money Left Per Day

After paying for accommodation expenses, the lowest money left for a single adult is for the recipient of Newstart Allowance at \$16.00 a week, or approximately \$17 a day.

Other types of income support are not presented here because of small sample size (n<30) *Equivalised according to the number of people in the household and their age. Equivalence scale for the reference person (respondent) is 1, extra adult (15 years and above) is 0.5, children (under 15 years) is 0.3.

■ Disposable income BEFORE accommodation
 ■ Accommodation expenses
 ■ Money left AFTER accommodation PER PERSON*



14 Proportion of Households Below the Poverty Line*

AFTER Accommodation Expenses by Income Support Type

Almost all of Newstart Allowance recipients among ESIS respondents fall under the poverty line after accommodation expenses. The gap below the poverty line is biggest for those receiving Newstart Allowance.

*All poverty line data used here and the comparison made to the Australian population for the poverty rate is based from the 2013/14 ABS data. According to ACOSS report,⁵⁰ the poverty line (50% of median income) for a single adult in Australia after housing cost is \$343.00 a week. *The proportion for Australian population here is a combination for both Parenting payment single and couple.

■ ESIS 2018
 ■ Australian population

Employment

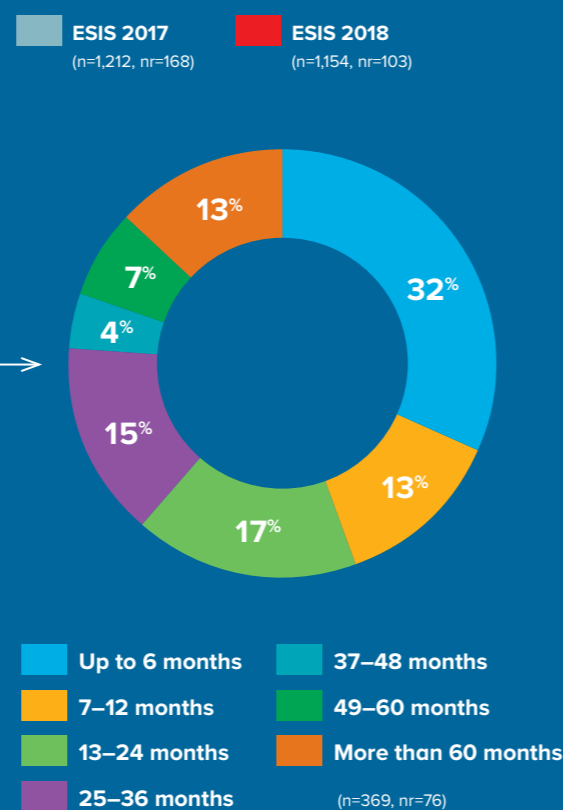
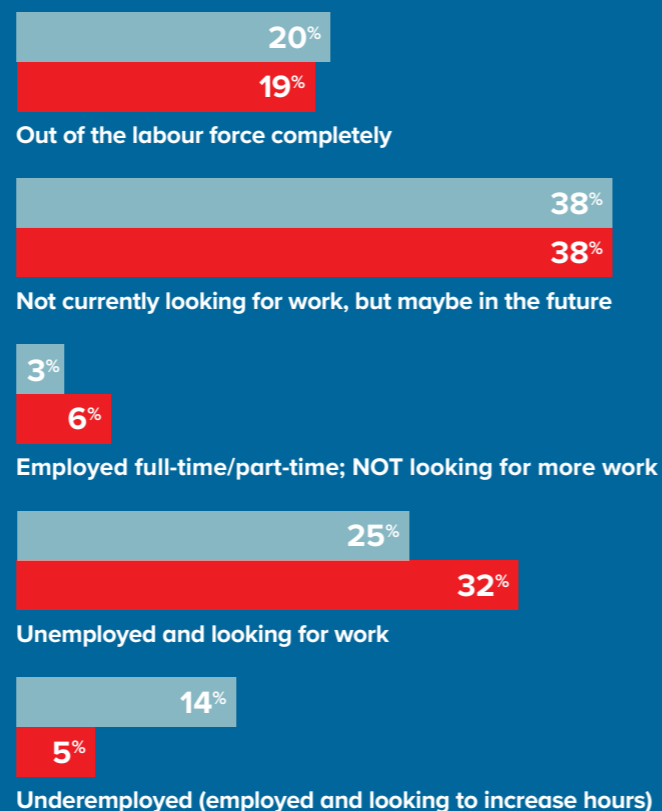
Unemployment is one of the strongest overall predictors of poverty. This was certainly the case for the majority of ESIS households who were unemployed, managed on limited income and experienced ongoing financial hardship. Life circumstances and personal challenges prevented numerous ESIS respondents from participating more fully in the labour market. Our research highlighted that in the past 12 months, jobseeker rates rose by 8% with **almost one-third** of unemployed respondents **actively looking for work**. It was noted that this group struggled to secure work and experienced periods of **persistent unemployment**; with 33% looking for up to six months, and 54% looking for work for over a year.

Jobseekers also experienced multiple barriers finding employment and reported their greatest challenges related to:

- Prolonged periods of time out of the workforce (46%)
- Parenting responsibilities (unable to find flexible employment) (29%)
- Transportation (lack of availability and/or high cost of transport) (28%)
- No jobs in their local area (26%)
- Managing a mental health condition (26%)

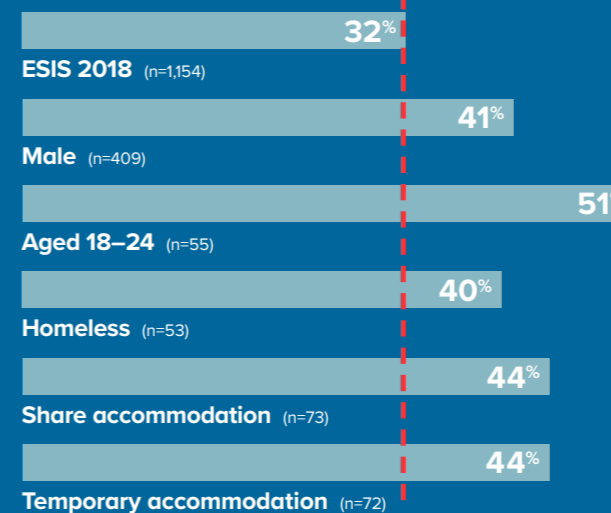
‘Most jobs that I go for ring me up and say I haven’t passed the police check and they regret to inform me that I haven’t got the job...that’s been my real struggle.’
—Respondent

Investment in the labour market, career transition schemes and creating meaningful jobs in local areas is a vital step towards increased workforce participation for people experiencing disadvantage and multiple employment barriers. Providing training programs and initiatives, skill development and capacity building opportunities develops the capabilities of people and prepares them for the workforce. The provision of more flexible and part-time work options are crucial to provide people with families the opportunity to work, along with more affordable and high quality childcare options.



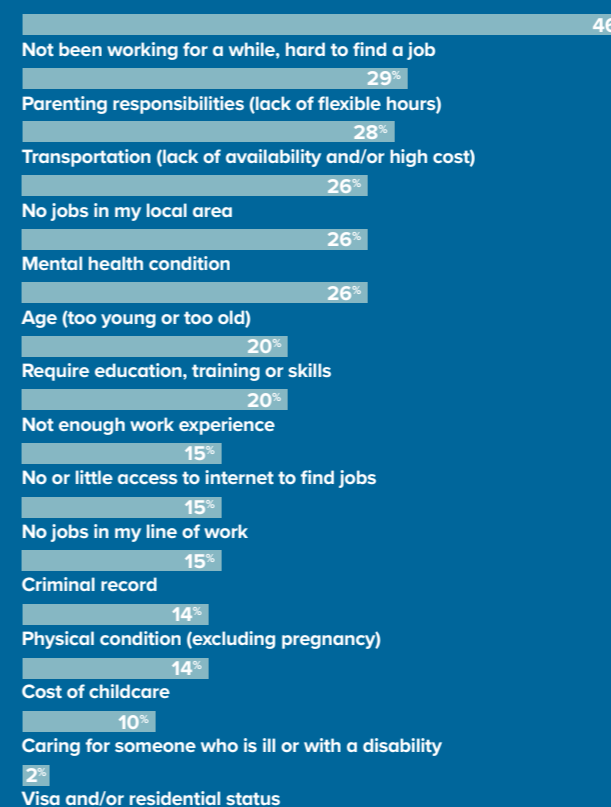
15 Work Participation

Increase in number of unemployed and looking for work this year to 32% from 25% last year among our respondents, while there is less underemployed to 5% from 14% last year. Two thirds of those looking for work have looked for more than six months.



16 Unemployed and Looking for Work

Male or aged between 18-24 or living in unstable accommodation (homeless/share/temporary) tend to look for work.



17 Why is it Difficult to Find Work?

Besides prolonged unemployment and parenting responsibilities, transportation is the third highest barrier with almost 3 out of 10 having little or no access to transport and/or can't afford the high cost of transportation. With limited income, respondents can only afford or chose to spend only \$50 a week (see cost of living section) on transportation which may limit their travel ability, adding difficulty in finding work.

(n=435, nr=10)



Groups more actively looking for work were males, aged between 18-24 years, and living in shared or temporary or unstable accommodation



Main obstacles for younger jobseekers included not working for a while and found it hard to find a job (64%), lack of experience (36%), lack of/high cost of transportation (32%)



Lack of transportation and/or internet access makes it harder to find employment, especially for those living in unstable accommodation

Overall, 6% of ESIS respondents were employed and received income from full-time, part-time, casual or from working odd jobs. Of these, several reported concerns they might lose their job, or their hours may be reduced. A common theme among working respondents was that employment did not guarantee financial or job security.

‘I am the working poor and it has been a struggle, emotionally and physically.’ —Respondent



9 out of 10 respondents rely on government support income

18 Employment Snapshot

Not looking for work now, but maybe in the future

Difficulty in finding employment with flexible time to fulfill parenting responsibilities, and high cost of childcare (for those with children under 5 years old)

They tend to be:

- female; or
- 25-44; or
- single parents; or
- living in public housing.

Unemployed and looking for work

Experiences prolonged unemployment. Lack in internet access and/or transportation as barriers for finding a job especially for those living in unstable accommodation. Those aged 18-24 finds their lack of experience and/or education/skills as barriers for employment.

They tend to be:

- male; or
- 18-24; or
- living in unstable accommodation (homeless/share/temporary).

Out of the labour force completely

Out of labour force mostly due to mental and/or physical health

They tend to be:

- without children; or
- on DSP/aged pension; or
- living in remote or very remote area; or
- aged 55+; or
- live in fully paid home.

For some people who access Salvation Army services, their current circumstances totally preclude them from entering the workforce. There were a number of recurring themes from respondents, including:

- A genuine willingness and desire to gain employment, although they were unable to do so at this time due to other circumstances
- Recognition that employment was a way out of financial hardship and towards a better future
- Aspirations to work and to be a good role model for their children and families.

Despite key drivers to increase workforce participation rates, not everyone is in the position, or has the capacity, to be working. Our research found that mental and physical conditions were the main reasons for **almost two in five** respondents to be completely out of the labour force.

Angela*

I want to start studying pathology, and work. It's not the lifestyle I want to stay on for my daughter and myself. It's just that I want to show her a good example...[at the moment] I can't do anything, I'm helpless. I don't want to show her all the time that when you struggle, you borrow money, you know.

*Name changed to protect the privacy of respondent.



2/5 Mental health and physical conditions were the main reasons for almost 2 in 5 respondents to be completely out of the labour force.





John*

No one wants to give me a job. I've tried for the past three years but I reckon employers think I'm too old; I'm only 59. I used to be a labourer for a concreter when I was a young bloke. But my back is stuffed now and I can't do heavy work like that anymore. I don't know what else I can do to earn a living these days.

It's bloody tough when you can't find work and you have a wife who needs care.

Laura (my wife) and me, we make things stretch. You just have to these days. I get a Carers pension, but it's hard to make ends meet. There's always something though...medication, gas, food. Laura's been sick for ages and sometimes she spends all day in bed. The nurse comes to visit her at home most weeks. We can't afford to see the doctors anyway. Laura relies on me mostly; there's no one else. The kids are all grown up and we don't see them much anymore.

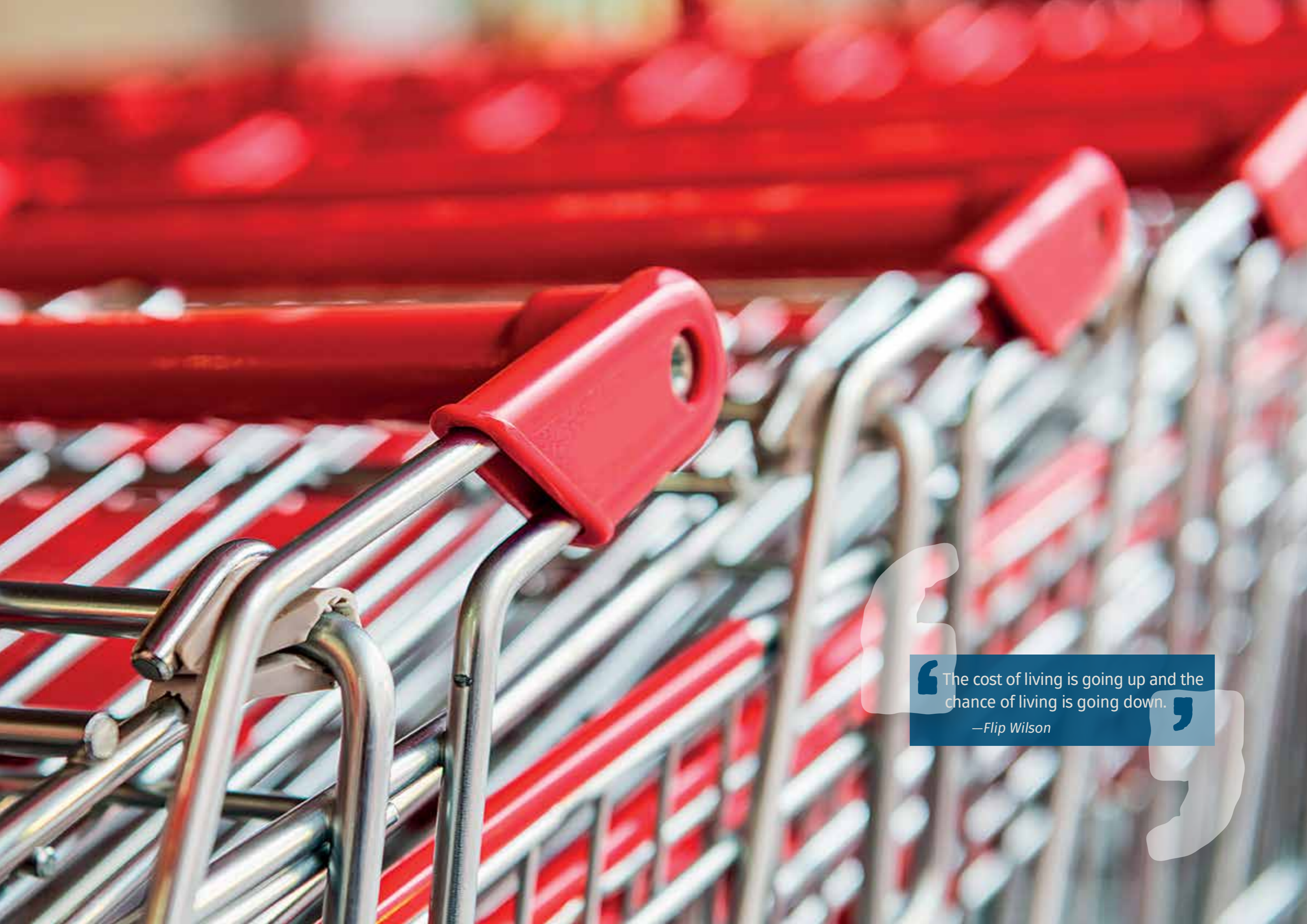
If I could get a job maybe things would be better. But I can only do part-time work, because I still need to look after Laura. Going for interviews puts pressure on us. I just don't have the money to put petrol in the car to even get there. If I get

part-time work, Centrelink will reduce my pension. It's a bit of a 'merry-go-round' really, with us not getting anywhere. We want a better life, but we make do—just.

The Salvos have helped us heaps. The lady from the centre helped me fix up my resumé and got me thinking about what other jobs I might be able to do. She even got me into doing a computer course to help me learn new skills. You never know, it might lead to a new job. The Salvos helped us with our electricity bill, when things were really tight. They also gave me a voucher to get some food and another voucher for the chemist so I could get Laura's pills. They are good people at the Salvos; we'd be lost without them really.

