Living Affordability In Queensland

Impacts of financial hardship
September 2021

About QCOSS

We are QCOSS (Queensland Council of Social Service), Queensland's peak body for the social service sector. Our vision is to achieve equality, opportunity and wellbeing for every person, in every community.

We believe that every person in Queensland – regardless of where they come from, who they pray to, their gender, who they love, how or where they live – deserves to live a life of equality, opportunity and wellbeing.

We are a conduit for change. We bring people together to help solve the big social issues faced by people in Queensland, building strength in numbers to amplify our voice.

We're committed to self-determination and opportunity for Aboriginal and Torres Strait Islander people.

QCOSS is part of the national network of Councils of Social Service, lending support and gaining essential insight to national and other state issues.

Acknowledgments

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QCOSS acknowledges Aboriginal and Torres Strait Islander people as the original inhabitants of Australia and recognises these unique cultures as part of the cultural heritage of all Australians. We pay respect to the Elders of this land; past and present.

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Executive Summary

In 2020, the social and economic impacts of COVID-19 were felt across Queensland. Temporary income support supplements lifted many low-income households out of poverty, however after income supports were removed, these gains were immediately lost.

In Queensland, at current Australian Government income support levels, poverty is entrenched. Incomes are inadequate to meet basic living costs. Of the seven households modelled in this report, only two were able to meet a basic standard of living.

According to financial counsellors across Queensland, the most prominent cause of financial hardship is having an inadequate income, followed by unemployment or underemployment, and low financial literacy. Disadvantage is entrenched, as a result of policy design and socio-economic conditions.

Housing is the largest expense for all households. Six of the seven low-income households face housing stress, as their expenditure on rent exceeds 30 per cent of gross household income. This finding reflects the high rental costs for even the cheapest dwellings and the severe shortage of affordable housing across Queensland. Consequently, homelessness is a significant risk for Queenslanders on low incomes.

Additionally, six of the seven low-income households have very little capacity for savings or paying for unplanned expenses. This leads people to use buy-now-pay-later schemes or payday loans to meet day to day expenses. It also makes them vulnerable to the impact of fines and penalties.

Vulnerability and hardship are gendered issues. Due to factors including the asymmetric nature of unpaid care work, childcare responsibilities and the economic vulnerability of older single unemployed women without adequate financial assets or superannuation, Queensland's women are disproportionately impacted by financial hardship compared to men.

These hardships have an impact. Low-income has a significant effect on mental health. In turn, poor mental health and the associated stigma and shame are significant barriers to individuals seeking support.

We do not have to accept poverty. To ensure Queenslanders a future that offers equality, opportunity and wellbeing, QCOSS makes the following recommendations:

- Ensure a basic standard of living can be met by all Queensland households by raising the rate of income support payments
- Improve energy affordability and reduce energy vulnerability for low-income households
- Protect households experiencing vulnerability from high-cost and risky credit courses, including payday loans, consumer leases and buy-now pay later schemes
- Protect individuals experiencing vulnerability from accumulated fines and penalties that are unduly onerous and contribute to deepening financial hardship
- Ensure policies and programs address gender inequalities and promote equal opportunities for all.

Main findings

- Under the new income support payments implemented by the Australian Government from 1 April 2021, no model household, except the single student household and the senior couple, was able to meet a basic standard of living. With few exceptions, similar results were observed for most households in regional Queensland, where incomes fell short of expenses required to meet a basic standard of living.

- Weekly budget positions of households dependent on income support payments such as the JobSeeker payment (single unemployed and the single unemployed older woman household), Parenting Payment (single parent) and Youth Allowance (single student), are worse off under the new income support payment levels compared to when they received the COVID-19 supplement prior to 1 April 2021.

- For all households except for the single student household, there is very little room for savings or unplanned expenses.

- Housing is the largest expense for all households. All model households on low incomes, except the family where there are two working parents, face housing stress, with expenditure on rent at more than 30 per cent of gross household income. This finding reflects the high rental costs for even the cheapest dwellings and the severe shortage of affordable housing in Brisbane. Extending the model to regional Queensland shows that housing stress is geographically widespread.

To further understand these impacts, frontline staff in community organisations across Queensland were surveyed and interviewed. The findings are:

- A majority of respondents identified the inability of clients to pay regular bills, such as rent, energy and water (88 per cent), or afford essentials of life, such as food, clothing, housing, medicines or transport (80 per cent), to be the most significant impact of being on inadequate incomes.

- A large number of respondents identified clients' inability to cope with unplanned expenses (71 per cent) and use of high-cost loans through buy-now-pay-later schemes or payday loans (62 per cent) as significant impacts of inadequate incomes.

- Homelessness was identified as a significant risk for low-income clients, as was the disproportionate impact of fines and penalties on disadvantaged groups.

- More than half the survey respondents said low incomes had a significant impact on the mental health of clients. Poor mental health and the impact of associated stigma and shame were identified as significant barriers that prevented individuals from seeking support.

- A large majority of respondents (88 per cent) reported having inadequate incomes as one of the top three causes of financial hardship for clients, followed by unemployment or underemployment (62 per cent) and low financial literacy (47 per cent). The findings underscore the entrenched nature of disadvantage, resulting as a consequence of policy design and socio-economic conditions.[2]

Recommendations

Recommendation 1: Ensure a basic standard of living can be met by all Queensland households by raising the rate of income support payments. As a priority:

1.1 The Queensland Government must advocate to the Australian Government to increase income support payments to an adequate level.

1.2 The Australian Government must increase the base rate for income support payments to an adequate level. It is recommended that the government review these increases periodically to ensure they are adequate, and that the review be informed by a panel of experts.

1.3 The Australian Government must increase the maximum rate of Commonwealth Rent Assistance as one measure to reduce the risk of homelessness for low-income households renting in the private market.

1.4 The Australian Government must ensure the continuation of the National Rental Affordability Scheme and maintain the supply of affordable rentals through the scheme.

Recommendation 2: Improve energy affordability and reduce energy vulnerability for households on low incomes. As a priority:

1.1 The Queensland Government should implement *emPOWER Homes: A Social Homes Energy Support Stimulus* proposal developed by QCOSS, Queensland Conservation Council and Solar Citizens. This $215 million proposal would see solar installations and energy efficient upgrades to social homes across Queensland, saving households up to $1,100 per year on their energy bills and delivering a number of further benefits.

1.2 The Queensland Government should extend the Home Energy Emergency Assistance Scheme (HEEAS) to households in remote communities using card operated meters (who are currently not able to access this scheme).

1.3 The Queensland Government should undertake a review to fast-track the rollout of digital meters, with a target of completion within 24 months. Smart meters are critical infrastructure that offer opportunity and choice for low-income households to access a growing range of affordable energy options, reduce the risk of bill shock and improve financial management. As networks ratchet up legacy tariffs, customers who do not have access to smart meters risk facing higher energy costs.

1.4 The Queensland Government should provide sustained funding to support and scale programs like the Home Energy Management Service (HEMS) program, that address significant gaps in hardship support available for energy service users.

Recommendation 3: Protect vulnerable households from high-cost and risky credit sources including payday loans, consumer leases and buy-now pay later schemes. As a priority:

3.1 The Queensland Government must implement its 2020 election commitment to increase the number of new financial resilience (No Interest Loan Scheme) workers.

3.2 The Queensland Government should increase support for financial resilience workers including financial counsellors, civil legal assistance services and extend financial resilience funding for No Interest Loans Scheme (NILS) delivery undertaken by the NILS community network. This will support broader access to financial hardship service workers and enable greater access to safe and ethical credit for low-income households.

Recommendation 4: Protect vulnerable individuals from accumulated fines and penalties that are unduly onerous and contribute to deepening financial hardship. As a priority:

4.1 Undertake a review to apply forgiveness of debt for households that are severely disadvantaged or severely indebted, under the Queensland State Penalties Enforcement Registry and the SPER Hardship Partner Program.

4.2 Expand the SPER Hardship Partnership Program to incorporate a wider range of organisations, including government departments, a larger network of non-profit organisations and organisations based in remote and regional areas.

4.3 Provide capacity building support to SPER Hardship Partners to enable the shift to the new Work and Development Orders (WDOs) process and capitalise on the list of approved activities under the SPER (WDOs).

Recommendation 5: Ensure policies and programs address gender inequalities and promote equal opportunities for all. As a priority:

5.1 The Australian Government must reduce the current waiting periods required of newly arrived resident households to access benefits, especially single parent households, as the current waiting periods disproportionately impact women.

5.2 The Queensland Government must ensure that the Queensland Women's Strategy includes initiatives aimed at supporting women's economic participation at the same time as enabling men to participate more fully in caring and unpaid work.

Background

After thousands of Queenslanders lost their jobs in 2020 as a result of the COVID-19 pandemic, Queensland's economic recovery in 2021 has been stronger and faster than expected. By mid-2021, employment numbers had exceeded pre-pandemic levels. In May 2021, Queensland's unemployment rate was 5.4 per cent, compared to 8.7 per cent at the height of the pandemic in June 2020.[3]

However, employment rates have not bounced back evenly across the state. Based on 12 month averages, some regions in Queensland have significantly higher rates of unemployment, such as Wide Bay (10.8 per cent), Queensland outback (11.9 per cent), Ipswich (9.3 per cent) and Logan-Beaudesert (8.9 per cent).[4]

Compared to pre-pandemic levels, the data shows that the number of people in Queensland who are on income support payments has increased despite the swift economic recovery. During the pandemic, the number of people on the JobSeeker payment in Queensland - the primary income support payment for unemployed people - grew from 183,631 persons in March 2020 to a peak of 332,288 persons in May 2020, an increase of around 80 per cent. Similar increases were observed for the number of beneficiaries on Youth Allowance, the primary income support payment for persons aged 21 or younger, which grew from 26,533 Queensland recipients in March 2020 to a peak of 47,341 persons in May 2020, an increase of 78 per cent. Over the course of 2020, the number of people on these income support payments fell steadily and, as of May 2021, there were 233,924 recipients of JobSeeker and 30,606 recipients of Youth Allowance.

While some of these increases may be attributed to the 'import' of unemployment into Queensland from other states due to migration,[5] the data provides evidence that unemployment is persistent for some people. Nationally this is evidenced by data that shows the average duration for people receiving JobSeeker payments is 226 weeks.[6] Labour market data shows that employment pathways out of poverty are often challenging for many people who are unemployed. For instance, in March 2021, 262,759 people in Queensland accessed JobSeeker payments while there were only 45,700 job vacancies in the state, resulting in one job for every six Queensland job seekers.[7] A report on JobSeeker trends from the Parliamentary Budget Office (2020)[8] finds that a growing share of JobSeeker recipients do not have full capacity to work - as successive changes to eligibility criteria for payments, including the disability support pension, parenting payments and the age pension, have had the net effect of diverting some prospective or existing recipients on to the lower JobSeeker payment.

In Australia, households relying on social security payments - including the JobSeeker, Youth Allowance, Parenting Payments and Age Pension - are approximately five times more likely to experience poverty compared to those relying on wages and salaries,[9] though recent evidence also shows that approximately 7.1 per cent of households with a main income source of wages live in poverty.[10] For many of these households, the experience of poverty and disadvantage is not a one-off or transitory experience that disappears when economic recovery or growth occurs.[11]

In Queensland, there are 61,839 recipients of the Parenting Payment (Single),[6] with an estimated 98,942 children dependent on a parent who receive this payment.[12] Recent research conducted by the Australian National University on financial stress and social security settings in Australia (2021) has found that prior to COVID-19, 39 per cent of children in single parent families lived in poverty. The report estimated that, while increased income support from the COVID-19 supplements reduced this rate to 17 per cent in 2020, elimination of the COVID-19 supplement in 2021 would result in child poverty rates for single parent households climbing back to 41 per cent.[13] This is not surprising, since the median income of single parent households has declined from $38,000 to $34,000 since 2016 and these households are most likely to struggle to afford essential goods and services.[11]

Households on income support payments are highly vulnerable to financial stress and increases in cost of living severely impact the household's ability to afford the basics of life. A significant source of stress in

2021 has been the lack of affordable housing. Even households on income support payments who are relatively better off, such as age pensioners, are under significant housing stress.

