



# no new start



National Economic &  
Social Impact Survey  
21 May 2014

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## executive summary

*I just want to get a job and have the same as others – break the poverty cycle.*

- **62% of respondents have cut down on basic necessities**
- **55% of respondents have delayed payment of utility bills**
- **42% of respondents are in private rental and 28% have been unable to make rent payments on time**
- **55% of respondents can't afford presents for families**

**Of the 2,640 children represented in ESIS 2014:**

- **75% were doing without essential items due to their parent's economic status**
- **56% of respondents could not afford out of school activities for their children and 42% could not afford school books, equipment or new school clothes for their children.**

**The sub-group of respondents on Newstart Allowance, who reported having a disability or health problem, and their children, were experiencing significantly higher levels of deprivation compared to Disability Support Pension recipients.**

This Economic and Social Impact Survey (ESIS) 2014 is the third consecutive report by The Salvation Army Australia into the levels of deprivation and disadvantage experienced by those within our communities who need to access Emergency Relief (ER) services. As a major provider of Emergency Relief (ER) services in Australia, The Salvation Army provides a safety net for many within the community who are struggling to make ends meet. In 2013, The Salvation Army provided ER to 156,913 people and their families across Australia, representing a total of 320,260 client contacts.<sup>1</sup> The Salvation Army is a major provider of Emergency Relief (ER) services in Australia, providing a safety net for many within the community who are struggling to make ends meet. In the 2013-2014 financial year The Salvation Army contributed approximately \$18 million of its own funds to support its 237 emergency relief and community support services across Australia.

ESIS 2014 provides a detailed analysis of 2,485 responses to the ESIS survey distributed through the 237 Salvation Army ER and community support services across Australia during February 2014.

The ESIS 2014 report reveals a disheartening picture of enduring and entrenched poverty and disadvantage within a core group within the Australian community. The Salvation Army is deeply concerned about increasing demand for services that will be subject to a reduction in funding as a result of the 2014 Federal Budget. Changes to Newstart and Youth Allowance will result in greater demand for services that The Salvation Army will increasingly struggle to provide.

The ESIS reports give voice to those most disadvantaged and disenfranchised within our communities, and advocates strongly for a more just and equitable approach to addressing the needs and disadvantage experienced by many. ESIS 2014 particularly highlights the situations and experiences of a number of specific groups:

- Individuals and families in receipt of the Newstart Allowance and Disability Support Pension
- Individuals and families in receipt of Disability Support Pension
- Individuals in receipt of the Newstart Allowance who have a disability or health problem,
- Single parents, and
- Asylum seekers and refugees.

<sup>1</sup> The Salvation Army specific data is provided through The Salvation Army Service and Mission Information System (SAMIS). SAMIS is a customised, in-depth and unique client management, data collection, information and reporting system used by most Salvation Army social programs across Australia.

As in previous ESIS reports, the children of these respondents continue to be deprived of essential items and services due to their parents lack of financial resources. ESIS 2014 shows that it is these groups who are doing it hardest within our communities, and their ongoing level of disadvantage and poverty continues to be of significant concern to The Salvation Army.

ESIS 2014 respondents face constant stress associated with inadequate economic resources. They have no, or limited, options to mediate problems if they arise, and as a result are excluded from everyday resources, including access to services, and recreational and social experiences. Of great concern for families is the paucity of options to provide for their children when economic resources are so limited. The Salvation Army, through its extensive national network of emergency relief centres, corps, social programs and employment services provide a significant and comprehensive response to individual and community disadvantage.

In the same month that saw the release of the National Commission of Audit – *Towards Responsible Government*,<sup>1</sup> and as the country moves to what is predicted to be an austere national budget that will see major changes to education, welfare and social structure spending, ESIS 2014 is a tangible reminder to those in government of people who will be most affected by the proposed changes. The Salvation Army, as one of Australia's largest providers of welfare services, works on a daily basis with those most in need. Recognising that the support and services provided to the community by governments must be managed effectively and efficiently, the proposed changes and budgetary measures will, however, significantly impact those already disadvantaged and marginalised in the community, and only serves to increase and further consign individuals and families to a life of poverty.

The following table indicates the percentage of income clients, receiving a range of allowances, already need to spend on accommodation, as indicated in The Salvation Army submission to the Senate Economics Reference Committee on Affordable Housing.

City	Income Type	Accommodation Cost	% of Income
Melbourne	Newstart plus CRA <sup>2</sup> \$490 per fortnight	Boarding house inner city \$400 per fortnight	Approx. 94% <sup>3</sup>
Adelaide	Disability Pensions plus CRA	Supported residential (pension only)	79% metro 84% regional <sup>4</sup>
Sydney	Newstart plus CRA \$490 per fortnight	\$350 per week (Marrickville [metro] unit)	87%
Brisbane	Single parent + 2 children (Newstart) + CRA	\$650 per week (2 bed unit – Brisbane central)	104%

The Salvation Army, (2014). *Submission to 2014 Senate Economics Reference Committee on Affordable Housing*.

Available: [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Affordable\\_housing\\_2013/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Affordable_housing_2013/Submissions)

1 Australian Government, National Commission of Audit <http://www.ncoa.gov.au/index.html>

2 Commonwealth Rental Assistance (CRA).

3 Data sourced from TSA frontline service delivery staff in Melbourne, Sydney and Brisbane.

4 Government of South Australia (2012) *Supported Residential Facilities Advisory Committee Annual Report*. Pg 22.



A recent report by the OECD cited the following:

*Relative poverty in Australia (14.4% of the population) is higher than the OECD average (11.3%). Even if they still are high, poverty rates for youth and particularly those over the age of 65 declined, while child poverty increased.*

*10% of Australians report that they cannot afford to buy enough food. This share has increased somewhat over the past years.<sup>1</sup>*

The report describes that while there has been an increase in real public spending this has mainly been due to pensions, leaving many families with children behind. In addition, this report states that public spending is below the OECD average. The Australian Government Treasury stated the following in its 2013 Economic Roundup:

*A greater focus on understanding and tackling multiple and entrenched disadvantage is critical in terms of improving overall wellbeing in Australia, notwithstanding that sustained economic growth and strong real income growth across the spectrum has delivered a great deal to Australians in recent years.<sup>2</sup>*

It is the experience of The Salvation Army and the experiences of those represented in the ESIS reports that poverty and disadvantage continue to affect many Australians and the impact is complex and wide ranging. Causes of and responses to these issues are just as complex and require strong commitment and resolve from all levels of government and the community. The Salvation Army has provided an active voice, alongside that of the Australian Council of Social Services and other not for profit organisations, in advocating for a fair and just approach for all Australians to ensure they can develop the resources and capabilities to engage fully and meaningfully in the Australian community. The Salvation Army fears, however, that the current political and economic reality will provide **no new start** for these individuals and their families.



1 OECD (2014) Society at a Glance 2014 Highlights: Australia OECD Social Indicators. Viewed at <http://www.oecd.org/australia/OECD-SocietyAtaGlance2014-Highlights-Australia.pdf> on 8/5/2014.

2 The Australian Government The Treasury (2013) Economic Roundup Issue 3 2013 Viewed at <http://www.treasury.gov.au/PublicationsAndMedia/Publications/2013/Economic-Roundup-Issue-2/Economic-Roundup/Income-inequality-in-Australia>

## background

### About The Salvation Army

The Salvation Army is one of the largest national providers of welfare services. Operating in Australia since 1880, The Salvation Army has a significant history of working with and advocating for the rights and needs of disadvantaged people in our community. Consistent with the values of human dignity, justice, hope, compassion and community, The Salvation Army is committed to the promotion of social justice and the protection of the rights of disadvantaged and marginalised people.

The Salvation Army, with an annual operating budget of approximately \$700 million, provides over 1,000 social programs and activities through a network of social support services, community centres and churches across the country.

Key services provided by The Salvation Army Australia network include:

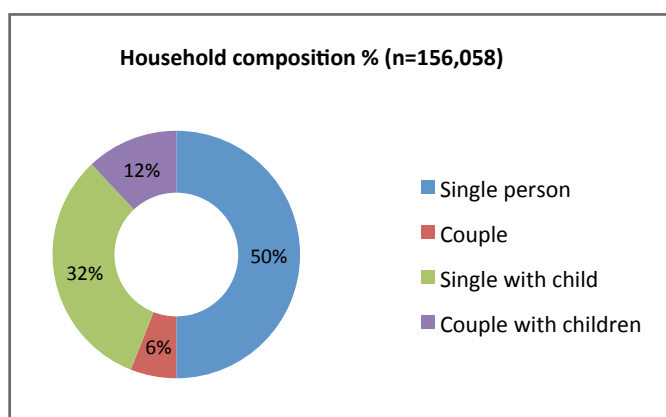
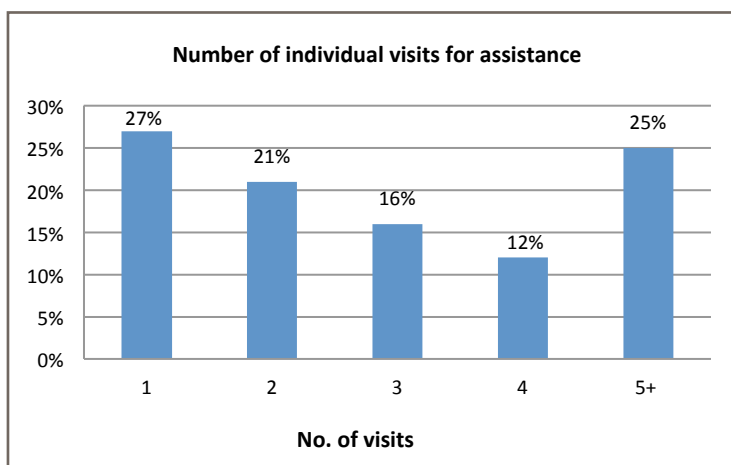
- Accommodation and homelessness services
- Aged care services
- Children and youth at risk programs
- Drug and alcohol support and treatment services
- Education, training and employment support services
- Family and domestic violence support and accommodation services
- Financial counselling and assistance
- Material aid and emergency relief
- Migrant and refugee services
- Out of home care services, and
- Personal counselling and support.

The Salvation Army Australia has an established reputation for providing these services across the spectrum of disadvantage - working with individuals and families impacted by poverty, deprived of opportunities and activities considered part of everyday Australian life. The Salvation Army works with individuals who, due to life experiences and events, have inadequate education and training, poor health, and a sense of powerlessness that compromises their capabilities and opportunities to participate in the community.

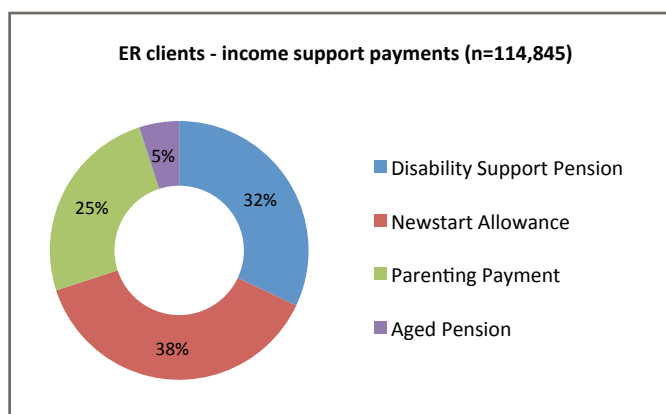
Historically, ER services provided crisis support and assistance for disadvantaged families and individuals through the provision of material aid (e.g. food, assistance paying bills) and information, referral and advocacy. This trend has shifted in recent years, with people presenting with more complex needs and experiencing long term financial hardship due to multiple factors, including low rates of income support, unemployment or retrenchment, housing stress and disability. They are also presenting more frequently and accessing multiple agencies to help them get by. Recognising and responding to these trends, The Salvation Army ER services are provided through "Doorways", a philosophical context that encompasses an integrated, holistic and capacity building approach to service delivery. This approach actively seeks to address the underlying factors leading to poverty and persistent disadvantage and disengagement experienced by many people accessing Salvation Army services.

## Who are the people attending The Salvation Army emergency relief services?

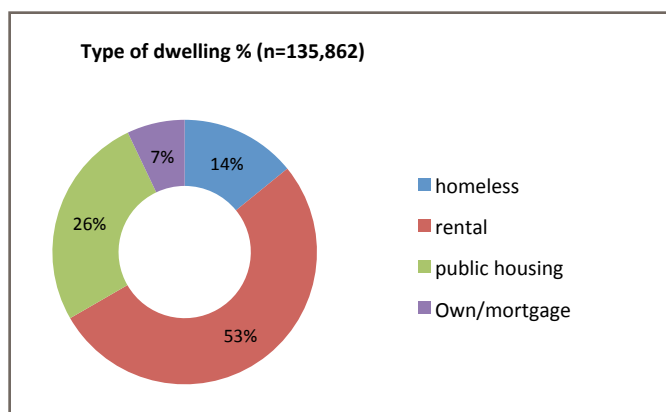
In 2013, over one third (36%) of people presenting for assistance at Salvation Army ER services were seeking assistance for the first time. More frequent attendance for assistance was common, with over a half attending more than three times (53%).



Over half of the people presenting were female (59%), and almost one third were single parents (32%).



The majority of people presenting for ER support were in receipt of a government income support payment. Over a third of people were on the Newstart Allowance (38%), and almost a third were in receipt of a Disability Support Pension (32%). A quarter of recipients were on parenting payments.



The majority of people were residing in private rental and just over a quarter were in public housing. Fourteen per cent of recipients indicated that they were homeless at the time of seeking support.<sup>1</sup>

<sup>1</sup> Homelessness includes: homeless, caravan, staying with friends, boarding house, crisis/medium term accommodation, hotel/motel.



## methodology

In 2014, The Salvation Army Australia Southern Territory (AUS)<sup>1</sup> and Australia Eastern Territory (AUE)<sup>2</sup> conducted the third national ESIS survey to highlight the impact of cost of living pressures on individuals and families who access emergency relief and community support through Salvation Army services.

The survey aimed to provide information about the people seeking support and assistance and the levels of deprivation and exclusion, both economically and socially, experienced by these individuals.

The questionnaire reviewed and refined the 2012 and 2013 versions, including indicators of disadvantage and social connectedness, in addition to questions of financial impact.

### Survey questionnaire

The survey questionnaire comprised four parts: respondent demographics; impact of financial situation; social supports; and the Essentials of Life scale.

Part One (*About You*) is a set of demographic questions asking people to describe their personal and family circumstances and living, housing and income situations.

Part Two (*Your Financial Situation*) is a set of three statements asking respondents to rate how they perceive their current and future financial situation. It asks respondents to nominate what they have had to do, or do without, as a consequence of their financial situation over the past 12 months.

Part Three (*Your Social Supports*) is a set of three statements requiring respondents to rate their level of agreement or disagreement against a seven point scale. The statements described how much support they get from other people and are based on the Household, Income and Labour Dynamics in Australia (HILDA) Survey (Wave 11 Self Completions Questionnaire B17).<sup>3</sup>

Part Four (*The Essentials of Life*) is based on the indicators of disadvantage developed by Saunders, Naidoo and Griffiths (2007).<sup>4</sup> This list of 26 items represents those services, items, activities or opportunities that are considered essential in Australia today.<sup>5</sup> Participants were asked to indicate for each item whether or not they had the item, and if they did not have the item, whether this was because they could not afford it or because they did not want it.

### Survey process

The survey questionnaires were distributed nationally through 237 Salvation Army services, providing emergency relief and community support during the period 10 February to 21 February 2014.

The questionnaires were paper based and participation was voluntary. Although the questionnaire was developed for completion by individuals themselves, centre staff and volunteers were advised that some people may require assistance and that this should be provided.

### Data entry and report

Completed questionnaires were manually entered into a secure database for qualitative and quantitative analysis. Emerging themes were identified based on participant responses. The survey data, supported by respondent comments, was analysed to investigate the levels of deprivation and disadvantage of individuals accessing The Salvation Army emergency relief centres. Non-response (NR) has been excluded from the calculations, but the number will be stated in each chart. While most questions have a low NR rate (less than 10%), cautions should be made when using the information from a chart with NR rate higher than 10%. This will be indicated in relevant charts or section.

1 The Salvation Army Australia Southern Territory (AST) includes Victoria, Tasmania, South Australia, the Northern Territory and Western Australia.

2 The Salvation Army Australia Eastern Territory (AET) includes New South Wales, Queensland and the Australian Capital Territory.

3 The HILDA Project was initiated and is funded by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute).

4 Saunders, P. Naidoo, Y. & Griffiths, M. (2007) *Towards New Indicators of Disadvantage: Deprivation and Social Exclusion in Australia*. Social Policy Research Centre, Sydney, NSW.

5 Saunders, P. (May, 2007) *Towards New Indicators of Disadvantage Project. Bulletin No.2: Deprivation in Australia*. SPRC Newsletter No. 96. Social Policy Research Centre, Sydney, NSW.





## results

In summary, the ESIS 2014 respondent cohort (n= 2,485) closely replicates the demographics of people who access The Salvation Army ER services in general. Overall, results were similar to those reported in ESIS 2013 which suggests that disadvantage and levels of deprivation remain unresolved and largely entrenched in these communities.

ESIS 2014 was conducted in an economic climate that has seen rising utility costs and increasing housing affordability issues, coupled by the tightening of eligibility requirements for income and government service supports. As reflected in ESIS 2014 report, this situation has impacted the disadvantage and low income individuals and families, particularly their quality and standard of living, access to essential services and their capacity to engage meaningfully in education, training and/or employment. Many of these individuals and families have requested Emergency Relief assistance from The Salvation Army as the last-resort to meet their family's basic needs.

Similar to ESIS 2012 and ESIS 2013, a portion of the Australian population continue to be entrenched in poverty and experiencing deprivation. They and their families are being significantly excluded from what other Australian's would consider as essential items and services. They are doing without meals, living in sub-standard accommodation and unable to afford access to basic health and recreational services.