It's hard for Laura and me, but we try and look at good stuff in life. We still got a place to live and we've got each other. You just can't give up, got to stay positive; hoping and smiling. Smiles don't cost anything, they're free.

NB: This scenario was developed based on the real life experiences of participants interviewed as part of this research project. *The names and some details have been changed to respect the individual's privacy. The image is a stock photo—the model is not associated with this case study.



“The cost of living is going up and the chance of living is going down.”
—Flip Wilson


3 cost of living

Food

The **cost of food** continues to be a struggle for many Australians, with over two million people seeking emergency food relief from community organisations each year.⁵¹ Our research revealed that many respondents could not afford enough food to eat, regularly skipped meals and sought assistance and food vouchers from charity organisations. For some households, food was considered a flexible budget item where varying amounts could be spent each week and was used as a way to manage the weekly budget. Overall, ESIS respondents spent on average **\$148 a week**⁵² on food, accounting for **more than a third of their weekly income**. Soaring utility prices, costs of living and basic essentials imposed financial burdens for many respondents and at times prevented some households from buying enough food to eat.

 **\$148** ESIS respondents spent on average **\$148 a week on food**, accounting for **more than one third of their weekly income**

 **67%** of respondents reported that **food affordability was their greatest challenge on a day-to-day basis**

 **61%** of respondents regularly went without meals


‘It’s hard when the fridge and cupboards are completely empty, that \$120 a week in food is long gone before my next pay.’
—Respondent


Food insecurity exists when people lack secure access to sufficient amounts of safe and nutritious food for normal growth, development and an active and healthy life.⁵³ Food insecurity affects millions of people globally; whereby one in nine people around the world go hungry every day.⁵⁴ A recent publication by Foodbank reported 3.6 million Australians have experienced food insecurity at least once in the past 12 months; of these, **three in five** experience food insecurity at least once a month.⁵⁵


‘Food is very expensive especially fruit and vegies, junk [food] is cheaper.’
—Respondent

Experiences of food insecurity appeared worse for ESIS respondents, with almost **three-quarters** of households affected by food insecurity.⁵⁶ **Sixty-seven per cent** of ESIS respondents reported that food affordability was their greatest daily challenge and **61%** had gone without meals on a regular basis in the past 12 months. For households with children, **44%** experienced **at least ONE** of the following food insecurity issues for their children and could not afford: three meals a day, fresh fruit or vegetables every day or at least one meal a day with meat, chicken or vegetable equivalent for their children.

‘Without the food parcels I’d starve.’
—Respondent

 **74%** of all households were affected by food insecurity

 **20%** of households could not afford three meals a day for their children

 **38%** of households with children could not afford fresh fruit and vegetables every day

Participants interviewed revealed that food security was a major issue and told us they:

- Chose cheaper packaged, generic brands and processed food over fresh produce and meat
- Bought food when items were marked down or discounted
- Bought food when it was out-of-date or close to expiry
- Rationed meals and ate less food
- Relied on tin food
- Prioritised food for their children, even if they went without meals
- Hid the issue from others
- Sought food vouchers from TSA (or other ER provider) so they had enough money to pay for other bills such as electricity.

Our research indicated some groups were more at risk of food insecurity, including single parent families, couples with children, people who were unemployed and attending training or education. These groups are particularly vulnerable living on minimal levels of income with limited resources.

The Salvation Army’s Doorways and Emergency Relief sites offer a safety net for many people who experience or are unable to afford food and pay their bills. Each week in Australia, Salvation Army services provide approximately 100,000 meals and up to 8,000 food vouchers to people in need.⁵⁷ Demand for food parcels, voucher and emergency relief support continues to increase. Yet community organisations are struggling at times to have the capacity to respond to meet the needs of financially vulnerable households. Proposed changes to service delivery models and restricting access to Emergency Relief for those who are vulnerable or in hardship is unlikely to provide a solution. Instead, The Salvation Army maintains, building the capacity and resilience of people in hardship provides the tools to manage financial difficulties in the future.

74%
All households: went without meals OR not being able to afford enough food on a daily basis (n=1,208, n=59)

44%
Households with children: can’t afford three meals a day OR fresh fruit and vegetables every day OR at least one meal a day with meat, chicken or vegetables equivalent (n=568, n=49)

19 Food Insecurity

Three quarter of respondents are experiencing food insecurity. For households with children, **44%** experienced at least one of the following for their children: can’t afford three meals a day, fresh fruit or vegetables every day, or at least one meal a day with meat, chicken or vegetables equivalent.

‘I myself will go without meals so my children may eat. Twice I’ve had to ask people [for] money for food.’
—Respondent

‘As long as my children are fed it doesn’t matter if I go without.’
—Respondent

Bills

Energy affordability is a critical issue for all Australians. Keeping up with the rising costs of electricity and gas, particularly for low income households and income support recipients has become unmanageable. Electricity and gas are no longer considered essential services; they are now luxury items.


Over the past 10 years, energy costs have increased more than 60%, far exceeding rates of inflation, wages and increases to income support measures.⁵⁸ Electricity and gas bills caused immense financial pressures and were significant expenses for ESIS households. On average, ESIS respondents spent **\$48 per week**⁵⁹ on electricity and gas bills, accounting for **11%** of their total income. In comparison, the average Australian household only spent 3% of their total income on electricity and gas. Low income and government support recipients spend a greater proportion of their income on these essential services. In particular, higher occupant households, low income sole parent families and pensioners were the most vulnerable groups affected by rising energy costs.


Respondents reported they made sacrifices to ensure they stay connected to electricity and gas, such as skipping meals, delaying paying other bills, and frequently rationed their power consumption through winter and summer to combat rising energy prices. Receiving multiple or unexpected bills were also pressure points for households.

Respondents reported that they:

- Struggled to even pay for basic essentials like food, housing, clothing and transport
- Could not afford to pay every bill and have to make hard choices about what to go without
- Were overwhelmed with household bills, as there was no reprieve
- Struggled because ‘everything’ just kept going up.

 **\$48** On average, ESIS respondents spent **\$48 per week** on electricity and gas bills

 **59%** could not afford to pay their gas, electricity or phone bill on time

 **34%** could not afford to heat or cool their home

‘[I] simply go without... I am a hostage to my circumstances.’
—Respondent

‘[I] break down and cry. Try and decide where I can sacrifice one area to redirect funds to another.’ —Respondent

‘We turn everything off at the walls. The only thing that’s on is the fridge and the hot water system.’ —Respondent

The Salvation Army advocates for improved measures to ensure low income households are able to access more affordable power rates. Energy concessions help combat rising utility costs for low income earners; however, rates and eligibility varies from state to state. A more equitable process is required to ensure a fair and consistent application of energy concessions and allowances are available for income support recipients and low income households.

The Salvation Army welcomes creative trials to support vulnerable and low income households to access the most affordable energy deals. There are countless energy plans, with pay-on-time discounts and multiple tiered tariffs on the market. However, this makes finding the most economical plan a confusing and convoluted process. The lack of transparency makes it increasingly difficult for people to navigate energy suppliers. This creates further obstacles, especially for people with language, literacy and technology barriers, disabilities and for people with complex needs. The use of brokers, who are skilled at working with the energy sector, would be a welcomed initiative to provide opportunities and choices for low income households to access more affordable energy plans.

THE SALVATION ARMY ENCOURAGES THE FEDERAL GOVERNMENT TO WORK ALONGSIDE ENERGY COMPANIES AND REGULATORS TO ENSURE LONG-TERM RELIABLE, ACCESSIBLE AND AFFORDABLE ELECTRICITY AND UTILITIES SUPPLIES FOR DISADVANTAGED AND LOW INCOME HOUSEHOLDS.

Transport costs are increasingly difficult for many people to afford with the price of fuel at a record high. On average, ESIS respondents spent **\$50 per week**⁶¹ on transport, accounting for **12%** of their total income. In particular, this caused financial strain for those in regional and remote areas, jobseekers, individuals with parenting responsibilities, and those looking after sick or elderly family members. For those who had a car, the fuel, car registration and repayment costs were crippling.

Energy efficiency has a direct impact on many financially vulnerable households. Low income households are more likely to live in houses with poor energy efficiency, with little or poor insulation; they own inexpensive appliances that are inefficient and more costly to run.⁶⁰ As a result, households with the least financial resources end up paying the most for essential services such as electricity, gas and water.

Currently there are minimal tax incentives for landlords to invest in more energy efficient property upgrades and private tenants are not legally able to make physical improvements to properties. The Salvation Army urges state governments to take a lead to ensure public and social housing stock meet a minimum energy efficiency standard, and allocate additional funds to retrofit buildings in poor condition for energy efficiency upgrades.

*Jois** ...
Life's expensive. I'm tempted to just get rid of the car many times. But I've got an elderly mum who needs to go to [medical] appointments and help out. You know, I've got grandchildren in Wollongong and every now and again...they need my help. So I guess the car's been quite a necessary evil. It's wonderful, but I've thought about letting it go because it's a continual struggle.

*Name changed to protect the privacy of respondent.

The high costs and limited access to transport were a daily challenge and imposed numerous barriers for many households. Some described situations where they had no petrol in the car to take their children to school and others missed medical appointments because they could not afford the bus trip. **Nearly three in ten** jobseekers reported transport costs were a major barrier to looking for work.

'I actually sit at home a lot of the time because...I don't have any fuel. Even if I have a job interview I can't afford to get there.' —Respondent

Respondents reported that:

- Public transport was too expensive and not available in some rural areas
- They were forced to walk long distances and at times evade fares
- They felt isolated from and disconnected from family and friends
- They felt trapped and could not afford to leave the house
- It was harder and impacted on them finding and/or travelling to work.



3/10 Nearly **3 in 10** jobseekers reported transport costs were a major barrier to find employment



3/10 Nearly **3 in 10** of all respondents reported that affordable transport would make the **biggest difference** for their household

'Last month I had to register my car, \$462. I don't even get paid that. So for me to go one off and pay it, I had to go and borrow money.' —Respondent

'I turn the refrigerator off in the cold months.' —Respondent




Energy efficient appliances are one way to support low income and vulnerable households to reduce rising utility costs. However, for many, the initial outlay for energy efficient items and upgrades is just too high. In response, The Salvation Army delivers microfinance schemes to support low income households purchasing essential household goods. The No Interest Loans Scheme (NILS) has been a very successful program and has enabled many low income households to purchase new and energy efficient items such as fridge, freezer or washing machines.

'The Salvation Army helped me purchase a new fridge... I would be very lost without the help they have been able to give me.' —Respondent



Digital access, participation, affordability remains a significant issue for many disadvantaged Australians. **Communication devices** are a necessity in this digital world and a fundamental part of everyday life. The use of mobile phones and being connected to the internet enables people to work or search for employment, study, stay connected with friends and family; have fun, bank and shop. Australia has one of the highest rates for internet access in the world; however, there is a considerable gap between those who have access and can afford the internet and those who cannot. For many ESIS respondents affordable devices and internet access were out of reach.



-  **65%** could not afford a computer, laptop or tablet
-  **58%** could not afford an internet connection at home
-  **15%** of jobseekers reported that lack of internet access impacted on their ability to look for jobs

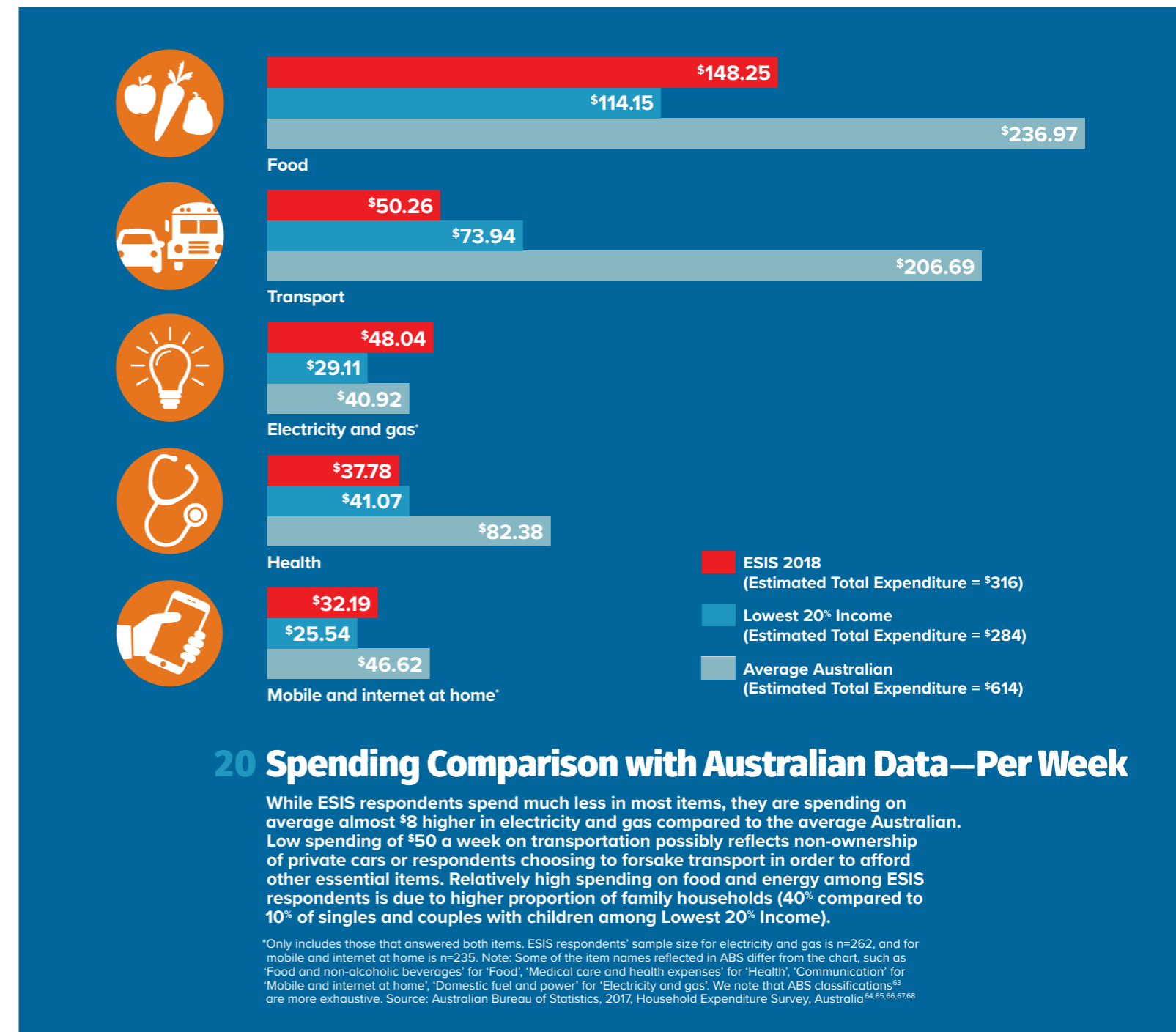
For those respondents who did have a mobile phone and the internet connected at home, people were paying hefty charges. On average, respondents spent more than **\$32 per week**⁶² for mobile phone and home internet, accounting for 7% of their weekly income. Access to more affordable, reliable internet and mobile devices would greatly benefit households to be able to more fully participate online.

THE SALVATION ARMY SUPPORTS INITIATIVES TO IMPROVE DIGITAL ACCESS AND PARTICIPATION THAT PROVIDES LOW COST INTERNET SERVICE AND MOBILE PHONE PLANS TO HOUSEHOLDS EXPERIENCING FINANCIAL HARDSHIP.

Poor health was also an issue for many, whether it related to physical injury, mental health, chronic disease or caring for a person who was ill. This was a major financial burden for people, with many reporting they could not afford to go to the doctor, could not afford prescribed medication or the transport costs to see specialists. On average, respondents spent nearly **\$38 per week** on health, accounting for **9%** of their total income.

