



Select Committee on Cost of Living

March 2023





Table of contents

Our commitment to inclusion	3
Executive Summary	4
Cost of Living Crisis	5
Long running but intensified	5
Unequal Impact	7
<i>Poor Tax</i>	8
Flow on Effects.....	9
<i>Debt</i>	9
<i>Entrenched disadvantage</i>	10
Welfare Reform	12
Fiscal Policy	14
Housing	15
Rent Assistance and Social Housing	16
Conclusion	18
About The Salvation Army	19
Further Information.....	19



Our commitment to inclusion

The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present and future.

We value people of all cultures, languages, capacities, sexual orientations, gender identities and/or expressions. We are committed to providing programs that are fully inclusive. We are committed to the safety and wellbeing of people of all ages, particularly children.

Our values are:

- Integrity
- Compassion
- Respect
- Diversity
- Collaboration

Learn more about our commitment to inclusion:

salvationarmy.org.au/about-us

The Salvation Army is an international movement and our mission is to preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.





Executive Summary

On the ground, The Salvation Army has seen cost of living pressures, and financial hardship as a major issue throughout Australia for many years. The current cost of living pressures are more intensified, and are broader impact than before. The rising cost of living is now the leading reason people come to our emergency relief services. Approximately a third of people accessing The Salvation Army's emergency relief services identified it as the reason they need help.

The Salvation Army has approached this submission with the experience of these people front and centre and firm belief that the economy serves the community – not the other way around. Our overwhelming observation is that:

The cost of living crisis is hurting us all, but it is not hurting us equally.

People who were struggling before the current inflation increases due to low incomes, insecure employment, or the inadequacy of welfare payments are now facing extreme hardship. The rate of non-discretionary inflation has been masked by more muted discretionary consumption price rises, and hides the reality that it is becoming more and more expensive to be poor in Australia.

These cost of living pressures have long and short-term implications upon individuals, who are forced to go without, or make up for their income shortfall through debt. These steps cause ripple effects upon children and young people, impacting their health, education and career attainment throughout their lives.

The Salvation Army's focus is always upon those who are experiencing the most significant disadvantage in every crisis, and we believe that the Committee, as well as representatives of State and Commonwealth parliaments must be similarly focused.

As such, it is our evidence that:

- **Welfare reform** to allow all individuals experiencing unemployment to live with dignity;
- Broad based community consensus on **fiscal reform** to compliment monetary policy and soften cost of living pressures upon those experiencing the most significant financial hardship; and
- **Housing policy**, both in the provision of social and affordable housing and improvements to Commonwealth Rental Assistance, to reduce pressures on housing affordability at all points of the housing continuum;

are necessary to reduce the short-term hardship, and long-term implications of the current period of inflation.



Cost of Living Crisis

Long running but intensified

As a major provider of social services, The Salvation Army sees the impact and implications of financial hardship on the community. Individuals' incomes being dwarfed by the cost of necessities is not a new situation. The Salvation Army's submission to the Senate Reference Committee on Community Affairs inquiry into the Extent and Nature of Poverty provides a holistic analysis of the persistent issue of financial hardship.

Recent inflation and cost of living trends, however, have exacerbated these hardships, and increased their depth and breadth throughout Australia.

In 2022 The Salvation Army conducted research with people who accessed our emergency relief services around their experiences of financial hardship. The results paint a stark picture of the current struggles that people who have come to our services experience:

- 92 per cent of respondents listed government income support benefits as their main source of income, plainly showing that the government income support currently used is not sufficient.
- Over four in five (82 per cent) said that they had found it difficult to meet necessary living expenses, such as housing, utilities, food, and health care, in the past 12 months, and 89 per cent struggled to pay one or more of their essential bills over the 2022 Christmas period.
- 77 per cent of respondents worried they would be unable to afford enough food in the 2022 Christmas season. This represents a rise of 6 percentage points from results from the same period in 2021.
- Three in four respondents (75 per cent) said that managing financial stress and difficulties was one of their greatest challenges in the past 12 months.
- More than half (55 per cent) of respondents will struggle to pay one of their essential utilities, and 39 per cent reported that paying rent or their mortgage was a cause of significant stress.
- Four in five (83 per cent) indicated that the rising cost of living would significantly and negatively impact them over Christmas 2022.
- Half (50 per cent) were worried about their mental health at Christmas and a further one in three (34 per cent) were worried about their physical health or illness at Christmas.¹

¹ The Salvation Army. (2022). *Fallen on Hard Times this Christmas: Christmas Research Report December 2022*. [https://www.salvationarmy.org.au/scr be/sites/auesalvos/files/Christmas_Research_Report_2022_V3.pdf](https://www.salvationarmy.org.au/scr%20be/sites/auesalvos/files/Christmas_Research_Report_2022_V3.pdf).