The majority of respondents in ESIS 2014 are unemployed (83%) and on income support (91%). Single parents were significantly represented (46%) and there were over 2,500 children represented. The deprivation felt by the children of the respondents is clearly shown, and despite parents' best efforts to shield children from their own disadvantage, it was likely that the severe financial constraints would impact their children's quality of life and access to some basic educational, social and recreational items necessary to prepare them for community life. Without proper interventions, it will compromise the ability of these children to secure future employment, lead a flourishing life and make positive contributions to Australian society. Therefore, inadvertently keeping the children of disadvantaged families in long-term poverty, with high levels of social exclusion and dependency on government and community supports, is likely to have long term impacts.

As in previous studies, the impact of deprivation and the level of multiple deprivations is higher for those individuals on the lower paid Newstart Allowance and those on the Disability Support Pension (DSP).

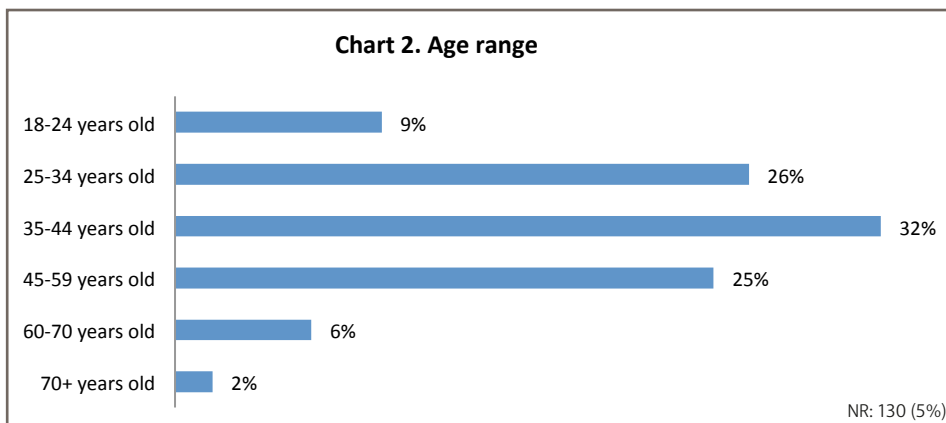
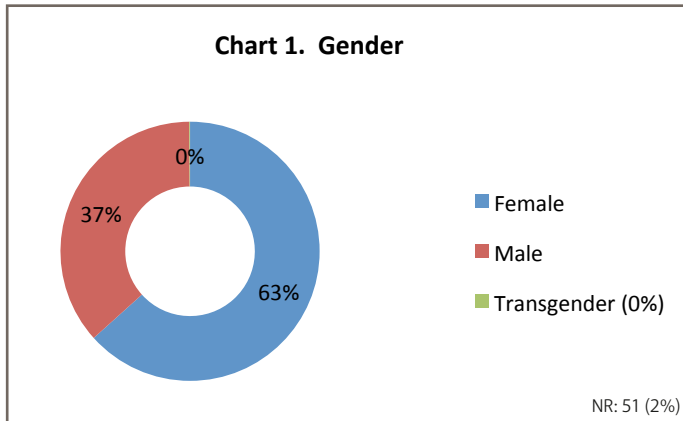
Of statistical significance is the level of multiple deprivations felt by individuals on Newstart Allowance who reported having a disability or health problem. Utilising independent samples t-test, the mean deprivation of the Newstart Allowance cohort was significantly higher compared to the Disability Support Pension cohort. Likewise, and using the same analysis, the children of this Newstart Allowance sub-group were experiencing higher levels of deprivation than the children of parents on Disability Support Pension.

Respondent comments, however, strongly support a desire to be working and to contribute more effectively to their families and their community. There is no sense of entitlement from respondents. Overwhelmingly, comments show how hard the struggle is for people in their current situation, and point to the lack of options, responsive services, and their enduring poverty as barriers to making an active, valued and positive contribution to their communities.

## total cohort demographics

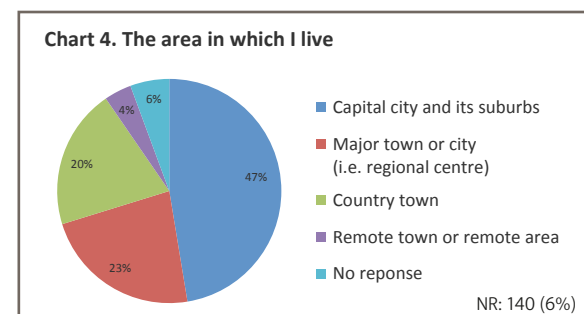
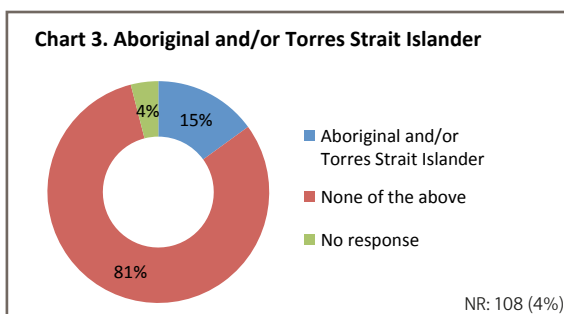
A total of 2,485 surveys were received. Non-response rates for each question is generally low and will be stated in each chart.<sup>1</sup>

The majority of respondents were women, representing 62% of the total (Chart 1). The majority of respondents were of working age, with 83% aged between 25 and 60 years of age (Chart 2). This is a similar profile to that detailed in the ESIS 2012 and 2013 reports.



Fifteen per cent of the cohort identified as Aboriginal and/or Torres Strait Islanders (Chart 3), which is significantly higher compare to the proportion of the Indigenous population in Australia (3%).<sup>2</sup>

The majority of respondents live in metropolitan suburbs (47%) and almost a quarter resided in major regional centres (23%). Twenty per cent lived in country towns and 4 per cent in remote areas (Chart 4).

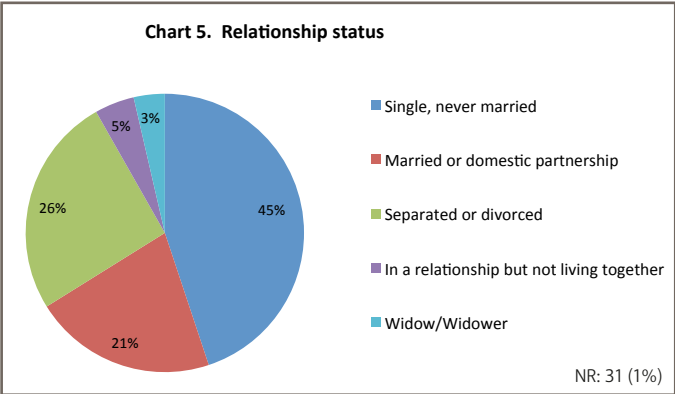


<sup>1</sup> Non-response rates may be excluded from the calculations, but the number will be stated in each chart, abbreviated as NR. While most questions have a low NR rate, cautions should be made when using the information from a chart with a high NR rate. This will be indicated in relevant charts.

<sup>2</sup> Australian Bureau of Statistics, 2011, *Estimates of Aboriginal and Torres Strait Islander Australians*, cat. No. 3238.0.55.001, viewed 6th May 2014, (<http://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001>).

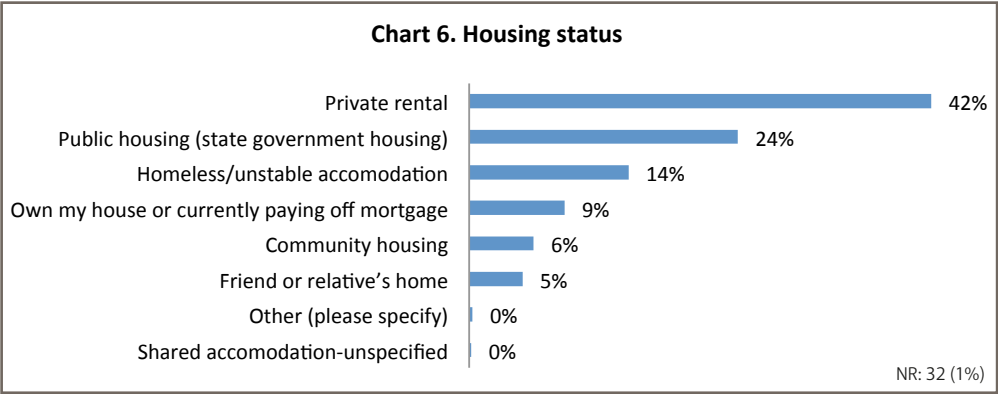
Families and households

Almost half of the respondents (45%) were single people (with or without children) compared to 21 per cent being couple relationships (Chart 5).



<p><b>Total number of single person headed households = 1,816</b></p> <p><b>Of these, there were 826 (46%) single parents</b></p> <p><b>Of the single person headed households, there were a total of 1,686 children under the age of 18 years (63.9% of total children)</b></p> <p><b>There were 632 couple headed households</b></p> <p><b>Of these, there were 397 couple parents with children under the age of 18 years.</b></p>	<p><b>In these couple headed households, there were 954 children under the age of 18 (36% of total children).</b></p> <p><b>There are a total of 1,236 households with children</b></p> <p><b>There were at least 2,640 children represented in these households.</b></p> <p><b>The average children per household were estimated to be 2.3.</b></p>
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Almost half of respondents were in private rental (42%) and almost one quarter in public housing (24%). Similar to the demographics of people who approach The Salvation Army ER services in general (page 5), 14 per cent of respondents reported being homeless or in unstable accommodation (Chart 6).



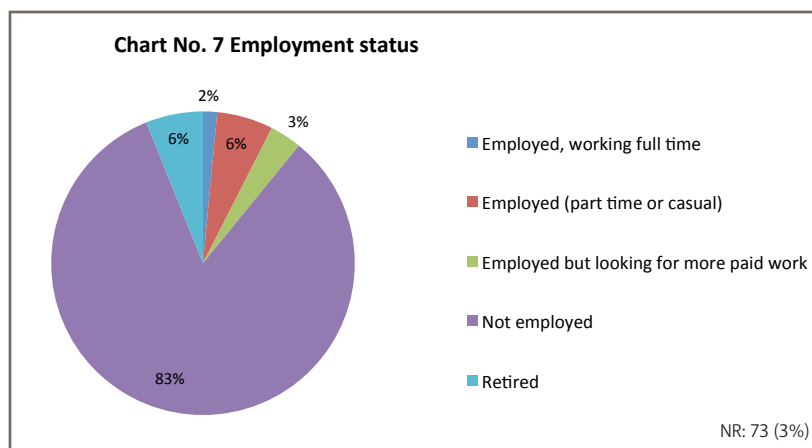
*I would only like to say that this is my first time ever to become homeless – not have anyone or anywhere to go. I really hate it and can be so dangerous for women who are alone. But I have to say one thing. Geez it's been an experience that's for sure. Now I understand fully about being homeless, for whatever the situation it sure is bloody tough. Thank God for these crisis places to assist us from time to time. It's great help and I'm sure most really are grateful for the help.*

## Employment and income status

*I want a job, any job.*

*I'm always applying for jobs – either never hear back or get an interview and get told I am not the right fit or I'm too old.*

Eighty-three per cent of respondents (2004) were unemployed, while 3% (81) were employed but looking for more paid work. Alarming, only 8% (181) of respondents were employed (Chart 7). The proportion of unemployed respondents (83%) is slightly higher than reported in ESIS 2013 (79%).



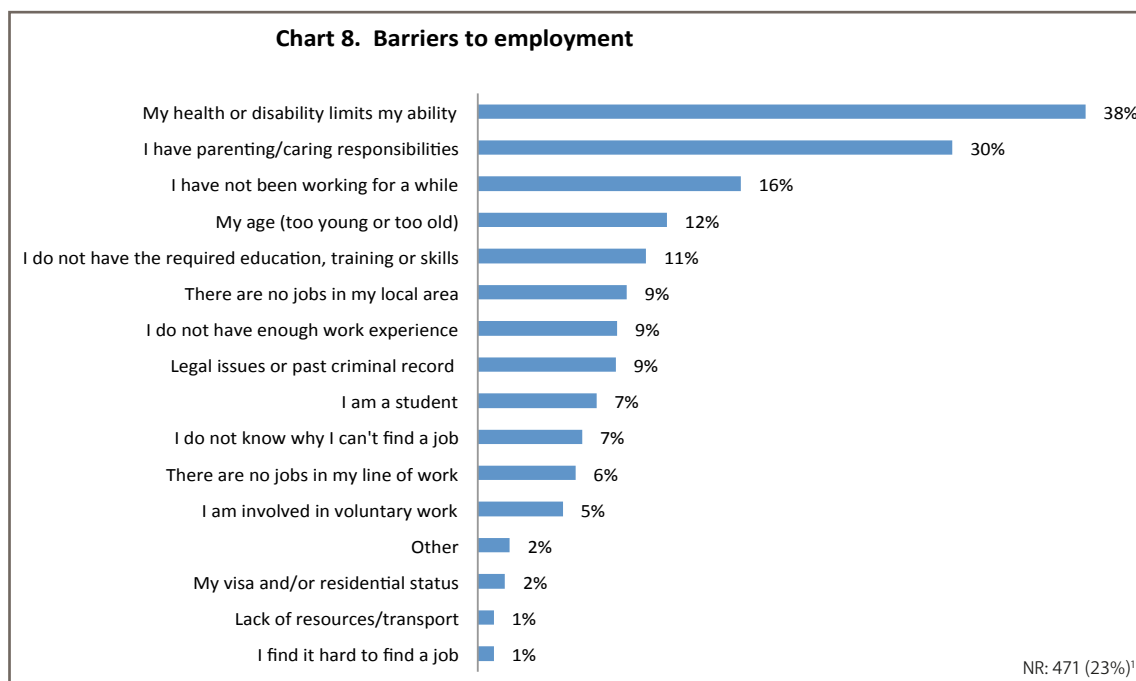
## Barriers to employment

The respondents who were looking for a job were asked to indicate their barriers to employment. The main barriers to employment (Chart 8) were a respondent's health or disability (38%) and parenting and caring responsibilities (30%).

*I am an active, fit, healthy woman who has four years of experience as a support worker in the disability sector. I relocated to Brisbane in 2012 so that I would be where all the work is. However, you come up with increasing obstacles in getting re-employed—I didn't have the \$40 to register my Certificate 3 in Disabilities. I have now been unemployed for about two years and three months. It has weakened my self-confidence, it has left me broke and I feel like I have been thrown onto the scrap-pile of unemployment.*

It is also notable that 11 per cent of respondents reported that they did not possess the education, training or skills required for employment, and 9 per cent were restricted from work due to their lack of work experience. Nine per cent also reported discrimination due to a past criminal record as a barrier.

Dishearteningly, 7 per cent reported that they did not know why they could not find job and a further 6 per cent reported limited local opportunities in their line of work.



*There are not enough local jobs in these country towns and limited transport to out of town areas.*

*It's very hard to get work in this town. Not enough jobs for full time/part time. Lots of people going for the same job.*

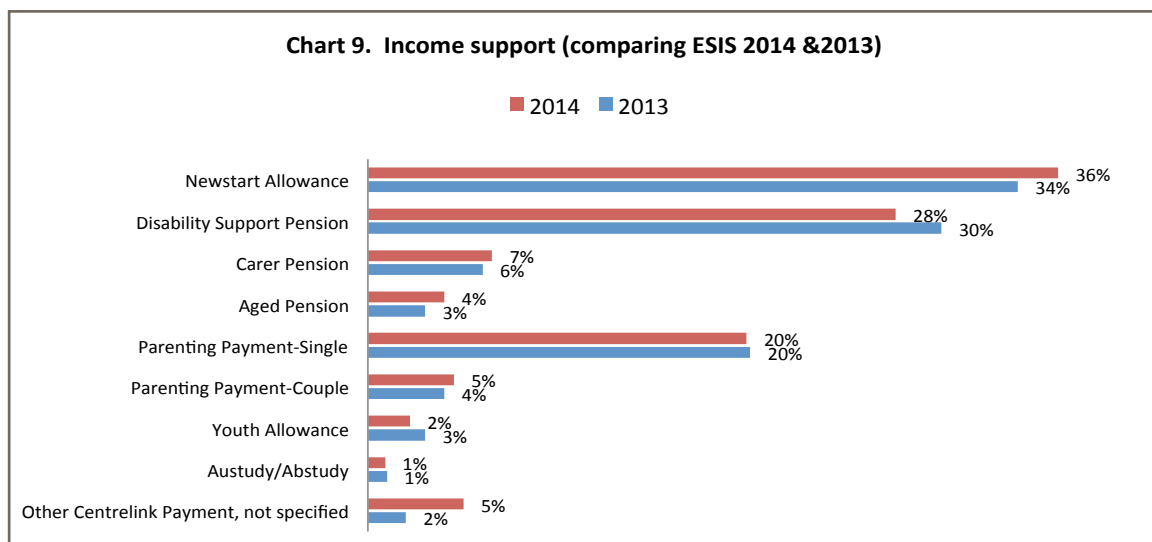
<sup>1</sup> Non-response has been excluded from the calculations in Chart 8. Based on respondent's employment status (Chart 7), there were 2,081 respondents who might be looking for work, which consist of 2,004 unemployed respondents and 81 employed respondents who were looking for more paid work. Of these respondents, 471 respondents (23%) skipped the question. The high non-response rate might be caused by a high number of respondents who were not looking for work at the time of survey, thus should not answer the question. However, the nature of the questionnaire did not allow us to separate those who opted to skip the question (i.e. genuine non-response) from those who were not looking for a job, thus caution should be made when interpreting the non-response.



### Income support recipients

In total, 91 per cent (2,253) of respondents were in receipt of a Centrelink payment,<sup>1</sup> with over a third (36%) in receipt of the Newstart Allowance. Twenty-eight per cent were in receipt of a Disability Support Pension and 20 per cent received the Parenting Payment (single rate) (Chart 9).

Compared to ESIS 2013,<sup>2</sup> this year's survey results saw an increase in the number of respondents on Newstart Allowance and a decrease of Disability Support Pension (DSP) recipients.