‘I’m an asthmatic, medicine costs a fortune.’ —Respondent

‘The problem is, the internet costs a fortune, so when I get it, it costs \$20 a week, for download.’ —Respondent



Household Income

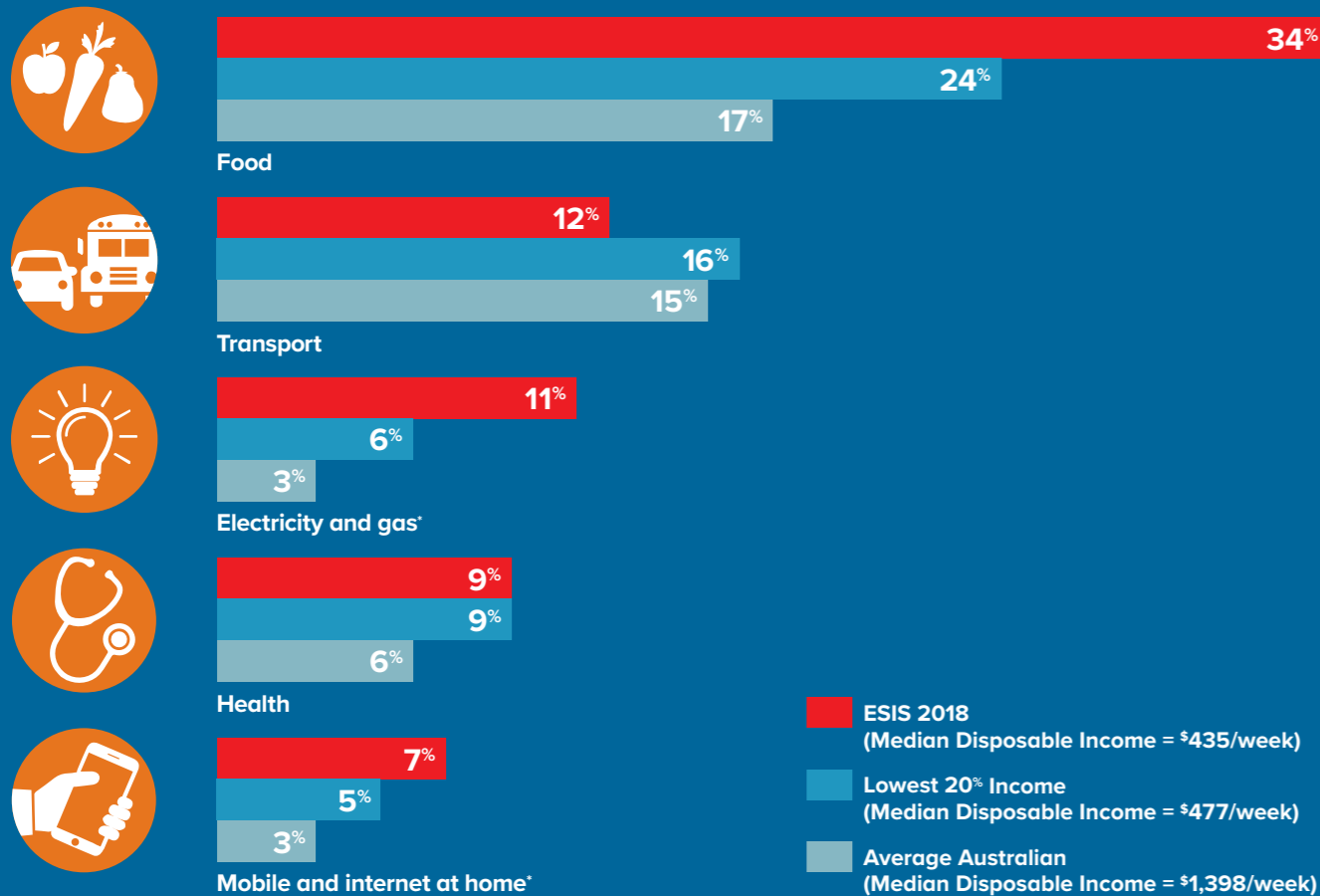
Overall, ESIS households spent a larger proportion of the total income on basic cost of living expenses such as energy and utilities, food, health, mobile and internet services as compared to other Australian households with higher incomes. This directly impacts on low income households and their ability to afford other essential items and causing them to experience a lower standard of living compared to the average Australian family.

Respondents revealed that, despite trying to manage their budget, there was simply not enough income to cover the basics.

‘[The] budget is never right, so I live day to day and battle with what I have—reality.’

‘[I] work things out on paper and stick to my budget but still short on money each fortnight after I’ve finished paying everything.’

‘[I] try to live a frugal existence... Self-sacrifice, put important stuff first.’

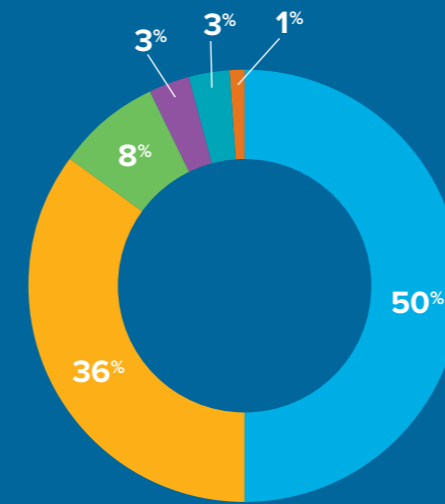


21 Spending Proportion from Income

With lower income, the relatively low expenditure on basic necessities is taking a toll on ESIS respondents' living:

- Food takes more than third of ESIS respondents' income as compared to only 17% for average Australian and 24% for lowest 20% income households in Australia.
- While spending the same amount on energy bills, ESIS respondents used more than one tenth of their income as compared to the average Australian that spend only 3% of their income.
- While spending such a low budget of only \$50 on transport, it took 12% of ESIS respondents' income, not far from the 15% of income for the average Australian and lowest 20% income households in Australia.

*Only includes those that answered both items. ESIS respondents' sample size for electricity and gas is n=262, and for mobile and internet at home is n=235. Note: Some of the item names reflected in ABS differ from the chart, such as 'Food and non-alcoholic beverages' for 'Food', 'Medical care and health expenses' for 'Health', 'Communication' for 'Mobile and internet at home', 'Domestic fuel and power' for 'Electricity and gas'. We note that ABS classifications⁵⁹ are more exhaustive. Source: Australian Bureau of Statistics, 2017, Household Expenditure Survey, Australia.^{70,71,72,73,74}



- In need**—don't have enough money for basics like housing, food and electricity
- Just enough**—have enough money for basics, but nothing extra
- Moderate**—have enough money for basics, can afford the odd luxury like going out to dinner
- Comfortable**—have enough money for basic items, can afford regular recreational or social activities
- Don't know**
- Well off**—able to save, can afford things like travel

22 Financial Situation: Current

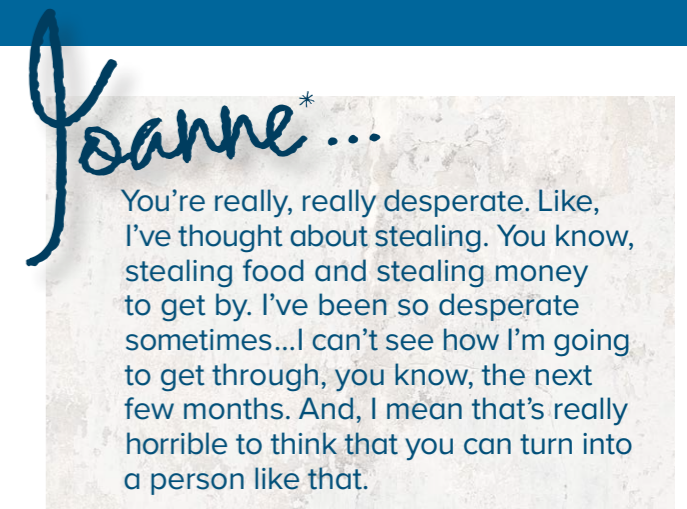
Half of ESIS respondents' current financial situation are in need as they don't have enough money for basic necessities.

(n=1,195, nr=72)

23 Financial Situation: Compared to Parents

Half of ESIS respondents claimed that they are worse off compared to their parents.

(n=1,187, nr=80)



*Name changed to protect the privacy of respondent.

Financial Situation

The Salvation Army's Emergency Relief programs provide assistance to people who experience financial hardship. The majority of people who access ER programs struggle to afford household bills and cannot afford enough food to eat.

This was certainly the case for the many respondents and when asked to describe their household's financial situation:

- **Half** reported that they were **'in need'** and **did not have enough money for basic necessities** like housing, food and electricity
- **36%** reported that they had **'just enough'** money for basic necessities, but **nothing extra**
- **More than half** reported their household's financial situation **had become worse** over the past 12 months.

When respondents were asked to compare their financial situation to their parents at their age, **more than half** reported that **they were worse off** financially compared to their parents. Of these, **57%** were currently **in need** and did not have enough money for basics. This infers that there may be a generational link to persistent disadvantage and poverty.

For some respondents, experiences of **financial hardship** over the generations were evident and directly influenced their lives into adulthood. For others, financial hardship was situational and due to **unforeseen circumstances**. Many respondents reported unexpected challenges such as relationship breakdowns, job losses and health issues, which led to experiencing financial hardship. This suggests that anyone can be susceptible to setbacks and affected by financial disadvantage.

*Donna**...

I was diagnosed with breast cancer last year...I got too sick so I had to resign from my work. I was working for [the] government in Canberra. By the time I got diagnosed I actually had been out of work for about eight months, so after about three to four months I had run out of my savings and was on a Centrelink Newstart Allowance, so that's been my only form of income this whole time.

*Name changed to protect the privacy of respondent.

There is a strong link between **poor mental health** and social and financial disadvantage.⁷⁵ This was evident among respondents, with many individuals reporting their financial situation impacted on their mental health and emotional well-being.

'[I] cry, get angry, hate my life...[I] suffer...I fall apart. Then accept my life sucks, contemplate suicide.'

—Respondent

Common respondent experiences included:

- Feeling overwhelmed by day-to-day living expenses
- Instability and fear of losing existing housing
- Shame and embarrassment that their children were missing out or going without
- Managing on inadequate income support payments and allowances and 'scraping by'
- Lack of realistic employment opportunities or prospects
- Feeling stuck with no options.



Financial Stress

More than three quarters of ESIS respondents experienced financial stress,⁷⁶ a considerably higher rate compared to the average Australian. This means the majority of respondents did not have available or access to financial resources if they needed. There is a clear disparity between ESIS respondents, lowest income earners and the rest of the Australian population. These results appear consistent across several domains and highlight some of the daily struggles for many disadvantaged people who visit Salvation Army Emergency Relief services.



76% More than three quarters of ESIS respondents experienced financial stress

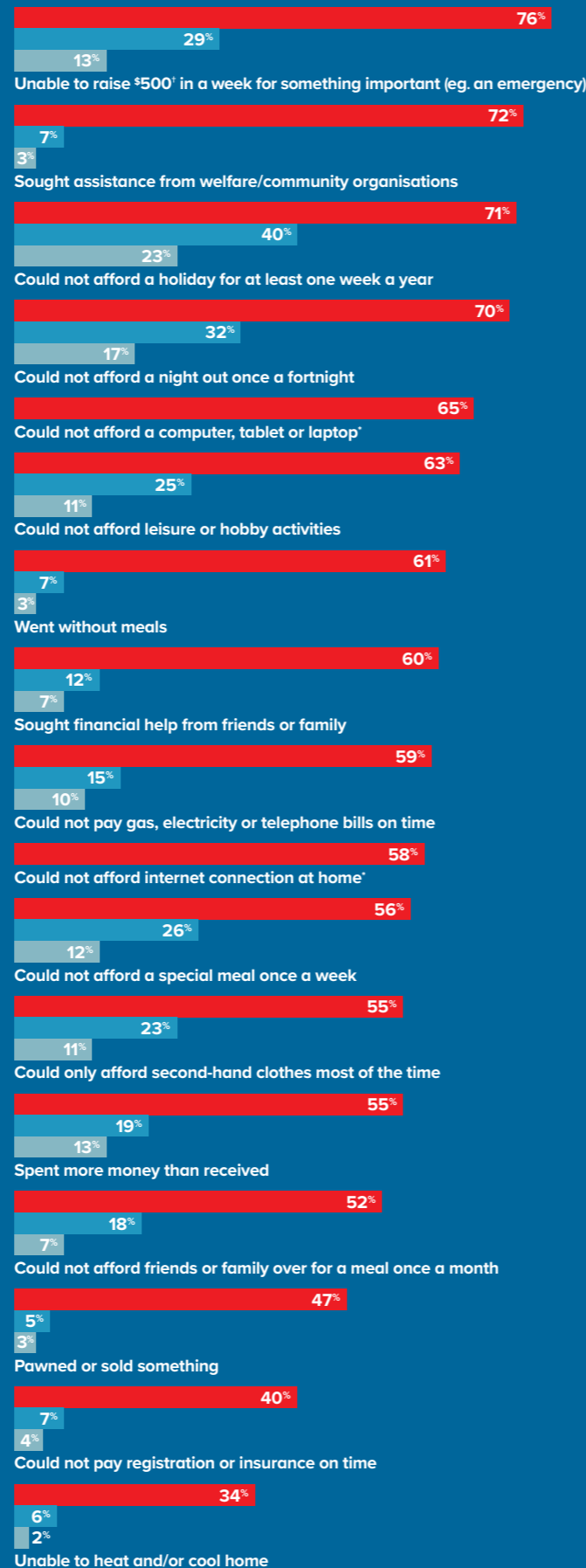
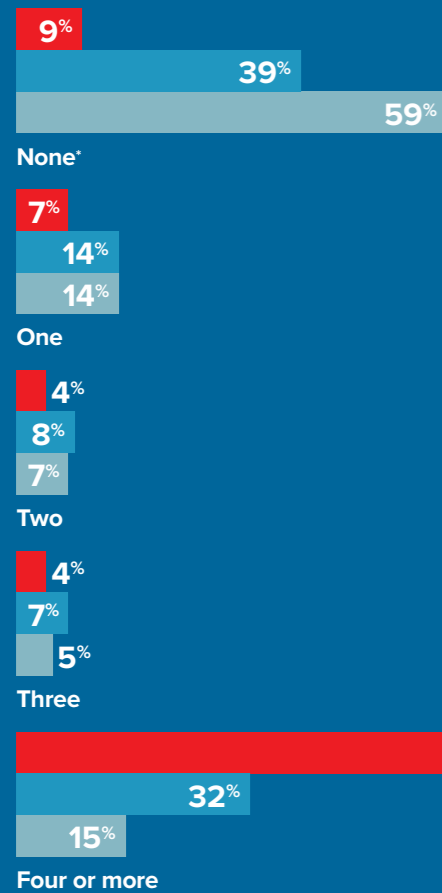


Unexpected expenses and bills were the main reasons they experienced financial stress

Respondents reported they struggled to manage on limited economic resources and it was a constant challenge.

Respondents revealed:

- The amount of income support payments did not cover living expenses including rent, bills, transport and food
- Lived day-to-day with little hope that their financial situation will improve
- Found it difficult to ask for help in times of hardship and grappled with feelings of shame and embarrassment
- Felt judged, stigmatised and demonised for receiving government benefits
- Struggled to afford even the basics like food, no room for luxuries
- Were forced to make hard choices and frequently 'go without' to manage.



24 Proportion of Households Reporting Financial Stress Indicators ↑

Three quarter of ESIS respondents are in financial stress, according to the financial stress indicators by ABS.⁷⁷

[†]The number of households claiming to have zero financial indicators may not be accurate as it may also reflect respondents who did not want to respond to the question (no responses). Source: Australian Bureau of Statistics, 2017, Household Expenditure Survey, Australia.^{78, 79}

ESIS 2018 (n=1,267)
 Lowest 20% Income
 Average Australian

25 Financial Stress: Experiences in the Past 12 Months →

More than half of respondents can't pay bills on time, go without meals and/or spend more money than received. 3 out of 10 can't heat or cool home; 65% can't afford a computer, tablet or laptop; and 58% can't afford internet connection at home.

[†]The original measure is to raise \$2,000 instead of \$500. This adjustment is to better reflect the situation of our ESIS respondents who tend to be of low income group. *Not part of Financial Stress indicators. Source: Australian Bureau of Statistics, 2017, Household Expenditure Survey, Australia.^{80, 81}

Table 5 Financial Stress Indicators

	ESIS 2018	Lowest 20% Income Australians	Australian Population
Unable to raise \$500 in a week for something important or in case of emergency	76%	29%	13%
Sought help from welfare/community organisations	72%	7%	3%
Went without meals	61%	7%	3%
Could not pay gas, electricity or telephone bills on time	59%	15%	10%
Spent more money than received	55%	19%	13%
Pawned or sold something	47%	5%	3%

'Once we separated I found myself on Centrelink benefits. I struggled for years.' —Respondent

'I was not used to being broke and asking for help.' —Respondent

'You try your hardest to save...but bills and everything comes in at once and you can't afford anything.' —Respondent

'I have to plan my fortnights you know, I'm planning already for next week what I've got to pay for and how much money I might have left. But I can't even know how much will be left 'cause something always pops up.' —Respondent

'Every time you go and ask anyone for help, it comes with a bit of shame.' —Respondent

The cost of living was a pressure point and caused financial hardship for many respondents. For those on low incomes, unexpected bills were difficult to pay, and could easily send them into longer-term financial hardship and debt.