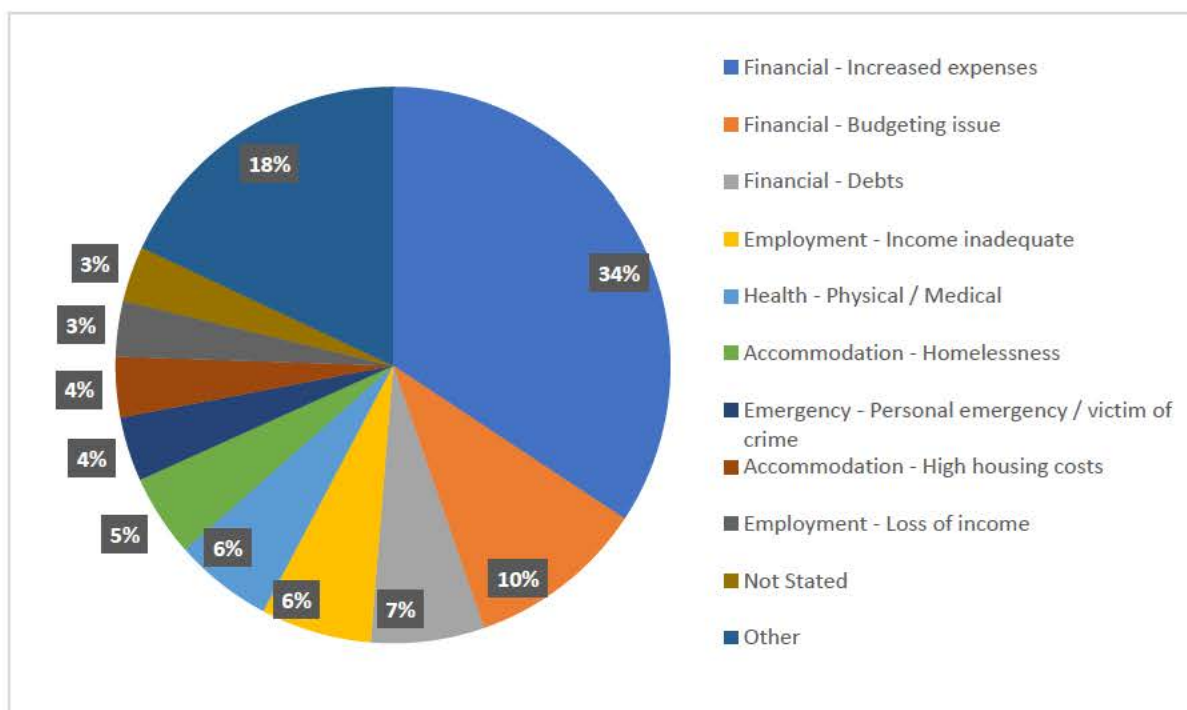
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“I wouldn't be able to eat if it weren't for the Salvos”
– A Salvation Army survey respondent

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Since November 2022 ‘increased expenses’ as a result of the rising cost of living has been the most prevalent issue identified by community members seeking emergency relief in every state and territory. One in three people seeking assistance are now identifying cost of living as the reason they are seeking help.

Graph 1: The Salvation Army Doorways Emergency Relief – Main Reason for Seeking Assistance in 2022-January 2023



Recent research by the Property Council of Australia found that voter anxiety surrounding the cost of living was the top result for 41 per cent of respondents, and more than 77 per cent of respondents found the cost of living to be one of their top three causes of concern.²

² The Property Council of Australia. (2023). *A Stark Reality: Part One in a thought leadership series on housing choice and affordability for a growing Australia*. 42. https://propertycouncil.com.au/downloads/PDF/Property_Council_of_Australia_A_Stark_Reality_Feb_2023.pdf