*I hate not having a job. Centrelink is not enough to support my financial needs and bills. I apply for job after job and can't get a start anywhere.*

1 Centrelink payments 'other' includes: Service Pensions (Veteran's Affairs), Partner Allowance, Widow Pension, Wife Pension, Sickness Allowance.

2 Last year, there were 2,448 respondents (91%) who received income support payment, which is of similar proportion to the ESIS 2014.

## Impact of financial situation<sup>1</sup>

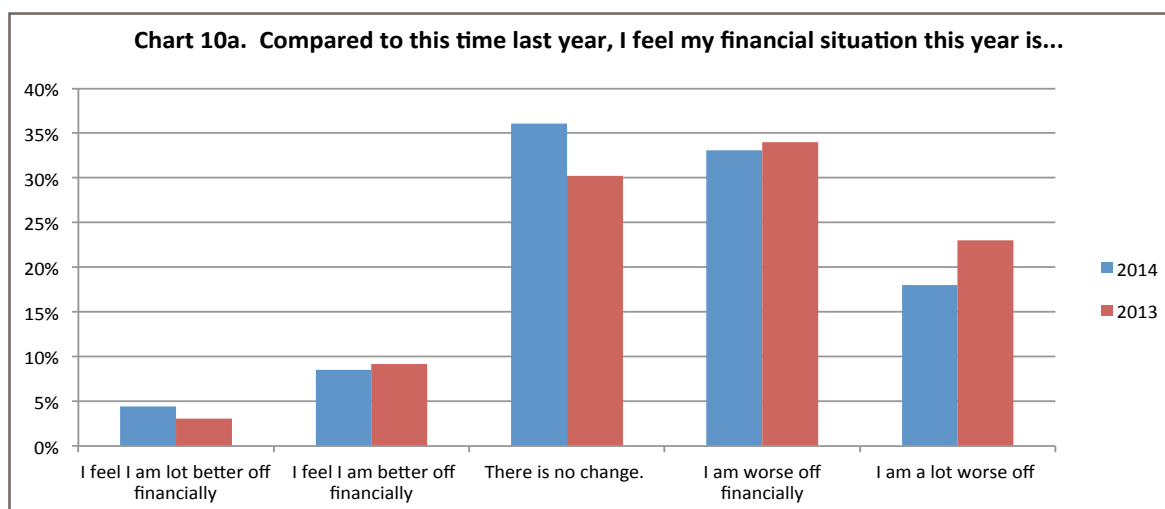
*Things will get better in the future. You can only be positive and look forward.*

*I feel very positive about next year providing that I gain employment.*

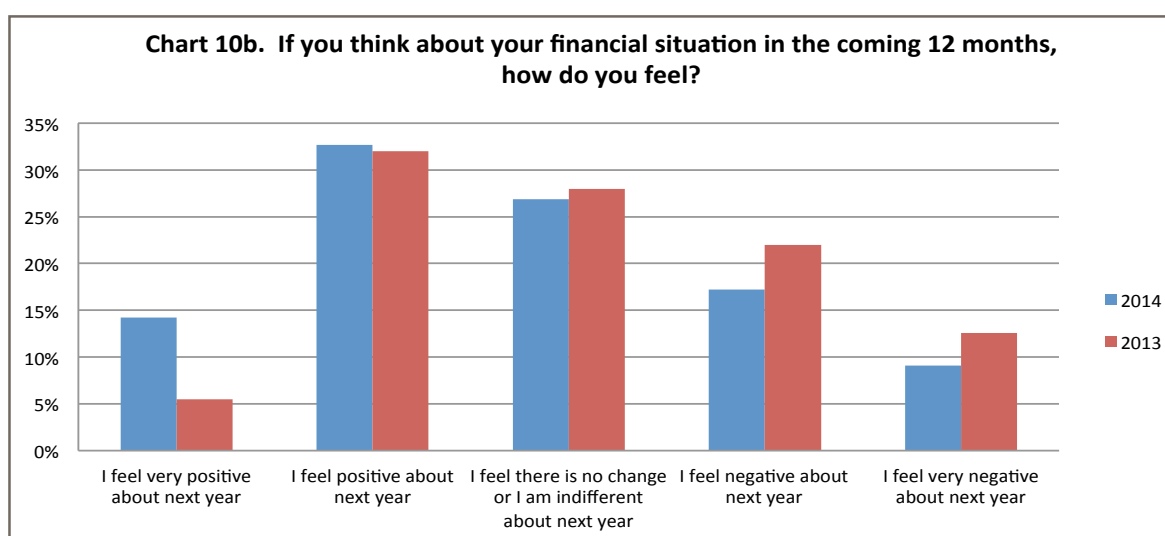
*I am moving into my car soon.*

This section examines the impact of an individual's response to their financial situation, and how they have attempted to reconcile and manage limited financial resources and the anxiety of living in low income.

Of those who responded, over half of the respondents felt that their financial situation was worse or a lot worse (51%) compared to 12 months ago, with 36 per cent reporting that there was no change in their situation compared to the previous year (Chart 10a<sup>2</sup>).



In terms of how respondents viewed their future financial situation, almost half (47%) reported feeling positive and very positive about the next 12 months. While 27 per cent reported feeling that there would be no change in the next 12 months, 26 per cent reported feeling that their financial situation would be continue to be negative or very negative (Chart 10b<sup>3</sup>).



1 Data note. The data presented in Charts 10a and 10b are based on the proportion of total responses received for these questions.

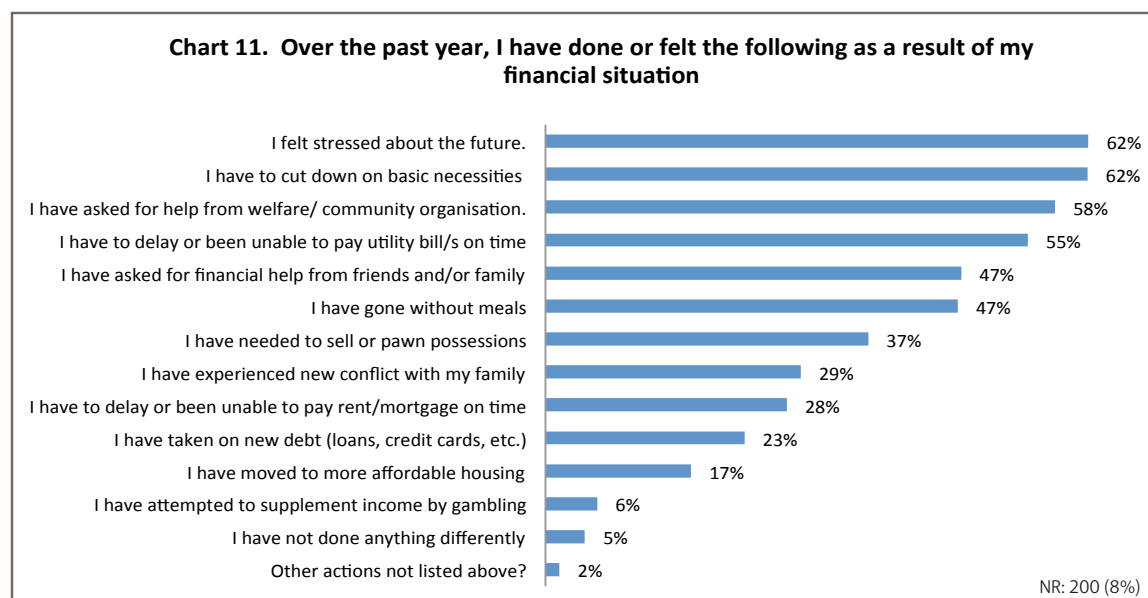
2 ESIS 2014: n=2485, NR=119 (5%); ESIS 2013: n=2705, NR=78 (3%).

3 ESIS 2014: n=2485, NR=184 (7%); ESIS 2013: n=2705, NR=89 (3%).



Chart 11 provides details on what respondents have had to do or have felt as a result of their financial situation over the past 12 months.

*We have sometimes been forced to cut down on basic necessities to pay for rent and bills so that we do not get a bad history.*



Almost two thirds of respondents reported feeling stressed about their futures (62%) and have had to cut down on basic necessities as a result of limited financial resources (62%). Almost half of respondents (47%) reported going without meals and over two thirds (37%) have resorted to selling or pawning possessions to make ends meet.

*I will go without meals at times to make sure that there's enough for the kids to eat at meal time.*

*Really good at cooking cheap nutritious meals – no packet stuff – too dear.  
Big struggle but I am determined.*

Over half of respondents had to delay the payment of bills (55%) and over a quarter have had to delay rent or mortgage payments (28%).

*It's really hard to get by. Especially the bills, gas, electricity and rents are very expensive.*

*I am renting, because it is so long to get into public housing. It is financially draining and I am finding it very difficult to keep putting food on the table.*

Over half of respondents (58%) had approached welfare and community based services for help and 47 per cent had asked for help from family and friends. Current financial circumstances had resulted in family conflict for 29 per cent of respondents.

*I have bought no new clothes (op shop) and still trying to wear old clothes from past years. Only have two jumpers for winter. I try to get by.*

*I would like to make my family and my life better in so many different ways.*

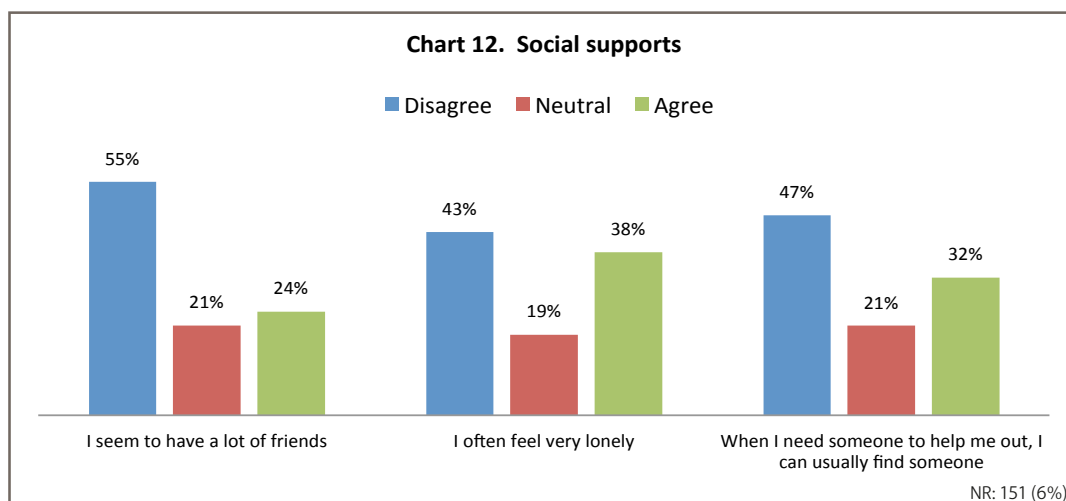
*It's embarrassing having no money.*

## Social supports

*A lot of the time, and although I'm surrounded by people every day, I feel isolated and alone.*

Respondents were asked to rate three questions about their social support networks against a seven point scale ranging from strongly disagree (rating of 1) to strongly agree (rating of 7).

Over half of respondents (55%) reported not having a lot of friends and 43 per cent reported feeling very lonely. Almost half of respondents (47%) reported that they were unable to find someone to help them when needed.



*Loneliness and depression are a constant battle in my day and is very hard to remain positive. Without organisations like the Salvos where would we be?*

*I have many friends, but have trouble asking them for help. Letting others know I am in trouble or need help is hard for me.*

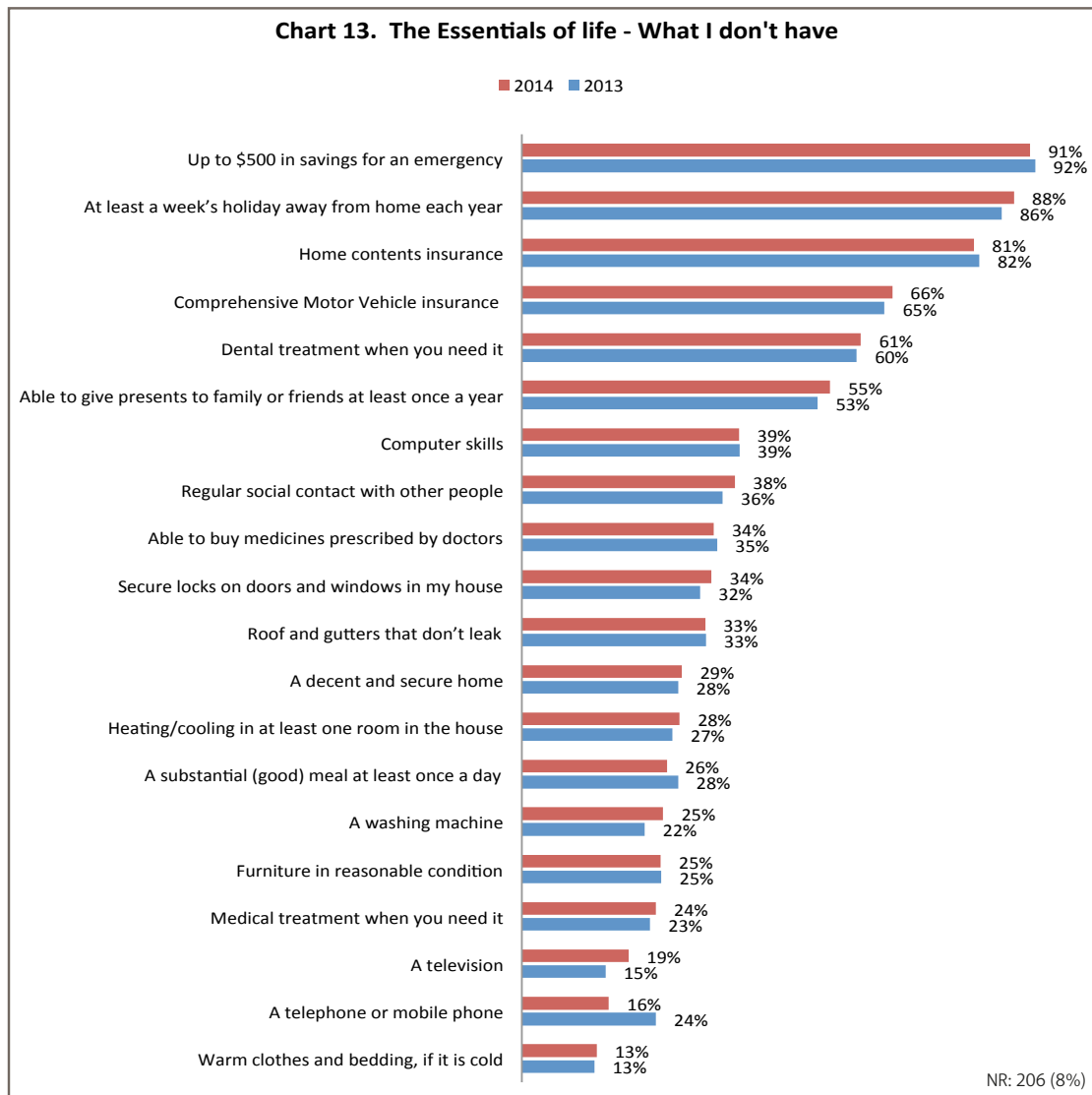
*There should be more support agencies to help people in all circumstances. Or a place people can gather for a meal and a drink during the day for donation to help socialise and to ensure no one is hungry.*

*I am a widow. I am 89. All my family have passed away but I have my Salvation Army Church. I have Legacy once a fortnight. I play table tennis on Saturday afternoon.*

## Essentials of life

The Essentials of Life scale provides an indication of the level of deprivation experienced by the respondents' household. The scale is a list of 26 items that Australians currently regard as essential to everyday life. It provides a way to measure the individual's and children's deprivation, as respondents indicated the essential items that they/their children did not have, and which of those they could not afford. Chart 13 (page 17) provides the percentage responses of items, activities and opportunities that the respondents' households could not afford and had to live without. Similarly, Chart 14 (page 18) provides the percentage responses of essential children's items, activities and opportunities that they could not afford, thus their children had to live without.

Results across the 20 items (Chart 13) indicate that people were substantially impacted by their level of income, and as a result, had to make significant adjustments to their standards of living, medical treatment and social and recreational activities. These findings are similar to those reported in ESIS 2013, indicating that the underlying causes of poverty for this group of people have not been resolved, thus had trapped them in entrenched deprivations.



Noting that 91 per cent of respondents are in receipt of a Centrelink income support payment, with 36 per cent on the Newstart Allowance which has the lowest payment rate (Chart 9, page 13), it is not surprising that the rate of deprivation amongst the survey cohort is so high.

Limited economic resources continue to place significant restrictions on an individual's capacity for fund risk mitigation measures such as savings and having insurances for home, contents and cars. Almost all of the respondents had limited or no savings up to \$500 (91%), and majority of respondents did not have home contents (81%) or car insurance (66%).<sup>1</sup> This represents a limited capacity to respond when things go wrong.

Limited economic resources also impact an individuals and family's capacity to access services due to affordability. It is highly alarming that with 28 per cent of respondents on a Disability Support Pension and 4 per cent on the Aged Pension, almost one quarter of respondents were unable to afford medical treatment (24%) and over one third (34%) were unable to afford medications prescribed by their doctor. In addition, almost two thirds of respondents were unable to afford dental treatment (61%).

Corresponding with the previous section on social supports, 38 per cent of respondents reported being unable to afford regular social contact with other people and over half were unable to afford to give presents to family and friends (55%).

Again, as in previous years, respondents continue to report a lack of computer skills (39%), which in this technologically reliant era will leave them significantly disadvantaged in terms of education, employment and socially.

<sup>1</sup> The number represents the proportion of respondents **that own a car** who did not have car insurance because they could not afford it.

As in previous ESIS reports, the living standards of participants continue to be affected by limited economic resources. Twenty-nine per cent of respondents reported they did not have adequate housing, with almost a third reporting roofs and gutters that leak (33%), a quarter did not have furniture in reasonable condition (25%) and a third did not have secure locks on doors and / or windows (34%). Over a quarter could not heat or cool at least one room in their home (28%). Over a quarter of respondents could not afford one decent meal each day (26%).