Due to financial hardship many people had limited choices. For some this meant making difficult choices such as deciding between buying food, paying the electricity bill or the rent, or simply going without.



76% of respondents were unable to raise \$500 in case of emergency



72% sought assistance from welfare/community organisations



60% sought financial help from family and friends

Velda*

I just can't afford to pay anything. I can't afford to pay my energy bills. I have to go to charities for those. A lot of the time I'm hungry because I can't afford to buy food. Sometimes it's food or petrol. Because I live in the country I really, really need the car to get around and to get to hospital, and I'm not getting so much treatment as I used to but I still do have medical appointments and follow-up treatments, and that's going to continue for another four years. So, like it's a really difficult situation and I just can't see a way out of it.

*Name changed to protect the privacy of respondent.

For many respondents, living on a limited income meant **giving up social activities**, entertainment and hobbies. Having fun or socialising with other was a luxury many could not afford; instead, they prioritised essential items like food, bills and paying for housing. Interviewees revealed sentiments of putting their lives on hold, existing and not actually living.



7/10 respondents could not afford a night out every fortnight



2/3 Nearly **two thirds** could not afford leisure activities

Julie*

I don't go out, I don't have any social life at all. I've given up my social life because I can't afford it, I can't afford to go to the movies you know...I've just given up normal social activities until I get a job basically. Cause everyday living you've gotta put that first don't ya, otherwise you can't live.

*Name changed to protect the privacy of respondent.



'I was borrowing money off people all the time, then finding myself back in the same predicament when it was payday time.'
—Respondent

'I sell personal items or put them on loan, or get cash loans to be able to afford living.'
—Respondent

'Always overdrawing my account each fortnight to make ends meet.'
—Respondent

'Burying my head in the sand—hoping it will go away.'
—Respondent

Debt

Accumulating household debt is causing increased financial pressure for many Australian families, with nearly three in 10 households 'over-indebted'.⁸² Ballooning housing prices, cost of living expenses and small wage growth⁸³ are factors contributing to daily financial burdens and increasing debt.

Many ESIS respondents reported they were managing financial debt, and were repaying more than **\$48 per week**⁸⁴ to creditors. Debt represented a substantial proportion (11%) of weekly outgoings, imposing a further financial strain for people managing on a very limited income.

ESIS respondents revealed their financial difficulties were often triggered by unexpected bills or unforeseen change in circumstances. When short of money, respondents had few options. Many reported they borrowed money from friends and family, pawned items, sought an advance and took out short-term high interest loans. These temporary measures are problematic and did not necessarily address the causes of financial hardship, instead for many, only exacerbated their financial stress and difficulties.



\$48 ESIS respondents spent on average **\$48 a week** repaying creditors



55% spent more money than they received



47% sold or pawned items

Budgeting

Contrary to some public perceptions, low income households and recipients of government income support are savvy budgeters and careful spenders. The issue is not effective household budgeting skills; the point is these households have limited financial resources available to budget with.

Respondents told us that, when the budget is tight:

'I ask for food parcels and vouchers from the Salvos, buy generic brands, bother parents and neighbours.'

'I ask for credit at shops, get on trains and trams without a valid ticket. I eat from garbage bins. I pick up cigarette butts from the footpath, gutters and bins.'

'I stretch meals...don't eat, sell stuff... pawn things...beg, borrow, look for free give away, stay home. Stress... don't eat and struggle through.'

'I hate myself and do bad things... borrow money and steal medication.'

'I buy generic brands, fresh food is cheaper (starting meals from scratch). All the clothes I have on today are from the op shop. Don't use heating or cooling. Times are really tough, you know.'

'No leaving home unless necessary. No purchases of 'nice to haves'. Lots of going without.'

Living on restricted finances was the reality for many respondents. Conserving and stretching available income was a common occurrence, as household budgets were always tight. For several respondents, there was a sense of desperation and shame, with limited dignity and presence of self-worth.

For others, there was a sense of determination, despite adversity, and optimism, hoping that their financial situation would improve.

'Ask for Utility Relief Grant for bills, changed phone plan to prepaid. Buy basic, cheap foods and make meals to freeze.'

'Meal plans, tight budgets and organise payment plans to pay bills fortnightly.'

'Cancel insurance. Rework budget on excel, seek financial counselling. Negotiate bills and extension deadlines, speak to childcare/kindy repayment deadlines or special assistance, prioritise rent, food, bills.'

Nationally, The Salvation Army delivers financial counselling, financial literacy and capability support programs (Moneycare) to assist people who experience financial difficulties, problems with credit or outstanding debt. In 2016/17, Salvation Army financial counselling and capability services supported more than 13,500 people and provided more than 77,000 financial counselling sessions.

*Lucas** ...

(Lucas worked with Belinda, a Salvation Army financial counsellor.) We worked out a budget, she rang a few of the creditors that I owed money to. We worked out a plan. And so now all those debts have been paid off. I'm comfortable, I'm surviving. I've got a roof over my head, I've got a bed to sleep in, and I've got my own shower... They have given me my life back and I look forward to living it.

*Name changed to protect the privacy of respondent.

MANY AUSTRALIANS ARE CONTACTING THE SALVATION ARMY AND OTHER FINANCIAL COUNSELLING AND DEBT SERVICES FOR ASSISTANCE. ADDITIONAL INVESTMENT AND RESOURCES ARE REQUIRED TO CONTINUE TO ASSIST PEOPLE IN NEED AND MEET THE INCREASED DEMAND FOR FINANCIAL COUNSELLING, LITERACY AND CAPABILITY SUPPORT SERVICES.



Gina*

We have struggled to cope with just how much everything costs; and have done so for a fair while. I got a loan in 2016 and ended up paying back three times the amount what the loan was originally for. Those loan places take advantage of people in my situation. That's how it all started.

As a single parent, there is me, my daughter, and a heap of bills. I pay \$520 a fortnight in rent now; that probably isn't much compared to some people, but that is nearly my whole pay.

I also have to pay for electricity, gas, food, clothing, education costs, medical expenses, and transport. The bills just keep going up... It's staggering; it really is. My last electricity bill was more than \$1,000; I just don't have that kind of money.

When my mum was working, she helped us financially and with food. But then she got injured at work and lost her job. Life got harder then. Mum can't afford to help us out anymore, she's doing it tough too and I just can't ask her.


I came to The Salvation Army for help because I had bills I couldn't pay, no money to buy food, and to top things off my fridge broke down again. I felt sick, it was just too much; I didn't know what to do.

The Salvos have made a huge difference for me, I really appreciated their support. They helped me figure things out financially, get a new fridge through a NILS loan,[†] and some financial counselling too. I always felt welcomed there and workers were so kind and understanding.

I finally repaid my loan, and The Salvation Army worker helped me a lot with budgeting; I had a bad habit of spending beyond what I could afford. It was mostly to get things for my daughter; I hate her always having to miss out.

Since I was helped by the Salvos, life is better and I feel more in control of where my money is going than I did before. I am good at budgeting, but I only have so much money from Centrelink to budget with. Payments only stretch so far and it's still difficult to meet all our bills and living costs on Newstart. It's hard and I don't want my daughter to struggle like we do when she's older. I want a better life for her.

NB: This scenario was developed based on the real life experiences of participants interviewed as part of this research project. *The names and some details have been changed to respect the individual's privacy. The image is a stock photo—the model is not associated with this case study. [†]No Interest Loan Scheme.



“ We can start with housing, the sturdiest of footholds for economic mobility. A national affordable housing program would be an anti-poverty effort, human capital investment, community improvement plan, and public health initiative all rolled into one. ”

—Matthew Desmond

4 housing



Housing Stress

Australia is in the midst of a housing crisis, with housing affordability out of reach for many people.⁸⁵ Housing is the greatest living expense and the leading cause of high household debt levels in Australia; with average house prices more than seven times the annual income of a typical household.⁸⁶ These inflated housing figures directly contribute to the rising costs of private rental and housing stress among low income earners and recipients of income support.⁸⁷

High rent and low income situations for ESIS respondents have placed considerable financial strain on households. Housing costs remain the largest budgetary expense, with some families paying **up to \$300 per week** for rent. As a result, after accommodation costs, ESIS respondents were left with **\$147 per week** or **\$21 per day**⁸⁸ to live on. **Nearly half** of all ESIS respondents resided in private rental properties or were home owners still paying off a mortgage. Of these, more than **four in five households** experienced **extreme** housing stress⁸⁹ and spent **more than half** of their total income per week on accommodation; that is twice the standard benchmark used to measure housing stress in Australia.⁹⁰ Single parents and couple households with children were the worst affected. These results are very different compared to the wider Australian population, where fewer than 17% of households experience housing stress.⁹¹

Housing stress is causing mounting pressure and financial hardship for many households; forcing them to cut back on spending for more discretionary items and forgo other essentials like food, transport and health to meet housing costs. Among private renters and home owners, private renters were worst affected, paying the majority of their income towards housing, leaving less than **\$20 per day** to live on.



\$300 Some families spent up to **\$300 a week** for housing



81% of respondents experienced **extreme housing stress**, paying more than half of their income on housing



>90% More than 90% of households **with children** experienced **extreme housing stress**, paying more than half of their income on housing



\$20 Private renters were most affected by housing stress with less than **\$20 per day** to live on

'After I pay my rent, I only have \$100 a week left, so that's ridiculous. I just can't afford to pay for anything.'
—Respondent



26 Where Do Respondents Live?

Similar housing arrangement with last year, with a slight decrease in respondents being in homeless/temporary accommodation to 11% compared to 16% last year.

(n=1,181, n=86)

¹Living on the streets, in a car, makeshift dwelling, couch surfing, in a caravan. ²Living in a hotel/motel, crisis accommodation, shelter, boarding house, staying with family and/or friends.

27 Housing Stress*

Among private renters and homeowners:
– 81% are experiencing extreme housing stress
– Money left after paying rent/mortgage is \$147.62 a week, or \$21 per person per day.

*Housing stress calculation based on 30/40 rule, suitable for ESIS respondents as they fall under two lowest quintile income group (40% of lowest income group) which represents the 40 in the 30/40 rule. Calculation is based on equivalised disposable income is useful when comparing different household compositions.⁹²

Table 6 Housing Stress

	Private Renters and Homeowners Only ESIS 2018 (n=283) Median, \$AUD	
	Per Week	Per Day
Disposable income BEFORE housing cost	\$495.00	\$70.71
Housing cost	\$250.00	\$35.71
Money left AFTER housing PER PERSON*	\$147.62	\$21.09

*Equivalised according to the number of people in the household and their age. Equivalence scale for the reference person (respondent) is 1, extra adult (15 years and above) is 0.5, children (under 15 years) is 0.3.

28 Housing Stress: Private Renters and Homeowners

Private renters tend to experience extreme housing stress with 85% paying more than half of their equivalised disposable income for housing. After paying for housing, private renters are left with approximately \$20 per person per day, while homeowners who have mortgage are left with approximately \$29 per person per day.

*Housing stress calculation based on 30/40 rule, suitable for ESIS respondents as they fall under two lowest quintile income group (40% of lowest income group) which represents the 40 in the 30/40 rule. Calculation is based on equivalised disposable income is useful when comparing different household compositions.⁹³

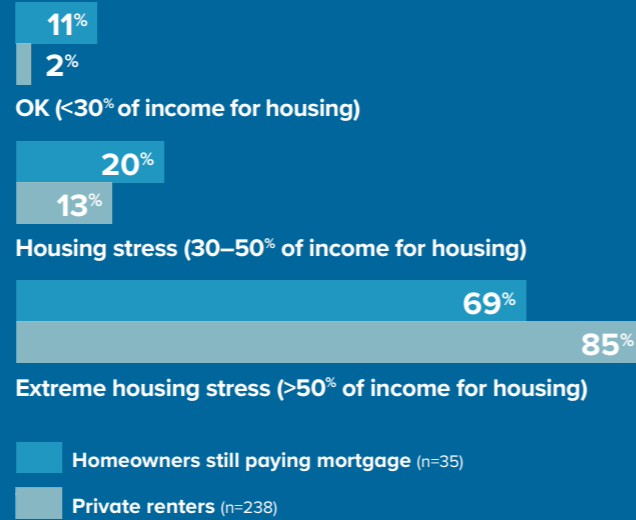


Table 7 Housing Stress: Private Renters and Homeowners

	Private Renters (n=238) Median, \$AUD/Day	Homeowners paying mortgage (n=35) Median, \$AUD/Day
Disposable income BEFORE housing cost	\$70.36	\$78.57
Housing cost	\$37.14	\$34.00
Money left AFTER housing PER PERSON*	\$19.97	\$28.86

*Equivalised according to the number of people in the household and their age. Equivalence scale for the reference person (respondent) is 1, extra adult (15 years and above) is 0.5, children (under 15 years) is 0.3.

29 Housing Stress: Household Type

Extreme housing stress tends to be experienced by households with children, with more than 90% paying more than half of their equivalised disposable income for rent/mortgage. Single parents and couples with children are left with \$37 and \$36 a day respectively for the whole family after paying for their rent/mortgage.

*Housing stress calculation based on 30/40 rule, suitable for ESIS respondents as they fall under two lowest quintile income group (40% of lowest income group) which represents the 40 in the 30/40 rule. Calculation is based on equivalised disposable income is useful when comparing different household compositions.⁹⁴

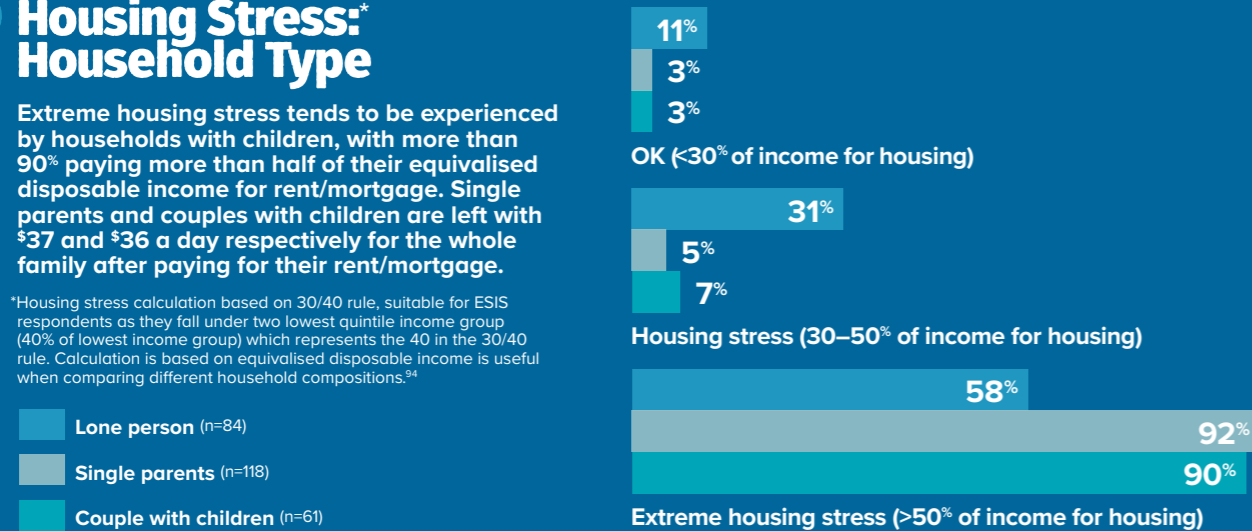


Table 8 Housing Stress: Household Type

	Lone Person (n=84) Median, \$AUD/Day	Single Parents (n=118) Median, \$AUD/Day	Couple with Children (n=61) Median, \$AUD/Day
Disposable income BEFORE housing cost	\$49.00	\$78.57	\$78.57
Housing cost	\$28.57	\$41.43	\$42.86
Money left AFTER housing PER HOUSEHOLD	\$22.93	\$37.14	\$35.71

Note: Couple only data not presented here due to small sample size (n=20).



Safe, secure and affordable housing is fundamental and provides the environment for children to attend school, adults to work, people to be healthy and communities to thrive. This is not the case for many ESIS respondents. There is a significant shortage of public and affordable social housing stock for low income earners and income support recipients.

‘For the past decade there has been a growing awareness of a housing crisis in Australia and the absence of a national strategy to address it.’

—Compass Housing Services (2018)

INVESTMENT AND STRATEGIC POLICY DIRECTION AT A FEDERAL LEVEL AND THE DEVELOPMENT OF A NATIONAL HOUSING STRATEGY IS IMPERATIVE TO ADDRESS THE LONGER-TERM HOUSING AFFORDABILITY ISSUE IN AUSTRALIA.