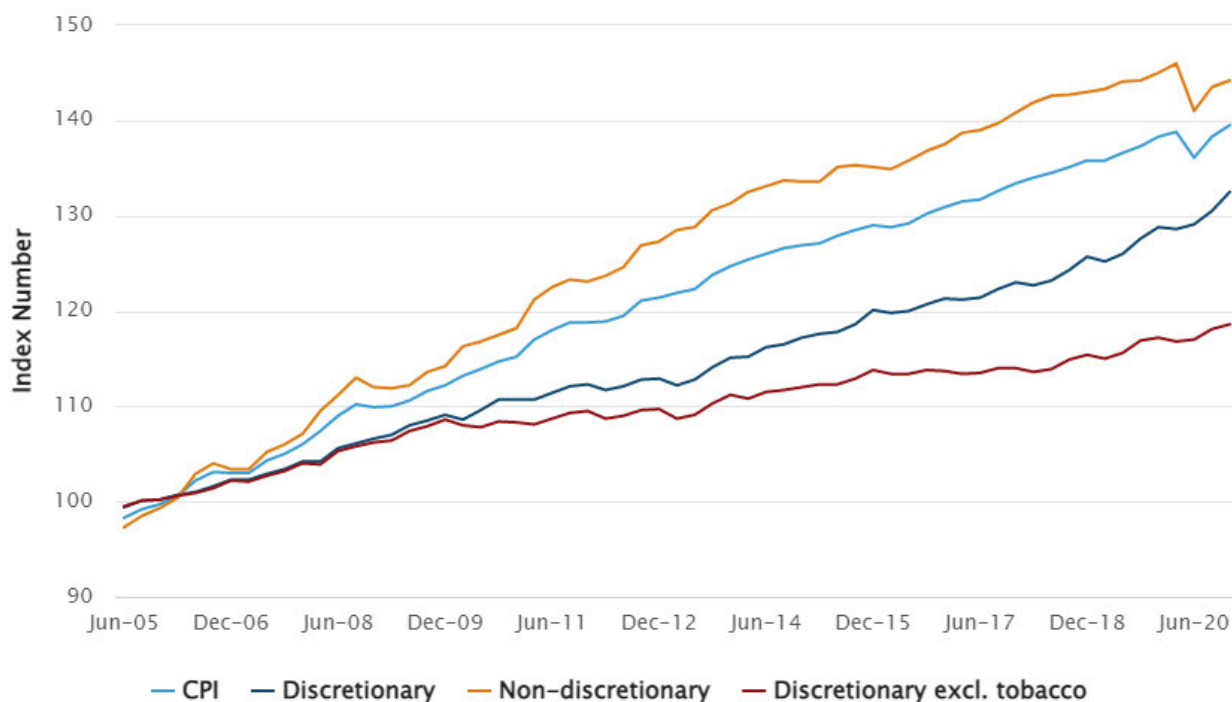
Unequal Impact

Critically, this crisis is affecting us all, but it is not affecting us equally.

Our experience has been that people who were already experiencing hardship are being faced with impossible decisions. Rising prices among non-discretionary spending have routinely been higher than discretionary spending, further illustrating that those already struggling to make ends meet on necessities, are entering the current period of high inflation with no room to breathe.

The Consumer Price Index (CPI) demonstrates that all forms of consumption have inflated, but that non-discretionary spending has risen by 8.4 per cent over the calendar year 2022, more than a full percentage point higher than discretionary spending in the same period. Food and non-alcoholic beverages (9.2 per cent), Housing (10.7 per cent) and Transport (8 per cent) have seen the most significant annual rises within the CPI, demonstrating the reality that struggling individuals are facing higher costs to eat, stay at home, and to travel to work. Although more recent representations are not available, Graph 2 demonstrates the diverging price indices of the CPI over time from discretionary and non-discretionary goods from June 2005 to June 2020.³

Graph 2: Non-discretionary vs. Discretionary inflation 2005-2021⁴



³ Australian Bureau of Statistics. (2021, May 25). *Measuring Non-discretionary and Discretionary Inflation*. ABS. <https://www.abs.gov.au/articles/measuring-non-discretionary-and-discretionary-inflation>.

⁴ Ibid.