### Children and essential items

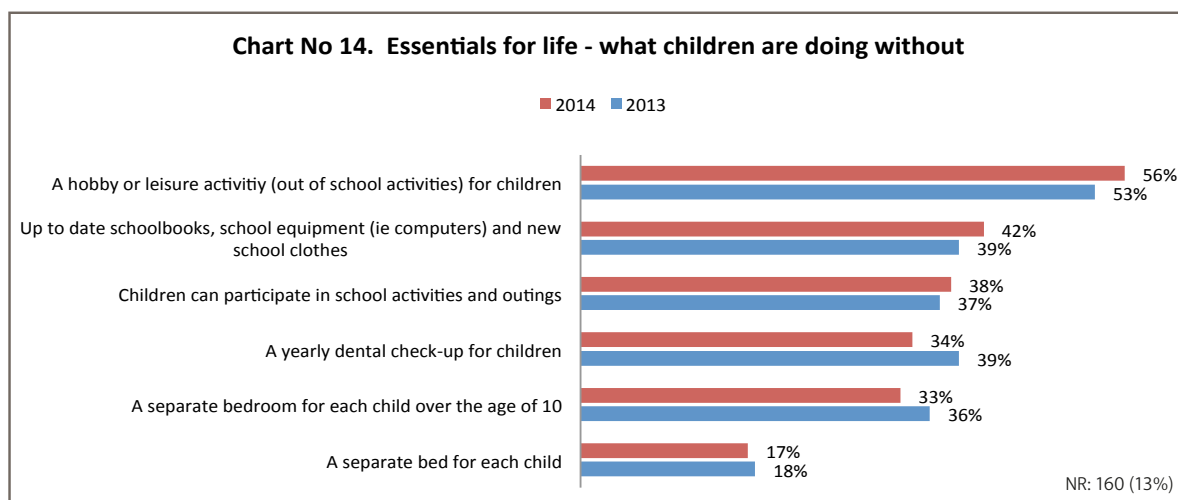
From 1,236 respondents with children, 1,076 filled in the children deprivation scale, with 160 respondents opted to skip the question (13%).<sup>1</sup>

In a significant proportion of the household, parent's limited economic resources have impacted their children's involvement in social, recreational and educational activities. As observed in Chart 14, the number of children excluded from these essential items was slightly higher than last year's survey (ESIS 2013).

Over half of respondents (56%) who filled in children deprivation scale reported that they were unable to afford out of school based activities, with over a third (38%) unable to afford school based activities and outings (Chart 14).

Nearly half of the respondents (42%) could not afford up to date school books and equipment.

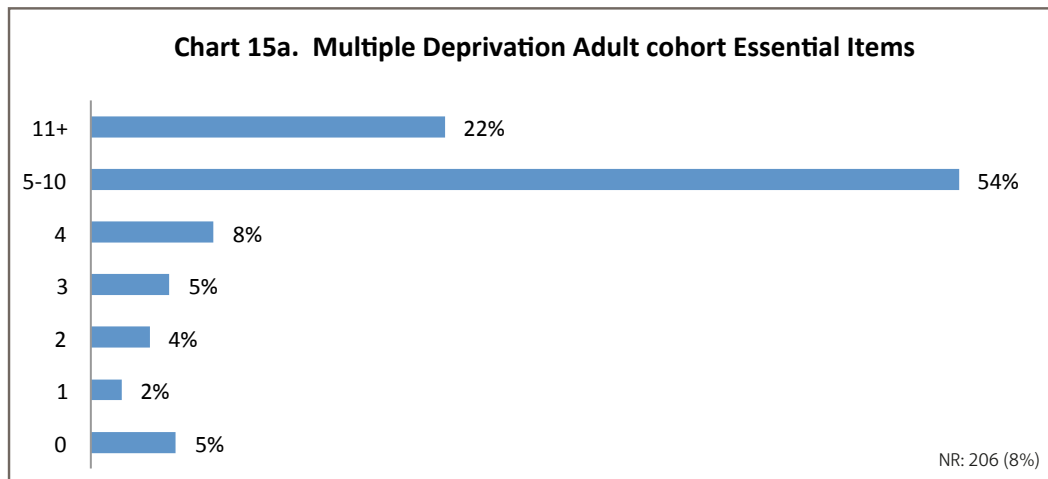
A third of respondents (34%) could not afford annual dental check-ups for their children.



<sup>1</sup> Non-response rate has been excluded from the calculations, but its size (13%) suggests a need for caution when using this information.

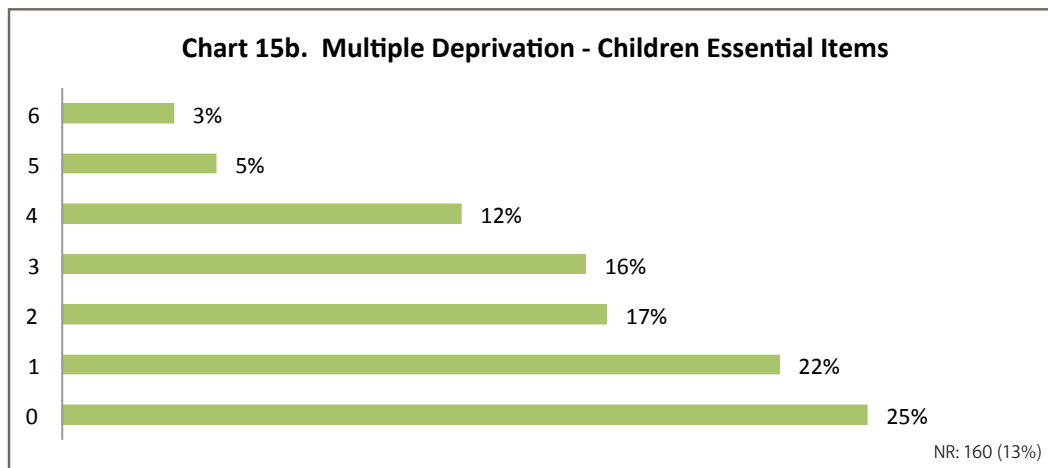
### Levels of multiple deprivation

This section looks at the levels of deprivation experienced by individuals and their children. Saunders, et al (2007)<sup>1</sup> define deprivation as the lack of resources that prevent people from accessing essential goods and activities. They note that severe deprivation occurs when people miss out on five or more essential items. In developing the Essentials of Life scale, Saunders noted that it is more likely that individuals who experience several forms of deprivation simultaneously have been forced into the situation rather than choosing it.



Overall, the level of deprivation experienced by respondents and their children was extremely high (Chart 15a and 15b). Over 70 per cent of respondents are doing without more than five essential items simultaneously, of which nearly a quarter (22%) were severely deprived, doing without more than eleven items at any one time (Chart 15a).

The children of the respondents are also experiencing multiple deprivations (Chart 15b). Although a quarter of children experience no deprivation, 75 per cent were doing without items deemed essential. Over a third of children were doing without 3-6 essential items simultaneously.



<sup>1</sup> Op cit Saunders, P. Naidoo, Y. & Griffiths, M (2007).

## **newstart allowance and disability support pension – comparisons to general cohort**

This section provides an analysis of recipients on Newstart Allowance and DSP in comparison to the general cohort.

### **Newstart Allowance recipients**

Thirty-six per cent of respondents were in receipt of the Newstart Allowance, 40 per cent of whom were parents or carers of children under the age of 18 years, representing a total of 590 children.

Changes to eligibility requirements in 2003, resulted in couple parents whose youngest child is six years old and single parents whose youngest child is eight years old being moved from the Parenting Payment to the Newstart Allowance. The majority of children were aged eight years and older.

### **Disability Support Pension recipients**

Twenty-eight per cent of respondents reported being in receipt of the DSP. The majority of DSP recipients (88%) were aged between 25 and 60 years of age. Thirty-one per cent of DSP recipients were parents of children under the age of 18 years.

Fourteen per cent of DSP recipients identified as Aboriginal and/or Torres Strait Islanders.

Unemployment and the frustrations of limited capacity to work due to disability and/or ill health was a strong theme in comments provided by respondents.

*I would dearly 'love' to re-enter the workforce. However, I remain scared at the prospect of not being able to perform in a capacity to which I would be expected.*

*It is so hard to get work due to lack of work experience.  
I have qualifications in community development but couldn't  
secure work/career due to lack of work experiences.*

*I lost my job when I developed epilepsy which made my diploma in childcare  
useless. There was no help that I could find and I've struggled ever since.*

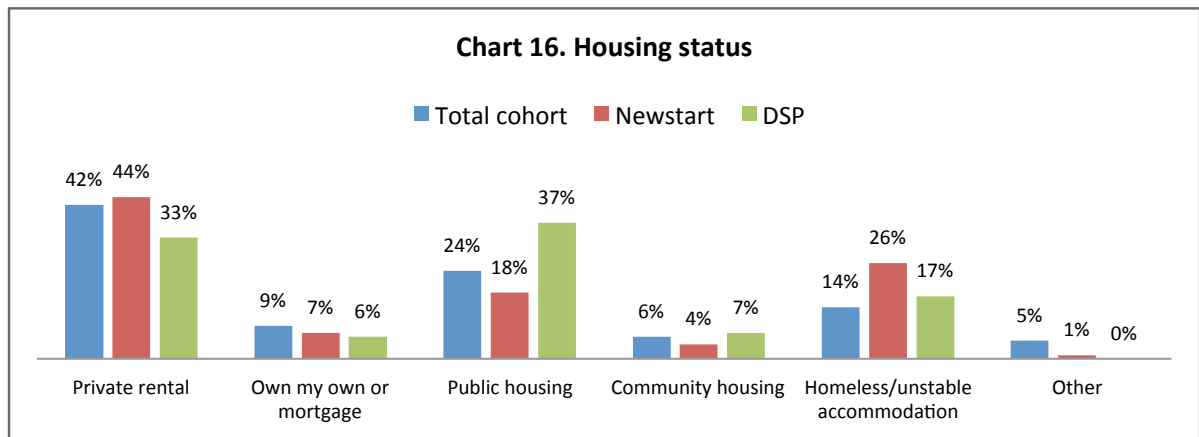
*Depression over the last 18 years has affected my ability to maintain stable  
employment. I'll be looking for employment as soon as I get over my illness.*

## **Newstart Allowance and Disability Support Pension**

Compared to the general cohort, similar proportion of people on Newstart Allowance were in private rental (44%) compared to the general survey population (42%). However, a significantly higher proportion of Newstart recipients were homeless or in unstable accommodation (26%) compared to the general survey population (14%). Over a third of people on DSP (37%) were in public housing compared to almost a quarter of the general cohort and 18 per cent of Newstart Allowance recipients (Chart 16, page 21).

*I am renting, because it is so long to get into public housing. It is financially  
draining and I am finding it very difficult to keep putting food on the table.*

*Being on Newstart is a large disadvantage. Food is a major issue.  
There is just not enough funds to stretch out.*



In terms of the impact of financial and cost of living pressures, respondents in receipt of the Newstart Allowance are generally feeling the brunt of limited economic resources more than the general cohort or those on DSP as evidence in Chart 17 (page 22). Over 50 per cent of individuals in receipt of the Newstart Allowance were doing without meals (56%), and 63 per cent have had to cut down on basic necessities. Fifty-four per cent have asked family and/or friends for financial assistance or have sought assistance from community based services (61%). These numbers are higher than those of general survey cohort or DSP recipients (Chart 17).

As a significant proportion of Newstart recipients were in private rental (44%, Chart 16), it is not surprising that a higher proportion of this cohort have had to delay rent payment (34%) due to lower income support payment compared to 28 per cent of the general cohort (Chart 17).

*It's been the toughest time in my life. I haven't had anything left to sell. Just want to eat and be normal which isn't happening lately. I am very depressed.*

*Just that there simply isn't enough income from DSP to support a family. The cost of living is rising much faster than our Centrelink payments and no longer covering our basic needs.*

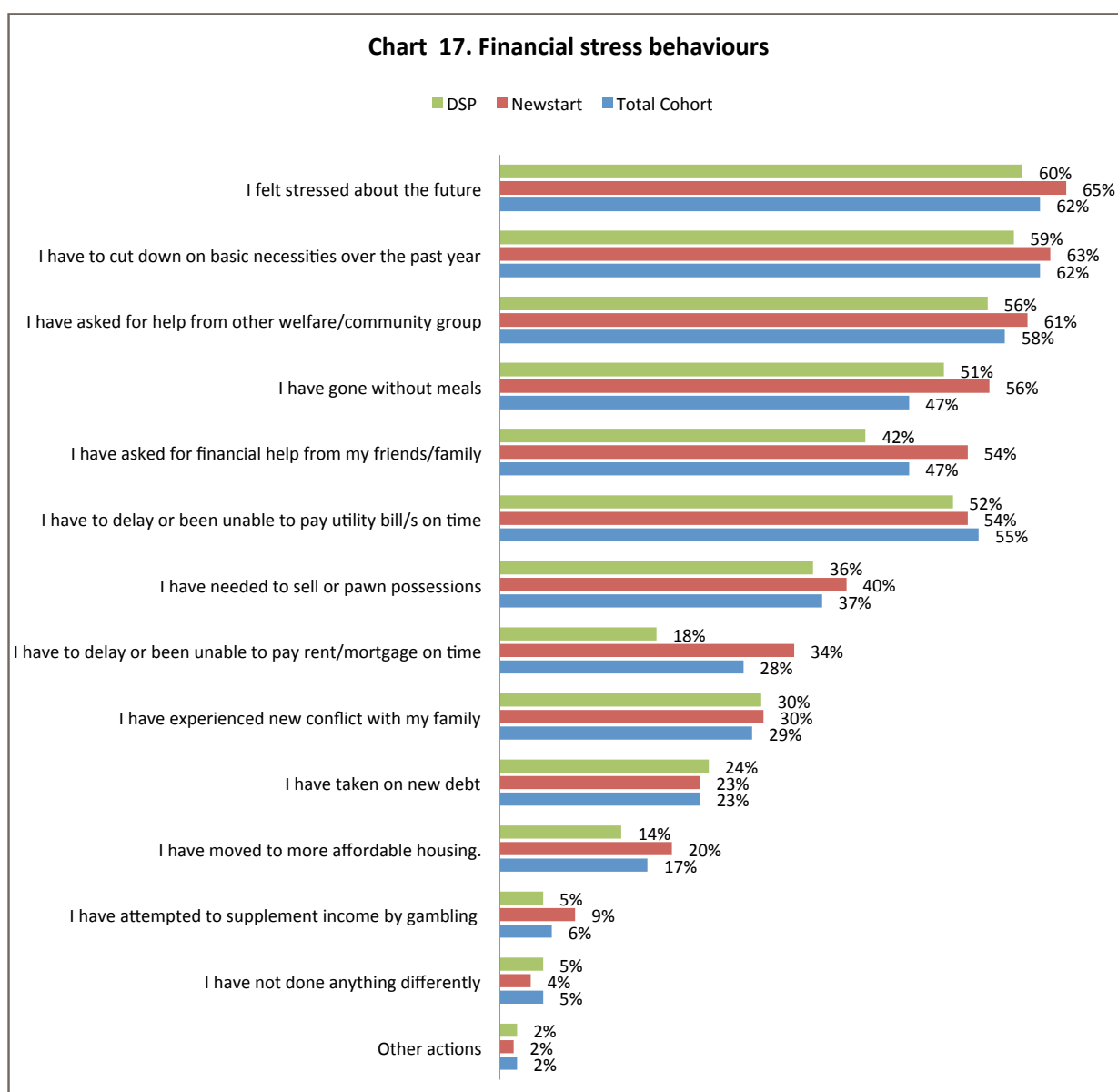
*It was alright to go without food when I was not working, but I don't think it's right that I am working (casual) but still going without food and clothing.*

*I've not really got anything else to say – it's too sad.*

It is also not surprising that almost two-thirds of respondents were stressed about their financial futures (65%).