Living Conditions

Housing is a major determinant of health, well-being and quality of life. However, almost one million Australians are living in poor quality housing.⁹⁵ Overcrowding, poor building conditions, lack of repairs and safety hazards contribute to people living in housing below accepted living standards.⁹⁶

With affordable housing at a premium, many respondents described that 'they took what they could get', even though they might not be able to afford the rent. Some respondents described their accommodation as substandard. **More than one third** reported the condition of their home was not adequate, where items did not work well and were in poor condition. This was more evident for people living in shared or temporary accommodation, who reported that their living condition was inadequate.

'The right to housing is not merely "having a roof over one's head"... rather it should be seen as the right to live somewhere in security, peace and dignity.'

—United Nations Centre for Human Settlements

Many respondents reported that they:

- Were relieved just to have a roof over their heads
- At times would settle for any accommodation they could get, even if it was not ideal or was in poor condition
- Would rent smaller houses with fewer bedrooms because they were cheaper, even if they had to 'squeeze' people in and share rooms.



34% of respondents living in public housing reported the condition of their home was **not adequate**, where items did not work well and were in poor condition

For respondents living in temporary or share accommodation, **more than half** reported the condition of their home was **not adequate**, where items did not work well and were in poor condition

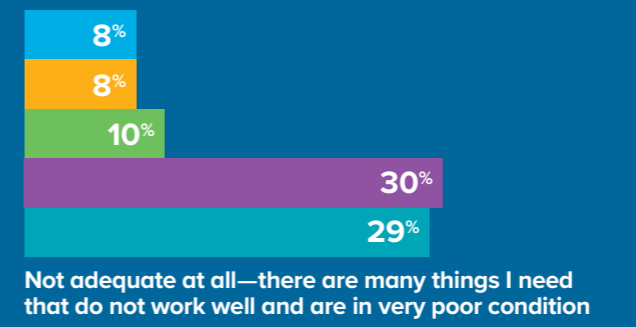
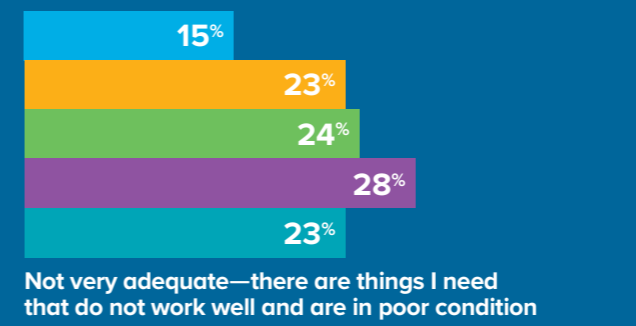
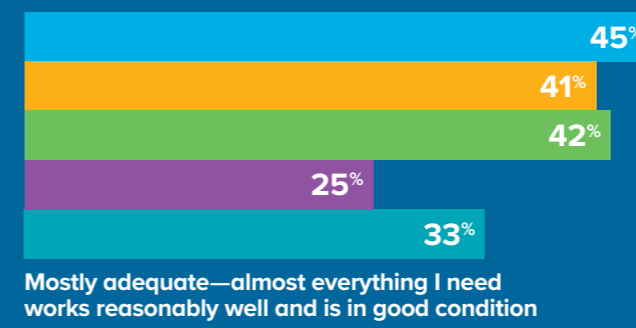
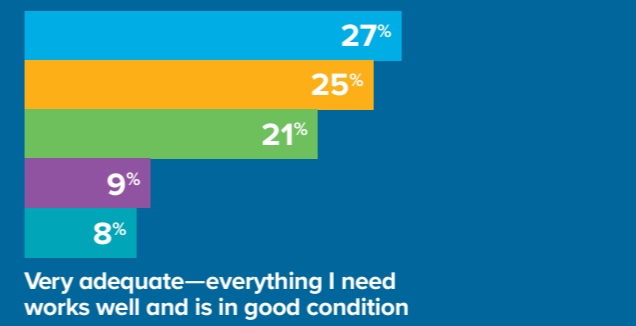
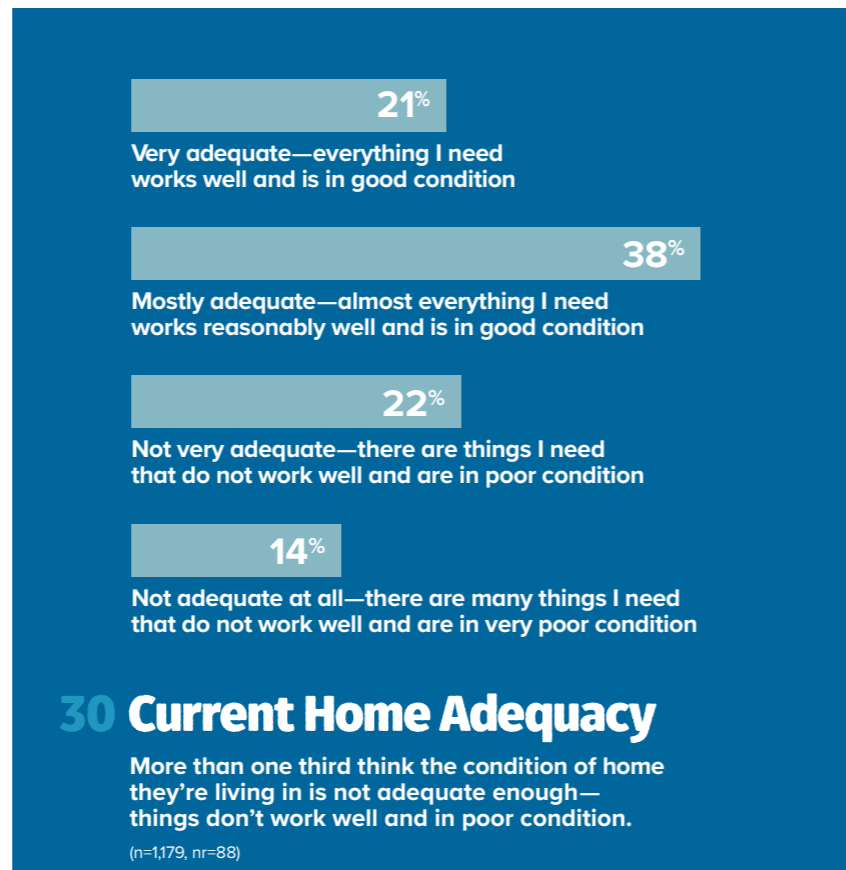
Insecure Housing

Insecure housing tenure was a common theme and several interview participants reported that renting did not guarantee a stable place to call home.

Respondents experienced a number of housing challenges and told us they:

- Were fearful to ask landlords to fix problems with the property, as they were concerned their rent would increase or they would be evicted
- Went without food and paid bills late to make sure they had enough money to cover the rent
- Were under increasing financial pressure from high rent costs creating a narrow margin between 'having it all together' and becoming homelessness.

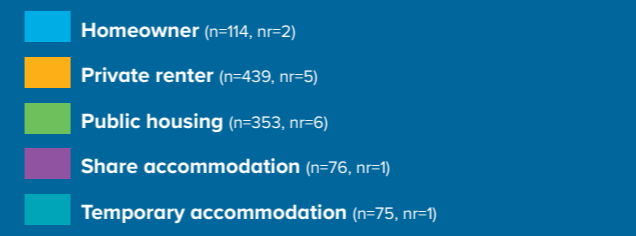
'I couldn't afford to pay the rent. I had to move right away...to find cheaper rent...I had to sell all my furniture...books and all my possessions just to fund that move.' —Respondent



31 Current Home Adequacy –Subgroups

Homeowners, private renters and public housing residents tend to feel that their home condition is mostly or very adequate, while people living in share or temporary accommodation tend to feel it is not adequate at all.

Note: Option 'Not Applicable' is not presented here.



Mobility

Nearly half of all respondents had moved house in the past 12 months, a much higher rate compared to 14% of all other Australian households.⁹⁷ **Almost nine in ten** respondents who were homeless or living in temporary accommodation moved in the past 12 months, while **one quarter** moved at least six times. It is not surprising respondents who were homeless, or in share or in temporary accommodation, experienced the highest rate of transience.

'My rent where I was living was more than my total income from Centrelink so that just wasn't sustainable. The landlord, they wouldn't reduce it even after I explained my situation. I had been there for over two years.'
—Respondent

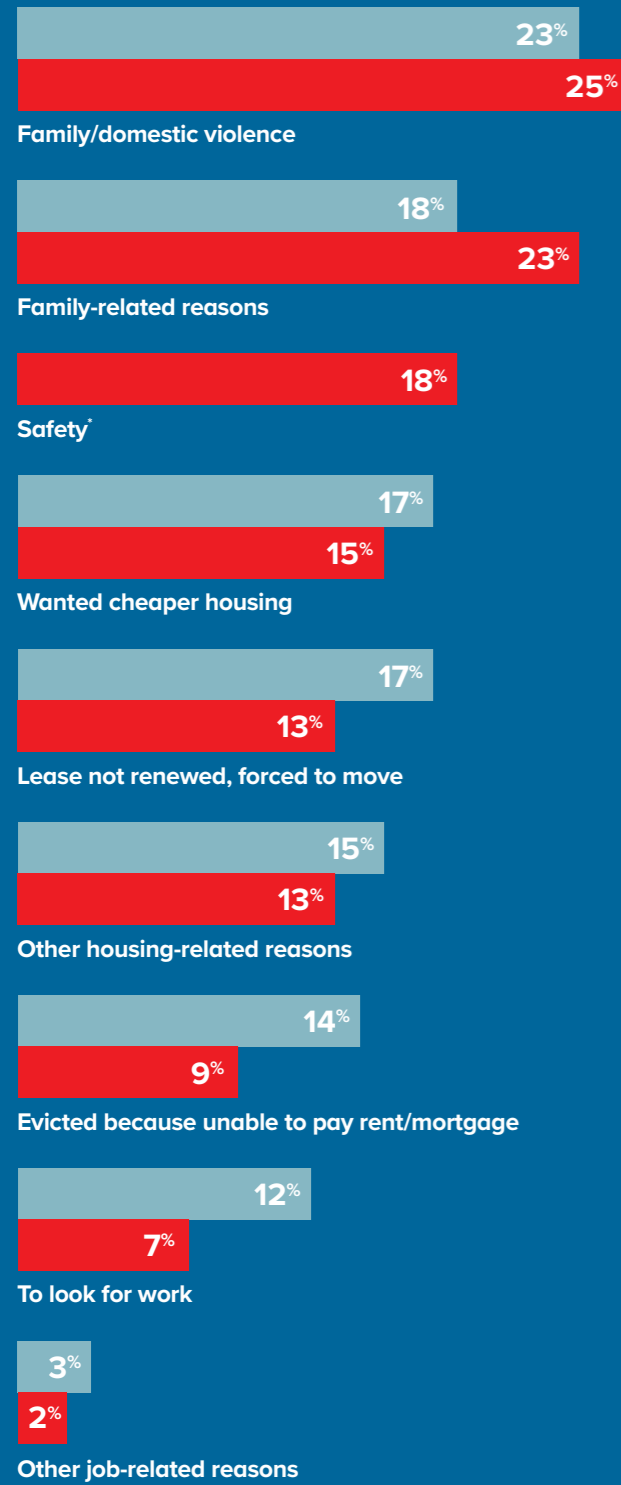


49% of all respondents moved house in the past 12 months



9/10 Respondents who were homeless or living in temporary accommodation were the most transient, with **almost nine in ten** moving in the past 12 months; **a quarter** moved at least six times

'I've had seven different addresses in the last two years...I just can't live on \$186 a week.'
—Respondent



32 Reasons for Moving House

A quarter of respondents moved house due to domestic violence. Almost 2 out of 5 moved due to safety reasons.

(n=545, nr=26)

*Was not asked in 2017. Note: The percentages here represent respondents who may have moved for a combination of different reasons, for example, a respondent who moved to look for work and find cheaper housing will be counted in both 'To look for work' and 'Wanted cheaper housing' categories.

ESIS 2017
ESIS 2018

Family Violence

In Australia, **family violence** is a leading cause of homelessness. Nationally, nearly two in five women who accessed specialist homelessness services in 2015/16 did so due to family violence.⁹⁸ This year's ESIS data revealed family violence was the number one reason people relocated and affected nearly **one quarter** of ESIS respondents and resulted in **59%** of children moving schools. Community safety was also an issue, **almost one in five** respondents moved due to safety reasons.



25% of respondents moved due to family violence, which was the number one reason people relocated



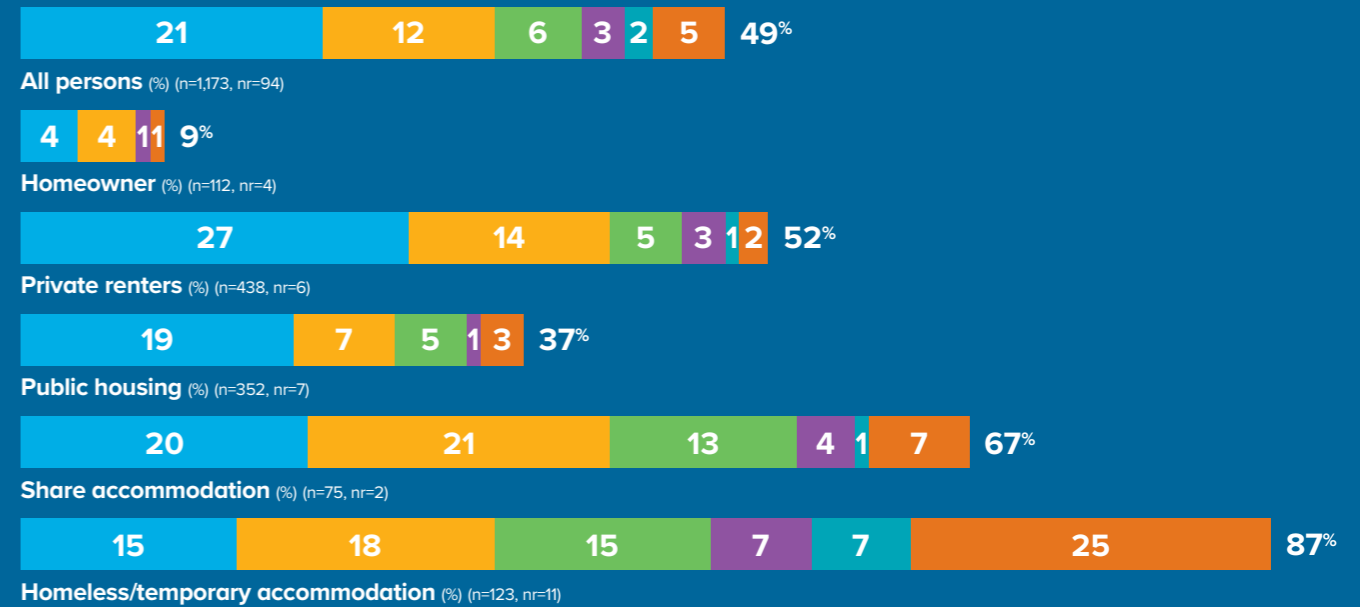
18% moved due to community safety reasons

Nationally, The Salvation Army in partnership with Protective Group (a private risk and safety company) delivers the *Safer in the Home* program. The program provides basic safety and security measures to support women and their children experiencing low risk family violence to feel safe and remain in their homes. This program assists hundreds of women and their children each year to stay connected to employment, education, social networks and their communities.

*Pamela**...

[The] Salvation Army helped my kids and myself not be homeless. [They were] very supportive when we encountered family violence. Supported us with food and clothing and paying some bills. Someone there that cares about us. Without their assistance me and the kids would be on the streets. Thank you so much for your kind heart and for being supportive.

*Name changed to protect the privacy of respondent.



33 Frequency of Moving House in the Past 12 Months*

49% of respondents have moved house in the past 12 months. Respondents in share accommodation, temporary accommodation, or experiencing homelessness and private renters are the most transient:

- Almost 9 in 10 respondents who are homeless/living in temporary accommodation moved in the past 12 months, a quarter have moved at least six times
- Half of respondents who are private renters have moved in the past 12 months.

*The percentage of those who did not move in the past 12 months is not reflected here.


Once
Twice
3 times
4 times
5 times
At least 6 times


Homelessness


In Australia, homelessness continues to be a serious and unresolved social issue. Over the past five years, homelessness rates have increased by nearly 14% and now more than 116,000 people are homeless; of which 39% are aged under 25 years.⁹⁹ One in five people who are homeless are Aboriginal and Torres Strait Islander people.

