

NOTHING LEFT TO GIVE

Emergency relief across the Anglicare Australia Network



NOTHING LEFT TO GIVE

Emergency relief across the Anglicare Australia Network

OCTOBER 2022



Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas.

The lead author of this report is Eddy Bourke. This and previous reports are available on the Anglicare Australia website: www.anglicare.asn.au

Copyright 2022 Anglicare Australia. Preferred citation:

Bourke, E. (2022) Nothing Left to Give: Emergency relief across the Anglicare Australia Network. Anglicare Australia: Canberra.

Anglicare Australia Ltd

1st Floor

11 Edgar St

Ainslie ACT 2602

PO Box 4093

Ainslie ACT 2602

Tel 02 6230 1775

Email anglicare@anglicare.asn.au

Web www.anglicare.asn.au

ABN 95 834 198 262

ACN 656 248 743

Contents

Introduction	6
Background	7
Methodology	8
About emergency relief	9

Survey findings	10
Demand for emergency relief is growing	10
Demand among parents and children	11
Housing costs are driving demand	12
Additional funding to meet demand	14
Priorities for additional funding	14
Recommendations	15

Conclusion	18
References	19

Introduction

The Anglicare Australia Network supports tens of thousands of Australians who simply don't have enough to survive. Our emergency relief and financial support services are delivered to 116,000 people in each state and territory. Each year, we find that this is our largest service area nationally, and each year, we find that demand is slowly going up.

Over recent months, Anglicare Australia began hearing reports of another surge in demand for help from our financial counsellors and emergency relief providers. In August 2022, we conducted a short survey of emergency relief providers that operate within the Anglicare Australia Network. We wanted to hear directly from service providers about whether and how demand for their emergency relief services has changed since the beginning of the year, and what they believe is driving this demand.

Released as part of Anti-Poverty Week, this report finds that more and more people from increasingly diverse backgrounds are turning to us for help. This includes many parents who are struggling give their children the best start in life. Their need for help is being driven by rising living costs, which have not been matched by wages and income support payments. Coupled with housing that is more expensive than ever, the pressure on those earning the lowest incomes has never been greater. Emergency relief providers are now themselves under strain, unable to provide enough help to enough people.

There will always be a need for emergency relief. People experience crises, natural disasters, and family emergencies. Yet our survey shows that demand is instead being driven by structural factors, with many Australians simply not having enough income to make ends meet. This is not what the emergency relief system was designed to do, it is not how people should be living, and it is not how generation of children and families should be growing up.

The most important actions the Federal Government could take to help these Australians and reduce poverty would be to increase income support payments, so they are no longer below the poverty line, reform and increase rent assistance, and increase the supply of social and affordable housing. Without these reforms, the emergency relief system will continue to be treated as a band-aid solution to much deeper problems.

Background

Inflation, extreme weather events that have affected food supply and distribution, and destabilisation of world energy market, and the COVID-19 pandemic have all impacted the availability and cost of basic goods. The price of fresh food items has increased dramatically in the last six months, and even with a temporary 20c per litre reduction in the federal fuel excise, the cost of petrol reached record highs this year. Record low rental vacancy rates have eased slightly in some markets, but tightened in others. As Anglicare Australia's Rental Affordability Snapshot highlights, there are almost no rentals that are affordable to people on low incomes, even those working full time and earning the minimum wage.¹ There is intense competition for less expensive rental properties that do become available, including from people on higher incomes. Nationally, a record high proportion of people (45.7 percent) are still in rental stress even after receiving Commonwealth Rent Assistance.²

There are 5.1 million Australians that receive income support payments. Half of these people are Aged Pensioners. Despite a modest increase in the rate of Jobseeker in 2021, payment rates for the 935,000 people on Jobseeker or Youth Allowance (Other) are not keeping pace with the rising cost-of-living. Nor are the payment rates of more generous income support payments, including the Aged Pension and the Disability Support Pension.

The good economic news for many people is that unemployment is at a forty year low.³ There are still, however, substantial numbers of people who are long-term unemployed. In fact, the proportion of people who have been on Jobseeker or its predecessor, Newstart, for more than five years has increased, from 16.7 percent of payment recipients in March 2017 to 22.4 percent of payment recipients in March 2022.⁴ These people are not benefitting from the low unemployment rate, but they are feeling the effects of cost-of-living pressures.