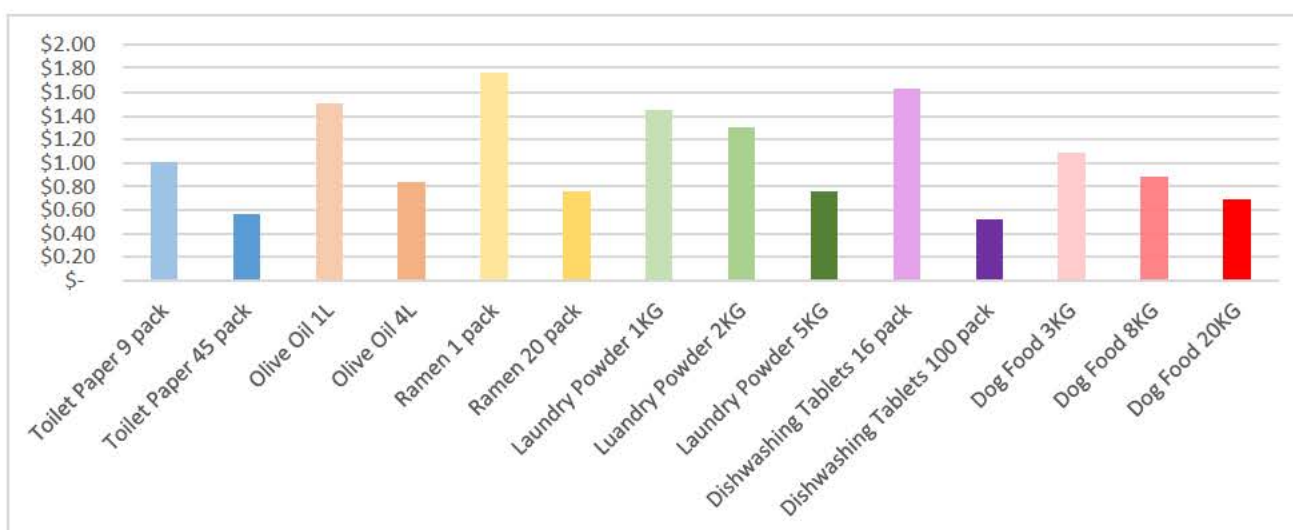


Poor Tax

A cruel paradox that most people experiencing financial hardship will recognise is that the less money you have the more expensive everything is. This is sometimes colloquially called a ‘poor tax’ because many goods and services cost less if you can buy them in bulk or upfront but to access those savings you need a level of funds that someone in financial hardship simply does not have (therefore only impacting those without financial resources).

There are many everyday items that have a significantly lower unit cost if purchased in bulk. To purchase in bulk requires both the money to invest upfront and a safe space to store the goods until use – both often out of reach to people on low and fixed incomes. Some of the items with long stable shelf lives, and ongoing use, raised by our community members are toilet paper, instant ramen, olive oil and laundry detergent. Similarly, upfront, or bulk payments of many payments, such as insurance, are cheaper than when paid month to month and direct debit of utilities also can attract a discount. These discount rates presuppose that a person can afford to pay in a lump sum, or are confident the debit account can always cover the bill.

Graph 3: individual vs. bulk unit price comparison⁵



Other examples involve how a person needs access to facilities to be able to access cheaper options. The most pertinent example of this involves food – buying ingredients and cooking a meal is undeniably cheaper than buying ready-made meals however it requires access to a functioning kitchen – something many of our community members do not have. Likewise tips around buying frozen rather than fresh vegetables presume access to a freezer – again something that someone who is homeless does not have. We see this also in situations where a person is at risk of sliding into poverty, such as sudden unemployment, a larger spend is necessary early on to prevent a prolonged, deeper experience of poverty. This however presupposes a pool of savings. Where this is not present, people may access emergency relief, or other services, but a lack of early, targeted action cannot rectify a slide into poverty.

⁵ Compiled from The Salvation Army’s research based on published prices of major providers in the ACT area.



An added complication is that most people who are financially poor are also often 'time poor'. A person reliant on public transport or who has moved to cheaper accommodation far away from work and social networks will expend far more time commuting than someone with access to a car or closer accommodation. Often there is a trade-off between time and expense (such as meal planning and cooking, researching the best deal or travelling to multiple stores to get the best deal). For people who are both financially and time poor there is no correct answer.

*John's Story

John* was seeking emergency relief and had inadvertently been directed to The Salvation Army's Swinger Hill site in Canberra when it was shut over Christmas. Case managers figured out the confusion and offered for John to attend the Braddon site to collect a voucher.

John explained that he didn't have enough petrol to make it to Braddon— just 18 kilometres away. Because it was Christmas, the usual back up option of sending the voucher by post would not meet John's needs.

In this case we were able to find a workaround but if that had not been possible, for the sake of around \$2.40 of petrol (or around \$4 at a minimum service pump) John would have received his \$160 voucher in time.