'Homelessness is not a lifestyle choice; it reflects systems failure, and most critically, a shortage of affordable housing.' —*Jenny Smith, Chief Executive of the Council to Homeless Persons in Victoria*

Many ESIS respondents experienced homelessness, high levels of housing transience, and difficulties sustaining long-term housing tenure. This year **11%** of ESIS respondents were homeless¹⁰⁰ or living in temporary accommodation. Of these, **56%** remained homeless for at least 12 months and almost **one in five** respondents were living in private rental before becoming homeless. This highlights the financial vulnerability for many respondents, particularly those in private rental, where the slightest financial burden could push them from hardship into homelessness.

 **11%** of respondents were homeless or living in temporary accommodation

 **18%** were living in unstable accommodation (homeless, temporary or shared accommodation)

 **56%** of respondents who were homeless remained homeless or living in temporary accommodation for more than 12 months

 **19%** of respondents who became homeless in the past 12 months were previously living in private rental

A REVIEW OF THE ADEQUACY OF COMMONWEALTH RENTAL ASSISTANCE IS A KEY PRIORITY, IN ORDER TO FINANCIALLY ASSIST PEOPLE RETAIN THEIR HOUSING AND AVOID FALLING INTO HOMELESSNESS.

'I live in my car to save rent. Cook meals on a portable gas stove. Shower in cold water.'
—*Respondent*

Homelessness was a major concern for many respondents and interview participants. Financial hardship from low income and unemployment created **insecurities and uncertainties**, and for some led to experiences of homelessness.

Participants reported times when they:

- Experienced anxiety and stress from insecure tenure
- Did not have a home or a safe place to call their own and at times forced to sleep in unsafe places
- Feared assault or robbery
- Felt lonely, shame, embarrassment and no sense of belonging
- Felt invisible when people walked by and looked through them.

On a more practical level, respondents struggled because they:

- Had no facilities to cook, shower, wash their clothes and sleep
- Battled the weather, trying to stay warm or find a dry place to sleep
- Had no options for their animals to stay
- Sought support from services, although this did not guarantee a bed for the night, as there was great competition for accommodation.

George ...

We're just moving day to day... it just spiralled down all the way... I was so desperate. There's the insecurity and depression of not having your own place.

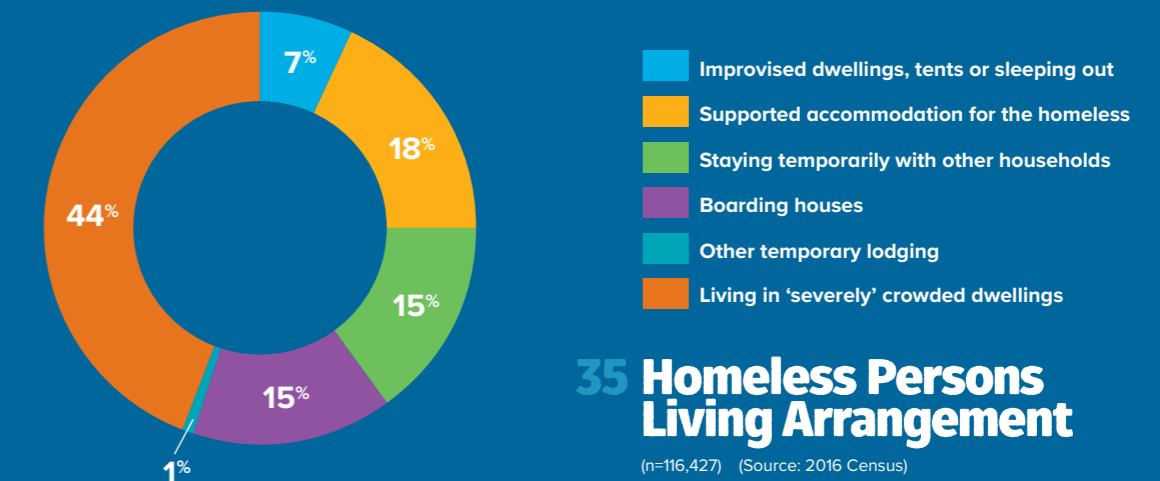
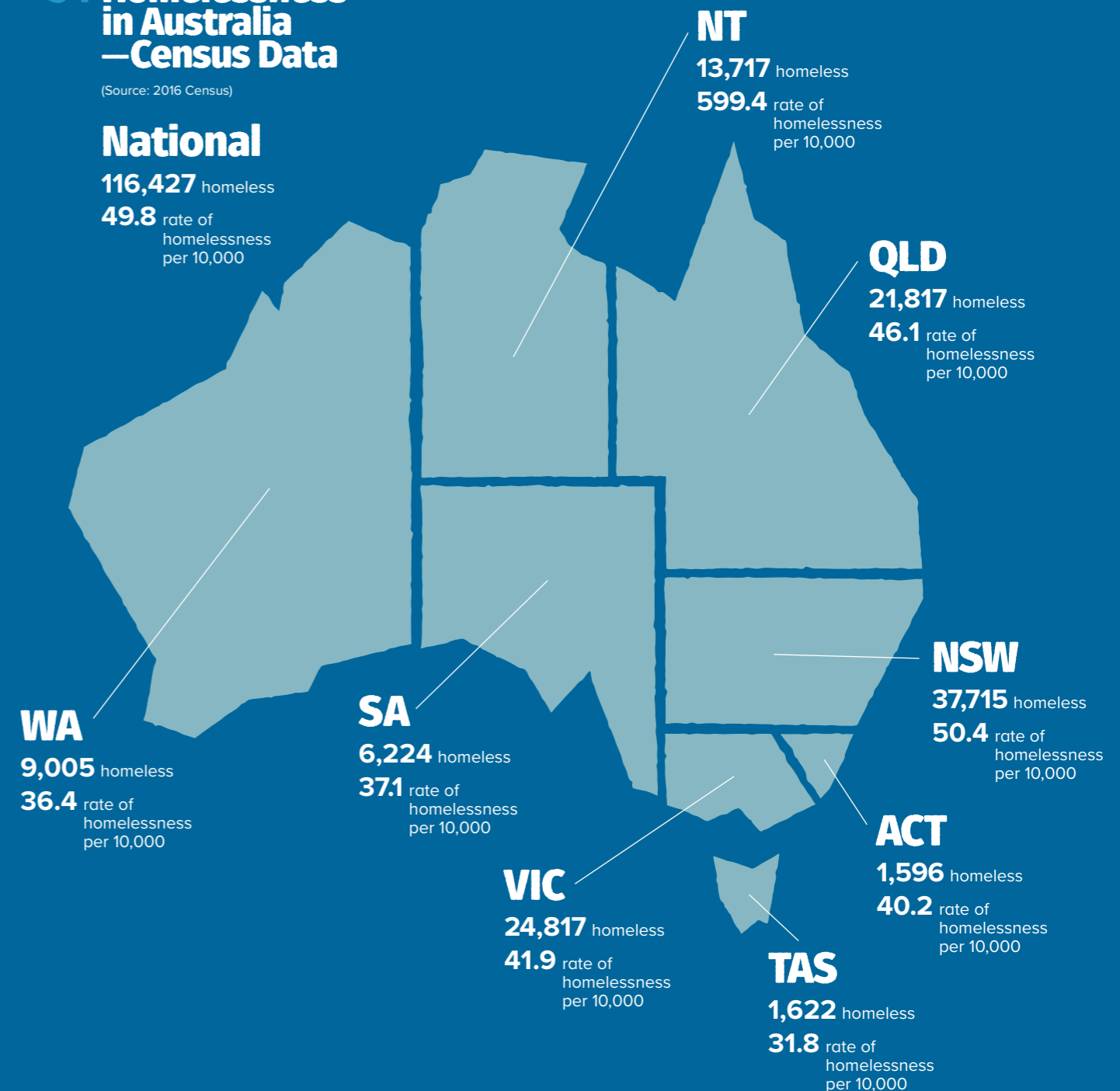
*Name changed to protect the privacy of respondent.

34 Homelessness in Australia — Census Data

(Source: 2016 Census)

National

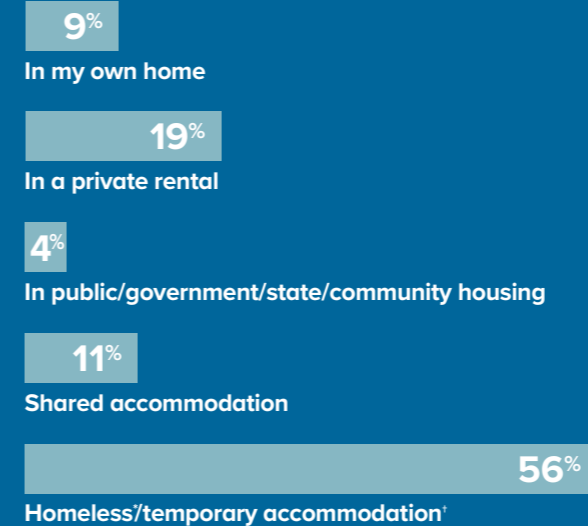
116,427 homeless
49.8 rate of homelessness per 10,000



35 Homeless Persons Living Arrangement

(n=116,427) (Source: 2016 Census)

‘One in four people accessing homelessness support have mental health issues.’
—AIHW, 2017



36 Risk of Homelessness: Previous Living Arrangement

Proportion of homeless* people previous living arrangement (12 months ago). More than half of homeless people stayed homeless or have been living in temporary accommodation since 12 months ago. Almost 1 out of 5 were living in private rental before.

(n=54, n=4)

*Living on the streets, in a car, makeshift dwelling, couch surfing, in a caravan. *Living in a hotel/motel, crisis accommodation, shelter, boarding house, staying with family and/or friends.

*Lizzie** ...
There's so many different issues that homeless people have to deal with. There's people that snub them in the streets and being walked past [ignored]. Or there's the housing crisis where there's not enough units for these people. And overpopulation, not enough money or income support from the government on these benefits. Because to try and live on these benefits is a ridiculous thing.

*Name changed to protect the privacy of respondent.

Boarding houses were described by some respondents as a temporary place to stay when they had no alternatives. Respondents reported that this type of accommodation was very expensive, unsafe at times, with rooms and facilities in poor condition. For people with limited options, many chose to sleep in cars, couch surf or stay in public places instead of taking a vacancy in a boarding house.

The Salvation Army operates a wide network of homelessness services throughout Australia and last financial year supported almost 40,600 people and provided more than 335,500 bed nights to those in need. Across the sector, demand for homelessness services continues to increase, with limited capacity to meet the growing need. Inadequate income support and unaffordable housing are forcing people into homelessness. A collective government-led, community informed approach is required to tackle this critical social issue.

THE SALVATION ARMY CALLS FOR THE FEDERAL GOVERNMENT TO DEVELOP A COMPREHENSIVE AND LONG-TERM HOMELESSNESS STRATEGY AS A PRIORITY.

Several respondents reported they **felt frightened and worried** for their personal safety living on the streets. Experiences of homelessness resulted in considerable personal cost to individuals, impacting on their physical and mental health, and emotional wellbeing.

‘I was scared while sleeping. I was, I felt threatened for my life really. I had never been on the streets before...I was scared I was gonna get stabbed for something.’
—Respondent

Numerous respondents made reference to feeling **judged and ostracised** due to being homeless, and others reported feeling **demonised and shunned** by others.

For some respondents, homelessness was due to an **unavoidable** adverse event or a result of unforeseen circumstances.



Melanie*

I am 29 years old; I have no job and until recently had nowhere to call home. I have lived in a tent, in my car and slept on a lot of friends' couches...and couches of strangers too. There have been times I have felt so scared...scared that I was going to get stabbed or worse. It was like a nightmare for about a year and a half, but it felt so much longer.

After I separated from my ex-partner, I struggled to get my own place. He had such a bad temper and would flip out when he had no money to buy drugs. He left our house in a mess, all busted up with holes in the walls and doors. His name wasn't even on the lease; it all fell back onto me, I got evicted and my name was mud to all the rental agents around. To be honest, I couldn't afford to pay rent by myself anyway. Next thing I know...I'm living in my car, hungry and showering in public toilet blocks. It was so humiliating; I never imagined my life would end up this way.

I was so miserable and desperate and completely alone. I kind of spiralled down; I went back to using drugs to block out my fears and feelings of hopelessness. That is until I overdosed and ended up in detox and then rehab. This was when I found The Salvation Army.

I don't know what I would have done if it wasn't for the Salvos. I'm so grateful; they helped me rebuild my life. They helped me find somewhere

to stay short-term. My worker helped me get a rental bond, helped me apply for a couple of different places and even put in a good word with the housing people.


I've now got this little one bedroom place; it's only small but it's all I need. The Salvos helped me get settled and some furniture; I have my own bed now and a couch. I've set up a payment plan for my rent and money for bills comes straight out of my pay. It's tight, Newstart barely covers the rent, but what's the alternative?

I want a job, but don't have that much experience or skills. I need to find something close to home because I sold my car...couldn't afford the petrol or rego. I didn't get much for it, but it cleared a debt from one of those payday lenders. I don't touch drugs now.

All I wanted was a place for me...surely that's not too much to ask for? Moving day-to-day, not knowing where I am going to sleep each night and having nowhere safe to put my things was the hardest bit. I've got that now, safety and security, and I'm never going to back to being homeless.

Never.

NB: This scenario was developed based on the real life experiences of participants interviewed as part of this research project. *The names and some details have been changed to respect the individual's privacy. The image is a stock photo—the model is not associated with this case study.



Education can radically change the trajectory of a child's life. It can transform the possibilities of what a child can become and achieve. It can change a life, a family, a community forever.

—Eddie Woo, NSW Mathematics Teacher
(2018 Australia's Local Hero Award)

5 children

Parents **COULD NOT AFFORD** items relating to **participation in social activities** for their children:

-  **63%** regular leisure activities for their children
-  **46%** two pairs of properly fitting shoes
-  **43%** invite friends home to play and eat
-  **43%** some new clothes for their children

Opportunities, Participation and Access

Many children represented in this report are growing up in households experiencing persistent financial hardship, multiple barriers and prolonged unemployment. A lack of economic resources in families prevents children from accessing educational opportunities, health services, and actively participating in their communities.

ESIS 2018 included a total of 1,470 children across 617 households. **Two-thirds** of households with children experienced severe deprivation¹⁰¹ and went without five or more essential day-to-day items; a **13% increase** from last year's research findings. Respondents could not afford items for their children relating to **social and recreational participation, clothing, education, and access to technology**.

 **67%** More than two-thirds of children experienced **severe deprivation** and went without **five or more** essential day-to-day items

Social participation and inclusion is critical for children to feel valued, connected, and promote a sense of overall wellbeing. Yet, many children represented in this year's ESIS were excluded from opportunities to enjoy social and recreational activities, missed out on connecting with others and to have fun with friends.

'They miss out... No fuel, can't take children to school and [have] no money for lunches or school activities.' —*Respondent*

Every child has **the right to an education** and is a critical phase in developing their intellectual, social and physical abilities. Education costs continue to increase and have become unaffordable for many families. A large proportion of households struggled to afford educational expenses and their children missed out on opportunities to enjoy school events, camps, excursions and were not able to afford school uniforms and books.

Education expenses should be supplemented to ensure that all children can actively participate in social, recreational and education opportunities. Children from low income families should have the same education and learning opportunities as their peers and not be further disadvantaged due to their family's lack of financial resources.

-  **63%** could not afford money for their children to participate in school activities
-  **55%** could not afford up-to-date school books and clothes for their children





Sasha*

(School expenses is one of her greatest challenges.) Starting the kids every year at school, especially high school, my daughter started year 7 last year and my son is starting this year. Having two high school book lists and uniforms, it's [sigh] crazy...near impossible... families are genuinely struggling.

*Name changed to protect the privacy of respondent.