According to Census 2016 data, 34.2 per cent of occupied dwellings in Queensland were rented. This is above the national average of 30.9 per cent. According to a report on rental affordability conducted by Anglicare Australia (2021), the percentage of total rental listings for the Greater Brisbane Metropolitan region that met the criteria of affordability and suitability was only 3 per cent for a couple on Age Pension.[14] The findings further showed that the percentage of listings appropriate for households were: single unemployed (0 per cent), single parent (0 per cent), working family (12 per cent) and single person on Youth Allowance (0 per cent).

Though families who earn wage incomes are technically above the poverty line,[15] these households are highly susceptible to financial stress due to an increase in cost of living. In Queensland, recent census data indicates that nearly 44.5 per cent of households experience at least one indicator of financial stress. This is in comparison to the national rate of 41.4 per cent.[16] Although financial stress does not necessarily imply that a household has a low income, low-income households have a greater likelihood of reporting financial stress and hardship.[17]

In response to the social and economic impact of COVID-19, the Australian Government introduced a COVID-19 income supplement for recipients of select income supports, such as JobSeeker, Parenting Payment and Youth Allowance. Despite their contribution to improving socio-economic outcomes for low-income households, these measures were systematically decreased throughout 2020 and 2021, with all additional support phased out by March 2021. In March 2021, the Australian Government introduced a permanent change to the base rate of income support payments of an additional $50 per fortnight or $3.47 per day.

This report focuses on households who are vulnerable to persistent disadvantage - including unemployed, single parents, migrant families, older women, people on age pension payments, students and families on low wages. While the focus of the analysis is on the adequacy of income support and costs of living, the report dives deeper into exploring the different facets of financial hardship and the persistence of disadvantage for these households.

Methodology

This report used a mixed methods approach to analyse living affordability for low-income households in Queensland. The report is divided into two sections. The first provides budget modelling for specified household types. The second explores the impact of financial hardship on low-income households in Queensland.

In the first section of the report, quantitative modelling has been used to build income and expenditure profiles for the following low-income households:

- a single unemployed adult with no dependents
- a single parent working casually with two dependents
- a two-parent family (full time and casual employment) with two dependents (working family)
- a single student working part-time with no dependents
- senior couple (70+)
- single unemployed older woman who is not yet eligible for the age pension
- a non-resident family who is unable to access government social supports.

A summary of assumptions for each household is presented in Appendix 2.

Budget profiles were created for each household using the budget standards approach developed by the Social Policy Research Centre (SPRC) at the University of New South Wales. These budget standards define a basic standard of living that goes beyond subsistence levels and provides for expenses, such as health, safety, use of facilities and services, internet access, connecting with people and an occasional holiday. They also allow expenditure on items that contribute to social inclusion and wellbeing, such as recreation, entertainment and social outings. A living standard below this basic standard increases household risk of deprivation and disadvantage.[15, 18]

Following QCOSS' 2020 Living Affordability Report, our 2021 report continues to use the 26 "essentials of life" expenditure items as the basis for the budget standards modelling and will cover the following broad categories:

- rent
- transport
- electricity
- water and rates
- household expenditure items.

The budget models exclude allowances for the following items:

- one-off expenditure items
- repair costs
- savings.

Following the 2020 methodology, the QCOSS model deviates from the SPRC framework in the following ways:

- Insurance costs - the QCOSS model includes limited insurance costs. This includes only the compulsory third party insurance as part of car registration costs.
- Allowance for debt servicing - the model includes an allowance of 13.1 per cent of income for debt servicing.

The following changes have been made to the methodology in 2021 compared to 2020:

- Electricity - the methodology has been updated to reflect more recent and accurate energy prices and updated household energy usage compiled by the Australian Energy Regulator.
- Childcare - the methodology used to calculate childcare costs for model households with children has been updated and this report uses data from the Centrelink Services and Payments finder to calculate more accurate out-of-pocket expenses for childcare. A detailed breakdown of childcare costs for each household is presented in Appendix 3. These should be read in conjunction with assumptions around working arrangements for the principal carer of the children in each household in Appendix 2.

Expenditure data for each household has been gathered from a variety of national and state sources. Where contemporary expenditure data is not readily available, the modelling uses the average expenditure from the second equivalised income quintile of the ABS Household Expenditure Survey, adjusted by family size as proxies. All the households in the budget standards model pay rent, as the model assumes no household owns their current dwelling. Rental data is estimated from RTA median rental data to calculate a percentage of gross household income.

Income data is drawn from the national minimum wage rates and average hours, along with information from Service Australia calculators. For each household, the analysis presents a comparison between the two JobSeeker income scenarios that prevailed during the first and second quarters of 2021.

The budget standards analysis is also applied to regional Queensland. The regional analysis of household budgets is limited primarily by the availability of updated price indices for regional Queensland. Therefore, an assumption has been made that spatial differences between regions are consistent with the 2015 index levels. Due to data limitations, only regions where reliable rental data was available through the RTA are included in the analysis. There are several regions where the number of bond lodgements for a particular type of house is low. In these instances, median rental prices for that region (rather than the lowest average rent) have been used to estimate rental expenses. To estimate the cost of electricity, QCA Tariff 11 data has been used.

The second section of this report explores the impact of financial hardship on low-income households in Queensland. The *QCOSS Financial Hardship and Living Affordability Survey* (Appendix 1) was used to understand financial hardship from the perspective of frontline community service staff and financial counsellors who provide services to people who are experiencing financial vulnerability. The aim of this survey and interviews was to build a deeper understanding of current issues being experienced by Queensland communities that are related to living affordability and financial hardship.

A convenience sampling methodology was used to recruit survey respondents. The survey had 98 responses from community service staff from a variety of service delivery areas (Table 1) and across Queensland regions (Table 2).

Table 1: Services provided by survey respondents

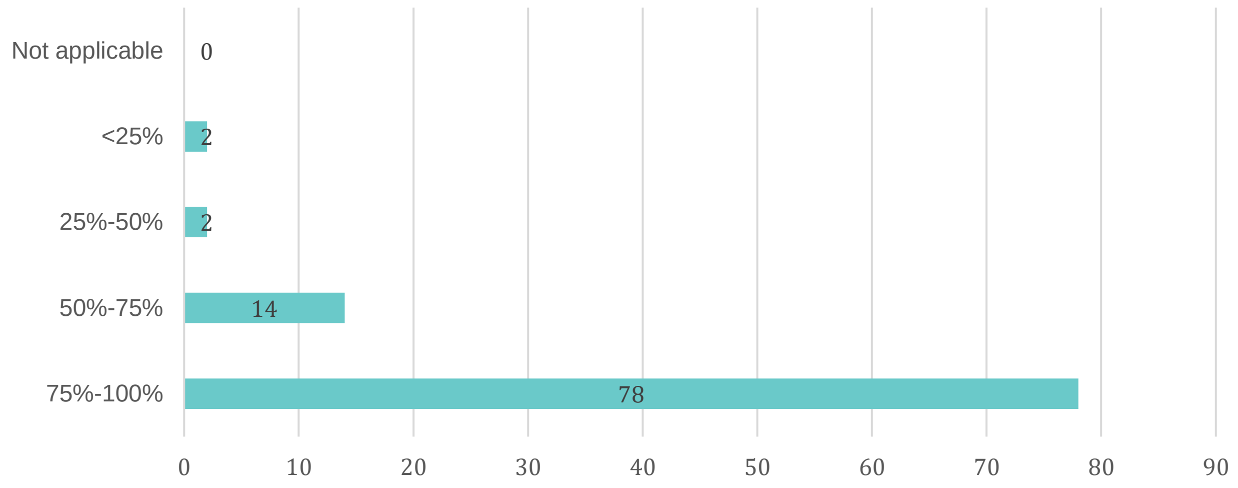
Primary service delivery area	%	n
Financial counselling / capability building	55.10%	54
Centrelink	5.10%	5
Emergency relief	30.61%	30
Mental health	11.22%	11
Disability care	9.18%	9
Aged care	3.06%	3
Family services	14.29%	14
Child protection	2.04%	2
Youth services	7.14%	7
Aboriginal and Torres Strait Islander Services	11.22%	11
Other	33.67%	33
Total	**100.00%**	**98**

Table 2: Geographic spread of survey respondents

Regions	%	n
Brisbane	37.76%	37
Cairns and Far North	19.39%	19
Central Queensland	2.04%	2
Darling Downs- Maranoa	6.12%	6
Gold Coast	5.10%	5
Ipswich	4.08%	4
Logan-Beaudesert	3.06%	3
Mackay-Isaac-Whitsunday	8.16%	8
Moreton Bay	2.04%	2
Queensland-Outback	1.02%	1
Sunshine Coast	4.08%	4
Townsville	3.06%	3
Wide Bay Burnett	4.08%	4
Total	**100.00%**	**98**

The survey also asked respondents to estimate the proportion of their clients who are dependent on income support payments. This provides an indicator of the scale of support provided by the sector to people on low incomes. Most respondents (78 per cent) reported that 75-100 per cent of their clients were accessing income support including Centrelink payments (Figure 1). These results indicate the depth of insight that frontline community service workers have developed in understanding the challenges faced by clients on low incomes.

Figure 1: Proportion of customers dependent on income support (n=98)



To further explore the impact of financial hardship on low-income households in Queensland, semi structured interviews were conducted with twelve financial counsellors working in Queensland community services. The purpose of the interview was to gain a deeper understanding of financial hardship and living affordability. Themes covered in these interviews expanded on the survey questions and included:

- access to essentials of life, such as food, clothing, prescription medication, energy and water
- coping with unplanned expenses
- debt
- mental health, anxiety and shame
- adequacy of income support payments.

Modelling household income and expenditure

The following section uses the budget standards framework to model income and expenditure profiles for low-income households. The analysis assesses whether households can meet basic living standards with the Australian Government income support payments they receive.

Income

In March 2020, the Australian Government announced an economic stimulus package in response to COVID-19 that included temporary payment supplements to recipients of income support payments including JobSeeker, Parenting Payment and Youth Allowance. These supplements were gradually phased out through the financial year 2020-2021, with the final level of supplement ($150) permanently stopped as of 31 March 2021. From 1 April 2021, the Australian Government introduced a permanent increase to the base rate of these payments amounting to $50 per fortnight or $3.47 per day.

In consideration of these changes, this report examines household budgets incorporating the following two income scenarios:

1. the $150 per fortnight COVID income supplement provided up to 31 March 2021 (Table 3)
2. the $50 per fortnight permanent increase to select income support payments from 1 April 2021 (Table 4).[1]

The changes implemented from 1 April 2021 impacted the income level of those who receive JobSeeker, Parenting Payment (single) and Youth Allowance. This included the single unemployed, single parent and the single student model households.