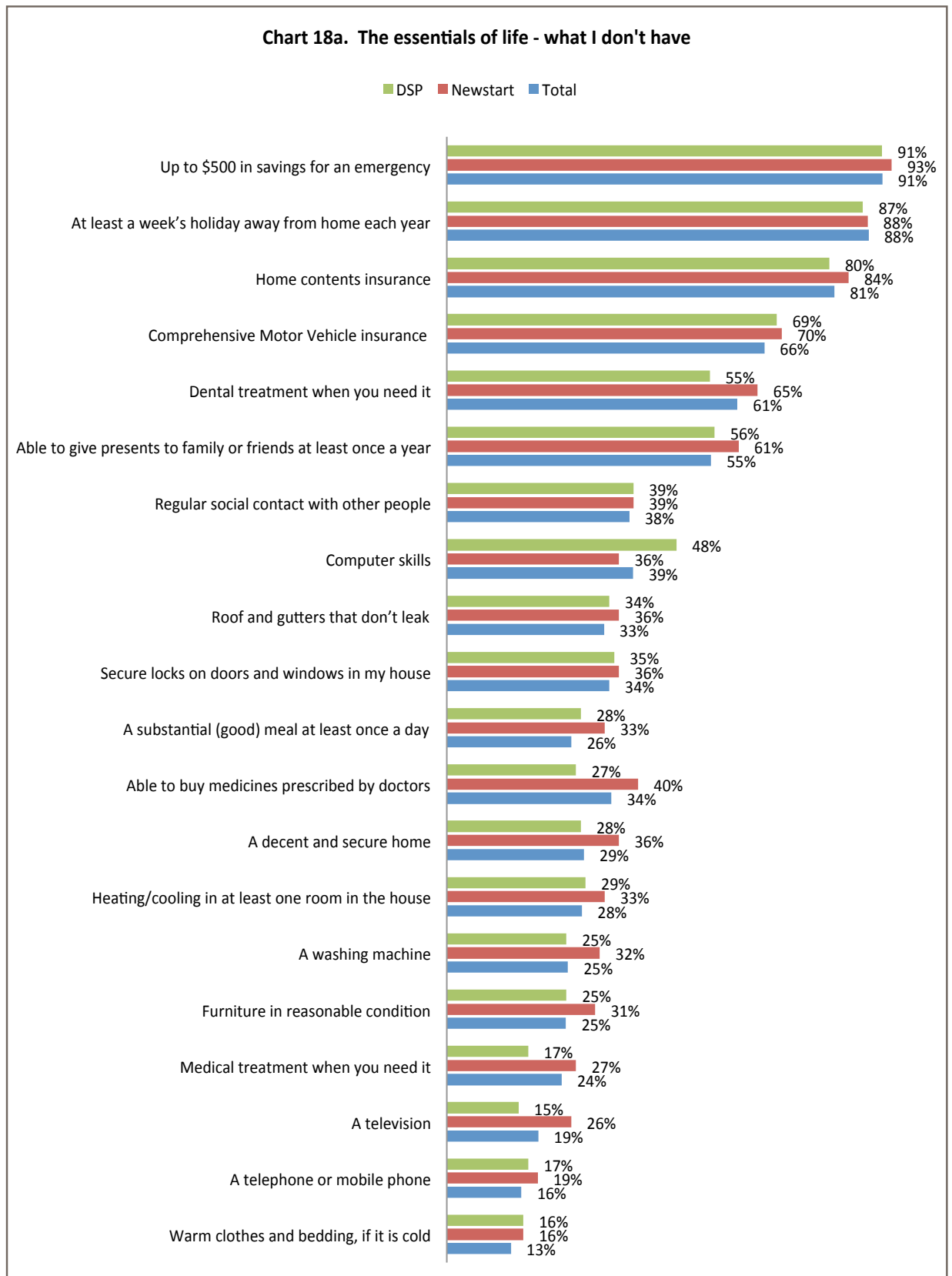




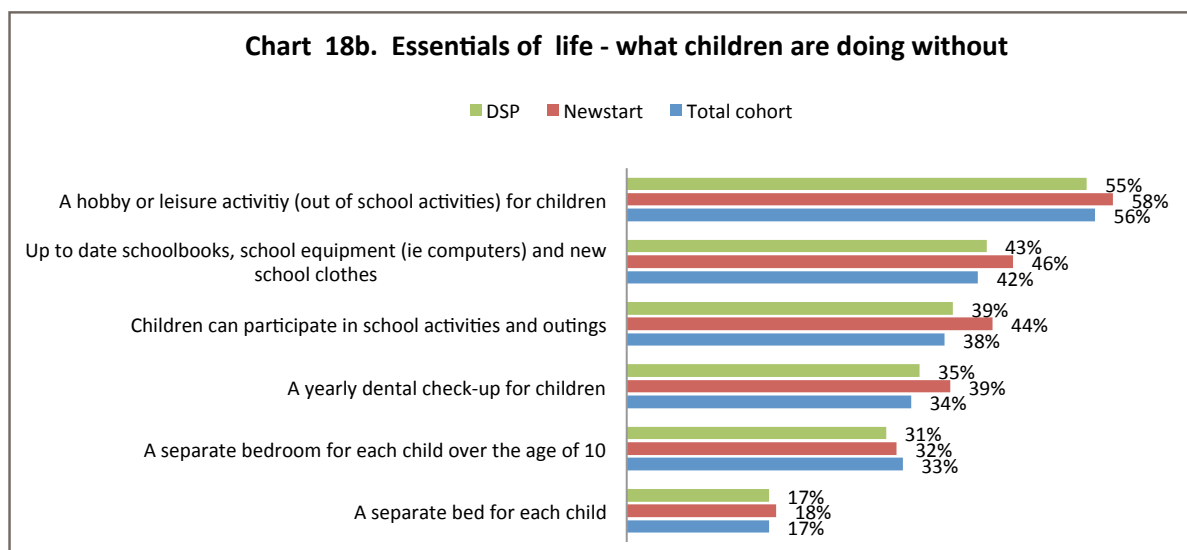
## Essentials of life – Newstart and DSP

*Life is getting harder and harder, when it comes to bills and food. As soon as you think you're on top of things, something happens. Being on a pension it's just too hard to save and afford the random expenses (prescriptions and surprises).*

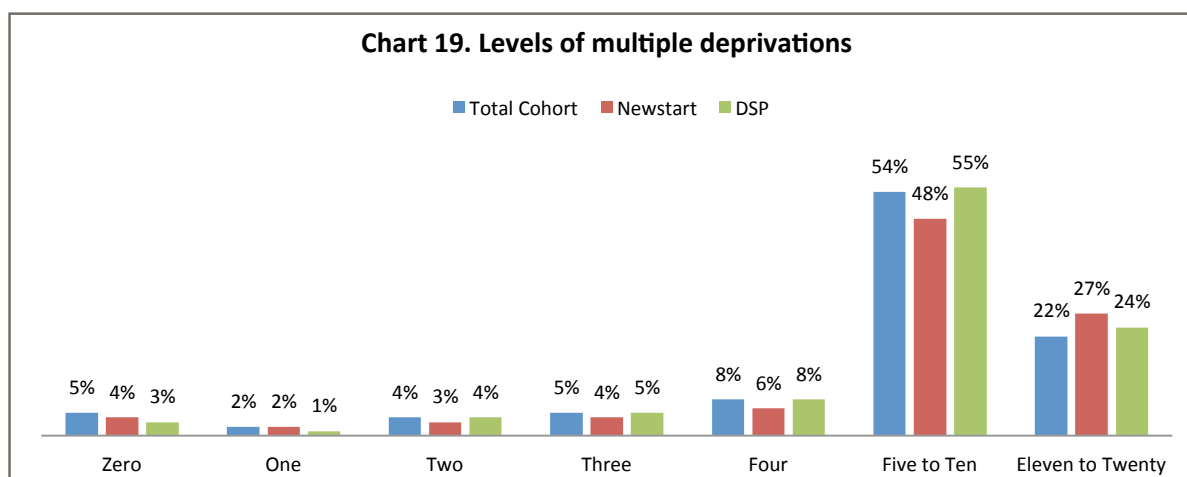
The general rates of deprivation have remained fairly consistent over two of the ESIS survey periods 2013-2014, indicating entrenched disadvantaged for a core group within our communities (Chart 13, page 17). Further, there is a cohort with Australian society who appear to be experiencing greater deprivation due to severely restricted socioeconomic resources, notably those on Newstart Allowance and the Disability Support Pension (Chart 18a, page 23).



Overall, the findings indicate that those in receipt of the Newstart Allowance are doing without more of the essential items than those in the general cohort or those on DSP (Chart 18a). Most notably, Newstart Allowance recipients are more likely to be doing without insurance coverage and health care, and have a poorer quality of life and living circumstances (Chart 18a).



Similar to the adult cohort, the children of Newstart Allowance recipients were also missing out on more essential everyday items compared to children in other cohorts (Chart 18b). As discussed previously, a parent's financial inability to provide these essential items for their children might impact the children's schooling performance, social and recreational access and participation. Consequently, it might reduce the children's social skills and their ability to secure future employment and lead a flourishing life.

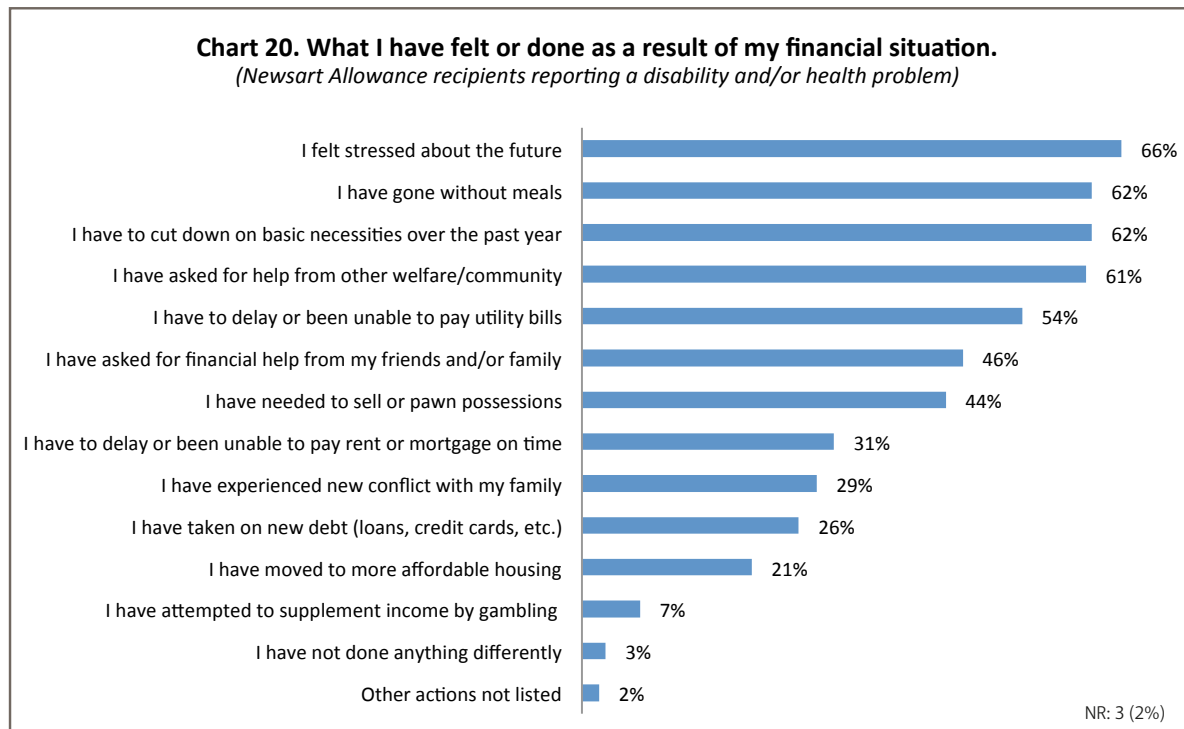


Interestingly, the level of multiple deprivations (five to 20 deprivations) was slightly higher for those on DSP (79%) than those in receipt of the Newstart Allowance (75%) (Chart 19). This suggests that there was a subgroup of DSP recipients who might have limited access to these essential items simultaneously, perhaps due to a higher disability level, greater social and service exclusion, and inadequate financial supports to access necessary technology or services for improving their quality of life. However, further research is needed to confirm this hypothesis.

## Newstart recipients with disability and/or health issues

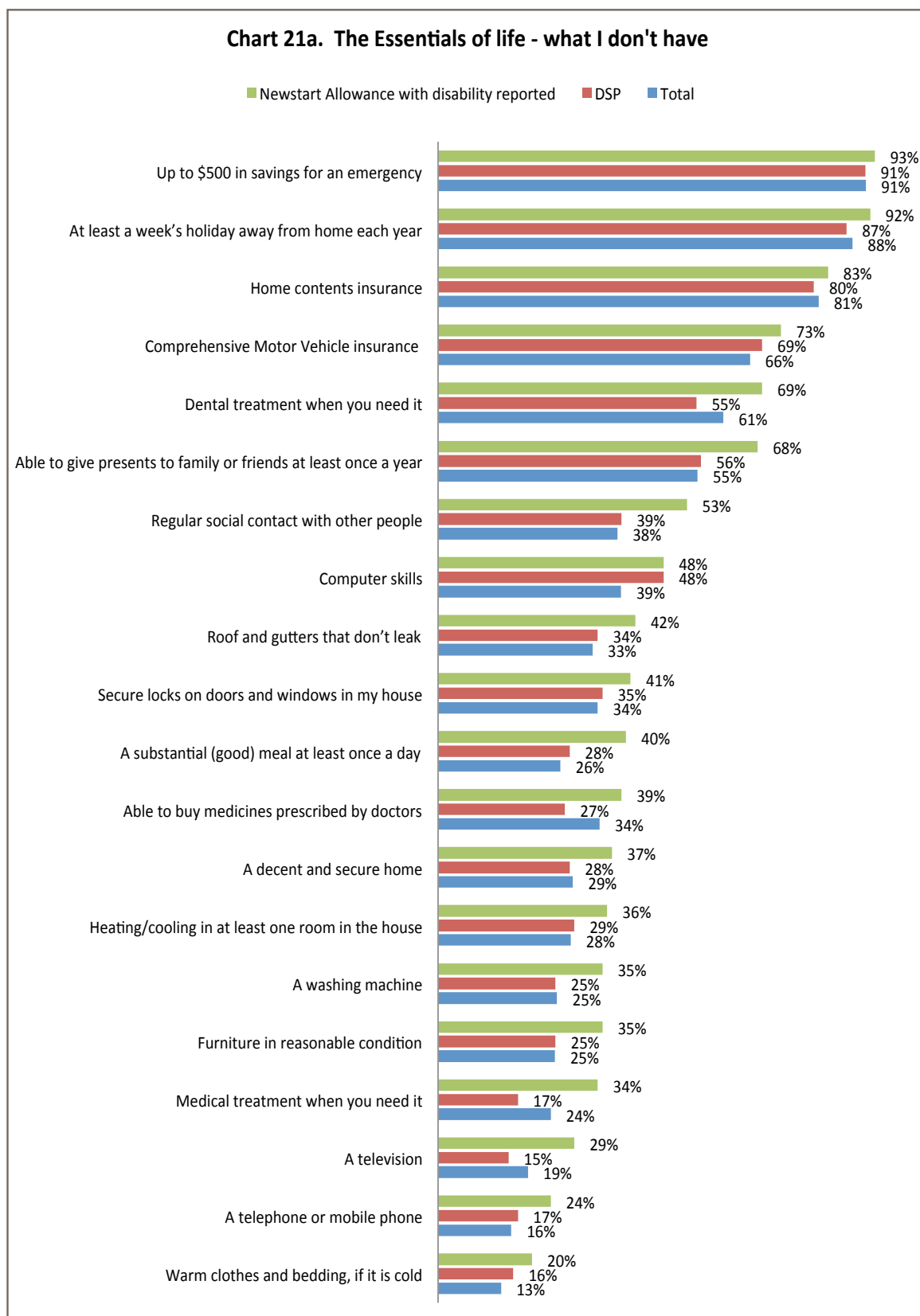
A total of 143 respondents (or 6% of the total cohort), who reported being in receipt of the Newstart Allowance, reported disability or a health problems as the main barrier for finding, securing and maintaining employment. Forty-two per cent of these respondents were parents of children aged under 18 years of age, representing a total of 121 children. This is in the time of more stringent assessment and eligibility criteria for DSP, which has seen many recipients shifted onto the Newstart Allowance.

With reference to this sub-group, the following charts look at both the impact of their financial situation and how they have sought to ameliorate the limited financial resources, and the impact on their access to items and services deemed essential to everyday Australian life.

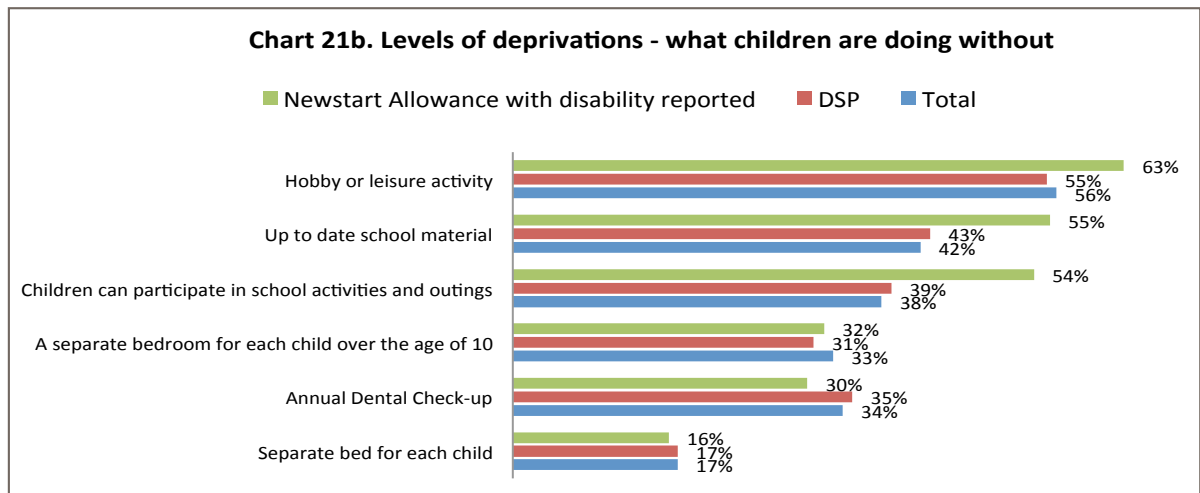


Overall, the impact of restricted finances has more noticeable effect on Newstart Allowance recipients reporting a disability than the general cohort (Chart 20). For example, almost two thirds of respondents reporting going without meals (62%) compared to 47 per cent of the general cohort (Chart 11, page 15), 44 per cent had to sell or pawn possessions for additional financial resources compared to 37 per cent of the general cohort (Chart 11), and 31 per cent had to delay rent or mortgage payments compared to 28 per cent of the general cohort (Chart 11).

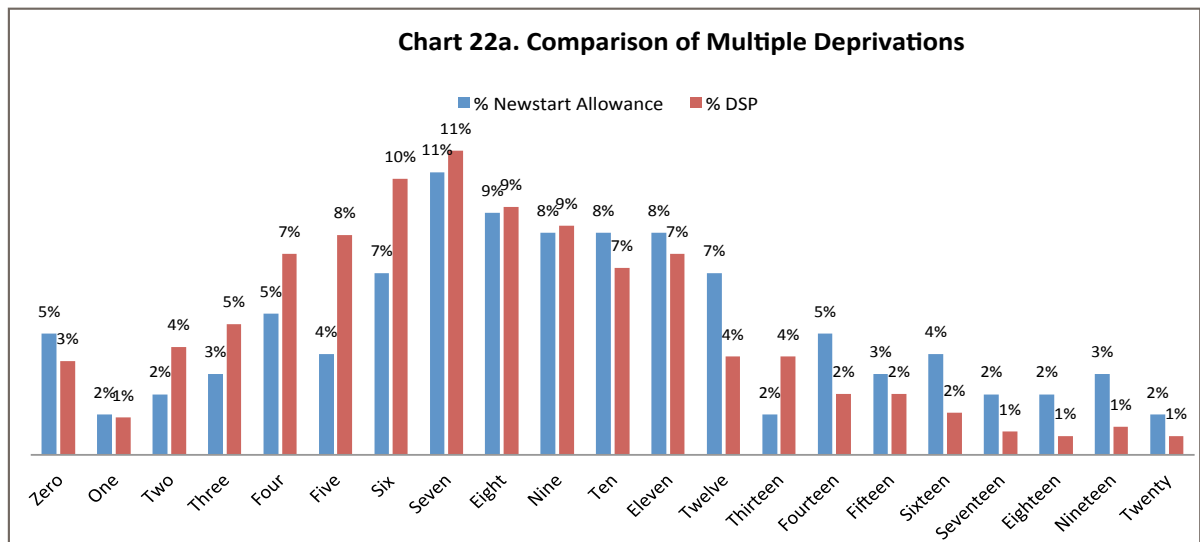
The level of deprivation in this sub-group is also higher than that experienced by either the general cohort or those respondents in receipt of the DSP. Whilst there are areas of comparability between the different cohorts (Chart 21a, page 26) there are also areas of contrast. For example, Newstart Allowance recipients reporting a disability or health issue, demonstrated significantly worse living standards, are more likely to be unable to afford medical and dental treatment and are more socially isolated than either of the other two groups, with over half being unable to afford regular social contact with friends (53%).