**Name changed*

Flow on Effects

Debt

Moneycare, The Salvation Army's financial counselling service has examined the aggregate data of thousands of community members and compared the average income over time, as well as the average expenditure on items essential to survival (housing, utilities, groceries). This analysis, illustrated in Table 1 below, shows that:

- Average income has grown by only \$9,688.11 in nominal terms over twelve years, yet average expenses have grown by \$10,506.19; and
- Expenditure on essential items exceeds income at a rate that is growing over time.

Critically, what the budgets of people who come for assistance show is that it is impossible to meet survival needs on the income levels that are actually being achieved. It is important to stress that this analysis does not include expenditure we know is necessary to support a minimally healthy life – like medication, social engagement or transport. As explained below, missing out on these categories of expenditure can have a detrimental effect on mental and physical health.



Table 1: Salvation Army Moneycare – Community Member Income Shortfall

Financial Year	Average Annual Client Income	Average Annual Client Expenditure (accommodation, groceries and utilities)	Income Shortfall	Income Shortfall as Percentage
2010-11	\$31,039.23	\$32,231.91	\$1,192.68	3.8%
2022-23*	\$40,727.34	\$42,738.10	\$2,010.76	4.9%

* 2022-23 July to December data collected already exceeds data collected in 2010-11.

This shortfall is growing. Faced with rising living costs and no option to make even further sacrifices, many of the community members we work with enter into debt – be it falling behind in utility payments, credit cards, or sourcing other, poorly regulated forms of credit like a ‘pay day’ or Buy Now Pay Later (BNPL) loan. These then put both financial strain and mental burden on people who are already struggling to make ends meet, as debts grow and payments become unmanageable.

The Salvation Army’s Moneycare financial counselling service sees how comparatively low amounts of debt can spiral into significant and unmanageable debt. We have seen community members in need enticed to enter consumer leases and rent-to-buy schemes for necessary purchases. Yet ultimately, clients end up paying three to four times the normal retail price over the life of the lease. The current under regulation of credit instruments, particularly BNPL loans, is a growing cause of indebtedness. These instruments are inappropriate for many people with limited incomes, and a continued lack of oversight of the sector risks people taking out a large number of expensive BNPL loans rather than safer, regulated forms of finance, such as No Interest Loans (NILs).

Recommendation - That the Committee recommend:

- The Commonwealth Government act to regulate Buy Now Pay Later Loans (BNPL) in a comprehensive manner, similar to that of other sources of consumer credit.

Entrenched disadvantage

Although the current period of inflationary pressures may be eventually brought under control through conventional economic policy, it is our concern that the current environment will trap individuals, including children, in long-term disadvantage. Debt and struggling to afford health, medication, housing, schooling resources and even social participation have real impacts which will stretch beyond the CPI returning to the target band.

Experiencing financial hardship has a long-term impact on life outcomes – most acutely for children. According to the five Australian Early Development Census (AEDC) domains, around one in five Australian children are developmentally vulnerable by the time they start school, and these children are overrepresented in the most disadvantaged settings.⁶

⁶ The Australian Early Development Census. (2022). Australian Early Development Census National Report 2021: Early Childhood Development in Australia. 9 <https://www.aedc.gov.au/Websilk/Handlers/ResourceDocument.ashx?id=75ac2964-db9a-6d2b-9fad-ff0000a141dd>.





There is a strong correlation between poverty in the first thousand days of a child's life and adverse health and wellbeing outcomes in later life, including poor educational and employment outcomes.⁷ Families who attract the attention of child protection services most often have ongoing lived experiences of poverty, domestic and family violence, substance misuse and mental health conditions. First Nations children are faced with additional hardships and children with disability have nearly four times higher risk of experiencing violence than children without disability.⁸

The lifelong, inescapable and intergenerational nature of poverty is devastating to the development, education, wellbeing and employment of children who are born into situations of poverty.

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“Never in our wildest dreams did we think we'd be so busy.”

– A Salvation Army Doorways Regional Manager

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Recommendation - That the Committee recommend:

- The Commonwealth Government take a long-term view of the implications of the current cost of living pressures upon individuals, including upon child development.

⁷ Royal Children's Hospital Melbourne. (2019). Strong Foundations: Getting it Right in the First 1000 Days A Case for Investment. 28 <https://www.rch.org.au/uploadedFiles/Main/Content/ccchdev/The-First-Thousand-Days-A-Case-for-Investment.pdf>.