Table 3: Weekly household income provided to 31 March 2021 (with $150 fortnight COVID income support supplement), by household type

Household type	Single unemployed	Single parent	Single student	Single unemployed older woman	Working family	Senior Couple	Single parent-non-resident family
Casual work (Part-time) Gross	$0	$465	$342	$0	$397	$0	$620
Casual work (Full-time) Gross	$0	$0	$0	$0	$1,018	$0	$0
Parenting Payment	$0	$329	$0	$0	0	0	0
JobSeeker/Youth Allowance/Aged Pension	$360	$0	$237	$360	$0	$708	$0
Family Tax A	$0	$220	$0	$0	$148	$0	$220
Family Tax B	$0	$88	$0	$0	$24	$0	$88
Rent Assistance	$47	$83	$47	$47	$56	$66	$83
Energy Supplement	$4	$6	$4	$4	$0	$11	$6
Tax	-$2	-$96	-$43	-$2	-$175	$0	-$52
Total disposable income	**$409**	**$1,094**	**$586**	**$409**	**$1,467**	**$785**	**$965**

[1] With the removal of the COVID income supplement, this increase of $50 per fortnight effectively saw a reduction to income support payments by $100 per fortnight from 1 April 2021.

Table 4: Weekly household income provided from 1 April 2021 (with $50/fortnight increase to JobSeeker base rate), by household type

Household type	Single unemployed	Single parent	Single student	Single unemployed older woman	Working family	Senior Couple	Single parent-non-resident family
Casual work (Part-time) Gross	$0	$465	$342	$0	$397	$0	$620
Casual work (Full-time) Gross	$0	$0	$0	$0	$1,018	$0	$0
Parenting Payment	$0	$282	$0	$0	$0	$0	$0
JobSeeker/Youth Allowance/Aged Pension	$310	$0	$187	$310	$0	$708	$0
Family Tax A	$0	$220	$0	$0	$148	$0	$220
Family Tax B	$0	$88	$0	$0	$24	$0	$88
Rent Assistance	$47	$83	$47	$47	$56	$66	$83
Energy Supplement	$4	$6	$4	$4	$0	$11	$6
Tax	$0	-$80	-$34	$0	-$175	$0	-$52
Total disposable income	**$361**	**$1,064**	**$545**	**$361**	**$1,467**	**$785**	**$965**

Unsurprisingly, households on JobSeeker, Parenting Payment (Single) and Youth Allowance have lower incomes after the COVID-19 supplements were halted and permanent increases were made to these payments.[19]

Expenditure

Expenditure items for each household have been specified based on the budget standards approach that define a standard of living that goes beyond subsistence. These items depend on household characteristics, such as the number of household members, number of dependents, housing tenure type and use of public transport. Assumptions that are used to build expenditure profiles for each household are presented in Appendix 2.

Weekly household expenditure data (Table 5) has been gathered from a variety of national and state sources. To understand the composition of expenses outlined by the budget standards, these are further broken down into basic and discretionary:[16]

- basic or non-discretionary expenses cover the key groups of items considered essential to living (housing, food, fuel and power, medical and health care, and transport)
- discretionary expenses refer to all other items that are still important to a household's standard of living. For example, the budget standards model provides for expenditure on items that contribute to social inclusion and wellbeing such as recreation, entertainment and social outings.

Across the model households, non-discretionary expenditure accounted for approximately 61 per cent of total expenditure for the working family, 65 per cent of total expenditure for single unemployed, the single parent and the senior women households, and 70 per cent of total expenditure for the senior couple. When childcare and school costs are included in the calculation of non-discretionary expenses, the proportion of expenditure on non-discretionary goods and services increased to 73 per cent for single parent families and 66 per cent for working families.

These findings show that while the budget standards provide for a standard of living that goes beyond just subsistence, the model households exhaust most of their weekly budgets to meet these basic needs, with very little left to spare for other expenses. These high levels of expenditure on basic goods and services are also consistent with expenditure patterns reported by the Australian Bureau of Statistics for households experiencing financial stress, who reportedly spend around 65 per cent of total expenditure on basic goods and services.[16]

Table 5: Weekly household expenditure

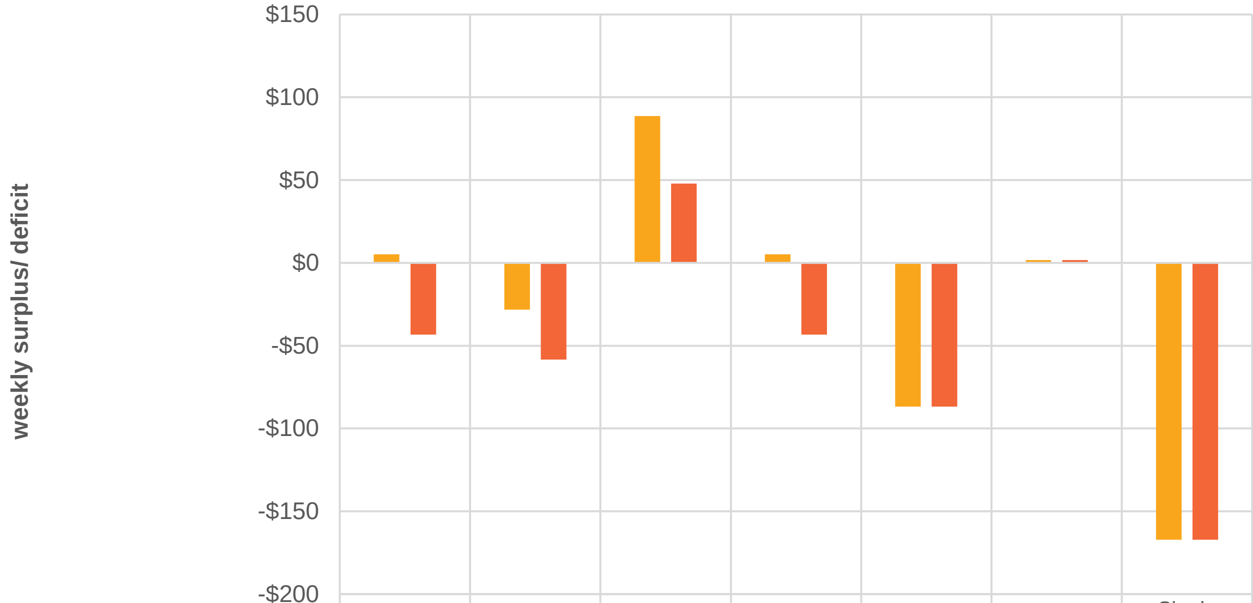
	Single unemployed	Single parent	Single student	Single unemployed older woman	Working family	Senior Couple	Single parent-non-resident family
Food and drink	$90 (22%)	$221 (20%)	$87 (18%)	$90 (22%)	$295 (19%)	$183 (23%)	$221 (20%)
Clothing and footwear	$9 (2%)	$22 (2%)	$9 (2%)	$9 (2%)	$31 (2%)	$18 (2%)	$22 (2%)
Rent (including water)	$125 (31%)	$345 (31%)	$195 (39%)	$125 (31%)	$372 (24%)	$266 (34%)	$345 (31%)
Electricity	$10 (2%)	$23 (2%)	$11 (2%)	$10 (2%)	$42 (3%)	$23 (3%)	$23 (2%)
Household contents and other services	$12 (3%)	$79 (7%)	$32 (6%)	$12 (3%)	$85 (5%)	$42 (5%)	$79 (7%)
Health	$12 (3%)	$45 (4%)	$7 (1%)	$12 (3%)	$104 (7%)	$24 (3%)	$45 (4%)
Private motor vehicle including insurance	$0	$29 (3%)	$0	$0	$92 (6%)	$0	$29 (3%)
Automotive fuel	$0	$53 (5%)	$0	$0	$54 (4%)	$0	$53 (5%)
Public transport	$9 (2%)	$0	$15 (3%)	$9 (2%)	$57 (4%)	$29 (4%)	$0
Phone/ internet	$13 (2%)	$23 (2%)	$8 (2%)	$13 (2%)	$38 (2%)	$2 (3%)	$23 (2%)
Recreation/ entertainment	$47 (12%)	$63 (6%)	$23 (5%)	$47 (12%)	$93 (6%)	$43 (5%)	$63 (6%)
Annual holiday and travel	$24 (6%)	$25 (2%)	$9 (2%)	$24 (6%)	$39 (3%)	$26 (3%)	$25 (2%)
Education and training	$0	$22 (2%)	$24 (5%)	$0	$22 (1%)	$0	$22 (2%)
Childcare	$0	$52 (5%)	$0	$0	$36 (2%)	$0	$62 (5%)
Debt servicing	$54 (13%)	$119 (13%)	$77 (13%)	$54 (13%)	$192 (13%)	$103 (13%)	$119 (13%)
Total expenditure	**$404 (100%)**	**$1,123 (100%)**	**$497 (100%)**	**$404 (100%)**	**$1,553 (100%)**	**$783 (100%)**	**$1,132 (100%)**

Rent is the most significant weekly expenditure item for all households. Households with expenditure over 30 per cent of gross household income are experiencing housing stress; this is the case for all households except for the two-parent working family.[20] These high rents significantly increase the overall weekly budget required to meet a basic standard of living. The inclusion of debt servicing also increases the budget standards for the model households. This is realistic since low-income households are more likely to take out a loan to meet unplanned expenses rather than use savings to make emergency payments.[21]

Surplus/deficit, by household type

Under the new income support payment rates introduced from 1 April 2021, the only households that can meet the level of expenditure required to satisfy their basic budget standards are the single student and the senior couple households (Figure 2).

Figure 2: Weekly surplus/deficit of model households



	Single unemployed	Single parent	Single student	Senior woman	Working family	Senior Couple	Single parent-migrant family
With $150 income supplement	$5	-$28	$89	$5	-$87	$2	-$167
Without $150 income supplement	-$43	-$58	$48	-$43	-$87	$2	-$167

The following provides an overview of the income and expenditure according to the budget standards model, by household type.

Single unemployed

The JobSeeker payment is the primary source of income support for individuals who are unemployed or looking for work between the age of 22 and 66, when they become eligible for the age pension. The budget standards modelling indicates that the single unemployed household on JobSeeker just broke even when the payment included an additional COVID-19 supplement of $150 per fortnight. Under this income scenario, the household had a small surplus of $5 per week. This results in a very minimal buffer for any meaningful savings or to cover unplanned expenses.

Without the income supplement payments, the single unemployed household has a deficit of $43 per week, which means this household will have to forego essential consumption or increase its debt burden to meet day-to-day expenses.