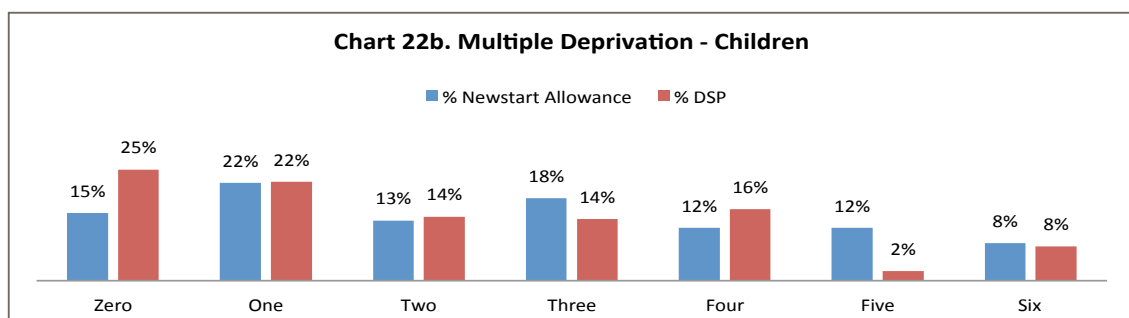
The impact of this cohort's financial circumstances is also keenly felt by the children in these family units, and most significantly in terms of their access to recreational activities either in school or out of school, with 54 per cent and 63 per cent of parents being unable to afford access to these services for their children respectively (Chart 21b, page 27). In addition, children of this cohort are potentially disadvantaged academically by not being able to afford up to date school books and resources.



In terms of levels of multiple deprivations, the overall trends below (Chart 22a) look similar to those in previous sections comparing Newstart and DSP recipients, with the majority of respondents doing without 5 to 10 essential items simultaneously. This Newstart Allowance sub-group, however, is reporting statistically higher levels of deprivations than those who receive DSP.<sup>1</sup>



Likewise, the level of multiple deprivations experienced by the children of these individuals (Chart 22b) are also statistically significant, and represent greater deprivations than the children of parents on DSP.<sup>2</sup>



<sup>1</sup> This was based on an independent samples t-test, which found the mean deprivation of this Newstart cohort (M=8.6, SD = 5.2) was significantly higher (p<.002) compared to DSP recipients (M=7.2, SD=4.5).

<sup>2</sup> This, again was based on an independent samples t-test, which found that the mean deprivation for children of this Newstart cohort (M=2.5, SD=1.8) was significantly higher than the children of DSP recipients (M=0.6, SD=1.4) (p<.0001).

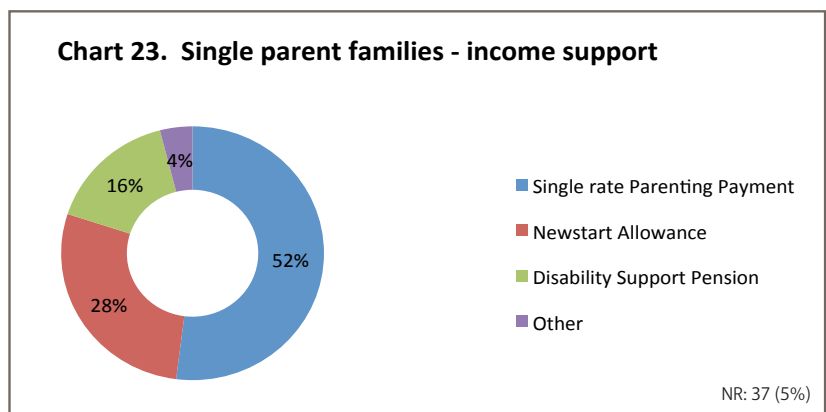
## single parent families and children

*I am looking for work and adhering to my participation requirements but find it difficult financially since the parenting payment has been cancelled.*

*Due to rising costs of everyday living I am still finding it hard to make ends meet. Especially with bills, housing and food prices and school accessories. I would like to get back to studying and hopefully be able to maintain stability for my kid.*

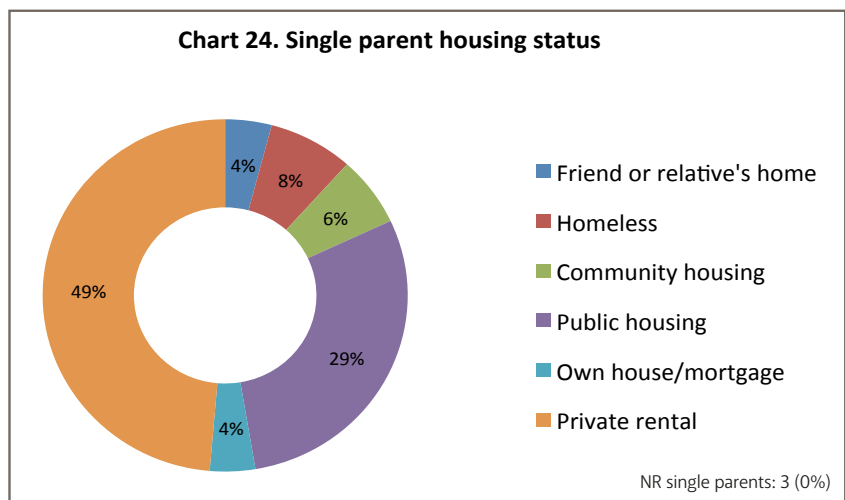
A total of 826 respondents identified as single parents, representing a total of 1,686 children. Eighty-six per cent of single parents were female, with the majority in the 25-45 age group (73%).

Over half of single parent families (52%) were in receipt of the single rate Parenting Payment and 28 per cent were in receipt of the Newstart Allowance. A further 16 per cent were in receipt of the Disability Support Pension (Chart 23).



*Private rent is killing me.*

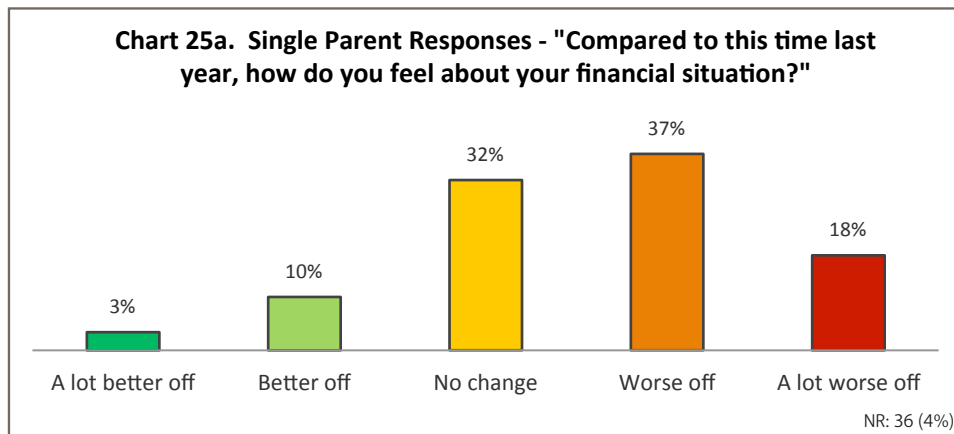
Almost half of the single parent respondents were in private rental accommodation (49%), with 29 per cent in public housing (Chart 24). Eight per cent of single parents and their children were homeless (Chart 24). Research indicates that family violence is the single most common contributing factor to women and children becoming homeless.<sup>1</sup> Additionally, approximately 50% of women accessing The Salvation Army specialist homelessness women’s services also identified domestic and family violence as the main presenting issues.<sup>2</sup>



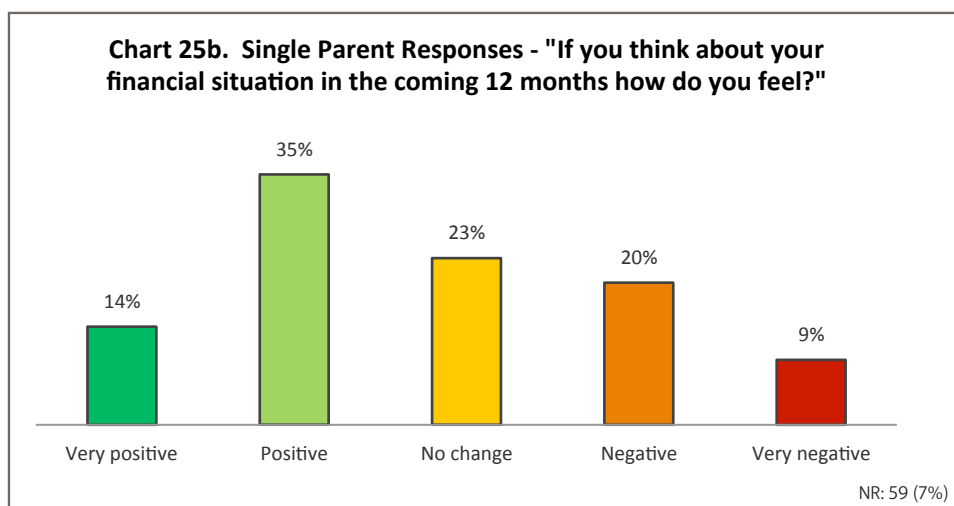
1 Australian Institute of Health and Welfare (2013) *Specialist homelessness services 2012-13*. Cat. No. HOU 273. Canberra: AIHW.  
2 The Salvation Army Australia (2013) *Homelessness across Australia: The Salvation Army's Response*. Melbourne: The Salvation Army Australia Southern Territory.



Over 50 per cent of respondents felt their current financial situation was worse or a lot worse than last year, with almost a third (32%) seeing no change in their financial situation (Chart 25a).



Almost half of single parents felt positive about next year (49%). However, about 29 per cent felt that next year would be negative or very negative. Almost a quarter of single parents felt that their financial situation would not change in the coming 12 months (Chart 25b).



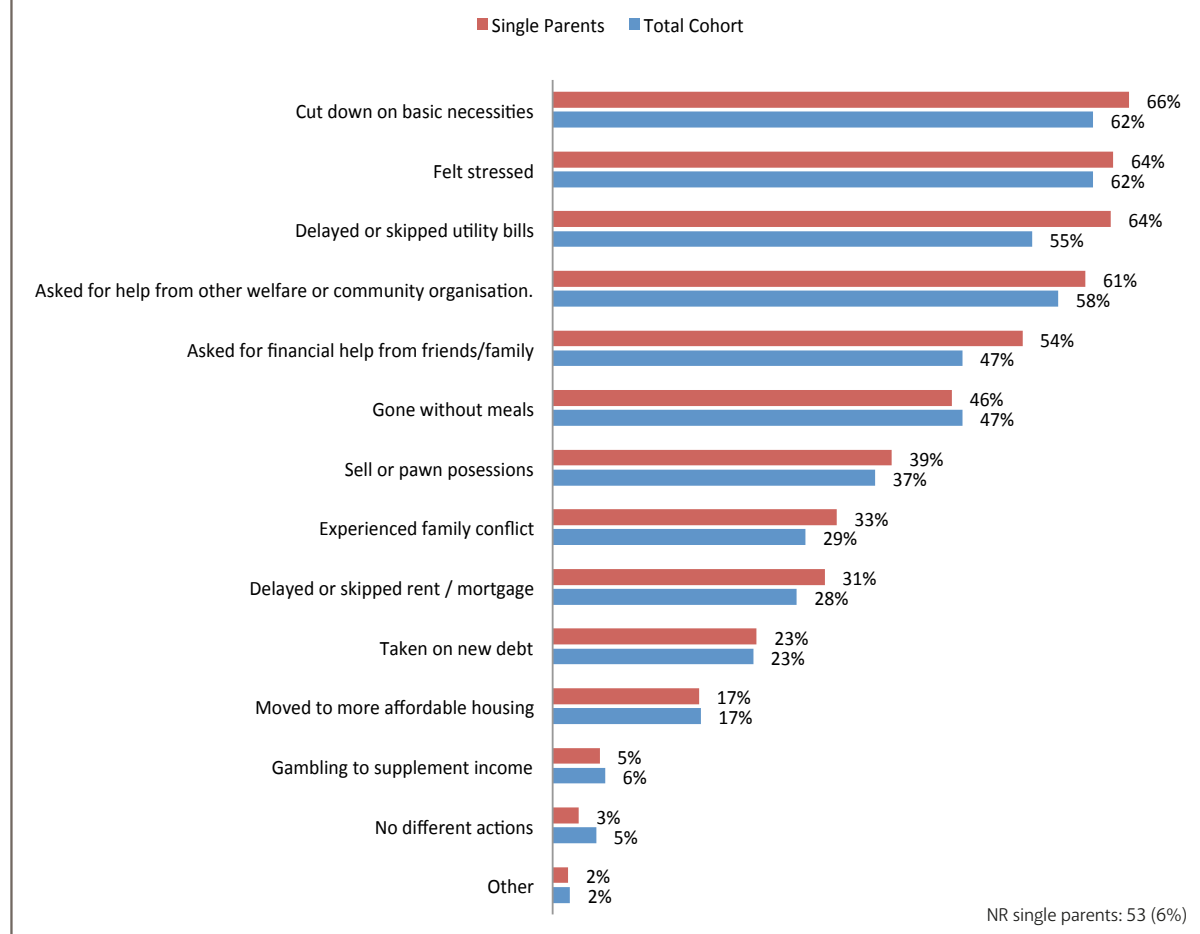
Two-thirds of single parents managing reduced financial resources by cutting down on basic necessities (66%), delaying payment of bills (64%) and almost one-third delayed rental payments to make ends meet (31%).

The majority of single parents (64%) reported feeling stressed about their financial situation (Chart 26, page 30).

Forty-six per cent of single parents were skipping meals and almost a quarter had taken on new debt to make ends meet (23%).

*As long as my kids get their meals, I can go without and eat what is left over, what they don't eat.*

**Chart 26. Over the past year, have you done or felt any of the following as a result of your financial situation (single parents)?**



*I find it so hard with the bills and rent and food. The money I am getting is not enough. I can't find a job within school hours.*

*Our car broke down, fridge broke, and someone stole my daughter's bag on the first day of school.*

## Essentials of life

*Living from week to week is difficult. When something happens that is not budgeted for it can ruin you for weeks: borrowing money, then having to pay it back, then not having enough money to live until the debt is payed off. This is what happens to me.*

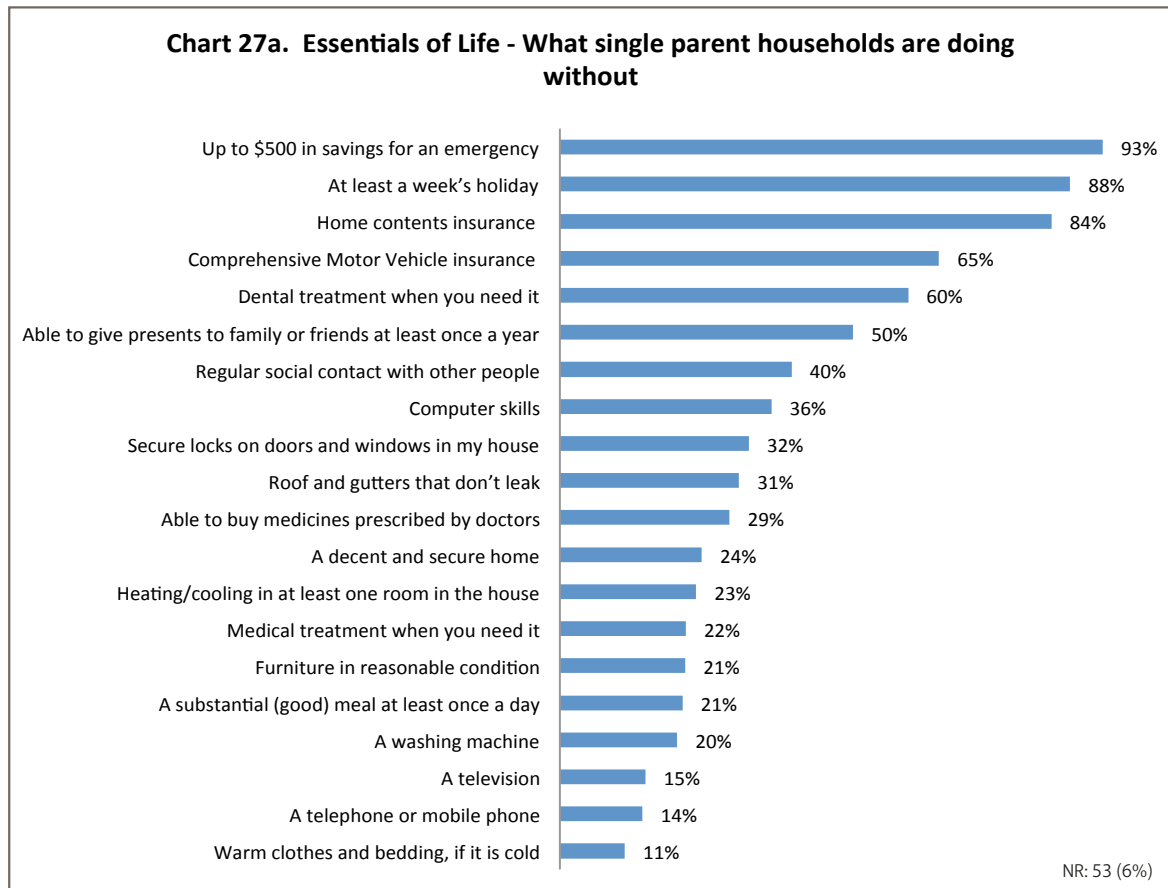
Commencing January 2013, single parents whose youngest child was eight or older were moved from the Parenting Pension (single rate) to the lower payment rate of Newstart Allowance. The impact of this legislative change has had a marked impact on many single parent households.