⁸ Australian institute for Family Studies. (2017). Understanding safeguarding practices for children with disability when engaging with organisations. 3 <https://aifs.gov.au/resources/practice-guides/understanding-safeguarding-practices-children-disability-when-engaging#:~:text=Children%20with%20disability%2C%20as%20a,children%2C%20their%20families%20and%20organisations.>



Welfare Reform

The Salvation Army has long held that the base rate of JobSeeker is insufficient to allow people experiencing unemployment to live with dignity. The payment does not cover basic needs, with more and more individuals coming to organisations, such as The Salvation Army, for emergency relief. Our experience working with people who are experiencing poverty as a result of the low rate of JobSeeker has shown how the payment prevents people from affording necessities, like food, housing and medication.

In the 2022-23 financial year, 88 per cent of visits of people seeking emergency relief are people reliant on government payments.⁹ This demonstrates how the JobSeeker payment, along with the social security system as a whole, fails to act as a safety net for those experiencing economic hardship, relying on the charity sector to fill the gap.

The base rate of JobSeeker, along with Youth Allowance, must be raised.

Recommendation - That the Committee recommend:

- The Commonwealth Government immediately and meaningfully increase the rate of the JobSeeker Payment and Youth Allowance to ensure that recipients are able to live with dignity.

We are aware that an increase in welfare payments could, in itself, have an inflationary impact. This, in our view, is not reason enough to leave people living in extreme hardship:

- The economy serves the community – inflation needs to be managed because it is causing harm to members of the community. Managing inflation in a way that causes even further harm to the community does not make sense.
- The low level of JobSeeker itself acts as a barrier to people moving into work.
- The ongoing cost of people living in poverty (in terms of increased government expenditure and reduced earnings as well as educational, health and community outcomes) has a negative impact on the economy.

In the process of assisting people to move from welfare to work, The Salvation Army has observed that if a person is experiencing continuous financial hardship for more than a few months, their capacity to engage in effective job search activity diminishes. A person struggling to meet their rent or utility bills, manage personal debt, provide for a young family or pay recurring medical expenses has fewer resources available to them to meet the ongoing cost of looking for work.

Research shows that long-term unemployment itself is often a barrier to employment.¹⁰ We have seen how this feeds into feelings of helplessness and forces individuals to become isolated from

⁹ The Salvation Army. (2022). Fallen on Hard Times this Christmas: Christmas Research Report December 2022. https://www.salvationarmy.org.au/scr/be/sites/auosalvos/files/Christmas_Research_Report_2022_V3.pdf.

¹⁰ OECD LEED. (2013). Tackling Long-Term Unemployment Amongst Vulnerable Groups. Paris: OECD. Retrieved December 16, 2019, from https://www.oecd.org/cfe/leed/Tackling%20Long_Term%20unemployment_%20WP_covers.pdf



their friends and family. This can lead to physical and mental ill-health, which are further barriers to employment.

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“With the rising cost of living, medications needed, rent, electrical and gas bills all rising. I have had to beg and borrow. AND seek help from various sources and charities. This is constantly causing more mental health issues with anxiety and stress and insomnia. I’ve felt ashamed of my social status.”

”

– A Salvation Army survey respondent

As such, The Salvation Army contends that raising the rate of JobSeeker, in reducing the barriers to finding employment, would help to tackle inflation by addressing total labor market productivity.

Further, the adjustment of the rate of JobSeeker on a six month basis, or annually for Youth Allowance, leads to a significant lag. Although a broader rethink of the method of indexation must be considered in the long-term, the current method of indexation based on the Consumer Price Index still allows for payments to become deflated due to the current rapidly rising cost of living pressures. The Salvation Army recommends that indexing period for both JobSeeker and Youth Allowance rises be increased to minimise the impact lag.

Recommendation - That the Committee recommend:

- The Commonwealth Government consider increasing the indexing period for both JobSeeker and Youth Allowance to quarterly to lessen the effect of payments lagging behind inflation.



Fiscal Policy

The use of traditional monetary policy will continue to be the major method of returning inflation to the target of between 2 and 3 percent per annum. A further consideration for addressing broader inflationary pressures faced by all Australians is the role that fiscal policy can play.

The Salvation Army strongly supports the Commonwealth Government's use of a wellbeing budget. As the economy serves people, the commitment to measuring the wellbeing and implications of fiscal policy upon individuals' wellbeing beyond the financial is a helpful paradigm within which all economic policy, fiscal and monetary, must be anchored.