Single unemployed older woman

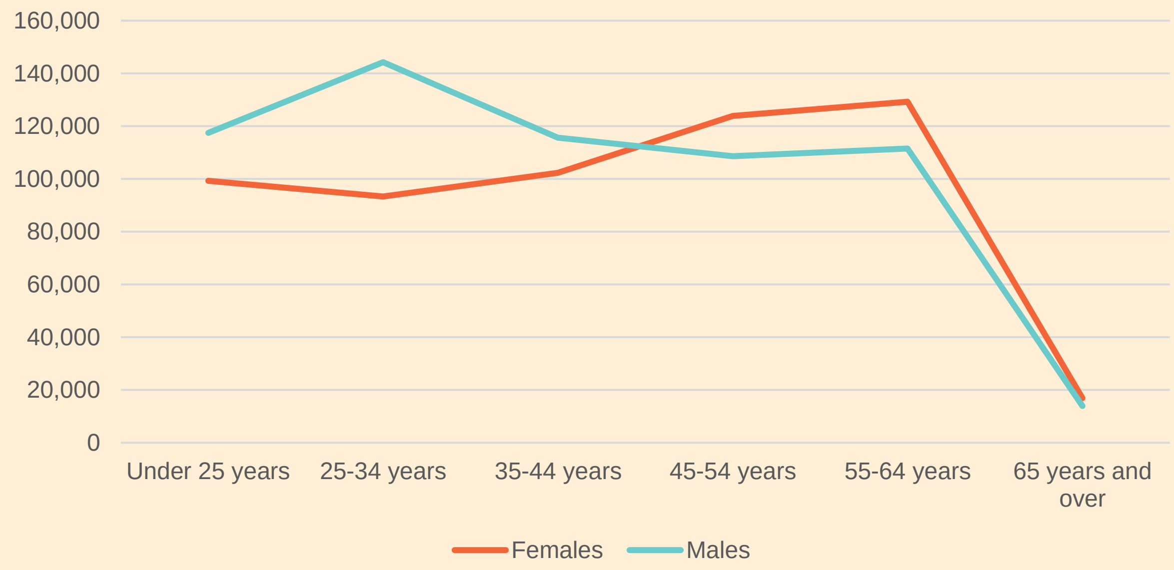
The model is extended to a single unemployed woman over the age of 55, on JobSeeker payment, and not yet eligible to receive the aged pension. To reduce the cost of housing, the model assumes that the older woman shares a three-bedroom house with two other housemates. Like the single unemployed household, after expenses are accounted for, the single unemployed older woman had a weekly deficit of $43. For a single unemployed woman who is older, the inability to meet a basic standard of living worsens existing gender inequalities and socio-economic outcomes compared to men.

Gender flag

In spite of increased labour force participation rates for women over the age of 60, labour market prospects for older women are poorer compared to men.[22] Prior to COVID-19, the Australian Human Rights Commission found that older women faced employment discrimination and were "more likely than older men to be perceived as having outdated skills, being too slow to learn new things or as someone who would deliver an unsatisfactory job".[23] They also found that an increasing number of older women in Australia are at risk of homelessness owing to a "range of underlying structural and cultural factors leading to women's economic disadvantage".[24] These include the gender pay gap, higher likelihood of being in casual employment, low superannuation balances and low asset ownership.[25, 26]

This is reflected in the changing demographics of JobSeeker recipients over the last few decades, with an increasing share of older women now on the payment.[8] This gender and age disparity is highlighted by April 2021 data from the Department of Social Services (Figure 3). Among the 35 to 44-year cohort of JobSeeker recipients, 53.1 per cent were men and 46.9 per cent women. This gender gap flips in the 45 to 54-year cohort, with a greater proportion of women (53.3 per cent) than men (46.7 per cent) accessing JobSeeker. The gender disparity continues to widen for those who are 65 years and over, with a 9.6 per cent difference between women (54.8 per cent) and men (45.2 per cent).

Figure 3: Total JobSeeker recipients, by gender and age group



Single parent

The single parent household receives income from the casual employment of the single parent and the Parenting Payment (Single), rental assistance and family tax benefit. This household includes a parent with two children aged 2 and 7. They have a car worth $1,500.

According to the household model, the single parent household is unable to meet basic budget standards under either income scenario. When receiving the $150 COVID-19 supplement, the single parent household had a weekly deficit of $28. From 1 April 2021, this weekly deficit increased to $58.

The single parent household also had the highest proportion (73 per cent) of expenditure on non-discretionary goods and services.

Gender flag

The financial vulnerability of single parent households is a highly gendered issue, with nearly 80 per cent of single parent households headed by a single mother.[27, 28] In a survey of single mothers across Australia, the Council of Single Mothers and Their Children (2018) found that gender, lack of affordable housing, undervaluing of parenting and care, scarcity of secure and flexible employment, unpaid child support and the federal government's welfare programs contributed to the high levels of vulnerability to poverty for these households.[29]

Single parent non-resident family

Australia's income support system is based on residence and need. This means that unless a person is an Australian citizen, permanent visa holder or a holder of a protected Special Category Visa (SCV), they will not be entitled to receive income support payments. Most migrants will not have access to a majority of payments for up to four years, or longer if they are not able to get permanent residency. Therefore, the single parent non-resident family is not entitled to receive income support payments as they do not meet residency criteria, although they are assumed to receive rent assistance and Family Tax Benefits. This family has two children with the parent working casual employment 25 hours per week.

The budget model shows that without income support and with a similar expenditure profile as the single parent resident household, the single parent non-resident family is the most disadvantaged of all the model households. Almost 85 per cent of income in the single parent non-resident family household is committed to meeting the most basic living needs. This family also had the highest weekly deficit under both income scenarios of $167.

According to 2016 Census data, 77,964 temporary residents were identified as experiencing high rates of relative disadvantage in Queensland, according to the SEIFA Index of Relative Socio-Economic Advantage and Disadvantage.[30]

Senior Couple

The model household for the senior couple assumes that both are aged over 70 years and are accessing the aged pension. They rent a one-bedroom unit and use public transport for all commuting.

The senior couple were not impacted by the changing income support payment and therefore have the same income and expenditure under both income scenarios. The budget standards modelling for the senior couple household show they just break even, with a weekly surplus of $2. This leaves no room for unplanned expenses. For the senior couple household, the weekly budget position is impacted by a combination of concessions, higher income support payment, and renting the most affordable one-bedroom unit.

However, the senior couple household face significant housing stress. A total of 34 per cent of income is allocated to housing costs, even when assuming the couple rent the cheapest available one-bedroom unit. In 2016, Census data indicated that 14.8 per cent of older Queenslanders (aged 65 years and over) were renting. This was an increase from 14.1 per cent in 2006.

Working family

The working family's main source of income is the full-time work of one parent and part-time work of the second parent. Under this household model, it is assumed this full-time income is 35 per cent above the minimum wage rate. The family qualifies for family tax and rent assistance but does not receive an energy supplement.

Even with two wage earners, the working family in this model has a weekly deficit of $87. The most significant expense for the working family is housing costs, at 25 per cent of total income. Along with the single parent and single student household, this family fits the description of 'working poor' since the family is unable to meet budget standards even though wages are the main source of income for the household.[31]

Gender flag

Though the household modelling does not make explicit assumptions about the parent's gender, the working family model characterises the highly gendered nature of women's workforce participation, unpaid work and childcare.

In 2019-20, the labour force participation rate for parents with dependent children was 65.5 per cent for women, in comparison to 94.4 per cent for men. The proportion of women employed part-time with dependent children aged 0 to 5 was 59.1 per cent compared to 7.9 per cent for men. When the age of dependent children was 6 to 14 years, the proportion of women employed part-time was 47.7 per cent compared to men at 8.7 per cent.[22]

Further to this, women were found to spend an average of 8 hours and 33 minutes per day caring for children and 5 hours and 13 minutes on unpaid work compared to 3 hours and 55 minutes and 2 hours and 52 minutes respectively for men.[22] These are significant barriers for women's ability to participate fully in paid employment and results in cumulative loss of earnings throughout a woman's life.[32]

Single student household

The single student household undertakes part time work and receives Youth Allowance while renting a two-bedroom house with one other person. When receiving the income scenario from 1 April 2021, the single student has a weekly surplus of $48 according to the budget standards framework. Along with the senior couple, this is the only household to have a surplus at the end of the week. However, the single student household has the greatest level of housing stress in comparison to any other household, with approximately 40 per cent of weekly income allocated to rent.

If this model were extended to an international student household without access to any income support payment, the household would be in a significant deficit of $190 per week. Though obtaining an international student visa requires evidence of financial capability prior to undertaking studies, these students were significantly impacted during COVID-19 with significant job losses resulting in food and housing insecurity and increased financial stress.[33, 34] The underlying financial vulnerability of many international students in Australia is further impacted by widespread wage theft and poor working conditions, which are commonly not reported for the fear of losing their visa status.[35]

Surplus/deficit, by region

Regional analysis of household budgets is limited mainly by the availability of updated price indices for regional Queensland. Therefore, an assumption has been made that spatial differences between regions are constant with the 2015 index levels. In addition, only those regions where reliable rental data was available through the RTA have been included in this analysis.

For the weekly surplus/deficit by region, the single student was the only household that had a weekly surplus in all regions where data was available (Table 6). Some regional cities, such as Rockhampton, Bowen and Gympie have weekly surpluses for the senior couple on the age pension. This is likely the result of a lower proportion of rental expenditure (Table 7). The single student was the only household type to have a surplus based on the budget standards model in all Queensland regions. In regions including Bundaberg, Cairns, Gold Coast, Mackay, Moranbah, Sunshine Coast and Townsville, all other household types had a weekly deficit.

The greatest weekly deficit was found consistently among the working family or single parent non-resident household. For example, a working family located on the Sunshine Coast had a weekly deficit of $234. In Cairns, the single-parent non-resident household and the working family had a weekly deficit of $235 and $205, respectively.

Table 6: Weekly surplus/ deficit of model households in select Queensland Regions

	Single unemployed	Single parent	Single student	Single unemployed older woman	Working family	Senior couple	Single parent-non-resident
Brisbane	-$43	-$58	$48	-$43	-$87	$2	-$167
Bowen	-$36	-$19	n.a.	-$36	-$67	$45	-$128
Bundaberg	-$29	-$8	$96	-$29	-$53	-$5	-$177
Cairns	-$81	-$126	$41	-$81	-$205	-$43	-$235
Gladstone	-$35	-$14	$97	-$35	-$69	$16	-$123
Gold Coast	-$72	-$98	$49	-$72	-$173	-$84	-$207
Gympie	-$32	$7	$103	-$32	-$45	$63	-$102
Mackay	-$60	-$92	$58	-$60	-$168	-$51	-$201
Maryborough	-$33	-$10	$92	-$33	-$49	$20	-$119
Moranbah	-$80	-$5	n.a.	-$80	-$202	-$6	-$114
Rockhampton	-$22	-$34	$80	-$22	-$25	$81	-$143
Sunshine Coast	-$87	-$46	$80	-$87	-$234	-$71	-$155
Toowoomba	-$30	-$50	$78	-$30	-$58	$33	-$159
Townsville	-$51	-$59	$72	-$51	-$104	-$38	-$168
Warwick	-$14	$34	n.a.	-$14	$17	n.a.	-$75

The high proportion of low-income households experiencing housing stress was also highlighted across most Queensland regions. The budget model incorporates data from the RTA median rental data to estimate rental costs as a percentage of gross household income. There are several regions where the number of bond lodgements for a particular type of house is low. In these instances, median rental prices for that region (rather than the average rent of lowest 200-300 bonds) have been used to estimate rental expenses. These median rental prices are indicative of the severe shortage in housing experienced by regional Queensland throughout 2021.

By region, Gladstone and Warwick were the only regions of Queensland where weekly housing cost was below 30 per cent of weekly income (Table 7). All other regions of Queensland had multiple households experiencing housing stress. This ranged from Bowen, with housing costs of 30 per cent for two households, to the Gold Coast where housing costs were over 30 per cent for every household type. The greatest proportion of income spent on housing was the senior couple living on the Gold Coast, where 46 per cent of income was allocated to housing.