*Cutting single parent pension is leaving me, the parent, without food for myself three out of seven days per week.*

*I am a single parent going through hard times, with high rent making it hard to live. Being on Newstart as a single parent has made it harder.*

*I have just been removed from family payment  
and now am on Newstart and finding it really hard.*

For single parents, limited economic resources place restrictions on what they can afford to have and do, including access to services and recreational and social activities for themselves and their children. Limited finances have compromised single parent's capacity for risk mitigation measures with 93 per cent having limited or no savings, 84 per cent unable to afford home contents insurance and 65 per cent without car insurance (Chart 27a).



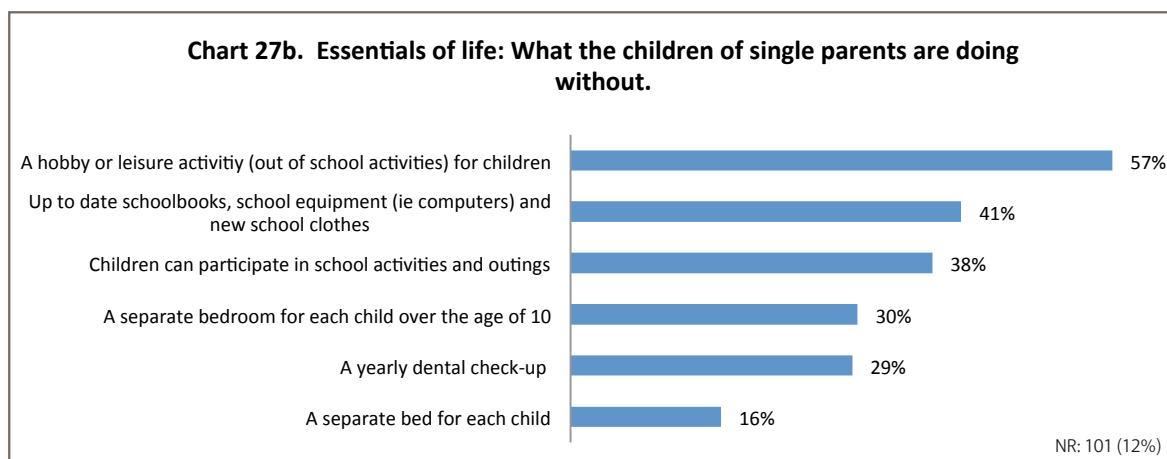
The costs of schooling, out of school activities and health are restricting single parents' capacity to provide essentials for their children (Chart 27b, page 32).<sup>1</sup> Over half (57%) of the children of single parents are unable to participate in out of school activities due to their parents limited financial capacity, with 38 per cent unable to participate in school based activities.

Forty-one per cent of children were attending school without an up to date uniform, school books and/or required equipment (Chart 27b).

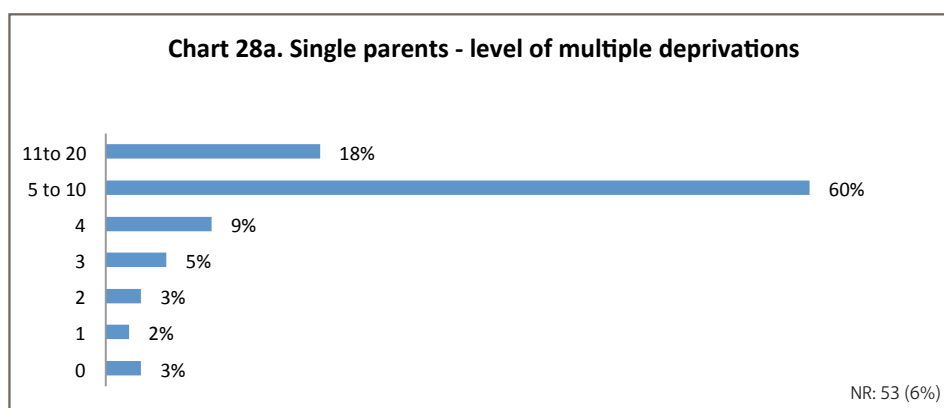
*I am separated with two children, my daughter just started school – she is five years old.  
I was not expecting that the school would be so expensive, that's why I was not able  
to pay the electricity bill. Other than that, based what I am getting on Centrelink,  
it doesn't meet our needs. I just buy the important things, food and the basics.*

*At the moment with my three children and with all my bills coming out  
via Centrepay I am left with \$500 a fortnight to live – food, nappies, formula,  
school and kinder, etc. My children can't receive extra curriculum activities  
which breaks my heart they have to miss out. I try but with no family  
support network and cut funding for family services it's just very hard.*

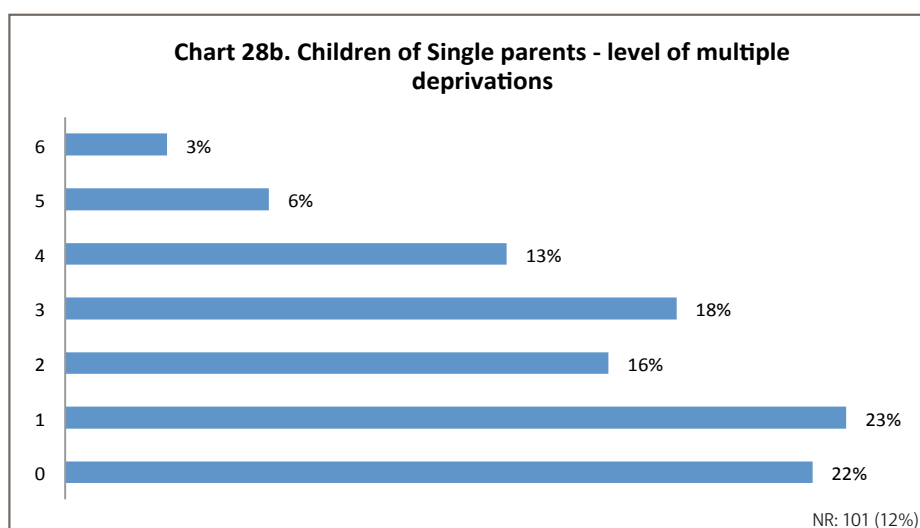
<sup>1</sup> Non-response rate has been excluded from the calculations, but its size (12%) suggests a need for caution when using this information.



In terms of the level of multiple deprivations, single parents reported similar high levels of multiple deprivations as the general cohort, with 78 per cent of respondents missing out on five or more items simultaneously (Chart 28a).



Similar to the general cohort (Chart 14, page 18), 22 per cent of children experienced no deprivation and 23 per cent missed out on only one of the six indicators (Chart 28b). This suggested that while parents might limit their own access to essential items, they were likely to put their best efforts to make sure their children did not go without the essential items. Unfortunately, over 50 per cent of children were still deprived of two or more of the six essential items with the majority missing out on social and recreational experiences both in and out of school.



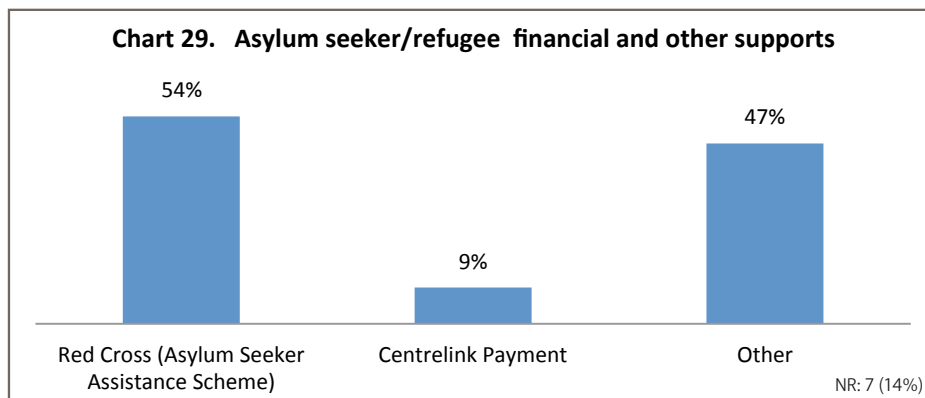
*As a single mother it is hard to have all my children in school and daycare, and still be able to afford to find work.*

## asylum seekers/refugees

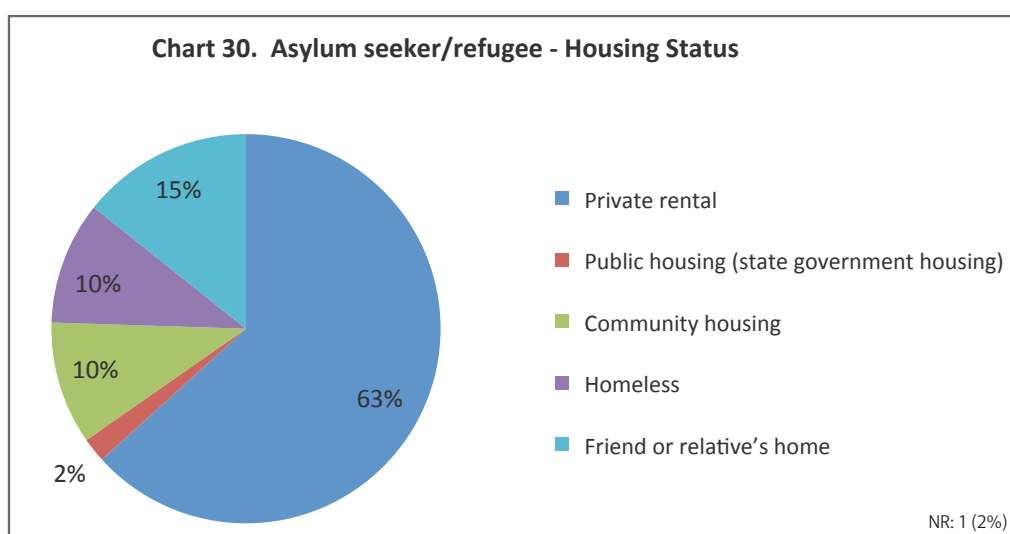
The results represented in this section are based on 50 individuals who identified as asylum seekers or refugees.<sup>1</sup> The low response cohort and a higher non-response rate compared to general cohort allow for an indicative, rather than a definitive analysis of the current living and financial situation of these individuals.

Of the 50 asylum seeker/refugee respondents, with 50:50 split of female and male. About 46% of these respondents were parents or carers to children under 18, representing a total of 45 children in the total cohort. The majority of respondents (75%) were aged 25-44, and 17% were aged between 18-24 years. The majority of respondents (63%) lived in private rental (Chart 30).

Only nine per cent of asylum seekers/refugees were in receipt of a Centrelink payment, which were likely to only include refugee respondents with permanent protection visas, and are thus eligible for Centrelink assistance. Over half of respondents were receiving support through the Red Cross Asylum Seeker Assistance Scheme (54%). These respondents were likely to be asylum seekers on bridging visas, who were not eligible for Centrelink supports and would have no rights to work or study in Australia. Respondents noted utilising other community-based services such as The Salvation Army, AMES and Anglicare for further assistance (Chart 29).



The majority of asylum seeker/refugee respondents (96%) were not employed. Majority of unemployed asylum seekers/refugee (87%) stated visa restrictions as their main barriers to employment, followed by caring duty (9%), studying (7%) and disability/health problems (2%).<sup>2</sup>



1 More information about asylum seekers and refugees, including the definitions and Australian policy on asylum seekers and refugees, can be found in <https://www.humanrights.gov.au/publications/questions-and-answers-about-refugees-asylum-seekers>

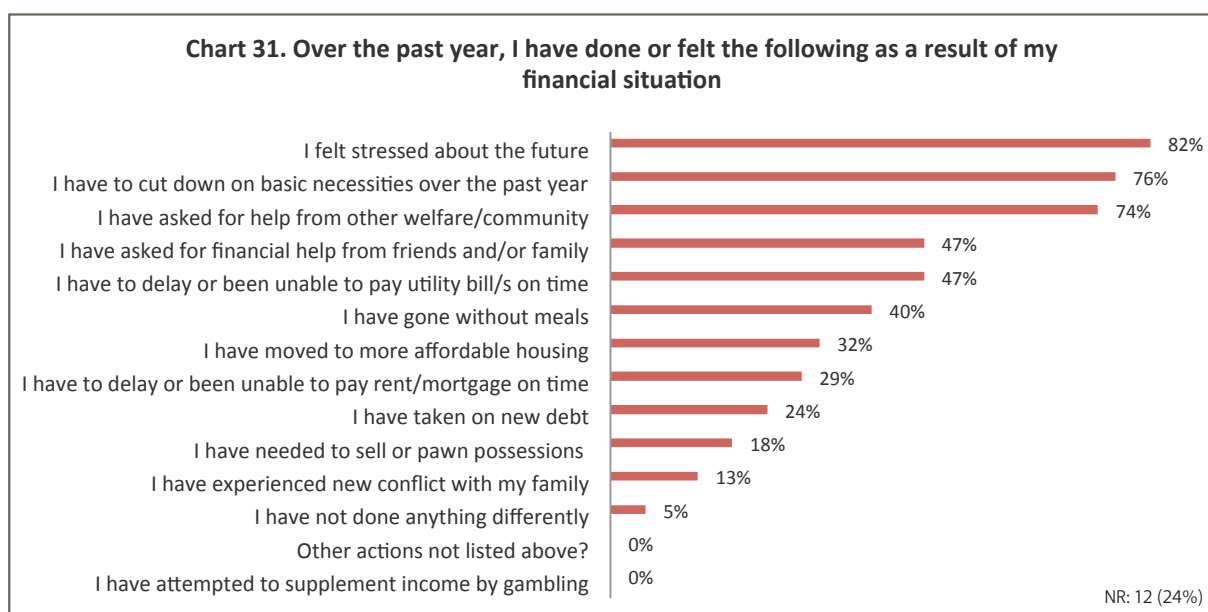
2 The total was more than 100% as each respondent can report more than one barrier to employment. Non-response of the asylum seeker/respondent barrier to employment was four respondents (8%).

Others also noted that they lacked the education, training or skills (six respondents). The comments of this cohort stressed that the language and culture was a significant barrier to employment.

*We need to have English classes to be able to go to work whenever we get our work visa.*

*Besides not having work allowance there are lots of other barriers like language. As I don't know it properly I think if I could work I might have lots of problem finding one.*

Chart 31 shows the impact that financial pressure has on asylum seekers/refugees. This group might be especially impacted by reduced income support payments, as some rely solely on the Red Cross and other community-based services.



Eighty-two per cent of respondents reported feeling stressed about their futures. Three quarters of respondents (76%) noted they had cut down on basic necessities and almost half had had to delay payment of utility bills. Forty per cent had gone with meals.

*It's really hard to get by. Especially the bills, gas, electricity and rents are very expensive.*

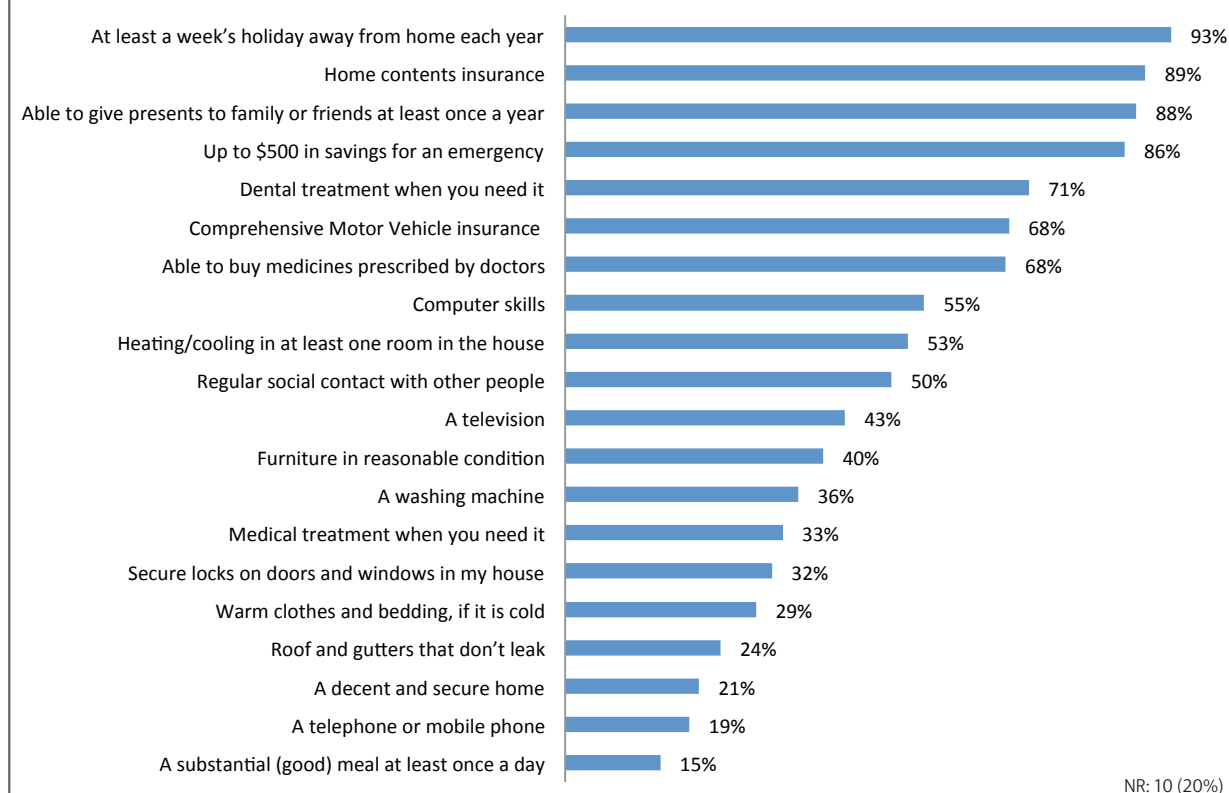
*In terms of food because we are a family of six, we sometimes have to cut down and eat less just so food can be enough for the next few days. The kids sometimes go without and this is disheartening.*

## Essentials of life

Similar to the general cohort, asylum seeker/refugee respondents reported foregoing many essential items because they were unable to afford them. They reported limited financial risk mitigation strategies (savings, insurances) and limited access to medical and dental care (Chart 32a, page 35).