More and more people, including those working full time, are struggling to afford basic essentials such as food, utilities, and rent. There has been considerable media reporting throughout 2022 about these cost-of-living pressures.⁵ Cost-of-living pressures were also a key focus of the 2022 Federal election campaign. These increases in the cost of essential goods and services affect people on lowest incomes the most, and this has flow on effects for services that support people in financial stress or crisis.

Methodology

In August 2022 Anglicare Australia asked members of its Financial Wellbeing Network that provide emergency relief to participate in a short survey about demand for these services. This survey was voluntary. We received responses from providers covering metropolitan and regional areas of the following jurisdictions:

- » Western Australia;
- » South Australia;
- » Tasmania;
- » New South Wales; and
- » Australian Capital Territory.

Between them, the respondents have a substantial service footprint, and the consistency of their responses paints a compelling picture of the demand that these providers are experiencing.

About emergency relief

Emergency relief is a type of support that is provided to people in urgent need.⁶

The Federal Government and State and Territory Governments provide funding for emergency relief services, which are delivered by not-for-profit organisations. Some emergency relief providers also self-fund emergency relief, or subsidise salaries for staff that administer emergency relief services. Emergency relief providers provide many types of help, including food hampers or vouchers, transport or medical costs, utility payments, and rent.

Anglicare Australia understands that the Australian Government is likely to roll over the existing emergency relief contracts and funding for another two years, which will see the existing programs continue until 2025. On this basis, it seems likely that tenders will be invited for a new round of contracts in mid-2024. This provides ample time for the Government and stakeholders to consider and consult on changes to the design of the program.

In the longer term, it is important to remember that emergency relief is not intended to be a solution to poverty but a response to short-term crises. The Government must therefore also consider the underlying factors that drive demand for emergency relief, and address them separately.

Survey findings

Demand for emergency relief is growing

Respondents were asked if they had seen an increase in demand for their emergency relief. This question was framed broadly to include an increase in the number of clients, an increase in the amount of emergency relief that they received, or both. All respondents reported an increase in demand for their emergency relief services since the beginning of this year (Table 1). This ranged from 10 percent to 50 percent. Half of the respondents nominated a 10 percent or 20 percent increase in demand. Of these, all operate exclusively or predominantly outside of Australia's capital cities.

Table 1. Changes in demand

Change in demand	Percentage of respondents
No change	0%
10% increase	8.3%
20% increase	41.7%
30% increase	16.7%
40% increase	8.3%
50% or greater increase	25%

All survey respondents reported an increase in the number of clients. The majority of respondents said that the needs of clients had become more complex. For example, this may include needing more than one type of assistance, or seeing multiple emergency relief providers for the same types of support. Many reported that they were seeing new clients who had never used their service before.

Table 2. Changes in client cohorts

Change in client cohort	Percentage of respondents
No change in client cohort	0%
Different cohorts	58.3%
Same cohort, increased demand	41.7%

The survey also shows that client cohorts are changing (Table 2). 58 percent of respondents reported seeing new client cohorts seeking assistance since the beginning of 2022. This included homeowners and people in employment (42 percent of respondents) who were previously able to manage their finances but are now

struggling to pay for food and utilities. 17 percent of respondents noted that they had seen an increase in the number of people on Disability Support Pensions and Aged Pensions seeking assistance. Previously these cohorts did not access emergency relief services at the same rate as those on the lower Jobseeker and Youth Allowance (Other) payments.

Demand among parents and children

Families and parents are a key client group for emergency relief across the Anglicare Australia Network, making up around 40 percent of emergency relief clients. This survey suggests that number is growing. Around 17 percent of respondents noted that they had seen an increase in the number of single parents seeking assistance. This is a concerning trend, as single parent families are already among the households most likely to live in poverty.

There are several reasons for this. Firstly, families on income support payments have seen the value of these payments decline. Around one in six children lives in poverty, and the biggest risk factor for living in poverty is living on income support.⁷ There are many children whose households depend on these payments. As of June 2022, just over 1.14 million children had a parent on an income support payment, including 850,000 children with a parent receiving a working age payment.⁸

Secondly, government policies over many years have restricted access to Parenting Payments and Disability Support Pensions. This means a larger number of parents are relying on lower job seeking payments. For example, parents whose youngest child is at least eight years old now receive the lower JobSeeker payment rather than Parenting Payments. The result of these trends is that more children are being raised on the lowest available income payments.