Table 7: Percentage of housing cost to gross weekly income

	Single unemployed	Single parent	Single student	Single unemployed older woman	Working family	Senior Couple	Single parent-non-resident family
Brisbane	35%	32%	36%	35%	25%	34%	36%
Bowen	30%	26%	n.a.	30%	22%	25%	29%
Bundaberg	31%	27%	27%	31%	23%	34%	30%
Cairns	40%	34%	33%	40%	29%	34%	37%
Gladstone	28%	24%	24%	28%	20%	28%	27%
Gold Coast	44%	38%	37%	44%	33%	46%	41%
Gympie	31%	27%	27%	31%	23%	27%	30%
Mackay	37%	31%	30%	37%	27%	37%	34%
Maryborough	35%	31%	30%	35%	26%	34%	34%
Moranbah	37%	21%	n.a.	37%	27%	29%	23%
Rockhampton	32%	33%	32%	32%	24%	27%	36%
Sunshine Coast	44%	28%	28%	44%	33%	40%	31%
Toowoomba	28%	28%	28%	28%	21%	27%	31%
Townsville	33%	30%	29%	33%	25%	36%	33%
Warwick	26%	24%	n.a.	26%	19%	n.a.	27%

Causes and impacts of financial hardship

This section explores the causes and impact of financial hardship on people living on a low-income in Queensland. These causes and impacts are described from the perspective of front-line workers of Queensland community organisations who are providing direct support to people experiencing disadvantage.

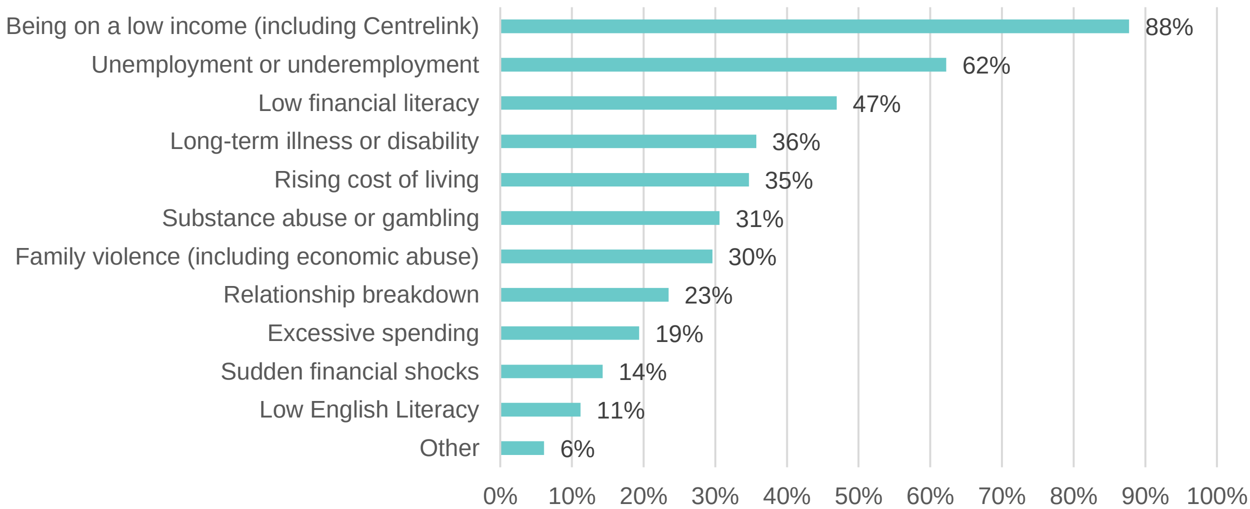
Causes of financial hardship

Financial hardship research conducted by Ali et al (2015) found that, according to financial counsellors across Australia, the most prominent cause of financial hardship for clients was inadequate income, followed by unemployment and underemployment and long-term illness and disability.[2]

To explore causes of financial hardship for people living on a low-income in Queensland, the *QCOSS Financial Hardship and Living Affordability Survey* replicated part of the Ali et al study by asking financial counsellors and frontline community service staff about the main causes of financial hardship for clients. The QCOSS survey produced similar results, with a large majority of survey respondents (88 per cent) indicating that having an inadequate income was the primary cause of financial hardship for clients (Figure 4), followed by 'Unemployment or underemployment' (62 per cent) and 'Low financial literacy' (47 per cent).

These results challenge the notion that current income support payments provide a temporary and adequate safety net for people who can then make their way out of disadvantage by upskilling and finding employment. Results also strongly show that the only way that most households can get out of severe hardship and entrenched disadvantage is through structural and policy change, including increased income support payments and changing eligibility criteria for people to access social welfare.[36,37]

Figure 4: Top causes of financial hardship (n=98)



The following comment from a homelessness service provider located in Far North Queensland highlights the impact of inadequate income on their clients:

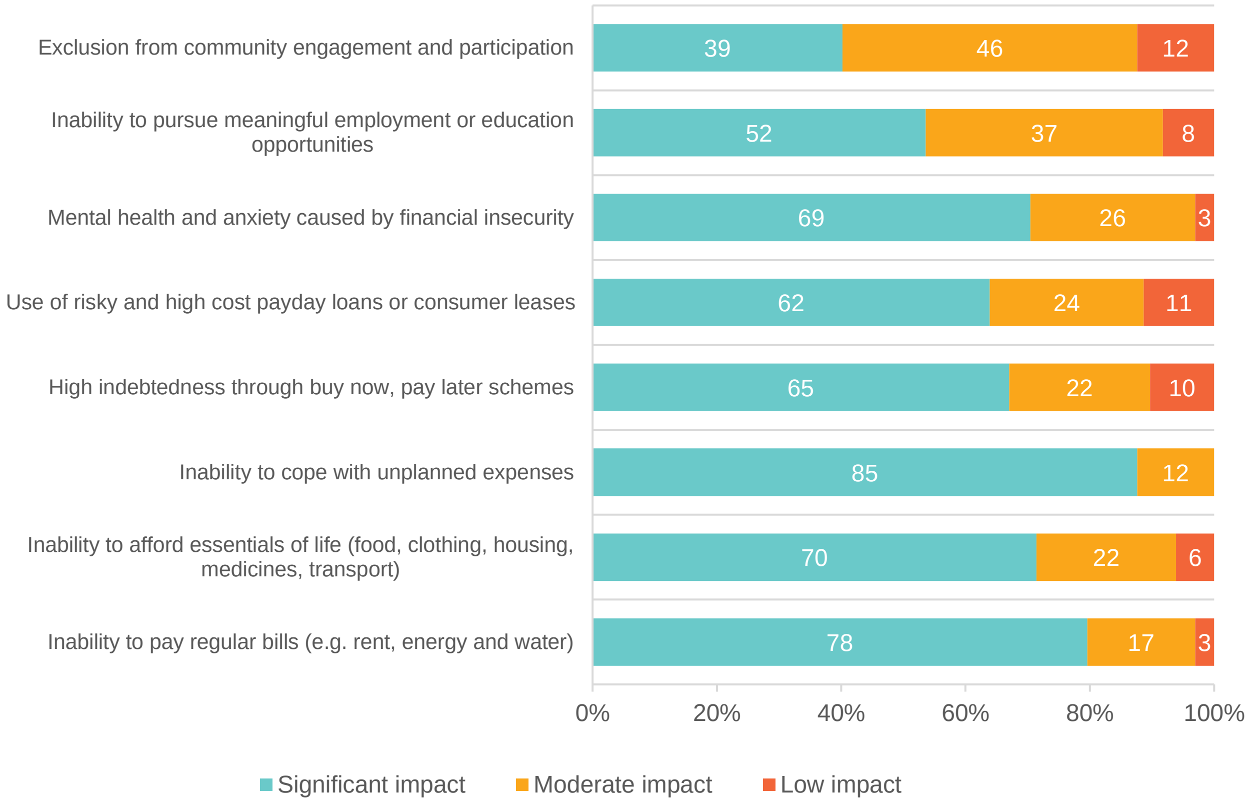
> *The extremely low incomes of those on social security payments keep them trapped in crisis. They are often so consumed with how they can make ends meet, find a place to live and pay bills such as school fees that they usually have no capacity to entertain the idea of training (or) employment.*

Impact of financial hardship

For a person experiencing financial hardship, the impact of living on an inadequate income is pervasive and can influence every facet of life.[38]

According to results of the *QCOSS Financial Hardship and Living Affordability Survey*, 85 per cent of respondents indicated that inadequate income had a significant impact on their client's ability to cope with unplanned expenses (Figure 5). This was followed by an 'Inability to pay regular bills' (such as rent, energy and water) (78 per cent), and an 'Inability to afford essentials of life' (such as food, clothing, housing, medicines and transport) (70 per cent). These results are consistent with the household budget standard models, which highlight that those accessing income support payments are not able to meet expenses required to maintain a basic standard of living.

Figure 5: Impact of living on an inadequate income



Financial counsellors across Queensland reinforced the impact and flow-on effects of living on an inadequate income. When a person is unable to pay regular bills and afford the essentials of life, it creates greater barriers for the individual to implement practices that can improve their financial position.

> *The clients we see present the same issues over and over. You cannot pay rent and eat. Sometimes on Centrelink there is nothing left for utilities, transport or medication… As a financial counsellor, we get all debts put on hold so that they have some income for living. But if it is not enough for basic living, how can they move forward. It costs money to look for a job, transport, clothing, internet, and paperwork costs.*

The following represent the high-level impacts that emerged from in-depth interviews with frontline staff of community organisations across Queensland.

Food insecurity

Responding to the impact of inadequate income on access to food, most interviewees noted the critical role played by emergency relief services in providing food to those who most needed it. Respondents often noted that families had to routinely make choices between eating well and meeting weekly expenses for basic needs or special occasions.

> *… there is a conscious decision of what they can afford every fortnight, because there's just not enough money to stretch to cover the cost of food. It is just not enough.*

In Australia, between 4 per cent and 13 per cent of the general population are experiencing food insecurity.[39] Groups more susceptible to food insecurity are reflected in the model households, and include: unemployed people, single parent households, low-income earners, rental household, young people, Aboriginal and Torres Strait Islander Peoples, people from multicultural backgrounds and socially isolated people.[40]

Access to and the cost of adequate and nutritious food was flagged as a particular concern by staff who worked in remote Aboriginal and Torres Strait Islander communities.

> *The food costs in the community store are high. For example, a two-litre bottle of milk is approximately $5 and a loaf of white bread is also $5. So, the staples that people rely on really stretch the finances. I think there is a choice that people are making that yes, they will put food on the table, but it does mean that bills are not being paid or maybe they're relying on other family members [to meet other expenses].*

> *[Aboriginal and Torres Strait Islander] communities [from across Far North Queensland] raised food security as a major issue that needs to be addressed in order to address the health outcomes for Aboriginal and Torres Strait Islander people in their communities… it's been identified by the communities themselves… one of the key things when they do their conversations with communities is that food security is always something that comes up constantly.*

Within Aboriginal and Torres Strait Islander communities, the prevalence of food insecurity is considerably higher (22 to 32 per cent) in comparison to the general population (4 to 13 per cent).[39]

According to the budget standards model, the single unemployed person and single older unemployed women had the highest proportional cost of household income allocated to food and drink (24 per cent).

Energy and water

QCOSS research on consumer energy vulnerability (2020)[41] highlighted energy vulnerability in Queensland as a long-term issue, and the scale of accumulated energy bill debt as a key risk within the energy sector. However, the report also found that while people were provided the COVID-19 JobSeeker supplement, as well as the Queensland government's energy bill relief, there was an increased rate of people meeting hardship payment plans that were in place prior to COVID-19.

Frontline community service workers noted energy hardship as a concern for many of their clients. Financial counsellors also raised this as a particular issue as financial hardship often contributed to long-term indebtedness with energy companies.

> *…[Energy is] obviously a big issue here because air conditioning is not a luxury in the summer months, it is an essential. And so, bills will typically treble over the summer period, so for six months. The other thing of course is we only have one energy provider with Ergon, and they are pretty good in terms of putting people on payment plans. But they [clients] are basically on*

payment plans forever. They are never addressing their debt. Probably 25% [of my clients] would be in that particular situation.