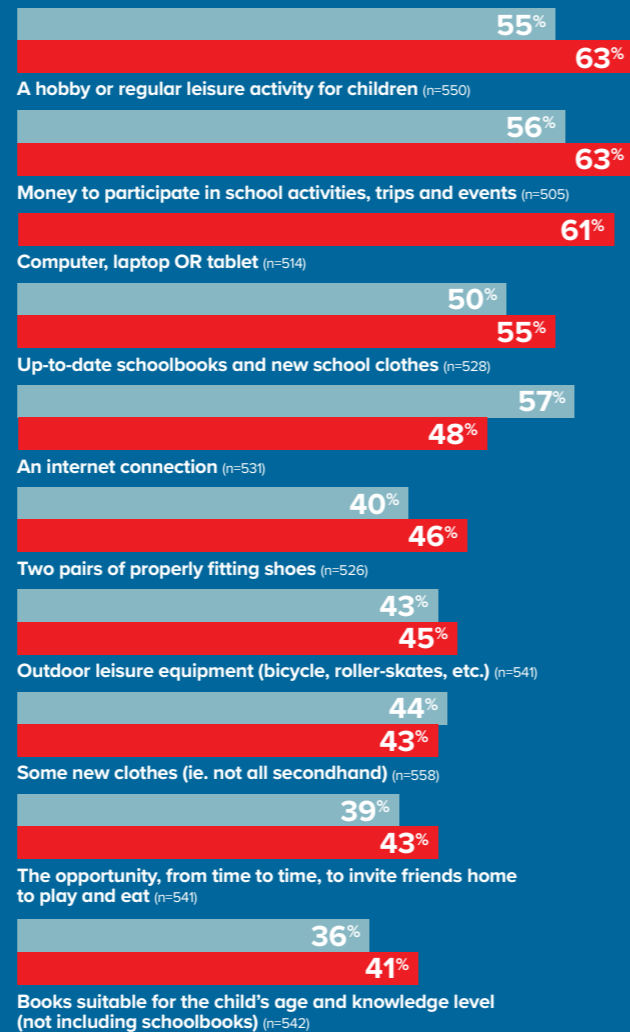
'School students can experience inequality in terms of opportunities (teachers, curriculum, facilities), experiences (classroom discipline, pedagogical practices) and outcomes (values, skills, qualifications).' —*Community for Economic Development of Australia (CEDA). How unequal? Insights on inequality (2018)*

Digital literacy and participation is known to improve school performance, educational outcomes, and provides increased employment prospects. Yet **digital participation, affordability and access** for many households remained unattainable. Children represented in this report were **seven times less likely** to have access to the internet compared to the average Australian child. **Sixty-one per cent** of households were not able to afford a computer, laptop or tablet and **almost half** could not afford an internet connection at home. For many children and families, digital access and affordability precluded them from taking advantage of technological and educational opportunities and benefits.

-  **61%** could not afford a computer, laptop or tablet
-  **48%** could not afford an internet connection at home

In response to the growing digital divide, The Salvation Army, in partnership with Telstra, is trialling a pilot program in Tasmania targeting low income households with school aged children. *Telstra Internet for Kids' Education (TIKE)* program is designed to assist families with school children to access a more affordable internet service at home, support their children's education and learning opportunities; as well as building their digital skills, abilities and confidence using the internet. The Salvation Army believes that all children should thrive, with positive future prospects and not be impeded further by disadvantage and experiences of financial hardship.

There is a **widening gap** between children from disadvantaged and low income families compared to children from average Australian households. The table below compares the average Australian child to the children of ESIS respondents and highlights the level of disadvantage and exclusion that respondents' children experience, compared to the wider population.



37 Child Deprivation

This year, an increase of households with children who are deprived of 5 or more items to 67% from 54% last year.

■ ESIS 2017 ■ ESIS 2018

Table 9 At Risk of Poverty and Exclusion¹⁰²

Area	Average Australian Child	Children of ESIS respondent	Compared to the average Australian child, children of ESIS respondents are:
Sole parent family	17%	46%	2.7 times more likely to live in sole parent families and at higher risk of poverty
Low income (bottom income quintile less than \$436/week)*	9%	95%	10.5 times more likely to live in low income families and experience financial hardships
High rent and low income†	9%	98%	11 times more likely to pay high rent and experience housing stress
No access to the internet at home	7%	48%	7 times less likely to have access to the internet at home

*Bottom income quintile = proportions of children aged 0–15 years old with income in the bottom 20% of equivalised disposable income for all households in Australia (\$436/week—median, ABS 2015/16 data). †High rent and low income = proportion of children living in household where private rent is 30% or more of disposable household income, and in the bottom two quintiles of equivalised disposable income (\$635/week—ABS 2013/14 data).



‘I have often had to line up and wait for [food]... I find this hard and demoralising in a small town.’
—Respondent

‘My life has fallen apart in the past 12 months... I feel like a failure.’
—Respondent

Many respondents reported that they:

- Experienced shame and guilt that their children had to go without
- Self-sacrifice to ensure their children were fed and tried their best with the resources they had
- Many did not want their children to ‘go through’ hard times like they experienced when growing up
- Felt helpless, trapped and did not know how to change their situation.

The Salvation Army is concerned that there is a widening gap between children from average Australian and those from impoverished households. Findings in this report demonstrate that children continue to experience disadvantage as a result of their family's circumstances and lack of available resources, and do not have the same opportunities as their peers. This poverty gap directly impacts on vulnerable children and diminishes their future education and employment prospects.



Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life.

—Nelson Mandela

6 views & opinions

Daily Challenges

Many people who access Salvation Army Emergency Relief services present with a range of complex needs and barriers. Some of these challenges are the result of structural barriers, which make it hard for people to escape poverty and other obstacles are due to adverse life circumstances.

For many respondents, some day-to-day activities posed major difficulties and were the source of financial hardship. Respondents reported they experienced daily challenges, with many unable to afford enough food to eat. They battled to manage financial stress and difficulties, and struggled with their mental health and emotional wellbeing each day. These results highlight the difficult journey many ESIS respondents experience on a daily basis.



Respondents reported their greatest daily challenges were:

‘Just trying to put food in the cupboards for the kids, paying the rent and the bills all on my own.’

‘I cannot remember the last time I went out or ate a hot meal with my kids.’

‘Stress from my utilities being cut off.’

‘Just paying the bills...and keeping on top of issues in life.’

‘My mental health deteriorated, um, just the money troubles of trying to be able to afford food every fortnight. Just basic needs.’

David*

There are people out there who do want to work, doing the right thing by the system and then get shafted basically. There’s lots of us who really want a job.

*Name changed to protect the privacy of respondent.

What Makes the Biggest Difference for your Household?

This year's ESIS research has highlighted the unfavourable and harsh reality for many disadvantaged households. **Nearly two thirds** of respondents identified help with paying bills and access to affordable healthy food were two areas of assistance that would make a difference to their household.

What respondents identified as making the biggest difference for their household:



65% Assistance for paying bills



59% Access to affordable healthy food



40% Access to timely, affordable dental care



37% Access to timely, affordable medical services

'It took away the financial worry about paying the electricity [bill].'
—Respondent

'Food vouchers and parcels really helped relieve the high pressure... I would have starved without [The Salvation Army's] assistance.'
—Respondent

What Else Could Help?

Respondents outlined other areas they would find of assistance, these included:

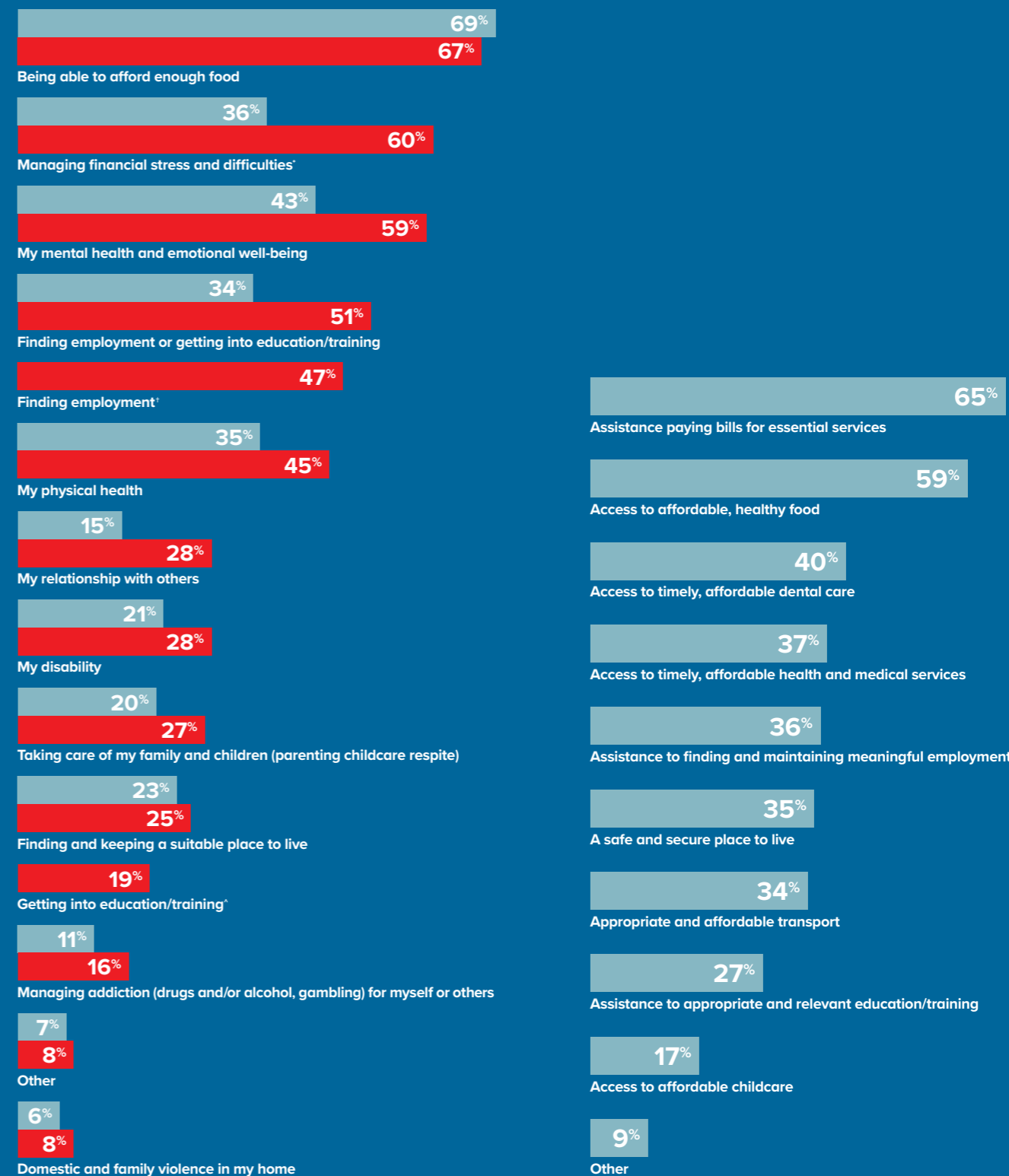
- More frequent access to food, fresh fruit and vegetables
- Back to school programs to help with the large up-front expenses of uniforms, books, fees, camps, sports activities and outings throughout the year
- Christmas hampers.

Respondents also mentioned other practical measures that would make a difference in their lives such as:

- Fair prices and cheaper rates for electricity and other household utilities
- Cap on private rental costs or additional rent subsidies
- Free or subsidised public transport or discounted petrol
- More affordable childcare available (to be able to work)
- Access to free medical treatment, doctors and medicine
- Food vans for cheap and free meals
- Free access to clean showers, toilets and facilities to wash and dry clothes.

'The Salvation Army is a very big help when I'm in need of food. If it wasn't for their help I would be finding it hard to feed my child.'
—Respondent

'There's not a lot of places that you can go for a shower, or get brand new clothes to be able to feel good about yourself. It's hard.'
—Respondent



38 Day-to-Day Challenges

This year the biggest challenge is still the ability to afford enough food (67%). Managing financial stress and mental health is another big challenge for 3 out of 5 respondents, a major increase from last year. Finding employment or getting into education/training is another big challenge for half of respondents.


*Last year it was 'Managing my finances'. †This year it was asked separately: 'Finding employment' and 'Getting into education/training'

ESIS 2017 (n=1,298, nr=82) ESIS 2018 (n=1,081, nr=186)

39 Help that will Make a Difference

At least 3 out of 5 respondents find assistance for paying bills and access to affordable healthy food are the two things that will make a difference for their household.

(n=1,096, nr=171)



Health is not defined simply by a lack of illness. Health includes laughter, love and positivity. Mental health, physical health and soul health. Being in health is to be in a positive state of well-being on all levels.

—Alvina Celeste

7 wellbeing

Social connectedness relates to the quality and numbers of relationships people have with others. However, only **16%** of respondents reported they had social connections with people and maintained regular contact with others. Some respondents highlighted the importance of social connections and the positive emotional benefits they received from their support networks. However, this was not the case for the majority of respondents. Many did not have a social circle of friends or acquaintances. They were isolated, and excluded from their families and communities. **More than half** of respondents reported they had no friends and family they could seek support from in a time of crisis. Numerous respondents reported they were not in a position to ask their family or friends for help or support as they were 'doing it tough themselves' or 'didn't want to burden them'.

'I don't have any family here other than my elderly father who is also struggling financially, and my friends all have their own family to take care of.' —Respondent

'It was very difficult to try and do everything and sort of get your life back on track and not have any resources or friends or family that were there to help.' —Respondent

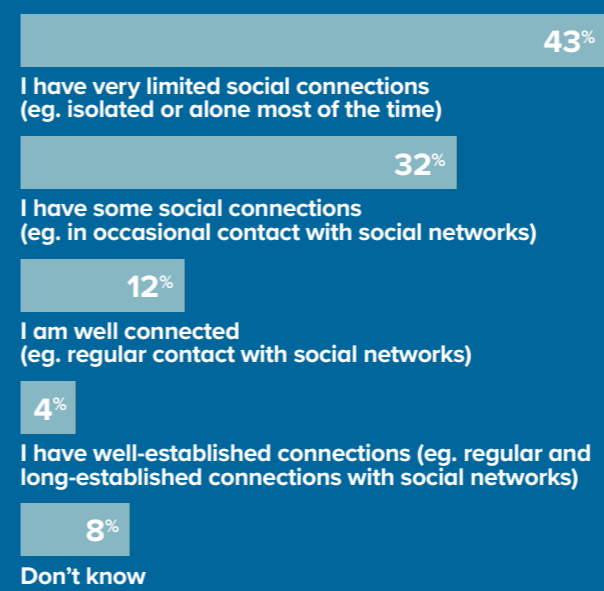
More than two in five respondents reported they had very limited social connections and felt isolated most of the time. In particular, people living alone or were homeless, single parents and those unemployed tended to have very limited social connections and networks. These results demonstrated that many respondents experienced social exclusion, marginalisation and disconnection from others in their families and communities. Loneliness and isolation were also common experiences raised by respondents and interview participants.

'[I] tend to sit around home feeling isolated, bored and not good enough.' —Respondent

'I'm estranged from my family. I'm what you call the black sheep. None of them knew about my predicament or anything like that. So, yeah, I just keep it that way.' —Respondent

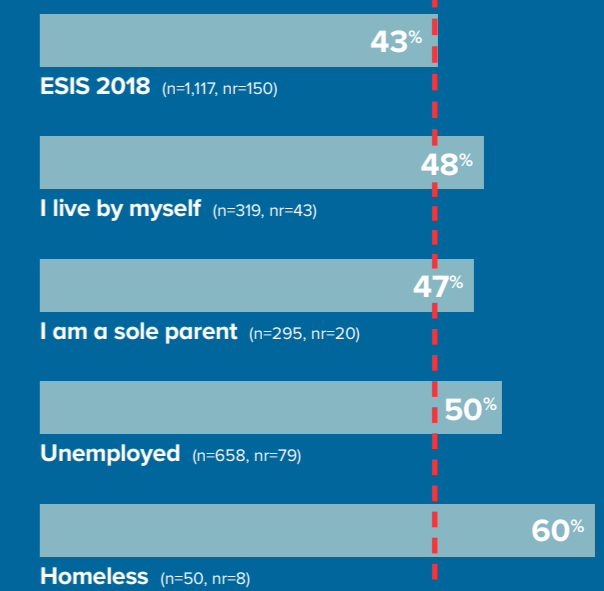
43% of respondents reported they had very limited social connections and felt isolated most of the time

54% were unable to seek support from friends and family in a time of crisis



40 Social Connection

More than half of respondents were not able to ask support from friends or family members (other than spouse or partner) in times of crisis. At least 2 out of 5 ESIS respondents have very limited social connections. (n=1,117, nr=150)



41 Very Limited Social Connection

Those living alone, single parents, unemployed or homeless tend to have very limited social connection.

Volunteering was described by numerous respondents as a good opportunity for social interaction and connection with others. Volunteering also played an important role empowering individuals, encouraging 'active citizenship' and being a part of building inclusive and resilient community. This was evident in some of the responses and comments from respondents and interview participants, where there was a strong theme of reciprocity: 'giving back' after receiving support from our Emergency Relief services. Some respondents expressed feeling indebted and gratitude, wanting to repay the kindness and help others in need. Others described volunteering as a positive experience, where they felt they contributed, made a real difference and bolstered their sense of self-worth and confidence. For many, this gave them an opportunity for social connectedness, inclusion and acceptance in their community.