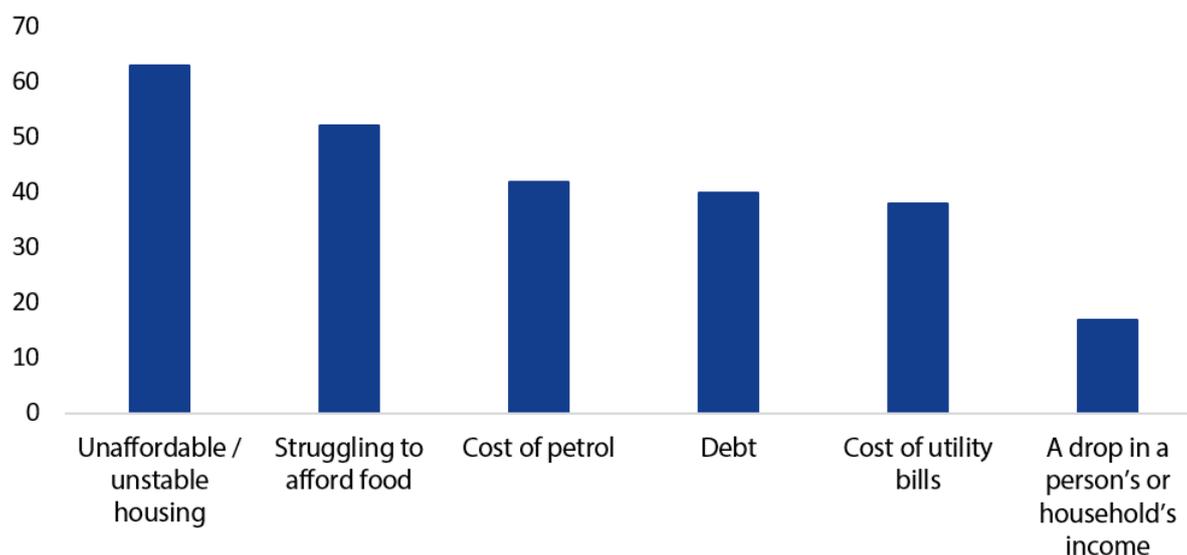
Finally, many families in paid, low-income jobs are finding that wages are not keeping up with the cost of living. A recent analysis of the minimum wage and living costs by Anglicare Australia found that a minimum wage worker in a single-parent household would not be able to cover even basic expenses without working extra hours, working late nights or weekends, and relying on additional support for emergency relief or other sources.⁹ Two minimum wage workers in a two-parent household would not have any disposable income each week after expenses.¹⁰ This analysis was based on full-time wage. The situation for those working casually or part-time will be considerably worse.

These trends, together with rising housing costs, help explain why so many parents and families are now in need of additional support.

Housing costs are driving demand

Respondents were asked to rank what they saw as the drivers of demand for emergency relief services. Their responses show that the highest driver for emergency relief services is unaffordable or unstable housing. This is followed by people needing help because they do not have enough food. The chart below shows weighted rankings for drivers of demand for emergency relief services.

Figure 1. Key drivers of demand



The impact of unaffordable housing was reflected in respondents' comments in the following question, which asked if the drivers of demand for emergency relief services had changed since the beginning of the year. 67 percent of respondents singled out housing costs as drivers of demand for their services in their comments. 17 percent of providers noted that rents are increasing in the areas they service, while 25 percent noted that they have seen an increase in people asking for help with rent arrears since the beginning of the year, and another 25 percent reported seeing an increase in people at risk of or experiencing homelessness. The remainder reported that although housing costs had not risen in their area, they had been consistently high for so long that they continued to be a key driver of demand.

After housing, the next highest driver of demand for emergency relief was because people are struggling to afford food. It should be noted that, although emergency relief services help people with food either by directly providing them with food, or with vouchers to buy food, the Department of Social Services funds a separate Food Relief program alongside its emergency relief funding. This only funds three organisations.¹¹

75 percent of respondents singled out the increased cost of food and fuel as significant and new drivers of demand for emergency relief assistance since the beginning of 2022. Comments from survey respondents indicate that it is these pressures that are driving most of the increase in new clients and new client cohorts.