Asylum seeker/refugee respondents also reported reduced living standards due to limited resources. Over 50 per cent (53%) were unable to afford cooling or heating in at least one room in their homes and 29 per cent reported a lack of warm bedding (Chart 32a).

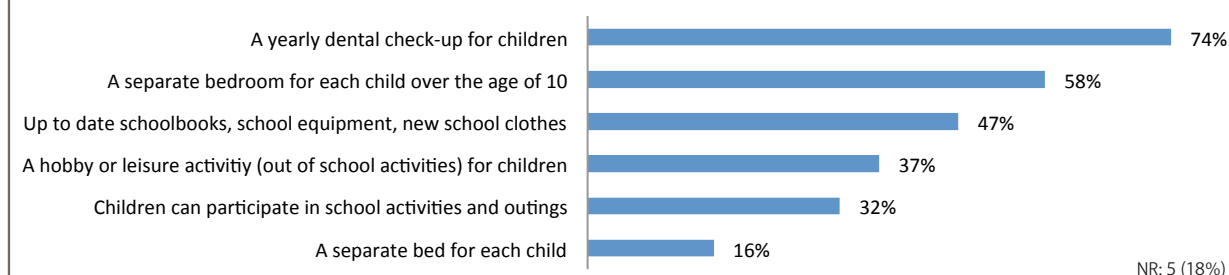
Fifty per cent of respondents reported being unable to afford regular contact with other people, and almost 90 per cent (88%) were unable to afford presents for family or friends (Chart 32a).

**Chart 32a. Asylum seekers/refugees: The Essentials of life - What I don't have**

Although representing a much smaller cohort, the children of asylum seekers were also much more disadvantaged than the general cohort. For example, 74 per cent of parents were unable to afford a yearly dental check-up for their children (Chart 32b).

Further, 47 per cent of respondents were unable to provide up to date school equipment for their children and over 30 per cent were unable to afford out of school activities (37%) or school activities and outings for their children (32%) (Chart 32b).

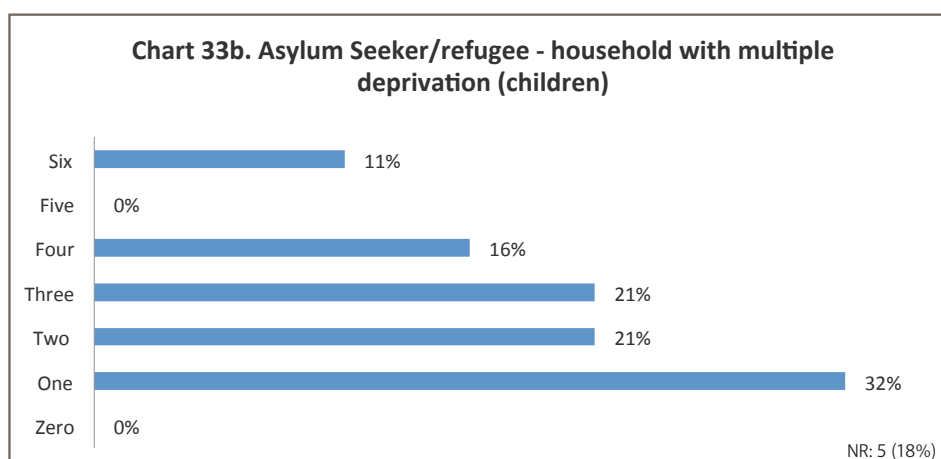
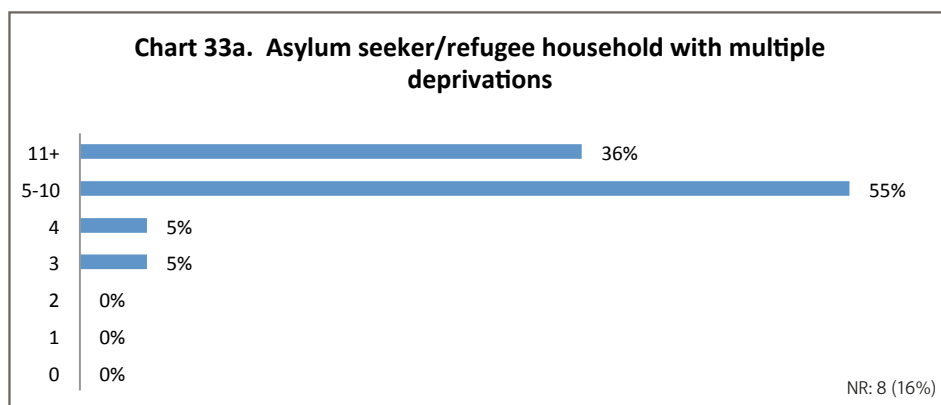
*Australia is very expensive. We don't have enough money, my son is suffering from asthma, and we cannot look after him properly. Doctors, medical care and medications are very expensive. We have no relatives, no friends in Australia. We feel very lonely and isolated.*

**Chart 32b. Children of asylum seekers/refugees: The essentials of life - What I don't have**





Results suggest that the level of multiple deprivations was more pronounced for the asylum seeker/refugee cohort compared to general cohort. All asylum seeker/refugee adults were doing without at least three items simultaneously, with 91 per cent were doing without over five items thus would be classified as living in severe deprivations (Chart 33a). This is compared to the general cohort, where 77 per cent are without over five essential items. Furthermore, all children within this cohort were reported to be without at least one essential item, while 11 per cent were reported to be deprived of all essential items (Chart 33b).



Asylum seeker/refugee respondents noted that their current level of financial support was not enough for the basic necessities of life e.g. the basic cost of living, housing and medical treatment. Of particular concern is that most asylum seekers with bridging visas receive inadequate or no income support payment and have no rights to work in the community. This will prevent them from making positive contributions to the society.

Two main themes were evident in the ESIS 2014 and are supported by comments made by participants:

- The impact of limited income security (asylum seekers are eligible for 89% of Newstart Allowance and have no work rights due to current visa restrictions).
- Lack of opportunities and ability to integrate into the community due to poor community networks, poor English language skills and lack of resources.

*It's so hard for the family not to work and afford for their life.*

*It is really hard to get by. Especially the bills, gas, electricity and rents are very expensive.*

*Sometimes kids want something we cannot buy. It's really upsetting not being able to buy things. My seven year old son doesn't understand our situation. It breaks my heart to say 'no' all the time. My teenage daughter at least understands that we cannot afford to buy things as we don't have any money.*

An area of significant impact for asylum seekers/refugees was in the area of their social connections, reflecting fewer support networks. They noted that poor English language skills were a hindrance to making connections and being able to get work.

*Because of not knowing the language properly, not have a suitable financial situation and not knowing where the places are to find friends, we have limitation to helpful networks.*

*I like to have better connections with Australian community in order to know their language and culture better but sometimes it's really hard to find somewhere for that.*



## conclusions

The Economic and Social Impact Survey 2014 continues to paint a bleak picture of the struggles of people with limited economic and social resources, reiterating the findings of the two former ESIS surveys in 2012 and 2013. ESIS 2014 shows the level of deprivation and disadvantage experienced by the marginalised community in Australia. Further, it seems that the level of deprivation felt by this group has remained unchanged over the three years' The Salvation Army has conducted the national ESIS studies. These results suggest that individuals and their families are deprived of the basic resources that are necessary to move them forward and out of their current hardships. Many of these individuals recognise the value of work and engagement in the community, but are hindered by socioeconomic and/or health barriers. It also appears that there are sub-groups of ESIS respondents who were particularly disadvantaged, namely those receiving Newstart Allowance who have a disability or health issues, and those receiving the Disability Support Pension. The Salvation Army is also concerned that the children in these households face a greater risk of socioeconomic exclusions, which may hinder the children's ability to secure future employment, build healthy social connections and break the cycle of poverty in their family.

ESIS 2014 took particular interest in reviewing the experiences of individuals in receipt of the Newstart Allowance and DSP, and also single parents and their children. ESIS 2014 assessed the barriers to engagement in workforce participation. Unfortunately, and of deep concern, ESIS findings suggest that these sub-groups are faring the worst and are significantly marginalised from the mainstream Australian community. In addition, ESIS 2014 looked at the experiences of asylum seekers/refugees currently residing within our communities. Although they represent a small cohort of ESIS 2014 respondents, their views and experiences are indicative of serious disadvantage and marginalisation faced by this group.

Over the past three years, ESIS reports have been conducted in an environment that has seen numerous legislative, funding, and social changes that have had significant impacts on individuals and families with financial hardships, as evidenced in current and past ESIS reports. In addition, these included changes to the Parenting Payments, and also the tightening of eligibility requirements for DSP. There is widespread social concern about issues such as youth unemployment, housing affordability, and the effect of poverty on children. The current ESIS 2014 report sits within an economic climate foreshadowing major changes to the transfer system and withdrawal of essential supports, such as the Schoolkids Bonus payments, and family tax benefits.

With the majority of ESIS respondents experiencing unemployment, The Salvation Army Australia strongly believes that there is a jobs crisis rather than a welfare crisis. On a very practical level, The Salvation Army recognises and supports the value of education and employment as key to movement out of poverty and disadvantage. A large proportion of respondents recognise that education, skills and employment are important steps toward breaking the cycle of poverty and building a good life for their family.

Findings within this report, raise serious concern about the future of employment of these individuals and their children. ESIS 2014 identified significant barriers faced by respondents, which have hindered their ability to participate in the workforce and/or to acquire education and skills required to secure future employment. Factors such as disability and health problems, caring responsibilities, and limited resources to engage in education or job searching, all appear to impede respondents' ability to gain sustainable employment. Additionally, there is a trend of employment decline in many "blue collar" jobs such as manufacturing and mining industries.<sup>1</sup> Instead, the biggest employment growth sectors in the next five years are estimated to be those related to higher education, such as health and education industries. Based on the ESIS results and comments from ESIS respondents, such opportunities are unlikely to be realistic or forthcoming for many within the ESIS cohorts due to lack of financial resources, caring duties and/or disability and health issues.

<sup>1</sup> Jericho, G., 2014, '838,100 new jobs, but few blue collars', ABC (The Drum), 2nd April, accessed 7th May 2014, <http://www.abc.net.au/news/2014-04-02/jericho-838100-new-jobs-but-few-with-blue-collars/5360042>

Further, age has also been identified as barriers to work in ESIS 2014, particularly for those of older age group (page 12). The age barrier has also been recognised as a national issue in recent years.<sup>1</sup> The Salvation Army believes that issues of age discrimination to employment and lack of workforce for those aged above 50 years needs to be addressed before implementing any policy to increase current pension age.<sup>2, 3</sup>

Without proper interventions, these barriers are likely to place the following groups at risk of long-term unemployment in the next five years, thus at a higher risk to be trapped on long-term poverty and entrenched deprivations:

- Those receiving income support payments or those with low income, and/or
- Individuals with disability/health issues or caring for family members with disability/health issues, and/or
- Workers of older age, and/or
- Those individuals with limited education, employment or relevant industry and workplace skills, including lack of real work experience.

The Salvation Army strongly advocates for policy directions and service models that alleviate these barriers and provide resources that allow individuals to build their skills, increase their financial resilience, and gain education or skills to increase their capability and competitiveness in securing sustainable employment in the changing employment environment and economic climate.

In addition, The Salvation Army recognises that in the current economic climate, there is a need for trade-offs and tough choices. Nevertheless, we strongly oppose changes that will further disadvantage those who are already significantly marginalised. It is very unlikely that shifting people to lower rates of income support will increase their workforce participation. On the contrary, such a shift may increase the incidence and the entrenchment of poverty, which will further hinder their ability to secure a sustainable employment as evidenced in various senate submissions and campaigns from community and business sectors to increase Newstart allowance.<sup>4, 5</sup>

Current job search and employment service programs are having little impact on those with significant disadvantage. The Salvation Army supports policy directions and initiatives that boost workforce participation and that provide real work experience and work based training. For example, increasing income thresholds for people on Newstart Allowance to levels comparable to those of the Parenting Payments and supporting real work placements linked to ongoing employment are such measures that could be pursued. As stated in its pre-budget submission for the 2014-2015 federal budget<sup>6</sup> The Salvation Army strongly supports policy directions and service models that emphasise employability skills, meaningful work experiences that provide employment skills and opportunities, alongside partnerships in local communities that encourage the development of local supports and initiatives.

A very real issue is the support for families to ensure their children continue to engage in education and training. ESIS 2014 clearly identifies that many children of parents on income support are being deprived of learning opportunities through school and in mainstream recreational activities. The potential long term impacts are concerning, particularly in light of proposed changes to Schoolkids Bonus, child care rebates and Family Tax Benefits.

Housing affordability and access continues to remain a very real issue for this cohort. Forty-two per cent of ESIS 2014 respondents were in private rental and 14 per cent reported being homeless or in unstable accommodation. Twenty-eight per cent were delaying rent payments due to economic hardship. The impact of rising private rental costs and

1 Wilson, C., 2013, 'Unemployment among older Australians a national disaster, age discrimination commissioner says', ABC News, 3rd November, accessed: 7th May, < <http://www.abc.net.au/news/2013-11-02/older-people-struggle-to-reenter-workforce/5065854>>

2 Massola, J., 2014, 'Retirement age rise to 70 by 2035, Joe Hockey announces', Sydney Morning Herald, 2nd May, accessed: 7th May 2014, < <http://www.smh.com.au/federal-politics/political-news/retirement-age-rise-to-70-by-2035-joe-hockey-announces-20140502-zr318.html>>

3 Featherstone, T., 2013, 'Do businesses want older workers?', Sydney Morning Herald, 26th November, accessed: 7th May 2014, < <http://www.smh.com.au/small-business/managing/blogs/the-venture/do-businesses-want-older-workers-20131126-2y6re.html>>

4 ACOS, 2013, '\$35 a day: not enough to live on', ACOS, accessed 7th May 2013, <http://www.acos.org.au/images/uploads/ACOS%20Newstart%20Brochure%202013.pdf>

5 Business Council Australia, 2012, 'Submission to the Senate Education, Employment and Workplace Relations References Committee Inquiry into the Adequacy of the Allowance Payment System for Jobseekers and Others', BCA.

6 The Salvation Army (2014) Australia Pre-Budget Submission 2014-2015 Federal Budget. The Salvation Army, Blackburn, Victoria.



the diminishing public housing stock leave few options and are likely having a negative impact on the health and wellbeing of individuals with already constrained financial capacity. As noted in The Salvation Army's pre-budget submission for the 2014-2015 federal budget,<sup>1</sup>

*Recognising the intrinsic links between low income, housing affordability and risk of homelessness, The Salvation Army emphasises that without an increase in social security allowance payments, rent assistance and national measures that support and drive low cost housing supply, housing stress will continue to increase for people and families on low income, increasing their risk of homelessness.*

The Salvation Army's ER services nationally are experiencing increasing demand from asylum seekers living on bridging visas and refugees, who find themselves in increasing disadvantage and desperation.<sup>2</sup> Under their visa conditions, the vast majority of asylum seekers have no rights to work or study, and received minimum or no income support payments. The report suggests that children of asylum seekers and refugees are among those experiencing the highest deprivation, as every single child within this group was reported to be deprived of at least one essential item. The results strongly support the need to provide financial and social resources to these families in a way that directly addresses their basic human rights and to reduce the level of children's deprivation to a minimum level.

The Salvation Army has an extensive history and established reputation for working with individuals and families who are impacted by poverty and deprived of opportunities and activities considered part of everyday life within Australia. The Salvation Army's imperative has always been to advocate for a just and equitable approach to addressing the causes and influences of disadvantage and poverty. ESIS 2014 confirms the need for this work to continue. Whilst the barriers to employment, education and training exist and fail to meet the needs of those wanting to work, it is important that economic and social supports exist to ensure individuals and families do not fall even further into disadvantage and poverty. At a very practical level, provision of and access to emergency relief is a safety net for many within our communities and provides an essential buffer. As one respondent noted,

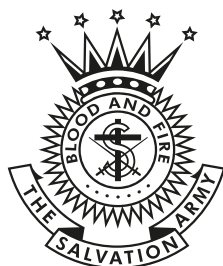
*It's a very demoralising situation to be in. I have been employed for 25 years and have never received unemployment benefits. It's been the toughest time in my life. I haven't anything left to sell. I just want to be normal, which isn't happening lately. It's very depressing.*

The individuals and families represented within ESIS 2014 are no different to the majority of the Australian community in their wish to provide adequately for themselves and their families: to put food on the table, pay bills, provide opportunities for their children and to engage in work and participate actively in their communities. Restricted economic and social resources however define their experiences of deprivation and poverty. Along with its predecessors, the 2014 ESIS report depicts the experiences of deprivation and poverty of those most disadvantaged and marginalised. These findings communicate an imperative that the Salvation Army continues to advocate for these individuals, and works to alleviate the burden of social and economic disadvantage in every way possible.

*Yes, life is very hard, but thank God for the Salvos. That little bit of help and a smile makes life a bit better, and that's how I feel today.*

1 Op cit.) p 9.

2 Australian Human Rights Commission, 2013, *Tell Me About: Bridging Visas for Asylum Seekers*, accessed 7th May 2014, <<https://www.humanrights.gov.au/publications/tell-me-about-bridging-visas-asylum-seekers>>



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