There may be budgetary changes which could be deployed by the Commonwealth and state governments to supplement the necessary work of the RBA, and may act as a dampening effect upon inflationary pressures. These could be specifically targeted, and designed to minimise the impact upon those in our society with the least capacity to absorb and adapt to additional financial pressures.

One method to devise the necessary strategic economic direction, as well as develop political and community consensus, would be for a National Economic Summit. This summit would be similar to that conducted in the high inflationary period of 1983, and work to bring state governments, industry and union leadership, academic, and community organisations to develop a collective vision for fiscal and economic policy. The recent Jobs and Skills Summit showed the benefit of a broad range of stakeholders, along with the visible nature of deliberations, working together. This both develops shared buy-in for the strategy, but also develops public trust in the outcomes.

Recommendation - That the Committee recommend:

- The Commonwealth Government work with state governments, industry and union groups, the community sector and economic professionals to develop an economic strategy, such as through a National Economic Summit.



Housing

As a major provider of both housing, and homelessness services, The Salvation Army has seen a rising number of Australians, from all walks of life, become excluded from affordable housing. This is an issue which has been prevalent for many years, and the current cost of living “crisis” is just the latest in the persistent affordability pressures throughout the housing market.

The rental, investment, owner occupier, and social housing markets are not isolated, with different consumers and quarantined demand. They exist on a continuum along with all forms of accommodation, and interrelate to one another. Changes in the affordability and availability at any point along this continuum, have impacts upon the system as a whole.

The Reserve Bank of Australia (RBA) has tightened monetary policy in recent months. This has impacts throughout the housing continuum. The Australian Bureau of Statistics (ABS) selected cost of living index has broken down the effect of price changes upon households types, highlighting the impact of mortgage interest changes as the largest contributor to the cost of living increase for employed households, with a 26.6 per cent rise in the December quarter compared to the September quarter.¹¹

Additional housing affordability pressures for those who own their own home with a mortgage, in the form of higher mortgage rates, has downstream impacts. Where owners shift from ownership to the rental market due to the costs of repayments, this pushes more cost pressures upon the entire rental market. Similarly, where the cost of maintaining a loan on investment properties increases, land lords may pass these costs on in the form of higher rental prices.

Changes in housing affordability and availability are being felt most significantly in the less secure housing segments. Rising rents and housing costs are neither manageable nor sustainable for low-income earners and those who are reliant on government income support, who are particularly vulnerable to housing stress and the risk of homelessness. Research conducted by Anglicare Australia shows that as much as 50 per cent of people, and two thirds of people under 24, who receive the Commonwealth Rental Assistance payment remain in rental stress due to the low rate and flawed design of the payment.¹² Less than 1 per cent of properties on the market are affordable for those on low incomes or government support benefits.¹³

People who are at risk of homelessness are unable to exert control over their housing options, and are now forced to make impossible financial decisions where paying for housing directly competes with paying for food, utilities, healthcare and medicine, costs associated with raising children, and other necessities. When combined with low fixed incomes, there is often no safety net to accommodate rising prices.

¹¹ <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/selected-living-cost-indexes-australia/latest-release>

¹² Anglicare Australia. (2023). *Reforming Rent Assistance: Ending Rental Stress Across Australia*. 8. <https://www.anglicare.asn.au/wp-content/uploads/2023/01/Reforming-Rent-Assistance.pdf>.

¹³ Anglicare Australia. (2022). *2022 Rental Affordability Snapshot*. 10 <https://www.anglicare.asn.au/wp-content/uploads/2022/04/Rental-Affordability-Snapshot-National-report.pdf>.



Rent Assistance and Social Housing

The Commonwealth Rent Assistance (CRA) is available to renters in the private rental market and community housing who are receiving a social security payment. Its objective is to prevent even more widespread housing stress and housing affordability issues. A single person paying more than \$156.76 per week in rent can currently receive up to \$70.40 a week in CRA¹⁴ however, the CRA has not kept pace with increasing rents and household costs. The Productivity Commission found that 29.4 per cent of low-income households receiving CRA at the end of June 2020 still experienced rental stress.¹⁵ The rate must be increased to minimise housing stress among low-income renters.

Additional payments, such as the Energy Supplement and Rental Assistance provide some critical relief but are not sufficient. Neither are these available for people on low incomes who are not recipients of income support but are experiencing housing stress. Together with income support payments, there is a need to review CRA to ensure that it is effective and better targeted to address the variable cost of rent, and responsive to changes in the housing market.