The cost of petrol, debt, and the cost of utility bills were the next highest drivers of demand, and had similar weighted cumulative rankings. The financial harm being caused by debt, particularly Buy Now Pay Later financial products is well documented. Financial Counselling Australia surveys Financial Counsellors across Australia every year. In their most recent survey, they found that the number of financial counselling clients with these debts had increased dramatically from the previous year, with 84 percent of financial counsellors saying that more than half of their clients had Buy Now Pay Later debts. This

compared to 31 percent the previous year. The same survey found that 61 percent of financial counsellors said that most or all of their clients with these debts were struggling to pay other living expenses.¹²

Additional funding needed to meet demand

Survey respondents were asked what funding level they think is required to meet demand for emergency relief services over the next twelve months. All respondents reported that current funding levels needed to be increased to adequately meet demand, with 67 percent believing an increase of 40-50 percent or more is required.

Table 3. Funding needed to meet demand over the next 12 months

Funding needed	Percentage of respondents
No change in funding level	0%
10% increase	0%
20% increase	10%
30% increase	10%
40% increase	20%
50% or greater increase	60%

Priorities for additional funding

Providers were asked about what their expenditure priorities would be if their emergency relief funding was increased. Responses varied, and included providing assistance with food, utilities, and support to people at risk of or experiencing homelessness. The two areas most consistently mentioned, however, were housing-related support (for example, rent, bond, arrears), and increased resourcing for staff. Survey respondents expressed concern about the increased risk of homelessness they saw their clients being exposed to because of rising rents and lack of access to affordable housing, which are being compounded by the increase in the cost of other basic goods. They noted that access to or retaining housing is critical to maintaining employment, keeping kids at school, and preventing homelessness.

Of the respondents who mentioned increasing their staff capacity as being one of their priorities, there were two primary reasons given. The first is because organisations' client numbers have expanded so much since the beginning of the year that their staff are struggling to manage client caseloads. The second is because several organisations rely on volunteers for their emergency relief programs or are subsidising their emergency relief staffing costs from elsewhere in the organisation, and do not feel this is sustainable.

Recommendations

Respondents were asked to offer any views on how emergency relief funding could be improved, and what they thought might take pressure off the emergency relief system. As one of the respondents noted:

The best way to take pressure off emergency relief providers is to reduce the need for emergency relief. Emergency relief is a band-aid and we need to reduce the need for band-aids. emergency relief has become an essential, regular and long-term form of welfare support for many, such as the unemployed. We know that raising the JobSeeker rate, as was done in April 2020, kept people out of emergency relief services and allowed them to manage their finances better themselves. Give the unemployed enough money to live with dignity so that they can break the poverty cycle and get back into stable employment. Emergency relief services could then concentrate on supporting those in the community with complex or short-term needs.

Responses on how to achieve this fell into three broad categories. The first deals with the funding and administrative arrangements for emergency relief. The two main themes raised here were that longer funding cycles would be useful, as would funding that recognises "the real costs of service," including the need to reduce or eliminate the use of volunteers or paying staff using resources from elsewhere in the organisation.

The second area for improvement and change is increasing the supply of social and affordable housing, and more support for renters. A recent analysis has estimated the additional social and affordable housing required to meet the present need and the projected population growth running up to 2026.¹³ The analysis focused on people who are waiting for social housing as well as those on low and moderate incomes paying more than 30 percent of their income in rent in the private market.¹⁴

The data shows Australia will need an additional 500,000 social and affordable homes to meet these needs. This includes:

- » 300,000 new social housing properties, including Aboriginal housing, and
- » 200,000 low-cost rental properties for low- and middle-income earners.

Anglicare Australia is calling for an ongoing investment program to deliver these new homes. This must be accompanied by changes to Commonwealth Rent Assistance.