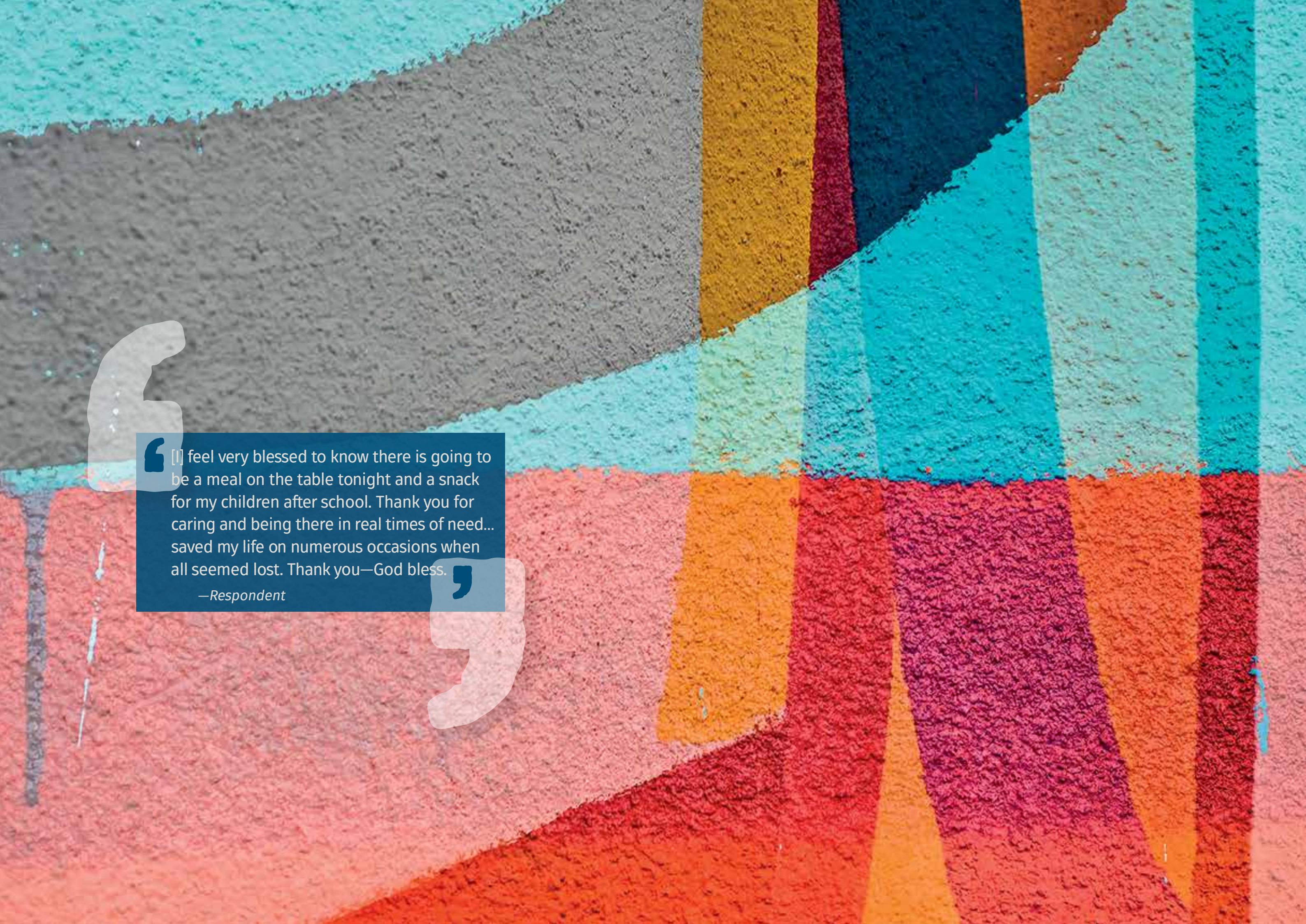
'Monday, Tuesday in the mornings and Thursday nights, I volunteer there just to be able to give back to the community because The Salvation Army has helped me a lot in that part of my life. By giving back to the community and volunteering, it gives me a sense of hope and purpose in my life, to, you know, move on.' —*Respondent*

Resilience was evident among some respondents. Despite experiencing hardship and adversity, there was a sense of strength, spirit and determination. There was a desire to never give up and just keep going, no matter what challenges they faced. Some people were motivated for a better life and others wanted to be a positive role model for their children.

'I know every day has been an absolute hell for me, but you gotta get up every day. You gotta dust yourself off, get on your feet, and stop thinking about the negatives and put the positives in.'

—*Respondent*





[I] feel very blessed to know there is going to be a meal on the table tonight and a snack for my children after school. Thank you for caring and being there in real times of need... saved my life on numerous occasions when all seemed lost. Thank you—God bless.

—Respondent

8 what respondents told us

What Respondents Told Us about our Doorways Emergency Relief Services

The Salvation Army is making a difference.

Many respondents and interview participants provided overwhelmingly positive feedback about their experience with The Salvation Army's Emergency Relief services. Participant responses ranged from appreciating the support they received in times of financial hardship, recognition for assisting people move towards independence, to emphasising a sense of social connectedness and community through their involvement with our services.

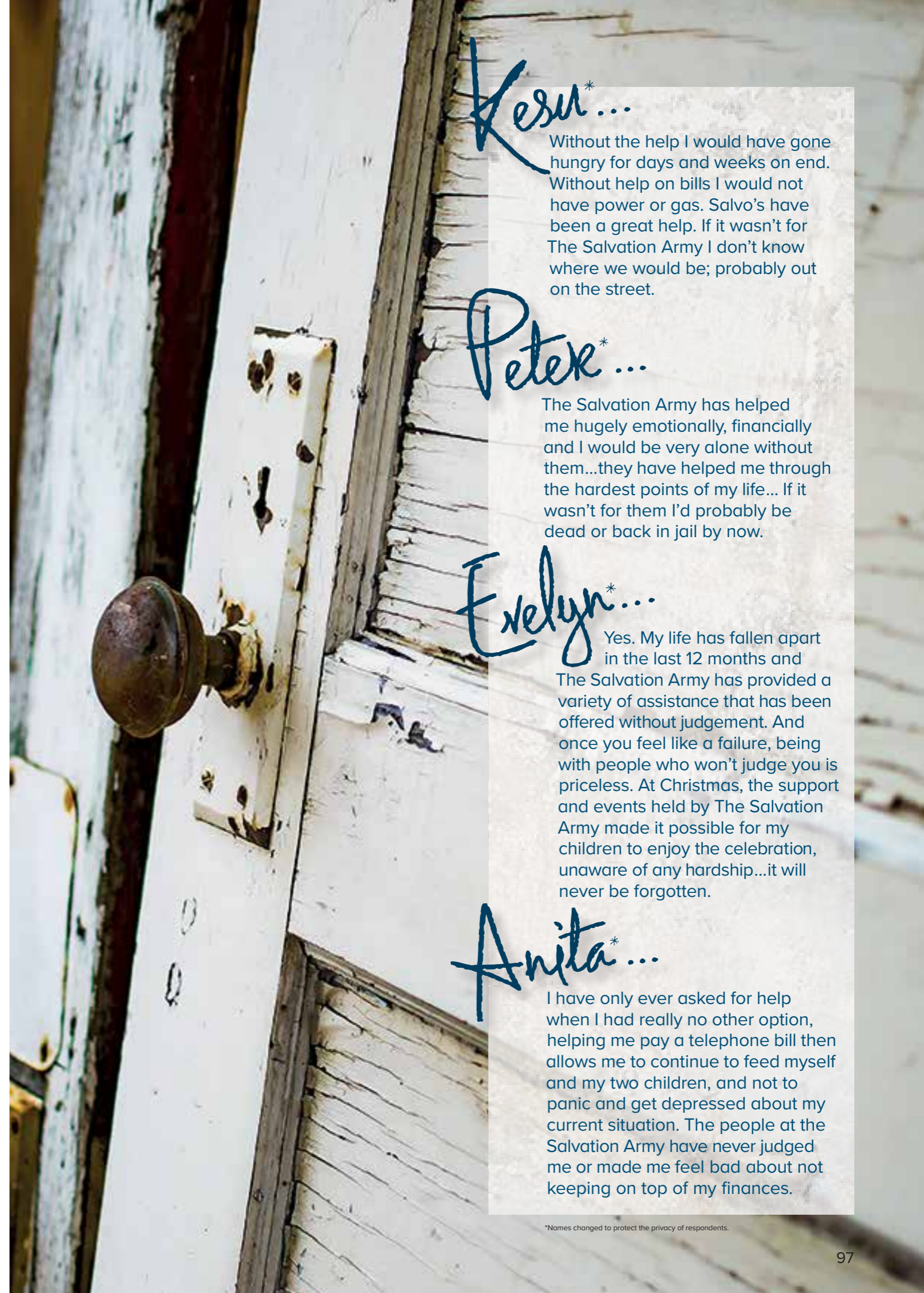
Following are a few quotes from ESIS respondents that described what difference The Salvation Army's Emergency Relief services made for them.

'I am able to access bread, fruit and help with food and bills. It's a relief to be able to give my kids a **nutritious meal** and not to stress from **utilities being cut off**. Thank you Salvos—you do amazing work to help others in need. I am grateful.'

'The Salvation Army has made a huge difference in times of need and **not having enough** to pay bills and travel for medical appointments and food...**stressful times**. Thank you. **Grateful** you're doing a great job supporting those in need.'

'The Salvation Army provides an extremely important service to people in **financial stress**. They treat people with **dignity and empathy** and without their help many people would be suffering greatly.'

'The **kindness** of the staff has made the biggest impact. The empathy and understanding is invaluable. The willingness to help with getting school uniforms and other essentials has been a **godsend**. It's been a **life-saving experience**.'



Kesu*...

Without the help I would have gone hungry for days and weeks on end. Without help on bills I would not have power or gas. Salvo's have been a great help. If it wasn't for The Salvation Army I don't know where we would be; probably out on the street.

Peter*...

The Salvation Army has helped me hugely emotionally, financially and I would be very alone without them...they have helped me through the hardest points of my life... If it wasn't for them I'd probably be dead or back in jail by now.

Evelyn*...

Yes. My life has fallen apart in the last 12 months and The Salvation Army has provided a variety of assistance that has been offered without judgement. And once you feel like a failure, being with people who won't judge you is priceless. At Christmas, the support and events held by The Salvation Army made it possible for my children to enjoy the celebration, unaware of any hardship...it will never be forgotten.

Anita*...

I have only ever asked for help when I had really no other option, helping me pay a telephone bill then allows me to continue to feed myself and my two children, and not to panic and get depressed about my current situation. The people at the Salvation Army have never judged me or made me feel bad about not keeping on top of my finances.

*Names changed to protect the privacy of respondents.

conclusion

The Salvation Army is a global faith-based organisation that supports individuals, families and communities experiencing financial hardship, exclusion and poverty. The Salvation Army continues to advocate for all people who are impacted by social and economic disadvantage. One way in which we do this is by conducting the Economic and Social Impact Survey (ESIS). This enables us to understand and raise awareness about the experiences, challenges and hardships that people who access our Emergency Relief services face.

Over the past seven years, our research has consistently demonstrated the harsh realities and constant struggle many respondents have to endure. This year's Economic Social Impact Survey (ESIS) report again highlights that respondents experience financial hardship and adversity due to:

1. Limited economic resources and multiple barriers to employment
2. Food insecurity, outstanding debt and inability to meet cost of living expenses
3. Housing stress, inadequate housing conditions and transience
4. Reduced participation and access to opportunities for individuals and their families
5. Daily challenges and social disconnectedness.

This report provides a glimpse into the experiences of financial stress and extreme hardship people face as a result of limited economic and social resources. For many, this has meant going without essential items in life and seeking support through The Salvation Army's services for food and basic necessities to survive. Children went without, through no fault of their own; penalised due to their parents' lack of resources. The majority of respondents experienced extreme housing stress and some were left with as little as \$17–21 per day to live on. Many struggled to afford safe and secure housing and others were forced to reside in substandard accommodation.

The Salvation Army remains concerned that nearly all respondents fell well under the poverty line and struggled to maintain an adequate standard of living compared to other Australians.

Poverty and disadvantage continues to affect millions of Australians, with no clear policy solution in sight. The Salvation Army supports the development of a national plan to focus on the growing rates of poverty and inequality in Australia. A whole of government led approach in partnership with the community sector is urgently needed to tackle the structural and underlying issues of entrenched poverty and persistent disadvantage.

The Salvation Army also supports the development of a National Housing Strategy to respond to the housing crisis for disadvantaged Australians. A whole of system housing approach is required to ensure that every Australian has access to safe, secure and long-term affordable housing. Leadership, financial investment and clear vision are needed from the federal government to effectively address the current housing crisis and prioritise all Australians in need.

Rhonda...

Without the Salvos, for support in all areas, life would be so much more difficult than it already is... The Salvos have helped and supported me in times of incredible stress and need, physically, financially and spiritually. We are so blessed to have such a fantastic organisation who really genuinely cares for the disadvantaged and marginalised people in this country. I know it is a cliché...but honestly... Thank God for the Salvos!

recommendations

The Salvation Army:

- 1** Supports the development of a National Plan to focus on reducing rates of poverty and inequality in Australia, and welcomes government investment to strategically and jointly address the structural barriers that lead to disadvantage and poverty.
- 2** Calls for the federal government to raise weekly income support payments by a minimum \$75 for recipients on the lowest benefits and allowances to ensure people can maintain a satisfactory standard of living.
- 3** Encourages the federal government to work alongside energy companies and regulators to ensure long-term reliable, accessible and affordable electricity and utilities supplies for disadvantaged and low income households.
- 4** Supports initiatives to improve digital access and participation that provides low cost internet service and mobile phone plans to households experiencing financial hardship.
- 5** Calls for additional investment and resources to assist people in need and meet the increased demand for financial counselling, literacy and capability support services.
- 6** Calls for the development of a National Housing Strategy to address the longer-term housing affordability issue in Australia.
- 7** Calls for a review of the adequacy of the Commonwealth Rental Assistance as a key priority, in order to financially assist people retain their housing and avoid falling into homelessness.
- 8** Calls for the federal government to develop a comprehensive and long-term homelessness strategy as a priority.

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end notes

1 Internally generated funds refer to: all funds directed to Emergency Relief service from all internal/external sources such as Red Shield Appeal, corporate voucher support, corporate donations, community donations, in-kind donations of material aid, thrift shop and Salvos Stores support.

2 National figures from DSS Exchange Data reports.

3 National figures from DSS Exchange Data reports.

4 Session refers to the number of services provided to a client during this period.

5 Accommodation refers to all housing types: public housing, private rental, home-owning, unstable accommodation, other housing types.

6 Median per person, rounded to the nearest dollar.

7 Poverty line used here and the comparison made to the Australian population for the poverty rate is based on 2013/14 ABS data. According to ACOSS report, the poverty line (50% of median income) for a single adult in Australia before housing cost is \$426.30 a week. After housing cost, it is \$343.00 a week. The poverty line for other types of households are derived from this by applying the equivalence scale to estimate how much they need to achieve the same standard living as the single person. For an example, the poverty line for a couple with two children after housing cost is \$720.30 a week (\$343 multiplied by 2.1).

8 Median per person, rounded to the nearest dollar.

9 Average per household, rounded to the nearest dollar.

10 Average per household, rounded to the nearest dollar.

11 Food insecurity is defined as: All households—went without meals or not being able to afford enough food on a daily basis; Households with children—cannot afford three meals a day or fresh fruit and vegetables every day or at least one meal a day with meat, chicken or vegetable equivalent.

12 Average per household, rounded to the nearest dollar.

13 Average per household, rounded to the nearest dollar.

14 Median per household, rounded to the nearest dollar.

15 All housing types in the survey: public housing, private rental, homeowner, unstable accommodation, other housing types.

16 Median per person, rounded to the nearest dollar.

17 Median per person, rounded to the nearest dollar.

18 Poverty line used here and the comparison made to the Australian population for the poverty rate is based on 2013/14 ABS data. According to ACOSS report, the poverty line (50% of median income) for a single adult in Australia before housing cost is \$426.30 a week. After housing cost, it is \$343.00 a week. The poverty line for other types of households are derived from this by applying the equivalence scale to estimate how much they need to achieve the same standard living as the single person. For an example, the poverty line for a couple with two children after housing cost is \$720.30 a week (\$343 multiplied by 2.1).

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23 Average per household, rounded to the nearest dollar.

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25 Median per household, rounded to the nearest dollar.

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Our greatest weakness lies in giving up.
The most certain way to succeed is
always to try just one more time.

—Thomas Edison