In the face of record and rising housing unaffordability in the private rental market, all payments must be reassessed for their adequacy and directly linked with the actual cost of living for recipients to live with dignity.

For many people who come to The Salvation Army for support, social housing provides a vital role in an increasingly unaffordable and insecure housing market. It often represents the only path out of homelessness. Yet the number of social housing households as a proportion of all households across Australia has fallen in recent years. A 2018 study estimated a national shortfall of social and affordable housing of 437,586 dwellings.¹⁶ It also estimated that by 2036 there will be a shortfall of nearly 730,000 dwellings.¹⁷

The Salvation Army believes that Housing First approaches should underpin the homelessness response and social housing allocation policy across Australia. This also requires a supply of available social housing that is sufficient to meet demand. Despite some enhanced investment by some states, it will likely take many years and rolling budget commitments before there is adequate flow within the social housing system and capacity to deliver Housing First programs at scale. Therefore, in the shorter term, we consider that an increase in the stock of transitional housing and crisis accommodation centres is also necessary – particularly in regions where there are no such crisis options.

¹⁴ Services Australia (2020) *Rent Assistance – How much you can get*. www.servicesaustralia.gov.au/individuals/services/centrelink/rent-assistance/how-much-you-can-get.

¹⁵ Productivity Commission. (2021). *Report on Government Services 2021*. <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021>.

¹⁶ Lawson, J., Pawson, H., Troy, L., Nouwelant, R., and Hamilton, C. (2018). *Social housing as infrastructure: an investment pathway*, AHURI Final Report No. 306. <https://www.ahuri.edu.au/research/final-reports/306>, doi:10.18408/ahuri-5314301.

¹⁷ Ibid.





The Salvation Army identifies the following suggestions to grow social housing:

- **Ensure an ongoing funding program for community housing** so providers can have 'shovel-ready' projects to apply for available funds. The ad-hoc nature of current capital funding rounds (both within and among states) means that the sector cannot develop the capacity and capability required to continue growing. There needs to be more certainty when future funding rounds will be offered.
- **Simplify the application process and extend timelines** where the capacity for responding to new funding opportunities may be limited.
- **Review how rental payments are collected** through social and affordable housing to make it sustainable for providers to build and maintain housing, while also increasing their stock. The fact that other sources of revenue (for example, rental assistance and rental payments) are capped also inhibits yield and ultimately growth.
- **Introduce mandatory inclusionary zoning**, which would see developers compelled to include social and/or affordable housing in their projects. This should include a transparency and accountability framework that defines how social and affordable housing will be apportioned in new developments. There are currently few mechanisms in place to engage with developers to ensure a portion of their development is affordable.
- **Provide discounted rates to incentivise not-for-profit organisations to invest in housing**, where low rental returns, maintenance costs, rates and taxes can be prohibitive.
- **Provide better access to information about the availability of land** and whether infrastructure developments are already in place or proposed for the future.
- **Provide adequate funding for community housing providers** to develop housing in regional communities where they do not have a current presence and the costs incurred for travel can be prohibitive.

Recommendation - That the Committee recommend:

- The Commonwealth Government review the rate, and eligibility of Commonwealth Rent Assistance.
- The Commonwealth Government make addressing the national shortfall of social and affordable housing the centrepiece of the National Housing Strategy.
- The Commonwealth Government consider setting an ambitious goal for increasing the supply of affordable and social housing stock.



Conclusion

The Salvation Army again thanks the Committee for the opportunity to provide input into the Select Committee's inquiry into the cost of living.

The Salvation Army is hopeful that the Committee, as well as governments of all parties, and levels, can work to ensure that the current period of significant cost of living pressures can be managed, while also providing much needed support to those who have the least.



About The Salvation Army

The Salvation Army is an international Christian movement with a presence in more than 130 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for people experiencing hardship, injustice and social exclusion.

The Salvation Army Australia provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country.

Programs include:

- Financial counselling, financial literacy and microfinance
- Emergency relief and related services
- Homelessness services
- Youth services
- Family and domestic violence services
- Alcohol, drugs and other addictions
- Chaplaincy
- Emergency and disaster response
- Aged care
- Employment services

As a mission-driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and person-centred approaches that reflect our mission to share the love of Jesus by:

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

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

Further Information

The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance.

