



# Social Justice STOCKTAKE



## Poverty and Financial Hardship

Attributable to Head of Community Engagement, Major Brad Watson

### Were you surprised how frequently poverty appeared as a concern?

It was not surprising that poverty appeared as a concern nationally in the Social Justice Stocktake Survey (25.9 per cent of responses) as there are so many contributors to poverty in Australia. The Salvation Army works with people every day to address many of these contributors including insecure and casualised work, housing stress and homelessness, family and domestic violence, rising costs of living and shortfalls in adequate levels of income support.

### Certain areas didn't rank poverty as an issue? Can you explain why this may be the case?

There were a handful of areas where poverty and financial hardship ranked well below the national response rate. For example, the Federal electorate of Solomon which largely covers the Darwin/Palmerston metropolitan area, had the lowest ranking for this issue (3.7 per cent). This ranking may reflect lower unemployment rates in the City of Darwin (4.2 per cent in September 2021) and where weekly incomes are higher than in other areas of the Northern Territory.<sup>1</sup>

### How much of an impact did COVID restrictions play in the Stocktake result in your opinion?

We think the impacts of COVID-19 are pertinent to the results on mental health and on social isolation. What was surprising about the appearance of mental health though is how consistently it was ranked highly, irrespective of COVID-19 lockdowns, geography or other forms of disadvantage.

In fact, mental health was the top ranked issue of concern nationally (53.9 per cent). Some respondents who provided open-ended responses noted the impact of COVID-19 restrictions on their mental health and feelings of isolation.

### The results appear to reflect that poverty could affect anyone given a set of circumstances. Would you agree?

Yes, in Australia, more than 13.6 per cent of the population live below the poverty line. These aren't just cases of 'bad luck'. During the COVID-19 pandemic, we saw people who had never sought assistance before, come to us for support. We are concerned that entrenched and intergenerational poverty has become accepted in Australia and can be sustained by the systems we choose to accept.

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<sup>1</sup> <https://economy.id.com.au/darwin/unemployment>.



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Whether you were born into a poor family, lost employment, suffered injury or have a disability or experienced family and domestic violence, adverse life circumstance and events should not become a poverty trap.

## What flow-on effects does poverty have throughout Australia?

Evidence shows that the flow-on effects from poverty are profound and long-lasting. Poverty is not just about lack of income. People living in poverty are also much more likely to suffer from poor physical and health outcomes, a lack of access to education. They are also more likely to suffer other complex circumstances that lead to mental stress and feelings of powerlessness.

This is why poverty can feel like a trap because of a range of life circumstances that are largely beyond the control of individuals to change.

The COVID-19 pandemic demonstrated just how easily people can fall into financial hardship, and the importance and effectiveness of decent income support in 2020 kept many people out of poverty, and off the streets.

## What can The Salvation Army offer a client presenting with poverty issues?

Salvation Army Doorways provides emergency relief and holistic case management with referrals to internal and external support services. Each year, thousands of individuals and families come to The Salvation Army for help meeting day-to-day expenses or paying unexpected bills. We help people in crisis meet their immediate needs, because we believe no one should have to go without the essentials.

Doorways works hand in hand with our Moneycare financial counselling program to assist individuals to regain control of their finances. We provide early-education and prevention strategies for people who may be at risk of financial hardship.