Commonwealth Rent Assistance thresholds are indexed to general inflation, rather than average rental costs. Because rents have grown much faster than CPI, the gap between rental costs and rent assistance payments has been growing. Research from the Productivity Commission shows that between 1995 and 2019 rents have grown at more than twice the rate of the general cost of living. Our Rental Affordability Snapshot data backs this up, showing how far out of reach rents are for people who rely on the payment.¹⁵ Eligibility criteria are also locking out renters in the greatest need, with only 39 percent of people on JobSeeker receiving the payment. This highlights the need for reform of the Commonwealth Rent Assistance, as well as an increase.

The third area for improvement and change is to decrease reliance on emergency relief by increasing income support payments and other types of assistance, such as with utilities. Australia has one of the lowest unemployment payments in the developed world. The OECD has described the previous rate as insupportably low,¹⁶ remaining well below the poverty line as rents across the country have surged. Other living

costs like food, education, health, transport, petrol, and electricity have also been going up for long below the current cost-of-living crisis. Children will be the biggest beneficiaries of any increase, as there are 1.14 million children with a parent on income support payments.¹⁷

Recommendations

Anglicare Australia recommends:

- » Increasing income support payments so they are no longer below the poverty line
- » Increasing funding for social and affordable housing
- » Reforming and increasing Commonwealth Rent Assistance
- » Restructuring federal emergency relief funding framework so that it better reflects and responds to the needs of providers and clients alike.
- » An immediate, short-term funding increase for emergency relief while the above changes are being made.

Conclusion

People seek support from emergency relief providers for many reasons. Some cannot pay the rent and buy food. Others are seeking help because they are living in poverty longer-term. They are living in poverty because housing is too expensive, the cost of basic items has gone up so much faster than their incomes, and because income support payments are far too low.

Data from this survey makes it clear there has been an increased demand on emergency relief providers since the beginning of the year, and that is being driven by cost-of-living pressures. These pressures, particularly the cost of food and fuel, are relatively new. Other pressures, such as unaffordable housing, however, are not, but they have been compounded by newer cost-of-living pressures. The increased financial strain that has been placed on low-income households has flowed through to emergency relief providers who are themselves under strain, unable to provide enough help to enough people.

There will always be a need for emergency relief. People experience crises, or are unable to manage their finances for a variety of reasons. What is clear, however, is that much of this need is driven by structural factors, rather than people's poor choices or inability to manage their own affairs. In the short- to medium-term there needs to be an increase in funding for emergency relief. There is an urgent need to take pressure off people who are in financial crisis, as well as emergency relief providers themselves.

In the longer-term, policies that reduce poverty will also reduce the need for emergency relief. This must be the goal of governments and policy makers. The most important actions the Federal Government could take to reduce demand on emergency relief providers and reduce poverty would be to raise income support payments above the poverty line, reform and increase rent assistance, and increase the supply of social and affordable housing. This will take some time. In the interim, properly funding emergency relief will help keep respond to and prevent financial crises.

- 1 Anglicare Australia (2022) [Rental Affordability Snapshot](#).
- 2 Productivity Commission (2022) [Report on Government Services](#). See table GA13.
- 3 Australian Bureau of Statistics (2022) [Labour Force, Australia, June 2022](#).
- 4 Australian Government (2017) [DSS Payment Demographic Data, March 2017](#); and (2022) [June 2022](#).
- 5 See for example Caffery, C. (2022) [The incredible number of Aussies whose cards have been declined at the checkout](#) and Roussos, E. (2022) [How the rising cost-of-living is squeezing budgets and changing lives across Australia](#).
- 6 Department of Social Services (2022) [Emergency relief](#).
- 7 University of New South Wales (2020) [Poverty in Australia 2020. Part 1: Overview](#).
- 8 Australian Government (2022) [DSS Payment Demographic Data](#).
- 9 Anglicare Australia (2022) [Analysis: The minimum wage and living costs](#).
- 10 Ibid.
- 11 Department of Social Services (2022) [Food Relief](#).
- 12 Financial Counselling Australia (2021) [It's credit, it's causing harm, and it needs better safeguards](#).
- 13 Australian Housing and Urban Research Institute (2018) [Social housing as infrastructure: an investment pathway](#).
- 14 Ibid.
- 15 Productivity Commission (2019) [Vulnerable Private Renters: Evidence and Options](#).
- 16 OECD (2019) [Benefits in unemployment, share of previous income](#).
- 17 Op cit: Australian Government (2022).