Some respondents also noted that while the Queensland Government Home Energy Emergency Assistance Scheme (HEEAS) was available to energy consumers facing financial hardship, it does not cover the full extent of a debt for those with large debts.

So, the main way that people catch up is the Home Energy Emergency Assistance Scheme. But for a lot of people their bills are too high for that to really help. I see a lot of people with old energy debts in the list of things that they owe, like $3,000, $4,000 from a previous house or previous relationship.

Once again, households in remote communities were highlighted as being negatively impacted to a greater extent than those in Queensland's regional and urban communities. This was due to remote communities on card-operated pre-payment energy meters not having access to HEEAS. This disparity in access to energy support was noted by several financial counsellors.

The case study below highlights the substantial gaps that exist for energy service users who face financial hardship, as well as the opportunity for government to address energy hardship for vulnerable households.

Table 8: Case study one. The Home Energy Management Service (HEMS)

The HEMS program was established with a grant of $100,000 from Energy Consumers Australia to fund a 12-month program between 1 July 2019 to 30 June 2020. The program provided free, independent, tailored energy advice to people in financial crisis due to energy bills. Education, empowerment and facilitating self-determination were key aspects to the HEMS pilot program. The program found that information and learning were essential to ongoing independent management of energy bills.

The following outcomes were delivered by the pilot program:

- $70,00 in financial benefits to 184 individual consumers.
- Payment plan commitments to energy providers of more than $170,000 though CentrePay arrangements.
- Reduced the average number of requests for assistance by providing education and information. Every extra hour corresponded to 25 per cent reduction.
- Empowered marginalised individuals.

With a return on investment of up to 140 per cent, the ability to run the program on a greater scale for longer has the potential to not only support more vulnerable individuals, but also deliver significant outcomes at the micro or industry level.

Healthcare and prescription medication

Respondents identified healthcare and medication not covered under the Pharmaceutical Benefits Scheme (PBS) to be unaffordable and hard to access for low-income families. This included accessing appropriate care for mental health issues, physiotherapy sessions and other specialist treatments.

If they are on something special that is not on the PBS, the discounted medicines, that can be a problem… I had [a client] who was on an incontinence drug that you could not get under that regime, and so it was expensive. And some of us had to help with some of the cost.

People accessing or seeking access to the Disability Support Pension (DSP) were highlighted as a highly vulnerable group when it comes to accessing medications. For one organisation, people seeking to access the DSP consist 'of about half the queries that we get'. This cohort of people often have multiple co-morbidities while living long-term on a low-income.

> *Medication costs can have a significant impact on individuals with disabilities who have not been able to get onto Disability Support Pension.*

The cost associated with treatment services, such as mental health professionals, was also highlighted as a barrier. While the service itself is often subsidised, additional costs were deemed unaffordable for people on a low-income. This can include things such as transport, parking, as well as accessing a GP, with bulk billing GPs considered hard to find. One organisation located in Brisbane, where service access does not have additional regional area challenges stated:

> *[people on a DSP seeking treatment services]… of course, that's going to cost more money and there are some billing services around, but they're not widely accessible. So, the cost associated with treatment outside of the medication side of things… can be very, very challenging.*

Concerningly, the only option identified by many people in this situation is to not follow medical advice. This places increased pressure on the community organisation providing support, as they are required to respond to the immediate need of the client and ensure healthcare and medication is immediately accessible.

> *Yeah, they would just say, "No, I will do without it," until they come to us and we say, "The most important thing is a roof over your head, food and medicine." And we go down the line like that. Because if you don't have your meds you can't function. If you've got diabetes or something, you'll get sicker. Or if you have got a mental health problem and you're relying on medication to keep you stable. That's what I would say sometimes people go without. So we have to educate about that…*

> *…once they have a condition, yeah, even accessing things like physiotherapy, hydrotherapy at the local swimming pool, things like that, are difficult, obviously for people on a very low income.*

Prevention was noted as a key aspect of improving longer-term outcomes for people living on a low-income. However, health promoting behaviours were also considered to be out of reach due to the associated cost.

> *… in terms of quality of life, individuals are not able to access properly preventative things as well, like good food, exercise.*

Housing and homelessness

In Queensland, 2019-20 data from Specialist Homelessness Services (SHS) indicates that 56 per cent of clients reported financial issues as one of the reasons for needing support. Further to this, 46.4 per cent reported financial difficulties and 34.3 per cent reported housing affordability stress as reasons for seeking access to SHS.[42] This data was strongly reflected in the qualitative responses from frontline staff in regional areas of Queensland, as well as South-East Queensland.

The causes of homelessness are complex and interlinked but are exacerbated by poverty and other forms of disadvantage.[43] The complex nature of supporting a person experiencing homelessness adds a significant workload for community organisations seeking to respond to a number of client issues.

> *The complexity of needs is increasing and this impacts on homelessness also. Without adequate income and financial literacy, it is difficult to address issues relating to health and well-being. The link between homelessness and income is clear and is impacting on community members in many different ways.*

Financial hardship and living on a low-income were clearly aligned with housing stress. This was also highlighted by the budget standards modeling that identified all model households, except for the two-parent working family, as being under housing stress and at risk of homelessness. Older people, as well as those accessing the DSP, were singled out as people who were particularly vulnerable to housing stress.

Housing affordability was the key driver of housing stress, which is also creating a competitive environment for accessing housing. Comments from people working in front line positions at community organisations across Queensland included:

> *Housing affordability is our biggest issue. There is very little funding available for private housing, and limited availability in public housing.*
>
> *Low incomes make it impossible for our clients to compete in the current rental market and this has a direct and terrible impact on their living.*
>
> *While there has been a significant lack of affordable housing in South-East Queensland for many years, the situation has become critical in the past few months in Brisbane and even more so on the Sunshine Coast. Rents are going up in both locations, and indeed in many other regions of Queensland, and community members have told us that many real estate agents are no longer accepting applications from people for whom the rent would be more than 30 per cent of their income.*

The cost of housing is placing extreme stress on already tight budgets of low-income households. This is dragging these households into further debt and financial hardship. As a result, people are forced into making choices that do not support improved individual outcomes.

> *… as soon as you add in rental, that is what destroys people… So, yeah, people on Disability Support Pension or the Age Pension, if they are not in public housing, they're in constant financial stress. And I do have clients who are in private rental who go without a lot every single fortnight.*
>
> *The rate of JobSeeker and other government payments needs to be increased… [housing costs] take a large chunk of their low Centrelink payments, leaving little for other expenses such as food.*

The following two case studies provided by a SHS provider in Far North Queensland demonstrates the extreme cost of homelessness.

Table 9: Case study two. Homelessness

Alice

Alice and her three children (between 3 to 6 years old) have been living in a car for about a month. They drive around every evening looking for a safe place to stay – somewhere that people are around, rather than somewhere secluded, and where they are safe from being moved on.

Dramatic and continual increases to living costs come primarily from fuel and car maintenance, and food. They need to use fuel to access supports such as vouchers and food hampers in the city as they generally stay south side because it is closer to school. However, the use of fuel to access emergency relief such as food hampers is not always useful as the family have no cooking or food storage facilities. As such, they must live meal to meal.

Alice estimates she spends around $150 for the entire week's groceries when they are housed. Due to their current circumstances, they end up eating take away most nights, which even for the cheapest takeaway costs around $175 per week just for dinners. Alice knows this is not the best food for her children but feels she has little choice.

They also need to utilise laundromats for laundering their clothes and this costs around $25 for a wash and dry. The family have no option to not use a clothes dryer and they have lost a lot of belongings, including clothes, to rainy conditions.

To keep cool, the car needs to be run sometimes to utilise air conditioning in warm weather, as discomfort is compounded by four people being in the car. The interior of the car gets very dirty with four people living in it and it needs to be cleaned regularly. This comes at a cost of around $20 per clean. There is also a lot of wear and tear on the car and Alice is hopeful her car 'will hold out' until she is able to afford a service at tax time.

They use excessive amounts of phone data searching and applying for housing as everything is done online these days. Once a fortnight or so, the situation gets too much and the family spend the night in a motel for a comfy bed and hot shower. This sets them back $130 per night. Due to their diminishing budget, they now find the cost of basic medicines prohibitive.

Amanda

Amanda is a client of a community housing provider in Far North Queensland. She is a single mother with four children. They are currently homeless and living in a caravan way out of town due to the lack of other options. She has been applying to rentals but to no avail.

Previously, Amanda had been working full-time but had to stop due to her children's medical needs, which required her full attention at the time. Due to COVID-19, she has now been unemployed for about 18 months, putting a considerable gap in her employment history. She has not been successful in her recent attempts to gain work.

Here, Amanda presents the additional costs incurred because of her situation. These are weekly, fortnightly and monthly costs that sit outside her family's usual living expenses, and include:

- Fuel/ oil for:
  - Transporting kids to school at $10 per trip, or about $50 a week.
  - Generator at $30 for 24 hours (up to $210 per week, or multiple hours and/or days per week without power).
  - Medical trips at $15-$20.
  - Shopping at $30 per trip,1-2 times per week.
- Storage costs at $250 per month as she has nowhere else to keep her belongings while waiting for housing.
- $40 a week for car cleaning, which needs to be done frequently to go back and forth in the bush and wanting to look presentable when in town or the kids' school.
- Had to buy camping gear to start off, which cost about $400.
- $200 for building material, to better living conditions.
- Loss of goods due to weather conditions, which have cost $150 to date.
- Equipment to support everyday needs have cost $300.
- Data and phone credit at $30 plus extra data at $90, or up to $120 per month.
- Payments to people to assist with jobs around the camp if she is unable to do it at $50 at a time.
- Post office box rental at $200 per year.
- Loss of clothing due to weather conditions have cost up to $100 for five people.
- Dryer for clothing at $90 per week if unable to use our own washing machine and weather.
- Take-away food at $70 per week.
- Accommodation at $70 per night if required due to extreme weather events, cyclones, flooding, wet season in tropical north. This can also sometimes be required to give the family a break from the poor living conditions for a safe, dry night's sleep with well-functioning amenities.
- Cost of food depends on how much fuel is available, as we can lose food when the generator fuel runs out.

Unplanned expenses

As the budget standards modeling show, the lack of adequate income to cover any unplanned expenses means that households are vulnerable to many external shocks including health, repairs, schooling costs and other personal and social obligations. Therefore, events that occur through the normal course of life can cause major financial setbacks and irrevocable losses for households that are on inadequate incomes.

Inability to cope with unplanned expenses was identified by a majority of survey respondents (85 per cent) as one of the most significant impacts of inadequate income on households (Figure 5). This was also reflected throughout the interviews with front line community service workers. Numerous comments identified unplanned events like accidents, repairs, school costs and dental health needs as causing major financial setbacks to families:

> *Yeah, life happens, and it happens all the time… The biggest ones that we see are car repairs, car, rego, dentists and illness or an accident.*
>
> *Car either breaking down or a car accident, and no insurance. Car repairs are a huge one.*
>
> *There's only so much school planning you can do. So it's not unplanned, but it becomes unplanned for people who are on very low income.*
>
> *Something happening for the children, they need to buy something for school, teeth, dentist. Suddenly got a toothache, put it off and then it is really bad. Injury, have a fall, can't go to work, need physio or some other expense to get better and you can't afford it. What else? Glasses, they lose their glasses or break their glasses. People can't live without their glasses.*

In one remote Aboriginal and Torres Strait Islander community, significant unplanned expenses that can have a detrimental and long-term impact on a household budget also extended to funerals.

> *I think unplanned can come up a few ways. It can be birthdays, celebrations that they just can't afford and so then they'll go to Centrelink and get an advance, or they rely on family. The biggest one I think for [this community] is funerals. There is an extraordinary amount of funerals and death here, which is incredibly sad. And funerals cost between $6,000 to $8,000… to get that amount of money really is stretching. They'll end up going to payday lenders. There is one funeral home which will allow people to do a buy now pay later scheme, which is not great. But is it better than not being able to bring that loved one home? There are not many options.*

In these situations where unplanned expenses suddenly arise, people experiencing financial hardship have few options. As a result, many end up turning to pay day lenders without adequately understanding the longer-term financial implications.

Debt

For households that do not have access to financial resources like savings or insurance, unplanned expenses like school costs or repairs usually need to be funded through debt. When people do not have easy access to mainstream credit, a common option includes payday loans and consumer leases.[44] The negative impact of these loans is well documented, with high numbers of borrowers falling into serious debt and being trapped in a debt cycle.[45]

> *The effects of that [accessing pay day lenders]… is that long-term indebtedness and not the comprehension of actually how much you're paying back… the consequences don't really add up until suddenly there is more money coming out of your Centrelink money or your bank… it's when that starts occurring then it starts becoming incredibly stressful… clients like going to [pay day lenders] because it's quick, it's easy, they don't ask questions, they don't have to ask questions. And once you're in a debt cycle you just keep borrowing to get yourself in that debt, you can't get out of that debt cycle.*

The No Interest Loan Scheme (NILS)

NILS is a microfinance program in Australia that provides loans of up to $1,500 for any individual who has a Health Care Card, Pension Card or earns less than $45,000 a year after taxes. The scheme charges no interest, fees or charges. As a result, people accessing NILS repay the same amount they borrow. Repayments are also set at affordable amounts payable over a 12 to 18-month period.

An outcomes evaluation conducted in 2014 demonstrated that NILS successfully diverted 42 per cent of surveyed clients away from predatory lenders and goods rental services. In addition, 82 per cent of the surveyed clients experienced a net improvement in social and economic outcomes, including 74 per cent who experienced an improvement in their social and health outcomes due to positive changes in their standard of living, stress and anxiety levels.[1]

Nearly 65 per cent of survey respondents reported that high indebtedness from buy now, pay later schemes significantly impacted clients on low incomes (Figure 5). As well as this, 62 per cent reported a significant impact for clients using high-cost payday loans or consumer leases. In discussing debt with interview participants, a recurring theme highlighted the role played by fines and penalties in the accumulation of debt for low-income households. Research shows that fines and penalties disproportionately impact the lives of disadvantaged people, including those on low incomes, people experiencing homelessness or people experiencing mental illness.[46]

In particular, financial counsellors across Queensland identified that large debts with the Queensland State Penalties Enforcement Registry (SPER) were a common contributor to the indebtedness of low-income clients.

> *SPER is a big deal. There are people with thousands and thousands of dollars that never seem to go away…because it's always hanging over their heads, and it's just humiliating.*
>
> *If somebody has excessive SPER fines and some of them are as high as $50,000, then it is just an acceptance you are in hardship and a negotiation with SPER will mean you pay the minimum amount of money, and that can be as low as $20 a fortnight. And the acceptance is that you will die with that debt. It's a punitive measure…and it's just forcing people into more hardship... Do I pay a fine? Or I don't put food on the table? It is absolutely that. It costs more to be poor.*
>
> *Certainly, in terms of fines I find that SPER is the most difficult debt collector of all. As I mentioned, they basically have been the most aggressive at times and of course the fines never disappear*.

These findings confirm the prevalence of the 'poverty penalty' for disadvantaged households, where a higher cost is paid by poor households.[47-49] Managing debt therefore becomes a significant issue that requires the time and effort of community organisations providing an individual with support.

Financial counsellors, as well as other community organisations, have a key role to play in supporting people on a low-income to manage their debts. Specific support for a SPER debt can include becoming a SPER Hardship Partner, which allows people to work off their debt by participating in community programs. An example of this is Communify, an organisation operating Community and Aged Care services in Brisbane (Table 10).

Table 10: Case Study three. SPER Hardship Partner Program

Communify have signed up as a Hardship Partner with SPER. This means people connected to Communify through activities, programs or Neighbourhood Centres can work off their debt by participating in community services and attending therapeutic programs and groups. Communify have ongoing support and assistance from the Community Engagement Team at SPER who work with them closely to answer any questions and help needed. Communify state that this has been a valuable and accessible partnership. Since August 2020, Communify have helped 21 people reduce overall debts totaling $19,894.56. This included: • 3 people attending mental health treatment and therapeutic groups clearing $5,145.32 in debt. • 13 people attending the Springboard Drug and Alcohol Treatment program clearing $9,797.49 in debt. • 5 people doing unpaid community service such as assisting the Feeding Brisbane program, daily operations and helping with special events at Neighbourhood Centres, which cleared $4,866.35 in debt. Communify clients have been grateful to have the opportunity to pay down their fines. For them, it has meant being connected into a community organisation with opportunity for support, and agency to contribute to a financial problem in their lives.

Mental health

Financial hardship and poverty are recognised as significant contributors to poor mental health, interacting through a complex cycle of impoverishment, loss of employment, social stresses, stigma and trauma.[50-52]

More than two-thirds of survey respondents (69 per cent) reported that inadequate income and financial insecurity had a significant impact on their client's mental health and anxiety (Figure 3). This was also reflected in comments from interview participants, who noted that financial hardship exacerbated stress and trauma, and added significant barriers to client's capacity to seek help and engage with counsellors.

> *I can say that every single person we see, the majority has a mental health issue. It could be anxiety, it could be depression, it could be an experience from the past, PTSD. And then they get into a financial situation which exacerbates it. Like this guy yesterday, everything he said, it was bringing back trauma of his past. "Because I'm anxious and I feel like I'm not in control." Definitely. We see a huge component of mental health*.

> *People would rather do anything than talk about money problems. They are still stressed beyond belief and so a lot of the problems are not about the cost of it, it's about the fact that I don't want to deal with this… that is the thing that I've noticed over the years, the number of appointments that people make and don't follow through with because they get to the stage of, "I don't want to deal with this." And so, their problems just compound.*

The prevalence of mental health concerns among people seeking support from community organisations was high. This increases the complexity of issues that need to be addressed by front line community workers. Some interview participants noted a lack of adequate funding and resources that are needed to provide sufficient support to people with mental health issues.

> *Mental health impacts on the financial wellbeing of our community widely. In a hundred consumers there might be two that can be supported appropriately with support to obtain and maintain long term employment. Not enough support and resources to help those living with mental health considerations.*

> *Our most common factor contributing to financial hardship that we see is mental health problems and the lack of support that is available in the community for mental health services.*

Social and economic participation

Stigma and shame are recognised as central features characterising the experience of poverty and dependence on the social welfare system, especially in wealthy societies.[53, 54] More than half of the survey respondents (52 per cent) reported that inadequate income had a significant impact on a client's ability to pursue meaningful employment or education opportunities (Figure 3). In addition, 39 per cent reported a significant impact on community engagement and participation.

Interviews with frontline community workers highlighted the harmful effect of stigma and shame felt by people experiencing financial hardship. This often included feelings of hopelessness, isolation, reluctance to ask for help and fewer opportunities for employment and social interaction.[55]

> *When I do budgets with people on a really low income, they go without… A lot of people withdraw even from family. They feel embarrassed… They actually just withdraw from everything.*

> *I am constantly referring people saying, "Yes, I know you don't like going for emergency relief, but you need to do so." The shame factor just stops so many people doing it.*

Commenting on the pervasive commentary and language that stigmatises people who are accessing unemployment benefits, one community service worker stated:

> *Obviously, it is a punitive system. And it is not just the rules, but the way the rules are also enforced. I think that is another reason people want to get onto the Disability Support Pension, especially if they really don't have a good work capacity because of their impairment. It is not just to get extra income to improve their quality of their life, but it is to escape this job network system which is, I'm trying to find the right words. That just blames them for their situation.*

The following two case studies illustrate how stigma and shame work as debilitating factors that compound financial hardship. It does this by wearing down a person's agency and sense of self.

Table 10: Case study four. Mental Health

Rob Rob is 60 years old, university educated, single and unemployed. For most of his adult life, Rob had been employed, owned his own home, along with two investment properties and a comfortable superannuation. In his early 50s, he experienced what he described as a "mental breakdown" and was unable to return to work. Over the next five years, Rob's mental health worsened, and he experienced panic attacks on an almost daily basis, during which time he lived off his savings and assets. But as these continued to dwindle, he became increasingly isolated from friends and activities that he had previously engaged in. His relationship with his family broke down and gambling, which had previously been non-problematic and a means for entertainment, escalated. Pokies offered him relief from his anxiety and a place to go where he felt unjudged. Two years ago, Rob exhausted his life savings, including the proceeds from his home and investment properties. He was consumed with self-loathing and shame and as he became more isolated, he slipped further into debt and became suicidal. He drew down on his super instead of accessing the Centrelink benefits to which he was entitled to. He said he was brought up to believe that utilising social services was for the 'weak' or 'defective' and that he could not bring himself to be 'one of those people'. Getting help from the Gambling Help Service was an act of desperation, a 'Hail Mary'. Since getting help, Rob has worked hard to accept and modify his view of what living on a benefit says about himself as an individual in society.

However, Rob states that though the Centrelink services have provided him with an income, he feels disempowered and insignificant in the system. He questions his value as an individual when a cookie cutter approach to his re-employment is used or when he is criminalised for incorrectly reporting payments to Centrelink. The sense of failure and humiliation, of not being good enough are, he says, built into the system that regards the poor as less than. He has not told his family that he receives benefits for fear that they will criticise and blame him in some way.

Karen

Karen is a 63 year old disability support pensioner who is challenged by her physical and mental health issues that have arisen from surviving multiple traumatic events throughout her life.

At 17 years of age Karen fled a violent marriage soon after the birth of her child. Since she did not have the support of her family, she found herself dependent on public housing for a few short years. Determined to be self-sufficient, she got a job, established a stable base, and singlehandedly raised her child.

However, by her mid-50s, she started to experience deteriorating health issues that meant she could no longer work. Exhausting her savings, she applied for the Disability Support Pension. When her illnesses strained her relationship with her daughter and they became estranged, Karen started a relationship with a man she deeply loved - the first relationship since her child was born. However, her partner's death five years later left her alone, homeless and incapacitated with grief. Forced to move in with 'friends', she was subject to abuse and had to be assisted by DV services to once again access public housing.

Karen struggles with 'coming full circle' back into public housing and dependence on the state. Her shame about events that she has no control over stops her from forming meaningful relationships with others and she is often limited to relationships with professionals. She lives with chronic pain and deteriorating health issues for which she does not have the money to properly address.

Karen says that she is too young to access aged care services and too old and immobile to participate in any meaningful work. She states that she often feels guilty about using our service which is free. Karen is ashamed of her situation, blaming herself for a lifetime of events over which she had no control.

She is grateful for the money she gets but often goes without to survive. She worries about her future as her mobility decreases and she has no one to rely on. This often leads to suicidal thoughts and much of the work we do is to help her find meaning and purpose in a world that she believes regards her as worthless and a burden.

Benefit of increased income support

The temporary COVID-19 supplement provided a real-life case study for the social benefits that come from an increase in income support. Research conducted during this time indicates that there were significant improvements in socio-economic outcomes for families receiving the COVID-19 supplement. For example, a report by Klein et al (2021)[56] showed that:

1. The COVID-19 supplement was used by households to meet basic needs as well as secure their long-term financial security.
2. The increased income support improved households' physical and mental health.
3. Households on income support were able to shift their attention from day-to-day survival to forward planning and economic security.

These findings are substantiated by anecdotal reports from the community service sector and other studies that show the income supplement enabled the recipient to meet basic needs and take steps to improve their financial situation.[57]

From the perspective of front-line community service workers, the increased income support resulted in an immediate alleviation of hardship, with clients being able to take back control of their financial lives. This was seen to have a ripple effect on clients, with improved mental health, as well as increased happiness and dignity.

Comments highlighting the benefit of increased income support included:

> *They did not have to ask for emergency relief. They did not come to ask for food and basic living costs because they were able to do it. And people were happier because they felt respected.*

> *We have seen the implications over the last 12 months… People were actually paying some of their bills, they were paying some of their expenses.*

> *At our centre we noticed that the mental health of some of our clients was greatly improved when the COVID payments were applied, their visits to the centre for emergency relief were reduced and they were able to afford daily living expenses.*

> *Welcome to utopia. The biggest impact? Well… the need to approach the likes of [pay day lender] would disappear… I think it would also lift the morale of the community. Whether it be treated with dignity and respect and valued.*

Front line workers of community organisations across Queensland also identified reductions in service demand due to their clients' increased ability to manage their own basic needs.

> *Just overnight the number of clients [accessing emergency relief] just plummeted because of the increase in income support payments.*

> *It was much easier to be a telephone advice worker and a partner at Centrelink issues in the past 12 months than it has been before… It just makes common sense to realise that the amount of JobSeeker payment is not enough to live on. Particularly if a person has housing costs and medical costs. It's going to start again soon. It is going to go back to how it was.*

This fall in numbers indicates that an increased income support payment may be viewed as a strategy for upstream prevention. By providing an adequate income for people, individuals will be able to manage their weekly expenses and improve their quality of life.

> *… there is this notion that if you give people more money on Centrelink they are just going to sit down and not do anything. Well, I don't think that's the case. I think the case will be that people will feel like they can afford a new shirt and a new pair of pants or a new dress. To go and sit with dignity in front of somebody and feel like they have something genuine to offer as a human being, rather than looking at themselves as worthless because we're treating them with no dignity.*

Conclusion

The budget standards modelling shows that under the new Australian Government income support payments, no household except the single student and the senior couple are able to meet the level of expenditure required to satisfy basic budget standards. Therefore, households on these income support payments will need to constantly compromise on consumption of essential goods and services or borrow money to meet everyday expenses.

For many of these households, being on income support payments is not a one-off or transitionary experience. Evidence shows that these households often face significant barriers to employment, such as household members having disability or experiencing mental illness.

The most vulnerable households are those headed by single parents, especially single parent non-residents. These households face the most severe deficits in weekly budgets. However, as the modelling shows, financial hardship also extends to working families and wage earners when cost of living is high, as it is now in Queensland. At present, large numbers of children in Queensland are growing up in low-income households, which is the strongest predictor of disadvantage in later life.[58]

Findings also reveal the gendered impact for households living on a low-income. Single parent households, who are also the most vulnerable to poverty, are predominantly headed by a mother. Older women, who are single and unemployed, are especially vulnerable due to the lack of secure employment, low superannuation, and low asset ownership. The working family model household highlights typical scenarios where women end up taking on more unpaid work and caring responsibilities for dependent children.

For all households, housing is the most significant expenditure bucket. Under the new income support payments from 1 April 2021, all households, except for the working family, face severe housing stress, with expenditure on rent at more than 30 per cent of gross household income.

The realities of the impact of financial hardship on Queenslanders are identified from the insights of frontline community service staff across Queensland. Survey and interview data validate the findings from the budget standards modelling, indicating that the primary impact of inadequate income on a household is the inability to meet day-to-day expenses such as food, clothing, rent, energy and water. Further to this, the lack of any savings buffer or insurance places low-income households at greater risk of accessing pay-day lenders, accumulating burdensome debt, mental stress, and trauma.

An overwhelming majority of frontline community service staff identify the lack of adequate income to be one of the top three causes of financial hardship. This highlights that one of the key drivers of financial hardship is directly impacted by the design of welfare policy and leads to persistent and entrenched disadvantage. This is further evidenced by the impact of increasing income support during COVID-19, which was seen to eliminate severe deprivation for people on low incomes.

The case for increasing income support as a preventative strategy to resolve persistent and entrenched disadvantage is clear. This would also have the effect of reducing significant social, health and economic disparities that exist within groups that experience significant barriers to participation in the workforce and society. Further to this, increasing income support will prevent intergenerational transfer of disadvantage by ensuring children in low-income households have adequate access to a suitable quality of life. As demonstrated during COVID-19, additional income support during the pandemic significantly increased a household’s capacity to regain control of their financial situation. This resulted in decreased dependence on emergency relief services, households paying off longstanding debts, as well as improved living conditions and higher levels of personal dignity and self-worth. Increasing income supports to an adequate level will therefore enable households to increase their participation in the workforce and in society.

Appendix 1: Financial Hardship and Living Affordability Survey

Financial Hardship and Living Affordability Survey

1. Which of the following services best describes your engagement with your consumers (select all that apply)?

- Financial counselling or financial capability building
- Centrelink
- Emergency relief
- Mental health
- Disability care
- Aged care
- Aboriginal and Torres Strait Islander Servic
- Family services
- Child protection
- Youth services
- Other

2. Please select your region (based on SA4, with the inclusion of Far North Queensland in Cairns)

3. What proportion of your consumers depend on government income support (e.g. Centrelink)?

- 75-100%
- 50-75%
- 25-50%
- <25%
- Not applicable

4. What are the three top causes of financial hardship for your clients (select three)?

- Being on a low income (including Centrelink)
- Unemployment or underemployment
- Long-term illness or disability
- Rising cost of living
- Sudden financial shocks
- Low financial literacy
- Family violence (including economic abuse)
- Relationship breakdown
- Excessive spending
- Substance abuse or gambling
- Low English Literacy
- Other

5. In your experience, what are the most significant consequences of inadequate income support on households in your community (Significant impact/ Moderate impact/ Low impact)

- Inability to pay regular bills (e.g. rent, energy and water)
- Inability to afford essentials of life (food, clothing, housing, medicines, transport)
- Inability to cope with unplanned expenses
- High indebtedness through buy-now, pay-later schemes
- Use of risky and high-cost payday loans or consumer leases
- Mental health and anxiety caused by financial insecurity
- Inability to pursue meaningful employment or education opportunities
- Exclusion from community engagement and participation

6. Can you describe your experiences and the regularity of supporting people who may be a problem gambler? (Open text)

7. Please provide any other comments you may have (open text)

Appendix 2: Assumptions for model households

	Single unemployed	Single parent	Two parent family	Single student
Household members	Single unemployed person aged 45	Single parent and two dependents (seven and two years)	Working family with two adults aged 35 and 33 and two dependents (eight and three years)	Single student living away from home
Income source	JobSeeker Payment Commonwealth Rent Assistance	• casual employment 25 hours per week x 39 weeks per year (25 per cent loading on minimum wage) • Commonwealth Rent Assistance • Parenting Payment (single) • Family Tax Benefit and supplement	• one full-time employed 38 hours per week x 52 weeks per year (35 per cent above minimum wage) • one casual employed 16 hours per week x 52 weeks per year (25 per cent casual load on minimum wage • Commonwealth Rent Assistance • Family Tax Benefit and any supplements	• casually employed 15 hours per week x 52 weeks per year (15 per cent casual load on minimum wage) • Youth allowance • Commonwealth rent assistance
Housing	Rents a three-bedroom house with two roommates	Rents a two-bedroom apartment or three-bedroom house (cheapest option)	Rents a three-bedroom house	Rents a two-bedroom house with one other person
Education/ Childcare	No expenses	Seven-year-old child in primary school Two-year-old child in day care	Eight-year-old child in primary care Three-year-old child in pre-school	Yes, expenses derived from Household Expenditure Surveys
Transport	No car; uses public transport- 3 round trips per week	Owns a car worth $1500. Does not use public transport	Owns a car worth $4,000. Uses public transport five round trips per week	No car, uses public transport- five round trips per week

	Non-resident- Single parent	Senior couple (70+)	Single unemployed older woman
Household members	Single parent aged 33 and two dependents (seven and two years)	Senior couple both aged over 70 years and no dependents.	Single unemployed woman aged 55
Income source	• casual employment 25 hours per week x 52 weeks per year (25 per cent loading on minimum wage) • Family Tax Benefit and supplement • Commonwealth Rent Assistance • Not eligible for social security payments as does not meet residency requirements for parenting payments.	• Aged pension • Commonwealth Rent Assistance	• JobSeeker Payment • Commonwealth Rent Assistance • Not eligible to receive age pension
Housing	rents a two-bedroom apartment or three-bedroom house (cheapest option)	Rents a one-bedroom unit in the private rental market	Rents a three-bedroom house with two roommates
Education/ Childcare	Seven-year-old child in primary school Two-year-old child in day care	Nil	No expenses
Transport	Owns a car worth $1500. Does not use public transport	Uses public transport, five round trips per week. Does not own a car.	No car; uses public transport- 3 round trips per week

Appendix 3: Childcare costs

Single parent household

Type of care	Number of days/ FT	Number of hours/ day	Cost per hour	Total Cost/ FT	Child care subsidy rate	Total child care subsidy	Amount withheld	Out of pocket expenses/ FT	Out of pocket expenses/ annum	Out of pocket expenses/ week prorata
Child 1 (7 yr old)										
After School Care	6	3	$7	$126	85.00%	$107.10	$5.36	$24.26	$473.07	$9.10
Child 2 (3 yr old)										
Long day care	6	10	$10.00	$600	85.00%	$510.00	$25.50	$115.50	$2,252.25	$43.31
Total								**$139.76**	$2,725.32	**$52.41**

Single parent non-resident household

Type of care	Number of days/ FT	Number of hours/ day	Cost per hour	Total Cost/ FT	Child care subsidy rate	Total child care subsidy	Amount withheld	Out of pocket expenses/ FT	Out of pocket expenses/ annum	Out of pocket expenses/ week prorata
Child 1 (7 yr old)										
After School Care	6	3	$7	$126	85.00%	$107.10	$5.36	$24.26	$473.07	$9.10
Holiday care	6	10	6.43	385.8	85%	328.2	16.41	$74.01	$481.07	$9.25
Child 2 (3 yr old)										
Long day care	6	10	$10.00	$600	85.00%	$510.00	$25.50	$115.50	$2,252.25	$43.31
Total								**$139.76**	$2,725.32	**$61.66**

Working family

Type of care	Number of days/ FT	Number of hours/ day	Cost per hour	Total Cost/ FT	Child care subsidy rate	Total child care subsidy	Amount withheld	Out of pocket expenses/ FT	Out of pocket expenses/ annum	Out of pocket expenses/ week prorata
Child 1 (8 yr old)										
After School Care	4	3	$7	$84	83.57%	$70.20	$3.51	$17.31	$337.55	$6.49
Holiday care	4	10	$6.43	$257	83.67%	$215.20	$10.76	$52.76	$342.94	$6.60
Child 2 (3 yr old)										
Pre-school	4	10	$5.65	$226	83.54%	$188.80	$9.44	$46.64	$1,212.64	$23.32
Total										**$36.41**

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